

Reprinted

SENATE FILE 462
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SSB 344)

Passed Senate, ^(p.949) Date 3-29-95 Passed ^(p.1476) House, Date 4-11-95
Vote: Ayes 49 Nays 0 Vote: Ayes 82 Nays 16
Approved April 27, 1995

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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SENATE FILE 462

S-3293

1 Amend Senate File 462 as follows:
2 1. Page 38, line 10, by striking the figure
3 "70th" and inserting the following: "71st".
By LYLE E. ZIEMAN

S-3293 FILED MARCH 29, 1995

LOST ^(p. 948)

S.F. 462

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, 1995, and ending June 30, 1996, 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 \$ 32,820,032

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

12 2. Notwithstanding section 239.6, the department is not
13 required to reconsider eligibility of family investment
14 program recipients every six months if a federal waiver is
15 granted.

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

27 4. The department shall consolidate the individual
28 planning and agreement provisions of the family investment
29 program and the family development and self-sufficiency grant
30 program to ensure service coordination by providing that if a
31 recipient is participating in the grant program, the
32 recipient's family investment agreement shall be developed or
33 revised in consultation with the family development and self-
34 sufficiency grant program worker.

35 Sec. 2. EMERGENCY ASSISTANCE. There is appropriated from

1 the general fund of the state to the department of human
2 services for the fiscal year beginning July 1, 1995, and
3 ending June 30, 1996, the following amount, or so much thereof
4 as is necessary, to be used for the purpose designated:

5 For emergency assistance to families with dependent
6 children for homeless prevention programs:
7 \$ 1,767,500

8 1. The emergency assistance provided for in this section
9 shall be available beginning October 1 of the fiscal year and
10 shall be provided only if all other publicly funded resources
11 have been exhausted. Specifically, emergency assistance is
12 the program of last resort and shall not supplant assistance
13 provided by the low-income home energy assistance program
14 (LIHEAP), county general relief, and veterans affairs
15 programs. The department shall establish a \$500 maximum
16 payment, per family, in a twelve-month period. The emergency
17 assistance includes, but is not limited to, assisting people
18 who face eviction, potential eviction, or foreclosure, utility
19 shutoff or fuel shortage, loss of heating energy supply or
20 equipment, homelessness, utility or rental deposits, or other
21 specified crisis which threatens family or living
22 arrangements. The emergency assistance shall be available to
23 migrant families who would otherwise meet eligibility
24 criteria. The department may contract for the administration
25 and delivery of the program. The program shall be terminated
26 when funds are exhausted.

27 2. For the fiscal year beginning July 1, 1995, the
28 department shall establish a process for the state to receive
29 refunds of rent deposits for emergency assistance recipients
30 which were paid by persons other than the state. The refunds
31 received by the department under this subsection shall be
32 deposited with the moneys of the appropriation made in this
33 section and used as additional funds for the emergency
34 assistance program. Notwithstanding section 8.33, moneys
35 received by the department under this subsection which remain

1 after the emergency assistance program is terminated and state
2 moneys in the emergency assistance account which remain
3 unobligated or unexpended at the close of the fiscal year
4 shall not revert to the general fund of the state but shall
5 remain available for expenditure when the program resumes
6 operation on October 1 in the succeeding fiscal year.

7 Sec. 3. MEDICAL ASSISTANCE. There is appropriated from
8 the general fund of the state to the department of human
9 services for the fiscal year beginning July 1, 1995, and
10 ending June 30, 1996, the following amount, or so much thereof
11 as is necessary, to be used for the purpose designated:

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

16 \$351,496,521

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

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

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

24 c. The pregnancy is the result of a rape which is reported
25 within 45 days of the incident to a law enforcement agency or
26 public or private health agency which may include a family
27 physician.

28 d. The pregnancy is the result of incest which is reported
29 within 150 days of the incident to a law enforcement agency or
30 public or private health agency which may include a family
31 physician.

32 e. Any spontaneous abortion, commonly known as a
33 miscarriage, if not all of the products of conception are
34 expelled.

35 2. Notwithstanding section 8.39, the department may

1 transfer funds appropriated in this section to a separate
2 account established in the department's case management unit
3 for expenditures required to provide case management services
4 for mental health, mental retardation, and developmental
5 disabilities services under medical assistance which are
6 jointly funded by the state and county, pending final
7 settlement of the expenditures. Funds received by the case
8 management unit in settlement of the expenditures shall be
9 used to replace the transferred funds and are available for
10 the purposes for which the funds were appropriated in this
11 section.

12 3. If a medical assistance recipient is more than 17 years
13 of age and is receiving care which is reimbursed under a
14 federally approved home and community-based services waiver
15 but would otherwise be approved for care in an intermediate
16 care facility for the mentally retarded, the recipient's
17 county of legal settlement shall reimburse the department on a
18 monthly basis for the portion of the recipient's cost of care
19 which is not paid from federal funds.

20 4. a. The county of legal settlement shall be billed for
21 50 percent of the nonfederal share of the cost of case
22 management provided for adults, day treatment, and partial
23 hospitalization in accordance with sections 249A.26 and
24 249A.27, and 100 percent of the nonfederal share of the cost
25 of care for adults which is reimbursed under a federally
26 approved home and community-based waiver that would otherwise
27 be approved for provision in an intermediate care facility for
28 the mentally retarded, provided under the medical assistance
29 program. The state shall have responsibility for the
30 remaining 50 percent of the nonfederal share of the cost of
31 case management provided for adults, day treatment, and
32 partial hospitalization. For persons without a county of
33 legal settlement, the state shall have responsibility for 100
34 percent of the nonfederal share of the cost of case management
35 provided for adults, day treatment, partial hospitalization,

1 and the home and community-based waiver services. The case
2 management services specified in this subsection shall be
3 billed to a county only if the services are provided outside
4 of a managed care contract. The department may adopt
5 emergency rules to implement the provisions of this
6 subsection.

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

12 c. Medical assistance funding for case management services
13 for eligible persons 17 years of age and younger shall also be
14 provided to persons residing in counties with child welfare
15 decategorization projects implemented in accordance with
16 section 232.188, provided these projects have included these
17 persons in their service plan and the decategorization project
18 county is willing to provide the nonfederal share of costs.

19 d. The state shall pay the entire nonfederal share of
20 intermediate care facilities for the mentally retarded (ICFMR)
21 costs for eligible persons 17 years of age and younger.

22 e. When paying the necessary and legal expenses of
23 intermediate care facilities for the mentally retarded
24 (ICFMR), the cost payment requirements of section 222.60 shall
25 be considered fulfilled when payment is made in accordance
26 with the medical assistance payment rates established for
27 ICFMRs by the department and the state or a county of legal
28 settlement is not obligated for any amount in excess of the
29 rates.

30 5. The department may adopt and implement administrative
31 rules regarding a prepaid mental health services plan for
32 medical assistance patients. The rules shall include but not
33 be limited to service provider standards, service
34 reimbursement, and funding mechanisms. Notwithstanding the
35 provisions of subsection 4, paragraph "a", of this section and

1 section 249A.26, requiring counties to pay all or part of the
2 nonfederal share of certain services provided to persons with
3 disabilities under the medical assistance program, the state
4 shall pay 100 percent of the nonfederal share of any services
5 included in the plan implemented pursuant to this subsection.

6 6. The department shall utilize not more than \$60,000 of
7 the funds appropriated in this section to continue the
8 AIDS/HIV health insurance premium payment program as
9 established in 1992 Iowa Acts, Second Extraordinary Session,
10 Chapter 1001, section 409, subsection 6. Of the funds
11 allocated in this subsection, not more than \$10,000 may be
12 expended for administrative purposes.

13 7. Contingent upon federal approval of a waiver, the
14 department shall adopt administrative rules to establish the
15 requirements for the alternative nursing home pilot project.

16 8. The department of human services shall use not more
17 than \$47,368 to employ not more than 2 FTEs to develop and
18 implement a medical assistance home and community-based waiver
19 for persons with brain injury who currently reside in a
20 medical institution and who have been residents of a medical
21 institution for a minimum of thirty days.

22 9. Of the funds appropriated to the Iowa department of
23 health for substance abuse grants, \$950,000 for the fiscal
24 year beginning July 1, 1995, shall be transferred to the
25 department of human services to implement an integrated
26 substance abuse managed care system. The department of human
27 services in conjunction with the Iowa department of health and
28 other appropriate state agencies may adopt and implement
29 emergency rules to establish a prepaid substance abuse
30 treatment plan for medical assistance recipients. The rules
31 shall include but are not limited to defining the structure of
32 the program, establishing the scope of services to be provided
33 in the program, including, but not limited to, establishing
34 client eligibility for prepaid substance abuse treatment
35 services, establishing the basis and the rate of reimbursement

1 for the program, defining the expected outcome measures of the
2 program, and defining a client appeals process. However,
3 nothing in the rules shall condition provider eligibility to
4 render services under this program upon the scope of services
5 rendered by a provider or upon provider licensure,
6 certification, or corporate structure. The department of
7 human services and the Iowa department of public health shall
8 evaluate methods for inclusion of court-ordered detoxification
9 services in the substance abuse managed care program and shall
10 provide recommendations regarding inclusion of the services in
11 the program to the general assembly on or before December 1,
12 1995.

13 10. The department shall not require prior authorization
14 for any prescription drug for which reimbursement is provided
15 under the medical assistance program if prior authorization
16 was not required on or before March 1, 1995. Beginning
17 September 1, 1995, the department shall establish and
18 implement an educational program, through the drug utilization
19 review commission, to review and encourage the use of generic
20 bioequivalent drugs under the medical assistance program, when
21 medically appropriate. In establishing the program, the
22 department shall consult with state associations which
23 represent physicians. Prior authorization shall not be
24 required for clozapine in addition to the standards for
25 clozapine existing in administrative rules in effect on March
26 1, 1995.

27 11. The department of human services shall, when it is
28 economically beneficial, implement maximum allowable costs for
29 multiple source drugs in accordance with federal guidelines.

30 12. The department shall develop strategies to address
31 administrative and provider concerns associated with
32 discretionary medical assistance provided to individuals and
33 families pursuant to section 249A.3, subsection 4, and the
34 provisions relating to the expenditure of income to a level
35 which qualifies the individual or family as eligible for par-

1 ticipation in the medical assistance program. The department
2 shall submit a report regarding the strategies developed to
3 the general assembly on or before November 30, 1995.

4 13. The department may seek qualification of supervised
5 community treatment for children under the medical assistance
6 program.

7 14. The department shall amend the department's current
8 home and community-based waivers under medical assistance to
9 include "consumer directed attendant care" as allowed by
10 federal regulation. The department shall also develop and
11 implement a new home and community-based waiver for persons
12 with physical disabilities as a means to further develop the
13 personal assistance services program under section 225C.46.
14 The waiver shall not be implemented in a manner which would
15 require additional county or state costs for assistance
16 provided to an individual served under the waiver. A waiver
17 amended, developed, or implemented pursuant to this subsection
18 shall be consistent with the provisions of the appropriation
19 in this Act for a personal assistance services pilot project
20 and the provisions of chapter 255C relating to personal
21 assistance services.

22 Sec. 4. MEDICAL CONTRACTS. There is appropriated from the
23 general fund of the state to the department of human services
24 for the fiscal year beginning July 1, 1995, and ending June
25 30, 1996, the following amount, or so much thereof as is
26 necessary, to be used for the purpose designated:

27 For medical contracts:
28 \$ 6,226,400

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

31 2. The department may use not more than \$22,500 of the
32 funds appropriated in this section for contracting for the
33 rebasing-recalibration of the ambulatory patient grouping
34 system.

35 3. The department may use not more than \$75,000 of the

1 funds appropriated in this section for the independent
2 evaluation of the prepaid mental health services plan.

3 Sec. 5. STATE SUPPLEMENTARY ASSISTANCE. There is
4 appropriated from the general fund of the state to the
5 department of human services for the fiscal year beginning
6 July 1, 1995, and ending June 30, 1996, the following amount,
7 or so much thereof as is necessary, to be used for the purpose
8 designated:

9 For state supplementary assistance:

10 \$ 19,115,000

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

18 2. a. If during the fiscal year beginning July 1, 1995,
19 the department projects that state supplementary assistance
20 expenditures for a calendar year will not meet the federal
21 pass-along requirement specified in Title XVI of the federal
22 Social Security Act, section 1618, as codified in 42 U.S.C. §
23 1382g, the department may take actions including but not
24 limited to increasing the personal needs allowance for
25 residential care facility residents and making programmatic
26 adjustments or upward adjustments of the residential care
27 facility or in-home health-related care reimbursement rates
28 prescribed in this Act to ensure that federal requirements are
29 met. The department may adopt emergency rules to implement
30 the provisions of this subsection.

31 b. If during the fiscal year beginning July 1, 1995, the
32 department projects that state supplementary assistance
33 expenditures will exceed the amount appropriated, the
34 department may transfer funds appropriated in this Act for
35 medical assistance for the purposes of the state supplementary

1 assistance program. However, funds shall only be transferred
2 from the medical assistance appropriation if the funds
3 transferred are projected to be in excess of the funds
4 necessary for the medical assistance program.

5 Sec. 6. CHILD DAY CARE ASSISTANCE. There is appropriated
6 from the general fund of the state to the department of human
7 services for the fiscal year beginning July 1, 1995, and
8 ending June 30, 1996, the following amount, or so much thereof
9 as is necessary, to be used for the purposes designated:

10 For protective child day care assistance and state child
11 care assistance:

12 \$ 8,747,259

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

15 2. Of the funds appropriated in this section, \$3,930,934
16 shall be used for state child care assistance.

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

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

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

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

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

31 4. a. For state child care assistance, eligibility shall
32 be limited to children whose family income is equal to or less
33 than 100 percent of the United States office of management and
34 budget poverty guidelines. However, on or after October 1,
35 1995, the department may increase the income eligibility limit

1 to be equal to or less than 75 percent of the Iowa median
2 family income.

3 b. Migrant seasonal farm worker families whose family
4 income is equal to or less than 100 percent of the United
5 States office of management and budget poverty guidelines are
6 eligible for state child care assistance. The monthly family
7 income shall be determined by calculating the total amount of
8 family income earned during the 12-month period preceding the
9 date of application for the assistance and dividing the total
10 amount by 12. For purposes of eligibility for state child
11 care assistance, a migrant seasonal farm worker is an
12 individual to which all of the following conditions apply:

13 (1) The worker performs seasonal agricultural work which
14 requires travel so that the worker is unable to return to the
15 worker's permanent residence within the same day.

16 (2) Most of the worker's income is derived from seasonal
17 agricultural work performed during the months of July through
18 October.

19 (3) The worker generally performs seasonal agricultural
20 work in this state during the months of July through October.

21 c. The department may adopt administrative rules to comply
22 with the federal child care development block grant and
23 federal at-risk child care program; to streamline the existing
24 day care program; and to deliver the services within state and
25 federal funds appropriated.

26 d. Nothing in this section shall be construed or is
27 intended as, or shall imply, a grant of entitlement for
28 services to persons who are eligible for assistance due to an
29 income level consistent with the requirements of this section.
30 Any state obligation to provide services pursuant to this
31 section is limited to the extent of the funds appropriated in
32 this section.

33 5. The department shall develop, in cooperation with child
34 day care resource and referral services and with the state
35 child day care advisory council, incentives to encourage the

1 registration of child day care providers and shall report the
2 recommendations developed to the chairpersons and the ranking
3 members of the joint appropriations subcommittee on human
4 services on or before January 1, 1996.

5 6. Of the funds appropriated in this section, \$640,270 is
6 allocated for the statewide program for child day care
7 resource and referral services under section 237A.26.

8 7. 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 8. Of the funds appropriated in this section, \$1,679,769
12 shall be used for transitional child care assistance.

13 9. During the 1995-1996 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 appropriated for that purpose in this
17 section.

18 Sec. 7. JOBS PROGRAM. 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, 1995, and ending June
21 30, 1996, the following amount, or so much thereof as is
22 necessary, to be used for the purposes designated:

23 For the federal-state job opportunities and basic skills
24 (JOBS) program, food stamp employment and training program,
25 family development and self-sufficiency grants,
26 entrepreneurial training, and implementing family investment
27 agreements, in accordance with this section:

28 \$ 11,935,189

29 1. Of the funds appropriated in this section, \$11,025,889
30 is allocated for the JOBS program.

31 2. The department shall continue to contract for services
32 in developing, delivering, and monitoring an entrepreneurial
33 training waiver program to provide technical assistance in
34 self-employment training to families which receive assistance
35 under the family investment program, contingent upon federal

1 approval of waiver renewal requests.

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

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

7 a. Not more than 5 percent of the funds allocated in this
8 subsection shall be used for the administration of the grant
9 program.

10 b. Federal funding matched by state, county, or other
11 funding which is not appropriated in this section shall be
12 deposited in the department's JOBS account. If the match
13 funding is generated by a family development and self-
14 sufficiency grantee, the federal funding received shall be
15 used to expand the family development and self-sufficiency
16 grant program. If the match funding is generated by another
17 source, the federal funding received shall be used to expand
18 the grant program or the JOBS program. The department may
19 adopt emergency rules to implement the provisions of this
20 paragraph.

21 c. Based upon the annual evaluation report concerning each
22 grantee funded by this allocation, the family development and
23 self-sufficiency council may use funds allocated to renew
24 grants.

25 Sec. 8. CHILD SUPPORT RECOVERY. There is appropriated
26 from the general fund of the state to the department of human
27 services for the fiscal year beginning July 1, 1995, and
28 ending June 30, 1996, the following amount, or so much thereof
29 as is necessary, to be used for the purposes designated:

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

33	\$ 6,397,505
34	FTEs 226.22

35 1. The director of human services, within the limitations

1 of the funds appropriated in this section, or funds
2 transferred from the family investment program for this
3 purpose, shall establish new positions and add employees to
4 the child support recovery unit if the director determines
5 that both the current and additional employees together can
6 reasonably be expected to maintain or increase net state
7 revenue at or beyond the budgeted level. If the director adds
8 employees, the department shall demonstrate the cost-
9 effectiveness of the current and additional employees by
10 reporting to the joint appropriations subcommittee on human
11 services the ratio of the total amount of administrative costs
12 for child support recoveries to the total amount of the child
13 support recovered.

14 2. Nonpublic assistance application and user fees received
15 by the child support recovery program are appropriated and
16 shall be used for the purposes of the child support recovery
17 program. The director of human services may add positions if
18 fees collected relating to the new positions are sufficient to
19 pay the salaries and support for the positions. The director
20 shall report any positions added pursuant to this subsection
21 to the chairpersons and ranking members of the joint
22 appropriations subcommittee on human services and the
23 legislative fiscal bureau.

24 3. The director of human services, in consultation with
25 the department of management and the legislative fiscal
26 committee, is authorized to receive and deposit state child
27 support incentive earnings in the manner specified under
28 applicable federal requirements.

29 4. The director of human services may establish new
30 positions and add state employees to the child support
31 recovery unit if the director determines the employees are
32 necessary to replace county-funded positions eliminated due to
33 termination, reduction, or nonrenewal of a chapter 28E
34 contract. However, the director must also determine that the
35 resulting increase in the state share of child support

1 recovery incentives exceeds the cost of the positions, the
2 positions are necessary to ensure continued federal funding of
3 the program, or the new positions can reasonably be expected
4 to recover more than twice the amount of money to pay the
5 salaries and support for the new positions.

6 5. The child support recovery unit shall continue to work
7 with the judicial department to determine the feasibility of a
8 pilot project utilizing a court-appointed referee for judicial
9 determinations on child support matters. The extent and
10 location of any pilot project shall be jointly developed by
11 the judicial department and the child support recovery unit.

12 6. The department shall spend up to \$50,000, including
13 federal financial participation, for the fiscal year beginning
14 July 1, 1995, for continuation of the child support public
15 awareness campaign. The department shall continue to
16 cooperate with the office of the attorney general in
17 continuation of the campaign.

18 7. The department shall continue the pilot program option
19 to provide and supervise a community service pilot project for
20 absent parents who are ordered by the court to perform
21 community service for failure to pay child support pursuant to
22 section 598.23A.

23 8. The director of human services may enter a contract
24 with private collection agencies to collect support payments
25 for cases which have been identified by the department as
26 difficult collection cases if the department determines that
27 this form of collection is more cost effective than
28 departmental collection methods. The director may use a
29 portion of the state share of funds collected through this
30 means to pay the costs of any contracts authorized under this
31 subsection.

32 9. The department shall employ at least one full-time
33 equivalent position to respond to telephone inquiries during
34 all weekly business hours.

35 Sec. 9. JUVENILE INSTITUTIONS. There is appropriated from

1 the general fund of the state to the department of human
2 services for the fiscal year beginning July 1, 1995, and
3 ending June 30, 1996, the following amount, or so much thereof
4 as is necessary, to be used for the purposes designated:

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

9 For the state juvenile institutions:

10 \$ 13,487,062
11 FTEs 320.77

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

15 \$ 4,984,184
16 FTEs 118.54

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

20 \$ 8,502,878
21 FTEs 202.23

22 3. During the fiscal year beginning July 1, 1995, the
23 population levels at the state juvenile institutions shall not
24 exceed the population guidelines established under 1990 Iowa
25 Acts, chapter 1239, section 21.

26 4. Each state juvenile institution shall apply for
27 adolescent pregnancy prevention grants for the fiscal year
28 beginning July 1, 1995.

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

33 Sec. 10. CHILD AND FAMILY SERVICES. There is appropriated
34 from the general fund of the state to the department of human
35 services for the fiscal year beginning July 1, 1995, and

1 ending June 30, 1996, the following amount, or so much thereof
2 as is necessary, to be used for the purpose designated:

3 For child and family services:

4 \$ 83,384,244

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

14 2. a. Of the funds appropriated in this section, up to
15 \$20,937,703 is allocated for group foster care maintenance and
16 services. For the fiscal year beginning July 1, 1995, the
17 statewide target, as provided in section 232.143, for the
18 daily average number of children placed in group foster care
19 services which are a charge upon or paid for by the state
20 shall be 1,220. Notwithstanding the statewide target
21 established in this subsection and sections 232.52, 232.102,
22 232.117, 232.127, and 232.182, a target established in a
23 region's group foster care plan developed pursuant to section
24 232.143 may be exceeded, a group foster care placement may be
25 ordered, and state payment may be made if a clinical
26 assessment and consultation team finds that the placement is
27 necessary to meet the child's needs. The department and the
28 courts shall work together to ensure that a region's group
29 foster care expenditures shall not exceed the funds allocated
30 to the region for group foster care placements in the 1995-
31 1996 fiscal year. However, regions may transfer bed days
32 between regions as necessary to meet group foster care needs.
33 The department may adopt administrative rules to implement the
34 provisions of this paragraph.

35 b. In each quarter of the fiscal year, the department

1 shall compare the actual number of group foster care
2 placements in a region and the targets allocated to the region
3 for that quarter. The department shall develop a methodology
4 to provide, within the funds allocated in this subsection,
5 fiscal incentives to regions which have reduced the number or
6 length of group foster care placements.

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

12 d. Notwithstanding the formula specified in section
13 232.143, subsection 1, the department and the judicial
14 department shall develop a formula for allocating a portion of
15 the statewide target to each of the department's regions based
16 on factors determined by the department and the judicial
17 department which may include but are not limited to historical
18 usage of group foster care beds and indicators of need for
19 group foster care placements. The formula shall be
20 established by May 1, 1995. The department may adopt
21 emergency rules to implement the provisions of this paragraph.

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

27 f. (1) Of the funds appropriated in this section, not
28 more than \$6,439,398 is allocated as the state match funding
29 for psychiatric medical institutions for children.

30 (2) Based upon the director's decision pursuant to 1994
31 Iowa Acts, chapter 1186, section 10, subsection 19, regarding
32 the managed care approaches for determining service necessity
33 for children served by psychiatric medical institutions for
34 children (PMICs), the department may transfer all or a portion
35 of the moneys appropriated in this section for PMICs to the

1 appropriation in this Act for medical assistance and may amend
2 the managed mental health care contract to include PMICs, and
3 may increase the statewide target for group foster care
4 placements in paragraph "a" of this subsection, accordingly.
5 The department may adopt emergency rules to implement the
6 provisions of this paragraph.

7 g. Of the funds allocated in this subsection, not more
8 than \$995,764 is allocated as the state match funding for 50
9 highly structured juvenile program beds.

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

14 4. In accordance with the provisions of section 232.188,
15 the department shall continue the program to decategorize
16 child welfare services in additional counties or clusters of
17 counties.

18 5. Of the funds appropriated in this section, up to
19 \$96,512 is allocated for continued foster care services to a
20 child who is 18 years of age or older in accordance with the
21 provisions of section 234.35, subsection 3, paragraph "c".
22 However, if funding in this appropriation would remain
23 unobligated at the end of the fiscal year, the allocation in
24 this subsection may be exceeded to the extent necessary to
25 provide the continued foster care services. The department
26 shall distribute the moneys allocated in this subsection to
27 the department's regions based on each region's proportion of
28 the total number of children placed in foster care on March 31
29 preceding the beginning of the fiscal year, who, during the
30 fiscal year would no longer be eligible for foster care due to
31 age.

32 6. Notwithstanding section 232.142, subsection 3, the
33 financial aid paid by the state for the establishment,
34 improvements, operation, and maintenance of county or
35 multicounty juvenile detention homes in the fiscal year

1 beginning July 1, 1995, shall be limited to \$872,500. Funds
2 allocated in this subsection shall be prorated among eligible
3 detention homes.

4 7. The amount of the appropriation made in this section
5 available for foster care is based upon expansion of the
6 number of children in foster care who are eligible for federal
7 supplemental security income (SSI). The department may use up
8 to \$300,000 of those funds to enter into a performance-based
9 contract to secure SSI benefits for children placed in foster
10 care. The contract shall include provisions for training of
11 department of human services and juvenile court staff,
12 completion of applications, tracking of application results,
13 and representation during the appeals process whenever an
14 appeal is necessary to secure SSI benefits. Notwithstanding
15 section 217.30 and section 232.2, subsection 11, and any other
16 provision of law to the contrary, the director or the
17 director's designee on behalf of a child in foster care may
18 release medical, mental health, substance abuse, or any other
19 information necessary only to determine the child's
20 eligibility for SSI benefits, and may sign releases for the
21 information. In any release of information made pursuant to
22 this subsection, confidentiality shall be maintained to the
23 maximum extent possible.

24 8. A portion of the funds appropriated in this section may
25 be used for emergency family assistance to provide other
26 resources required for a family participating in a family
27 preservation or reunification project to stay together or to
28 be reunified.

29 9. Notwithstanding section 234.35, subsection 1, for the
30 fiscal year beginning July 1, 1995, state funding for shelter
31 care paid pursuant to section 234.35, subsection 1, paragraph
32 "h", shall be limited to \$3,383,736. The department may adopt
33 emergency rules to implement the provisions of this
34 subsection.

35 10. Of the funds appropriated in this section, not more

1 than \$512,862 may be used to develop and maintain the state's
2 implementation of the national adoption and foster care
3 information system pursuant to the requirements of Pub. L. No.
4 99-509. The department may transfer funds as necessary from
5 the appropriations in this Act for field operations and
6 general administration to implement this subsection. Moneys
7 allocated in accordance with this subsection shall be
8 considered encumbered for the purposes of section 8.33.

9 11. Of the funds appropriated in this section, a portion
10 may be used for respite services to families of children with
11 mental retardation or other developmental disabilities, who
12 would otherwise enter or continue group care or foster family
13 home placement. The department may adopt administrative rules
14 to implement the provisions of this subsection.

15 12. Of the funds appropriated in this section, up to
16 \$673,217 may be used as determined by the department for any
17 of the following purposes:

18 a. For general administration of the department to improve
19 staff training efforts.

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

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

25 d. For specialized permanency planning field operations
26 staff.

27 13. The department may adopt administrative rules to
28 implement outcome-based child welfare services pilot projects.
29 The rules may include, but are not limited to, the development
30 of program descriptions, provider licensing and certification
31 standards, reimbursement and payment amounts, contract
32 requirements, assessment and service necessity requirements,
33 eligibility criteria, claims submission procedures, and
34 accountability standards.

35 14. Of the funds appropriated in this section, up to

1 \$133,230 may be used to develop a performance-based monitoring
2 program to evaluate and improve outcomes for children and
3 families. The department may adopt administrative rules to
4 implement this subsection.

5 15. The department may develop, within the funds
6 available, a pilot kinship care project to enhance family
7 involvement in the development of the permanency plan required
8 under chapter 232 for children who are removed from their
9 homes. The project components may include family involvement
10 before and after removal of the child and shall stress safety
11 for the child.

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

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

20 b. The child has lived with the potential guardian for at
21 least six months.

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

25 d. The placement does not require departmental
26 supervision.

27 The financial assistance provided shall be in the same
28 amount as provided for family foster care. For purposes of
29 medical assistance and child support recovery, these payments
30 shall be considered foster care payments.

31 17. Of the funds appropriated in this section, up to
32 \$175,000 may be used to establish and maintain a truancy pilot
33 initiative in the fifth judicial district which shall be
34 directed to keeping targeted youth in school by providing
35 noneducational supportive and therapy services both inside and

1 outside the school setting. The department may adopt
2 administrative rules to implement supportive and therapy
3 services in the truancy pilot initiative. The rules may
4 include, but are not limited to, the development of program
5 descriptions, certification standards, reimbursement, contract
6 requirements, and eligibility and accountability standards.

7 Sec. 11. COMMUNITY-BASED PROGRAMS. There is appropriated
8 from the general fund of the state to the department of human
9 services for the fiscal year beginning July 1, 1995, and
10 ending June 30, 1996, the following amount, or so much thereof
11 as is necessary, to be used for the purpose designated:

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

16	\$ 2,627,823	
17	FTEs	1.0

18 1. Of the funds appropriated in this section, \$756,048
19 shall be used for adolescent pregnancy prevention grants,
20 including not more than \$156,048 for programs to prevent
21 second or subsequent pregnancies during the adolescent years
22 and to provide support services for pregnant or parenting
23 adolescents. Rules adopted by the department may allow for
24 revision of existing grant categories and the addition of
25 grant categories which allow for the development and
26 initiation of a statewide adolescent pregnancy prevention
27 campaign and of a statewide assessment or evaluation grant.

28 2. Of the funds appropriated in this section, \$300,000
29 shall be used for grants to community or regional groups which
30 demonstrate broad-based representation from community
31 representatives including but not limited to schools,
32 churches, human service-related organizations, and businesses.
33 Priority in the awarding of grants shall be given to groups
34 which provide services to both urban and rural areas within
35 the proximity of the community or region and which provide

1 age-appropriate programs adapted for both male and female
2 youth at the elementary, middle, and high school levels. A
3 program shall focus on the prevention of initial pregnancies
4 during the adolescent years by emphasizing sexual abstinence
5 as the only completely safe and effective means of avoiding
6 pregnancy and sexually transmitted diseases and by providing
7 information regarding the comparative failure rates of
8 contraceptives, and by emphasizing responsible decision making
9 in relationships, managing of peer and social pressures,
10 development of self-esteem, the costs and responsibilities of
11 parenting, and information regarding the alternative of
12 adoption for placement of a child. The program shall also
13 include an evaluation and assessment component which includes
14 evaluation of and recommendations for improvement of the
15 program by the youth and parents involved. Evaluation and
16 assessment reports shall be provided to the department of
17 human services, at a time determined by the department in the
18 grant award. Community or regional groups interested in
19 applying for a grant under this subsection may be issued a
20 planning grant or may utilize grant moneys for the costs of
21 technical assistance to analyze community needs, match service
22 providers to needs, negotiate service provision strategies, or
23 other assistance to focus grant services provided under this
24 subsection. The technical assistance may be provided by
25 organizations affiliated with institutions under the authority
26 of the state board of regents or other organizations
27 experienced in providing technical assistance concerning
28 similar services.

29 3. Of the funds appropriated in this section, \$732,789
30 shall be used by the department for child abuse prevention
31 grants.

32 4. Of the funds appropriated in this section, an
33 additional \$100,000, based upon the amount allocated in the
34 previous fiscal year, shall be used for family planning
35 services.

1 Sec. 12. COURT-ORDERED SERVICES PROVIDED TO JUVENILES.

2 There is appropriated from the general fund of the state to
3 the department of human services for the fiscal year beginning
4 July 1, 1995, and ending June 30, 1996, the following amount,
5 or so much thereof as is necessary, to be used for the purpose
6 designated:

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

10 \$ 3,090,000

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

16 2. a. Each judicial district shall continue the planning
17 group for the court-ordered services for juveniles provided in
18 that district which was established pursuant to 1991 Iowa
19 Acts, chapter 267, section 119. A planning group shall
20 continue to perform its duties as specified in that law.
21 Reimbursement rates for providers of court-ordered evaluation
22 and treatment services paid under section 232.141, subsection
23 4, shall be negotiated with providers by each judicial
24 district's planning group.

25 b. Each district planning group shall submit an annual
26 report in January to the state court administrator and the
27 department of human services. The report shall cover the
28 preceding fiscal year and shall include a preliminary report
29 on the current fiscal year. The administrator and the
30 department shall compile these reports and submit the reports
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 department of human services shall develop policies
35 and procedures to ensure that the funds appropriated in this

1 section are spent only after all other reasonable actions have
2 been taken to utilize other funding sources and community-
3 based services. The policies and procedures shall be designed
4 to achieve the following objectives relating to services
5 provided under chapter 232:

6 a. Maximize the utilization of funds which may be
7 available from the medical assistance program including usage
8 of the early and periodic screening, diagnosis, and treatment
9 (EPSDT) program.

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

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

16 4. The department of human services, in consultation with
17 the state court administrator and the judicial district
18 planning groups, shall compile a monthly report describing
19 spending in the districts for court-ordered services for
20 juveniles, including the utilization of the medical assistance
21 program. The reports shall be submitted on or before the
22 twentieth day of each month to the chairpersons and ranking
23 members of the joint appropriations subcommittee on human
24 services and the legislative fiscal bureau.

25 5. Notwithstanding chapter 232 or any other provision of
26 law, a district or juvenile court in a department of human
27 services district shall not order any service which is a
28 charge upon the state pursuant to section 232.141 if there are
29 insufficient court-ordered services funds available in the
30 district allocation to pay for the service. The chief
31 juvenile court officer shall work with the judicial district
32 planning group to encourage use of the funds appropriated in
33 this section such that there are sufficient funds to pay for
34 all court-related services during the entire year. The eight
35 chief juvenile court officers shall attempt to anticipate

1 potential surpluses and shortfalls in the allocations and
2 shall cooperatively request the state court administrator to
3 transfer funds between the districts' allocations as prudent.

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

9 7. Of the funds appropriated in this section, not more
10 than \$200,000 may be used by the judicial department for
11 administration of the requirements under this section and for
12 travel associated with court-ordered placements which are a
13 charge upon the state pursuant to section 232.141, subsection
14 4.

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

19 Sec. 13. MENTAL HEALTH INSTITUTES. There is appropriated
20 from the general fund of the state to the department of human
21 services for the fiscal year beginning July 1, 1995, and
22 ending June 30, 1996, the following amount, or so much thereof
23 as is necessary, to be used for the purposes designated:

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

27 \$ 43,214,775
28 FTEs 954.75

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

31 a. State mental health institute at Cherokee:
32 \$ 14,842,902
33 FTEs 331.13

34 b. State mental health institute at Clarinda:
35 \$ 6,009,326

1	.....	FTEs	136.82
2	c. State mental health institute at Independence:		
3	.....	\$	17,594,062
4	.....	FTEs	401.82
5	d. State mental health institute at Mount Pleasant:		
6	.....	\$	4,768,485
7	.....	FTEs	84.98

8 2. Within the funds appropriated in this section, the
9 department may reallocate funds as necessary to best fulfill
10 the needs of the institutions provided for in the
11 appropriation.

12 3. As part of the discharge planning process at the state
13 mental health institutes, the department shall provide
14 assistance in obtaining eligibility for federal supplemental
15 security income (SSI) to those individuals whose care at a
16 state mental health institute is the financial responsibility
17 of the state.

18 Sec. 14. HOSPITAL-SCHOOLS. 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, 1995, and ending June
21 30, 1996, the following amount, or so much thereof as is
22 necessary, to be used for the purposes designated:

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

26	.....	\$	66,276,739
27	.....	FTEs	1,666.00

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

30	a. State hospital-school at Glenwood:		
31	.....	\$	35,838,799
32	.....	FTEs	910.00
33	b. State hospital-school at Woodward:		
34	.....	\$	30,437,940
35	.....	FTEs	756.00

1 2. Within the funds appropriated in this section, the
2 department may reallocate funds as necessary to best fulfill
3 the needs of the institutions provided for in the
4 appropriation.

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

9 Sec. 15. MENTAL ILLNESS SPECIAL SERVICES. There is
10 appropriated from the general fund of the state to the
11 department of human services for the fiscal year beginning
12 July 1, 1995, and ending June 30, 1996, the following amount,
13 or so much thereof as is necessary, to be used for the purpose
14 designated:

15 For mental illness special services:
16 \$ 121,220

17 1. The department and the Iowa finance authority shall
18 develop methods to implement the financing for existing
19 community-based facilities and to implement financing for the
20 development of affordable community-based housing facilities.
21 The department shall assure that clients are referred to the
22 housing as it is developed.

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

28 Sec. 16. FAMILY SUPPORT SUBSIDY PROGRAM. There is
29 appropriated from the general fund of the state to the
30 department of human services for the fiscal year beginning
31 July 1, 1995, and ending June 30, 1996, the following amount,
32 or so much thereof as is necessary, to be used for the purpose
33 designated:

34 For the family support subsidy program:
35 \$ 1,116,236

1 Sec. 17. SPECIAL NEEDS GRANTS. There is appropriated from
2 the general fund of the state to the department of human
3 services for the fiscal year beginning July 1, 1995, and
4 ending June 30, 1996, the following amount, or so much thereof
5 as is necessary, to be used for the purpose designated:

6 To provide special needs grants to families with a family
7 member at home who has a developmental disability or to a
8 person with a developmental disability:

9 \$ 53,212

10 Grants must be used by a family to defray special costs of
11 caring for the family member to prevent out-of-home placement
12 of the family member or to provide for independent living
13 costs. A grant may provide up to \$5,000 per person for costs
14 associated with an assistive animal. The grants may be
15 administered by a private nonprofit agency which serves people
16 statewide provided that no administrative costs are received
17 by the agency. Regular reports regarding the special needs
18 grants with the family support subsidy program and an annual
19 report concerning the characteristics of the grantees shall be
20 provided to the legislative fiscal bureau.

21 Sec. 18. MI/MR/DD STATE CASES. 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, 1995, and
24 ending June 30, 1996, the following amount, or so much thereof
25 as is necessary, to be used for the purposes designated:

26 For purchase of local services for persons with mental
27 illness, mental retardation, and developmental disabilities
28 where the client has no established county of legal
29 settlement:

30 \$ 5,473,492

31 Sec. 19. MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES --
32 COMMUNITY SERVICES FUND. There is appropriated from the
33 general fund of the state to the mental health and
34 developmental disabilities community services fund created in
35 section 225C.7 for the fiscal year beginning July 1, 1995, and

1 ending June 30, 1996, the following amount, or so much thereof
2 as is necessary, to be used for the purpose designated:

3 For mental health and developmental disabilities community
4 services in accordance with this Act:

5 \$ 16,239,182

6 1. Of the funds appropriated in this section, \$15,888,182
7 shall be allocated to counties for funding of community-based
8 mental illness, mental retardation, developmental
9 disabilities, and brain injury services. The moneys shall be
10 allocated to a county as follows:

11 a. Fifty percent based upon the county's proportion of the
12 state's population of persons with an annual income which is
13 equal to or less than the poverty guideline established by the
14 federal office of management and budget.

15 b. Fifty percent based upon the county's proportion of the
16 state's general population.

17 2. a. A county shall utilize the funding the county
18 receives pursuant to subsection 1 for services provided to
19 persons with mental illness, mental retardation, developmental
20 disability, and brain injury (MI/MR/DD/BI). However, no more
21 than 50 percent of the funding shall be used for services
22 provided to any one of the service populations.

23 b. A county shall use at least 50 percent of the funding
24 the county receives under subsection 1 for contemporary
25 services provided to persons with MI/MR/DD/BI.

26 c. The mental health and developmental disabilities
27 commission shall adopt rules pursuant to chapter 17A
28 describing the contemporary services. The commission may
29 adopt administrative rules to implement this subsection.

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

34 4. The department shall submit an annual report concerning
35 each population served and each service funded in this section

1 to the chairpersons and ranking members of the joint
2 appropriations subcommittee on human services and the
3 legislative fiscal bureau.

4 5. a. A mental health and developmental disabilities
5 regional planning council established pursuant to section
6 225C.18 shall develop plans for the provision of services for
7 the fiscal year beginning July 1, 1995, for persons with
8 MI/MR/DD/BI in the county or counties comprising the planning
9 council.

10 b. County MI/MR/DD/BI expenditure reports for the prior
11 fiscal year are due to the department on or before October 15,
12 1995. The county MI/MR/DD/BI plan for the fiscal year
13 beginning July 1, 1995, is due to the department on or before
14 April 1, 1995.

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

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

32 c. In purchasing services with funds allocated in this
33 subsection, a county shall designate a person to provide for
34 eligibility determination and development of a case plan for
35 individuals for whom the services are purchased. The

1 designated person shall be a medical assistance case manager
2 serving the person's county of residence. If an individual
3 does not have a case manager, the individual's eligibility
4 shall be determined by a social services caseworker of the
5 department serving the individual's county of residence. The
6 case plan shall be developed in accordance with the
7 department's rules outlining general provisions for service
8 administration.

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

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

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

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

23 (2) Fifty percent based upon the amount provided to the
24 county for local purchase services in the preceding fiscal
25 year.

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

35 h. A county shall provide advance notice to the individual

1 receiving services, the service provider, and the person
2 responsible for developing the case plan of the date the
3 county determines that funding will no longer be available for
4 a service.

5 i. Moneys allocated to a county pursuant to paragraph "f"
6 shall be provided to the county as claims are submitted to the
7 state.

8 j. The moneys provided under this subsection do not
9 establish an entitlement to the services funded under this
10 subsection.

11 Sec. 20. PERSONAL ASSISTANCE -- FAMILY SUPPORT. 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, 1995, and ending June 30, 1996, the following amount
15 or so much thereof as is necessary, to be used for the purpose
16 designated:

17 For implementing a pilot project for the personal
18 assistance services program in accordance with this section:
19 \$ 250,000

20 1. The funds appropriated in this section shall be used by
21 the division of mental health and developmental disabilities
22 to implement a pilot project for the personal assistance
23 services program under section 225C.46 in an urban and a rural
24 area. A portion of the funds may be used for costs to develop
25 a federal home and community-based waiver under the medical
26 assistance program for persons with physical disabilities or
27 other expenditures necessary to develop the personal
28 assistance program in the most appropriate and cost-effective
29 manner. However, not more than \$50,000 shall be used for
30 administrative costs. The pilot project and the waiver shall
31 not be implemented in a manner that would require additional
32 county or state costs for assistance provided to an individual
33 served under the pilot project or the waiver. The department
34 may use not more than \$50,000 of the funds appropriated in
35 this section to employ not more than 1 additional FTE to

1 administer the personal assistance services program.

2 2. In cooperation with the personal assistance and family
3 support services council, the Iowa family support initiative,
4 and the governor's planning council for developmental
5 disabilities, the department shall apply for any federal funds
6 made available through the federal Families of Children with
7 Disabilities Support Act of 1994, provided no new state or
8 county funds are needed to match the federal funds. The
9 department may use funds from existing programs as matching
10 funds, provided the program goals are consistent and
11 reductions in services for program recipients do not occur.
12 The department shall use the personal assistance and family
13 support services council to meet any federal requirements for
14 a state board policy group, or may use a subgroup of the
15 council if necessary for meeting federal specifications on
16 size, composition, configuration, or functioning relating to a
17 federal requirement for a policy group. The department's
18 planning for a comprehensive family support initiative under
19 section 225C.47 and this subsection shall address options for
20 a means test eligibility requirement and for local review of
21 eligibility by existing bodies such as the mental health and
22 developmental disabilities regional planning councils created
23 pursuant to section 225C.18.

24 Sec. 21. FIELD OPERATIONS. There is appropriated from the
25 general fund of the state to the department of human services
26 for the fiscal year beginning July 1, 1995, and ending June
27 30, 1996, the following amount, or so much thereof as is
28 necessary, to be used for the purpose designated:

29 For field operations, including salaries, support,
30 maintenance, and miscellaneous purposes and for not more than
31 the following full-time equivalent positions:
32 \$ 37,846,205
33 FTEs 2009.50

34 Sec. 22. GENERAL ADMINISTRATION. 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, 1995, and
2 ending June 30, 1996, the following amount, or so much thereof
3 as is necessary, to be used for the purpose designated:

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

7 \$ 10,907,951
8 FTEs 375.50

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

12 Sec. 23. VOLUNTEERS. There is appropriated from the
13 general fund of the state to the department of human services
14 for the fiscal year beginning July 1, 1995, and ending June
15 30, 1996, the following amount, or so much thereof as is
16 necessary, to be used for the purpose designated:

17 For development and coordination of volunteer services:

18 \$ 85,793

19 Sec. 24. "X-PERT" PUBLIC ASSISTANCE BENEFIT ELIGIBILITY
20 DETERMINATION SYSTEM. There is appropriated from the general
21 fund of the state to the department of human services for the
22 fiscal year beginning July 1, 1995, and ending June 30, 1996,
23 the following amount, or so much thereof as is necessary, to
24 be used for the purpose designated:

25 For the development costs of the "X-PERT" knowledge-based
26 computer software package for public assistance benefit
27 eligibility determination, including salaries, support,
28 maintenance, and miscellaneous purposes and for not more than
29 the following full-time equivalent positions:

30 \$ 919,872
31 FTEs 17.00

32 Moneys appropriated in this section shall be considered
33 encumbered for the purposes of section 8.33.

34 Sec. 25. MEDICAL ASSISTANCE, STATE SUPPLEMENTARY
35 ASSISTANCE, AND SOCIAL SERVICE PROVIDERS REIMBURSED UNDER THE

1 DEPARTMENT OF HUMAN SERVICES.

2 1. a. For the fiscal year beginning July 1, 1995, the
3 department of human services may allocate any increases in
4 payments for durable medical products and supplies so that
5 equipment and supplies which have greater wholesale cost
6 increases may be reimbursed at a higher rate and those which
7 have a lower or no wholesale cost increase may be reimbursed
8 at a lower rate or have no increase.

9 b. For the fiscal year beginning July 1, 1995, providers
10 of obstetric services when provided by physicians or certified
11 nurse-midwives shall have their medical assistance
12 reimbursement rates increased by 5.0 percent over the rates in
13 effect on June 30, 1995.

14 c. For the fiscal year beginning July 1, 1995, skilled
15 nursing facilities shall have their medical assistance rates
16 increased by 4.6 percent over the rates in effect on June 30,
17 1995.

18 d. The dispensing fee for pharmacists shall remain at the
19 rate in effect on June 30, 1995. The reimbursement policy for
20 drug product costs shall be in accordance with federal
21 requirements.

22 e. Reimbursement rates for in-patient and outpatient
23 hospital services shall be increased by an average of 4.2
24 percent over the rates in effect on June 30, 1995. The
25 department shall continue the outpatient hospital
26 reimbursement system based upon ambulatory patient groups
27 implemented pursuant to 1994 Iowa Acts, chapter 1186, section
28 25, subsection 1, paragraph "f". In addition, the department
29 shall continue the revised medical assistance payment policy
30 implemented pursuant to that paragraph to provide
31 reimbursement for costs of screening and treatment provided in
32 the hospital emergency room is made pursuant to the
33 prospective payment methodology developed by the department
34 for the payment of outpatient services provided under the
35 medical assistance program.

1 f. Reimbursement rates for rural health clinics shall be
2 increased in accordance with increases under the federal
3 medicare program.

4 g. Home health agencies certified for the federal medicare
5 program, hospice services, and acute care mental hospitals
6 shall be reimbursed for their current federal medicare audited
7 costs.

8 h. The basis for establishing the maximum medical
9 assistance reimbursement rate for nursing facilities shall be
10 the 70th percentile of facility costs as calculated from the
11 June 30, 1995, unaudited compilation of cost and statistical
12 data. However, to the extent funds are available within the
13 amount projected for reimbursement of nursing facilities
14 within the appropriation for medical assistance in this Act,
15 and within the appropriation for medical assistance as a
16 whole, the department shall adjust the maximum medical
17 assistance reimbursement for nursing facilities to the 70th
18 percentile, as calculated on December 31, 1995, unaudited
19 compilation of cost and statistical data and the adjustment
20 shall take effect January 1, 1996.

21 i. The department may revise the fee schedule used for
22 physician reimbursement.

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

26 k. Reimbursement for air ambulance service shall be \$7.50
27 per mile and the base rate is \$200.

28 2. For the fiscal year beginning July 1, 1995, the maximum
29 cost reimbursement rate for residential care facilities
30 reimbursed by the department shall be \$21.32 per day. The
31 flat reimbursement rate for facilities electing not to file
32 semiannual cost reports shall be \$15.25 per day. For the
33 fiscal year beginning July 1, 1995, the maximum reimbursement
34 rate for providers reimbursed under the in-home health-related
35 care program shall be \$409.89 per month.

1 3. Unless otherwise directed in this section, when the
2 department's reimbursement methodology for any provider
3 reimbursed in accordance with this section includes an
4 inflation factor, this factor shall not exceed the amount by
5 which the consumer price index for all urban consumers
6 increased during the calendar year ending December 31, 1994.

7 4. Notwithstanding section 234.38, in the fiscal year
8 beginning July 1, 1995, the foster family basic daily
9 maintenance rate and the maximum adoption subsidy rate for
10 children ages 0 through 5 years shall be \$12.00, the rate for
11 children ages 6 through 11 years shall be \$12.72, the rate for
12 children ages 12 through 15 years shall be \$13.89, and the
13 rate for children ages 16 and older shall be \$14.73.

14 Effective July 1, 1995, payments to foster and adoptive
15 families shall be calculated on a daily basis. Effective July
16 1, 1995, the special care allowance paid to adoptive families
17 who have adopted a child with special needs and are eligible
18 for an adoptive subsidy shall be the same as foster care.

19 5. For the fiscal year beginning July 1, 1995, the maximum
20 reimbursement rates for social service providers shall be the
21 same as the rates in effect on June 30, 1995, except under any
22 of the following circumstances:

23 a. If a new service was added after June 30, 1995, the
24 initial reimbursement rate for the service shall be based upon
25 actual and allowable costs.

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

32 6. The group foster care reimbursement rates paid for
33 placement of children out-of-state shall be calculated
34 according to the same rate-setting principles as those used
35 for in-state providers unless the director determines that

1 appropriate care cannot be provided within the state. The
2 payment of the daily rate shall be based on the number of days
3 in the calendar month in which service is provided.

4 7. For the fiscal year beginning July 1, 1995, the
5 combined service and maintenance components of the
6 reimbursement rate paid to a shelter care provider shall be
7 based on the cost report submitted to the department. The
8 maximum reimbursement rate shall be \$76.61 per day. If the
9 department would reimburse the provider at less than the
10 maximum rate but the provider's cost report justifies a rate
11 of at least \$76.61, the department shall readjust the
12 provider's reimbursement rate to the maximum reimbursement
13 rate. In January 1996, the department shall review the usage
14 of shelter care and the funding allocated for shelter care, if
15 the usage is less than anticipated and the existing contracts
16 for provision of shelter care do not obligate the total amount
17 of the funds allocated, the department may utilize moneys in
18 the allocation, which would otherwise be unexpended, for wrap-
19 around services or support to enable group foster care
20 placement to be prevented or the length of stay reduced.

21 8. The department shall continue the pilot project to
22 implement the alternative payment system, recommended in the
23 study completed by the drug utilization review commission, for
24 compensation of pharmacists for pharmaceutical care services
25 under medical assistance. A report of the findings and
26 recommendations resulting from an evaluation of the pilot
27 project regarding the payment system shall be submitted to the
28 legislative fiscal bureau and to the chairpersons and ranking
29 members of the joint appropriations subcommittee on human
30 services by January 15, 1997.

31 9. The department shall adopt rules which establish an
32 equitable reimbursement rate for all child day care providers
33 reimbursed by the department. In applying the equitable
34 reimbursement rate, the department shall not distinguish
35 between providers on the basis of the date a provider was

1 registered or licensed, or on the basis that the provider
2 received reimbursement in a prior fiscal year.

3 10. The department may adopt emergency rules to implement
4 the provisions of this section.

5 Sec. 26. STATE INSTITUTIONS -- CLOSINGS AND REDUCTIONS.

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

17 Sec. 27. 1994 Iowa Acts, chapter 1186, section 10,
18 unnumbered paragraph 2, is amended to read as follows:

19 For child and family services:

20 \$ ~~74,617,612~~
21 81,264,807

22 Sec. 28. 1994 Iowa Acts, chapter 1186, section 18,
23 unnumbered paragraph 2, is amended to read as follows:

24 For purchase of local services for persons with mental
25 illness, mental retardation, and developmental disabilities
26 services where the client has no established county of legal
27 settlement:

28 \$ ~~5,973,492~~
29 2,973,492

30 Sec. 29. 1994 Iowa Acts, chapter 1186, section 19,
31 unnumbered paragraph 2, is amended to read as follows:

32 For mental illness, mental retardation, developmental
33 disabilities, and brain injury community services in
34 accordance with the provisions of this Act:

35 \$ ~~29,277,958~~

1 21,860,789

2 Sec. 30. 1994 Iowa Acts, chapter 1186, section 19,
3 subsection 6, paragraph a, as amended by 1994 Iowa Acts,
4 chapter 1199, section 70, is amended to read as follows:

5 a. Of the funds appropriated in this section, ~~\$13,038,763~~
6 \$5,621,594 is allocated for distribution to counties for local
7 purchase of services for persons with mental illness or mental
8 retardation or other developmental disability.

9 Sec. 31. 1994 Iowa Acts, chapter 1186, section 20,
10 unnumbered paragraph 2, is amended to read as follows:

11 For field operations, including salaries, support,
12 maintenance, and miscellaneous purposes:

13 \$ ~~37,567,639~~
14 41,337,613

15 Sec. 32. 1994 Iowa Acts, chapter 1194, section 10,
16 subsections 2 and 3, are amended to read as follows:

17 2. Not more than ~~\$17,725,148~~ 2,078,730 of the funds
18 appropriated in subsection 1 shall be used by the department
19 of human services for general administration. From the funds
20 set aside by this subsection for general administration, the
21 department of human services shall pay to the auditor of state
22 an amount sufficient to pay the cost of auditing the use and
23 administration of the state's portion of the funds
24 appropriated in subsection 1.

25 3. In addition to the allocation for general
26 administration in subsection 2, the remaining funds
27 appropriated in subsection 1 shall be allocated in the
28 following amounts to supplement appropriations for the federal
29 fiscal year beginning October 1, 1994, for the following
30 programs within the department of human services:

31 a. Field operations:

32 \$ ~~12,124,297~~
33 11,322,332

34 b. Child and family services:

35 \$ ~~14,101,019~~

1		
2	c. Child care assistance:	
3	.....	\$ 1,731,076.52
4		<u>1,581,230</u>
5	d. Local administrative costs and other local services:	
6	.....	\$ 1,716,472.10
7		<u>1,462,851</u>
8	e. Volunteers:	
9	.....	\$ 122,778
10		<u>148,259</u>
11	f. Community-based services:	
12	.....	\$ 146,321
13		<u>183,855</u>
14	g. Local purchase:	
15	.....	\$ 10,917,169
16	h. MI/MR state cases:	
17	.....	\$ 3,000,000

18 Sec. 33. Section 99D.7, Code 1995, is amended by adding
19 the following new subsection:

20 NEW SUBSECTION. 22. To cooperate with the gamblers
21 assistance program administered by the department of human
22 services to incorporate information regarding the gamblers
23 assistance program and its toll-free telephone number in
24 printed materials distributed by the commission. The
25 commission may require licensees to have the information
26 available in a conspicuous place as a condition of licensure.

27 Sec. 34. Section 99E.9, Code 1995, is amended by adding
28 the following new subsection:

29 NEW SUBSECTION. 8. The Iowa lottery board shall cooperate
30 with the gamblers assistance program administered by the
31 department of human services to incorporate information
32 regarding the gamblers assistance program and its toll-free
33 telephone number in printed materials distributed by the
34 board.

35 Sec. 35. Section 217.3, subsection 4, Code 1995, is

1 amended to reads as follows:

2 4. Approve the budget of the department of human services
3 prior to submission to the governor. ~~Within-two-weeks-of-the~~
4 date Prior to approval of the budget is-approved, the council
5 shall publicize and hold a public hearing to provide
6 explanations and hear questions, opinions, and suggestions
7 regarding the budget. Invitations to the hearing shall be
8 extended to the governor, the governor-elect, the director of
9 the department of management, and other persons deemed by the
10 council as integral to the budget process.

11 Sec. 36. Section 232.188, subsection 6, Code 1995, is
12 amended to read as follows:

13 6. Initially the department shall work with the five
14 counties previously authorized under law to enter into
15 decategorization agreements with the state. At a minimum, any
16 of those counties may elect to use funding for foster care,
17 family-centered services, subsidized adoption, child day care,
18 local purchase of service, state juvenile institution care,
19 state mental health institute care, state hospital-school
20 care, juvenile detention, department direct services, and
21 court-ordered services for juveniles in the child welfare fund
22 established for that county. A portion of the fund may also
23 be used for emergency family assistance to provide resources
24 for families to remain intact or to be reunified. The
25 department shall inform each county in advance of a fiscal
26 year of the amount of funding that is available on account for
27 the county at the state institutions for the fiscal year.

28 Sec. 37. EMERGENCY RULES. If specifically authorized by a
29 provision of this Act, the department of human services or the
30 mental health and mental retardation commission may adopt
31 administrative rules under section 17A.4, subsection 2, and
32 section 17A.5, subsection 2, paragraph "b", to implement the
33 provisions and the rules shall become effective immediately
34 upon filing, unless a later effective date is specified in the
35 rules. In addition, the department may adopt administrative

1 rules in accordance with the provisions of this section as
2 necessary to comply with federal requirements or to adjust to
3 a change in the level of federal funding during the fiscal
4 year beginning July 1, 1995, and ending June 30, 1996. Any
5 rules adopted in accordance with the provisions of this
6 section shall also be published as notice of intended action
7 as provided in section 17A.4.

8 Sec. 38. EFFECTIVE DATE. Section 3, subsection 10, of
9 this Act, relating to drug prior authorization, and sections
10 27 through 32, amending 1994 Iowa Acts, being deemed of
11 immediate importance, take effect upon enactment.

12 EXPLANATION

13 This bill makes appropriations for the 1995-1996 fiscal
14 year to the department of human services for human services
15 and health care programs.

16 The bill also makes reductions and supplements other human
17 services appropriations in 1994 Iowa Acts, chapters 1186 and
18 1194, for the 1994-1995 fiscal year. These changes are
19 effective upon enactment.

20 Amendments to sections 99D.7 and 99E.9 relate to the
21 gamblers assistance program by codifying language regarding
22 cooperation between the state racing and gaming commission and
23 the Iowa lottery board, and the gamblers assistance program
24 relating to incorporation of the program's toll-free telephone
25 number in printed materials distributed by the commission and
26 the board.

27 Under current law, section 217.3 directs the council of
28 human services to publicize and hold a public hearing within
29 two weeks of approval of the budget of the department of human
30 services. The bill amends this provision to require the
31 public hearing to be held prior to approving the budget.

32 Section 232.188, relating to decategorization of child
33 welfare funding, is amended to incorporate mental health
34 institute care and state hospital-school care to the list of
35 services for which funding may be used by a decategorization

1 project county. The codified language also directs the
2 department of human services to inform each county in advance
3 of the fiscal year of the amount of funding that is available
4 on account for the county's use at the state institutions for
5 the fiscal year. The codified provisions have been part of
6 the annual department of human services appropriations bill
7 for a number of years.

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SENATE FILE 462

S-3287

- 1 Amend Senate File 462 as follows:
- 2 1. Page 10, line 12, by striking the figure
- 3 "8,747,259" and inserting the following: "8,782,259".
- 4 2. Page 12, by inserting after line 17 the
- 5 following:
- 6 "10. Of the funds appropriated in this section,
- 7 \$35,000 is allocated for use by the united Mexican-
- 8 American center in Des Moines for the center's child
- 9 day care program."

By TONY BISIGNANO

S-3287 FILED MARCH 29, 1995
RULED OUT OF ORDER

(P. 948)

SENATE FILE 462

S-3290

- 1 Amend Senate File 462 as follows:
- 2 1. Page 41, by inserting after line 4 the
- 3 following:
- 4 "100. For the period beginning on the effective
- 5 date of this subsection and ending June 30, 1996, the
- 6 department shall not reduce the percentile amount used
- 7 to calculate reimbursement rates for intermediate care
- 8 facilities for the mentally retarded."
- 9 2. Page 45, line 9, by inserting after the word
- 10 "authorization," the following: "section 25,
- 11 subsection 100, relating to reimbursement rates for
- 12 intermediate care facilities for the mentally
- 13 retarded,".
- 14 3. By renumbering and revising internal
- 15 references as necessary.

By WILMER RENSINK
JOHN P. KIBBIES-3290 FILED MARCH 29, 1995
ADOPTED (P. 948)

SENATE FILE 462

S-3292

- 1 Amend Senate File 462 as follows:
- 2 1. Page 10, line 15, by striking the figure
- 3 "3,930,934" and inserting the following: "3,895,934".
- 4 2. Page 12, by inserting after line 17 the
- 5 following:
- 6 "10. Of the funds appropriated in this section,
- 7 \$35,000 is allocated for use by the united Mexican-
- 8 American center in Des Moines for the center's child
- 9 day care program."

By TONY BISIGNANO

S-3292 FILED MARCH 29, 1995
ADOPTED

(P. 948)

WITHDRAWN

SENATE FILE 462

S-3277

- 1 Amend Senate File 462 as follows:
- 2 1. By striking page 6, line 22, through page 7,
- 3 line 12.
- 4 2. By renumbering as necessary.

By LARRY MURPHY
JIM LIND
MERLIN E. BARTZ

WITHDRAWN

S-3277 FILED MARCH 29, 1995

WITHDRAWN (p.947)

SENATE FILE 462

S-3279

- 1 Amend Senate File 462 as follows:
- 2 1. Page 38, line 30, by striking the figure
- 3 "21.32" and inserting the following: "21.90".
- 4 2. Page 38, line 32, by striking the figure
- 5 "15.25" and inserting the following: "15.65".

By MERLIN E. BARTZ
ANDY McKEAN

S-3279 FILED MARCH 29, 1995

LOST (p.948)

SENATE FILE 462

S-3280

- 1 Amend Senate File 462 as follows:
- 2 1. Page 41, line 6, by striking the word "If" and
- 3 inserting the following:
- 4 "1. The department of human services shall perform
- 5 a review of the uses of the state institutions
- 6 administered by the department and develop a proposal
- 7 for future uses, including alternative uses, of the
- 8 institutions. The proposal shall address the effects
- 9 of any alternative uses on the community, clients, and
- 10 employees of an institution and the potential fiscal
- 11 impact on counties, the area in which the institution
- 12 is located, and the state, which may result from a
- 13 proposed alternative use. The department shall submit
- 14 the proposal to the governor and the general assembly
- 15 on or before January 15, 1996.
- 16 2. If".

By JOHNIE HAMMOND
MAGGIE TINSMAN

S-3280 FILED MARCH 29, 1995

LOST

(p.948)

H. 3/30/95 Approp.
H. 4/5/95 Amend/Do Pass W/
H 3765

SENATE FILE 462
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SSB 344)

(AS AMENDED AND PASSED BY THE SENATE MARCH 29, 1995)

 - New Language by the Senate

Re - Passed Senate, Date 4/12/95 (p.1171) Passed House, Date 4-11-95
(P. 1476)
Vote: Ayes 50 Nays 0 Vote: Ayes 82 Nays 16
Approved April 27, 1995 Repassed House
Ayes 80 Nays 13
4/18/95 (p. 1687)

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. 462

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, 1995, and ending June 30, 1996, 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 \$ 32,820,032

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

12 2. Notwithstanding section 239.6, the department is not
13 required to reconsider eligibility of family investment
14 program recipients every six months if a federal waiver is
15 granted.

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

27 4. The department shall consolidate the individual
28 planning and agreement provisions of the family investment
29 program and the family development and self-sufficiency grant
30 program to ensure service coordination by providing that if a
31 recipient is participating in the grant program, the
32 recipient's family investment agreement shall be developed or
33 revised in consultation with the family development and self-
34 sufficiency grant program worker.

35 Sec. 2. EMERGENCY ASSISTANCE. There is appropriated from

1 the general fund of the state to the department of human
2 services for the fiscal year beginning July 1, 1995, and
3 ending June 30, 1996, the following amount, or so much thereof
4 as is necessary, to be used for the purpose designated:

5 For emergency assistance to families with dependent
6 children for homeless prevention programs:
7 \$ 1,767,500

8 1. The emergency assistance provided for in this section
9 shall be available beginning October 1 of the fiscal year and
10 shall be provided only if all other publicly funded resources
11 have been exhausted. Specifically, emergency assistance is
12 the program of last resort and shall not supplant assistance
13 provided by the low-income home energy assistance program
14 (LIHEAP), county general relief, and veterans affairs
15 programs. The department shall establish a \$500 maximum
16 payment, per family, in a twelve-month period. The emergency
17 assistance includes, but is not limited to, assisting people
18 who face eviction, potential eviction, or foreclosure, utility
19 shutoff or fuel shortage, loss of heating energy supply or
20 equipment, homelessness, utility or rental deposits, or other
21 specified crisis which threatens family or living
22 arrangements. The emergency assistance shall be available to
23 migrant families who would otherwise meet eligibility
24 criteria. The department may contract for the administration
25 and delivery of the program. The program shall be terminated
26 when funds are exhausted.

27 2. For the fiscal year beginning July 1, 1995, the
28 department shall establish a process for the state to receive
29 refunds of rent deposits for emergency assistance recipients
30 which were paid by persons other than the state. The refunds
31 received by the department under this subsection shall be
32 deposited with the moneys of the appropriation made in this
33 section and used as additional funds for the emergency
34 assistance program. Notwithstanding section 8.33, moneys
35 received by the department under this subsection which remain

1 after the emergency assistance program is terminated and state
2 moneys in the emergency assistance account which remain
3 unobligated or unexpended at the close of the fiscal year
4 shall not revert to the general fund of the state but shall
5 remain available for expenditure when the program resumes
6 operation on October 1 in the succeeding fiscal year.

7 Sec. 3. MEDICAL ASSISTANCE. There is appropriated from
8 the general fund of the state to the department of human
9 services for the fiscal year beginning July 1, 1995, and
10 ending June 30, 1996, the following amount, or so much thereof
11 as is necessary, to be used for the purpose designated:

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

16 \$351,496,521

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

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

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

24 c. The pregnancy is the result of a rape which is reported
25 within 45 days of the incident to a law enforcement agency or
26 public or private health agency which may include a family
27 physician.

28 d. The pregnancy is the result of incest which is reported
29 within 150 days of the incident to a law enforcement agency or
30 public or private health agency which may include a family
31 physician.

32 e. Any spontaneous abortion, commonly known as a
33 miscarriage, if not all of the products of conception are
34 expelled.

35 2. Notwithstanding section 8.39, the department may

1 transfer funds appropriated in this section to a separate
2 account established in the department's case management unit
3 for expenditures required to provide case management services
4 for mental health, mental retardation, and developmental
5 disabilities services under medical assistance which are
6 jointly funded by the state and county, pending final
7 settlement of the expenditures. Funds received by the case
8 management unit in settlement of the expenditures shall be
9 used to replace the transferred funds and are available for
10 the purposes for which the funds were appropriated in this
11 section.

12 3. If a medical assistance recipient is more than 17 years
13 of age and is receiving care which is reimbursed under a
14 federally approved home and community-based services waiver
15 but would otherwise be approved for care in an intermediate
16 care facility for the mentally retarded, the recipient's
17 county of legal settlement shall reimburse the department on a
18 monthly basis for the portion of the recipient's cost of care
19 which is not paid from federal funds.

20 4. a. The county of legal settlement shall be billed for
21 50 percent of the nonfederal share of the cost of case
22 management provided for adults, day treatment, and partial
23 hospitalization in accordance with sections 249A.26 and
24 249A.27, and 100 percent of the nonfederal share of the cost
25 of care for adults which is reimbursed under a federally
26 approved home and community-based waiver that would otherwise
27 be approved for provision in an intermediate care facility for
28 the mentally retarded, provided under the medical assistance
29 program. The state shall have responsibility for the
30 remaining 50 percent of the nonfederal share of the cost of
31 case management provided for adults, day treatment, and
32 partial hospitalization. For persons without a county of
33 legal settlement, the state shall have responsibility for 100
34 percent of the nonfederal share of the cost of case management
35 provided for adults, day treatment, partial hospitalization,

1 and the home and community-based waiver services. The case
2 management services specified in this subsection shall be
3 billed to a county only if the services are provided outside
4 of a managed care contract. The department may adopt
5 emergency rules to implement the provisions of this
6 subsection.

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

12 c. Medical assistance funding for case management services
13 for eligible persons 17 years of age and younger shall also be
14 provided to persons residing in counties with child welfare
15 decategorization projects implemented in accordance with
16 section 232.188, provided these projects have included these
17 persons in their service plan and the decategorization project
18 county is willing to provide the nonfederal share of costs.

19 d. The state shall pay the entire nonfederal share of
20 intermediate care facilities for the mentally retarded (ICFMR)
21 costs for eligible persons 17 years of age and younger.

22 e. When paying the necessary and legal expenses of
23 intermediate care facilities for the mentally retarded
24 (ICFMR), the cost payment requirements of section 222.60 shall
25 be considered fulfilled when payment is made in accordance
26 with the medical assistance payment rates established for
27 ICFMRs by the department and the state or a county of legal
28 settlement is not obligated for any amount in excess of the
29 rates.

30 5. The department may adopt and implement administrative
31 rules regarding a prepaid mental health services plan for
32 medical assistance patients. The rules shall include but not
33 be limited to service provider standards, service
34 reimbursement, and funding mechanisms. Notwithstanding the
35 provisions of subsection 4, paragraph "a", of this section and

1 section 249A.26, requiring counties to pay all or part of the
2 nonfederal share of certain services provided to persons with
3 disabilities under the medical assistance program, the state
4 shall pay 100 percent of the nonfederal share of any services
5 included in the plan implemented pursuant to this subsection.

6 6. The department shall utilize not more than \$60,000 of
7 the funds appropriated in this section to continue the
8 AIDS/HIV health insurance premium payment program as
9 established in 1992 Iowa Acts, Second Extraordinary Session,
10 Chapter 1001, section 409, subsection 6. Of the funds
11 allocated in this subsection, not more than \$10,000 may be
12 expended for administrative purposes.

13 7. Contingent upon federal approval of a waiver, the
14 department shall adopt administrative rules to establish the
15 requirements for the alternative nursing home pilot project.

16 8. The department of human services shall use not more
17 than \$47,368 to employ not more than 2 FTEs to develop and
18 implement a medical assistance home and community-based waiver
19 for persons with brain injury who currently reside in a
20 medical institution and who have been residents of a medical
21 institution for a minimum of thirty days.

22 9. Of the funds appropriated to the Iowa department of
23 health for substance abuse grants, \$950,000 for the fiscal
24 year beginning July 1, 1995, shall be transferred to the
25 department of human services to implement an integrated
26 substance abuse managed care system. The department of human
27 services in conjunction with the Iowa department of health and
28 other appropriate state agencies may adopt and implement
29 emergency rules to establish a prepaid substance abuse
30 treatment plan for medical assistance recipients. The rules
31 shall include but are not limited to defining the structure of
32 the program, establishing the scope of services to be provided
33 in the program, including, but not limited to, establishing
34 client eligibility for prepaid substance abuse treatment
35 services, establishing the basis and the rate of reimbursement

1 for the program, defining the expected outcome measures of the
2 program, and defining a client appeals process. However,
3 nothing in the rules shall condition provider eligibility to
4 render services under this program upon the scope of services
5 rendered by a provider or upon provider licensure,
6 certification, or corporate structure. The department of
7 human services and the Iowa department of public health shall
8 evaluate methods for inclusion of court-ordered detoxification
9 services in the substance abuse managed care program and shall
10 provide recommendations regarding inclusion of the services in
11 the program to the general assembly on or before December 1,
12 1995.

13 10. The department shall not require prior authorization
14 for any prescription drug for which reimbursement is provided
15 under the medical assistance program if prior authorization
16 was not required on or before March 1, 1995. Beginning
17 September 1, 1995, the department shall establish and
18 implement an educational program, through the drug utilization
19 review commission, to review and encourage the use of generic
20 bioequivalent drugs under the medical assistance program, when
21 medically appropriate. In establishing the program, the
22 department shall consult with state associations which
23 represent physicians. Prior authorization shall not be
24 required for clozapine in addition to the standards for
25 clozapine existing in administrative rules in effect on March
26 1, 1995.

27 11. The department of human services shall, when it is
28 economically beneficial, implement maximum allowable costs for
29 multiple source drugs in accordance with federal guidelines.

30 12. The department shall develop strategies to address
31 administrative and provider concerns associated with
32 discretionary medical assistance provided to individuals and
33 families pursuant to section 249A.3, subsection 4, and the
34 provisions relating to the expenditure of income to a level
35 which qualifies the individual or family as eligible for par-

1 ticipation in the medical assistance program. The department
2 shall submit a report regarding the strategies developed to
3 the general assembly on or before November 30, 1995.

4 13. The department may seek qualification of supervised
5 community treatment for children under the medical assistance
6 program.

7 14. The department shall amend the department's current
8 home and community-based waivers under medical assistance to
9 include "consumer directed attendant care" as allowed by
10 federal regulation. The department shall also develop and
11 implement a new home and community-based waiver for persons
12 with physical disabilities as a means to further develop the
13 personal assistance services program under section 225C.46.
14 The waiver shall not be implemented in a manner which would
15 require additional county or state costs for assistance
16 provided to an individual served under the waiver. A waiver
17 amended, developed, or implemented pursuant to this subsection
18 shall be consistent with the provisions of the appropriation
19 in this Act for a personal assistance services pilot project
20 and the provisions of chapter 255C relating to personal
21 assistance services.

22 Sec. 4. MEDICAL CONTRACTS. There is appropriated from the
23 general fund of the state to the department of human services
24 for the fiscal year beginning July 1, 1995, and ending June
25 30, 1996, the following amount, or so much thereof as is
26 necessary, to be used for the purpose designated:

27 For medical contracts:

28 \$ 6,226,400

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

31 2. The department may use not more than \$22,500 of the
32 funds appropriated in this section for contracting for the
33 rebasing-recalibration of the ambulatory patient grouping
34 system.

35 3. The department may use not more than \$75,000 of the

1 funds appropriated in this section for the independent
2 evaluation of the prepaid mental health services plan.

3 Sec. 5. STATE SUPPLEMENTARY ASSISTANCE. There is
4 appropriated from the general fund of the state to the
5 department of human services for the fiscal year beginning
6 July 1, 1995, and ending June 30, 1996, the following amount,
7 or so much thereof as is necessary, to be used for the purpose
8 designated:

9 For state supplementary assistance:
10 \$ 19,115,000

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

18 2. a. If during the fiscal year beginning July 1, 1995,
19 the department projects that state supplementary assistance
20 expenditures for a calendar year will not meet the federal
21 pass-along requirement specified in Title XVI of the federal
22 Social Security Act, section 1618, as codified in 42 U.S.C. §
23 1382g, the department may take actions including but not
24 limited to increasing the personal needs allowance for
25 residential care facility residents and making programmatic
26 adjustments or upward adjustments of the residential care
27 facility or in-home health-related care reimbursement rates
28 prescribed in this Act to ensure that federal requirements are
29 met. The department may adopt emergency rules to implement
30 the provisions of this subsection.

31 b. If during the fiscal year beginning July 1, 1995, the
32 department projects that state supplementary assistance
33 expenditures will exceed the amount appropriated, the
34 department may transfer funds appropriated in this Act for
35 medical assistance for the purposes of the state supplementary

1 assistance program. However, funds shall only be transferred
2 from the medical assistance appropriation if the funds
3 transferred are projected to be in excess of the funds
4 necessary for the medical assistance program.

5 Sec. 6. CHILD DAY CARE ASSISTANCE. There is appropriated
6 from the general fund of the state to the department of human
7 services for the fiscal year beginning July 1, 1995, and
8 ending June 30, 1996, the following amount, or so much thereof
9 as is necessary, to be used for the purposes designated:

10 For protective child day care assistance and state child
11 care assistance:

12 \$ 8,747,259

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

15 2. Of the funds appropriated in this section, \$3,895,934
16 shall be used for state child care assistance.

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

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

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

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

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

31 4. a. For state child care assistance, eligibility shall
32 be limited to children whose family income is equal to or less
33 than 100 percent of the United States office of management and
34 budget poverty guidelines. However, on or after October 1,
35 1995, the department may increase the income eligibility limit

1 to be equal to or less than 75 percent of the Iowa median
2 family income.

3 b. Migrant seasonal farm worker families whose family
4 income is equal to or less than 100 percent of the United
5 States office of management and budget poverty guidelines are
6 eligible for state child care assistance. The monthly family
7 income shall be determined by calculating the total amount of
8 family income earned during the 12-month period preceding the
9 date of application for the assistance and dividing the total
10 amount by 12. For purposes of eligibility for state child
11 care assistance, a migrant seasonal farm worker is an
12 individual to which all of the following conditions apply:

13 (1) The worker performs seasonal agricultural work which
14 requires travel so that the worker is unable to return to the
15 worker's permanent residence within the same day.

16 (2) Most of the worker's income is derived from seasonal
17 agricultural work performed during the months of July through
18 October.

19 (3) The worker generally performs seasonal agricultural
20 work in this state during the months of July through October.

21 c. The department may adopt administrative rules to comply
22 with the federal child care development block grant and
23 federal at-risk child care program; to streamline the existing
24 day care program; and to deliver the services within state and
25 federal funds appropriated.

26 d. Nothing in this section shall be construed or is
27 intended as, or shall imply, a grant of entitlement for
28 services to persons who are eligible for assistance due to an
29 income level consistent with the requirements of this section.
30 Any state obligation to provide services pursuant to this
31 section is limited to the extent of the funds appropriated in
32 this section.

33 5. The department shall develop, in cooperation with child
34 day care resource and referral services and with the state
35 child day care advisory council, incentives to encourage the

1 registration of child day care providers and shall report the
2 recommendations developed to the chairpersons and the ranking
3 members of the joint appropriations subcommittee on human
4 services on or before January 1, 1996.

5 6. Of the funds appropriated in this section, \$640,270 is
6 allocated for the statewide program for child day care
7 resource and referral services under section 237A.26.

8 7. 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 8. Of the funds appropriated in this section, \$1,679,769
12 shall be used for transitional child care assistance.

13 9. During the 1995-1996 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 appropriated for that purpose in this
17 section.

18 10. Of the funds appropriated in this section, \$35,000 is
19 allocated for use by the united Mexican-American center in Des
20 Moines for the center's child day care program.

21 Sec. 7. JOBS PROGRAM. 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, 1995, and ending June
24 30, 1996, the following amount, or so much thereof as is
25 necessary, to be used for the purposes designated:

26 For the federal-state job opportunities and basic skills
27 (JOBS) program, food stamp employment and training program,
28 family development and self-sufficiency grants,
29 entrepreneurial training, and implementing family investment
30 agreements, in accordance with this section:

31 \$ 11,935,189

32 1. Of the funds appropriated in this section, \$11,025,889
33 is allocated for the JOBS program.

34 2. The department shall continue to contract for services
35 in developing, delivering, and monitoring an entrepreneurial

1 training waiver program to provide technical assistance in
2 self-employment training to families which receive assistance
3 under the family investment program, contingent upon federal
4 approval of waiver renewal requests.

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

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

10 a. Not more than 5 percent of the funds allocated in this
11 subsection shall be used for the administration of the grant
12 program.

13 b. Federal funding matched by state, county, or other
14 funding which is not appropriated in this section shall be
15 deposited in the department's JOBS account. If the match
16 funding is generated by a family development and self-
17 sufficiency grantee, the federal funding received shall be
18 used to expand the family development and self-sufficiency
19 grant program. If the match funding is generated by another
20 source, the federal funding received shall be used to expand
21 the grant program or the JOBS program. The department may
22 adopt emergency rules to implement the provisions of this
23 paragraph.

24 c. Based upon the annual evaluation report concerning each
25 grantee funded by this allocation, the family development and
26 self-sufficiency council may use funds allocated to renew
27 grants.

28 Sec. 8. CHILD SUPPORT RECOVERY. 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, 1995, and
31 ending June 30, 1996, the following amount, or so much thereof
32 as is necessary, to be used for the purposes designated:

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

1 \$ 6,397,505

2 FTEs 226.22

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

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

27 3. The director of human services, in consultation with
28 the department of management and the legislative fiscal
29 committee, is authorized to receive and deposit state child
30 support incentive earnings in the manner specified under
31 applicable federal requirements.

32 4. The director of human services may establish new
33 positions and add state employees to the child support
34 recovery unit if the director determines the employees are
35 necessary to replace county-funded positions eliminated due to

1 termination, reduction, or nonrenewal of a chapter 28E
2 contract. However, the director must also determine that the
3 resulting increase in the state share of child support
4 recovery incentives exceeds the cost of the positions, the
5 positions are necessary to ensure continued federal funding of
6 the program, or the new positions can reasonably be expected
7 to recover more than twice the amount of money to pay the
8 salaries and support for the new positions.

9 5. The child support recovery unit shall continue to work
10 with the judicial department to determine the feasibility of a
11 pilot project utilizing a court-appointed referee for judicial
12 determinations on child support matters. The extent and
13 location of any pilot project shall be jointly developed by
14 the judicial department and the child support recovery unit.

15 6. The department shall spend up to \$50,000, including
16 federal financial participation, for the fiscal year beginning
17 July 1, 1995, for continuation of the child support public
18 awareness campaign. The department shall continue to
19 cooperate with the office of the attorney general in
20 continuation of the campaign.

21 7. The department shall continue the pilot program option
22 to provide and supervise a community service pilot project for
23 absent parents who are ordered by the court to perform
24 community service for failure to pay child support pursuant to
25 section 598.23A.

26 8. The director of human services may enter a contract
27 with private collection agencies to collect support payments
28 for cases which have been identified by the department as
29 difficult collection cases if the department determines that
30 this form of collection is more cost effective than
31 departmental collection methods. The director may use a
32 portion of the state share of funds collected through this
33 means to pay the costs of any contracts authorized under this
34 subsection.

35 9. The department shall employ at least one full-time

1 equivalent position to respond to telephone inquiries during
2 all weekly business hours.

3 Sec. 9. JUVENILE INSTITUTIONS. 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, 1995, and
6 ending June 30, 1996, the following amount, or so much thereof
7 as is necessary, to be used for the purposes designated:

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

12 For the state juvenile institutions:

13	\$ 13,487,062
14	FTEs 320.77

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

18	\$ 4,984,184
19	FTEs 118.54

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

23	\$ 8,502,878
24	FTEs 202.23

25 3. During the fiscal year beginning July 1, 1995, the
26 population levels at the state juvenile institutions shall not
27 exceed the population guidelines established under 1990 Iowa
28 Acts, chapter 1239, section 21.

29 4. Each state juvenile institution shall apply for
30 adolescent pregnancy prevention grants for the fiscal year
31 beginning July 1, 1995.

32 5. 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 Sec. 10. CHILD AND FAMILY SERVICES. There is appropriated
2 from the general fund of the state to the department of human
3 services for the fiscal year beginning July 1, 1995, and
4 ending June 30, 1996, the following amount, or so much thereof
5 as is necessary, to be used for the purpose designated:

6 For child and family services:
7 \$ 83,384,244

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

17 2. a. Of the funds appropriated in this section, up to
18 \$20,937,703 is allocated for group foster care maintenance and
19 services. For the fiscal year beginning July 1, 1995, the
20 statewide target, as provided in section 232.143, for the
21 daily average number of children placed in group foster care
22 services which are a charge upon or paid for by the state
23 shall be 1,220. Notwithstanding the statewide target
24 established in this subsection and sections 232.52, 232.102,
25 232.117, 232.127, and 232.182, a target established in a
26 region's group foster care plan developed pursuant to section
27 232.143 may be exceeded, a group foster care placement may be
28 ordered, and state payment may be made if a clinical
29 assessment and consultation team finds that the placement is
30 necessary to meet the child's needs. The department and the
31 courts shall work together to ensure that a region's group
32 foster care expenditures shall not exceed the funds allocated
33 to the region for group foster care placements in the 1995-
34 1996 fiscal year. However, regions may transfer bed days
35 between regions as necessary to meet group foster care needs.

1 The department may adopt administrative rules to implement the
2 provisions of this paragraph.

3 b. In each quarter of the fiscal year, the department
4 shall compare the actual number of group foster care
5 placements in a region and the targets allocated to the region
6 for that quarter. The department shall develop a methodology
7 to provide, within the funds allocated in this subsection,
8 fiscal incentives to regions which have reduced the number or
9 length of group foster care placements.

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

15 d. Notwithstanding the formula specified in section
16 232.143, subsection 1, the department and the judicial
17 department shall develop a formula for allocating a portion of
18 the statewide target to each of the department's regions based
19 on factors determined by the department and the judicial
20 department which may include but are not limited to historical
21 usage of group foster care beds and indicators of need for
22 group foster care placements. The formula shall be
23 established by May 1, 1995. The department may adopt
24 emergency rules to implement the provisions of this paragraph.

25 e. The department shall not certify any additional
26 enhanced residential treatment beds, unless the director of
27 human services approves the beds as necessary, based on the
28 type of children to be served and the location of the enhanced
29 residential treatment beds.

30 f. (1) Of the funds appropriated in this section, not
31 more than \$6,439,398 is allocated as the state match funding
32 for psychiatric medical institutions for children.

33 (2) Based upon the director's decision pursuant to 1994
34 Iowa Acts, chapter 1186, section 10, subsection 19, regarding
35 the managed care approaches for determining service necessity

1 for children served by psychiatric medical institutions for
2 children (PMICs), the department may transfer all or a portion
3 of the moneys appropriated in this section for PMICs to the
4 appropriation in this Act for medical assistance and may amend
5 the managed mental health care contract to include PMICs, and
6 may increase the statewide target for group foster care
7 placements in paragraph "a" of this subsection, accordingly.
8 The department may adopt emergency rules to implement the
9 provisions of this paragraph.

10 g. Of the funds allocated in this subsection, not more
11 than \$995,764 is allocated as the state match funding for 50
12 highly structured juvenile program beds.

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

17 4. In accordance with the provisions of section 232.188,
18 the department shall continue the program to decategorize
19 child welfare services in additional counties or clusters of
20 counties.

21 5. Of the funds appropriated in this section, up to
22 \$96,512 is allocated for continued foster care services to a
23 child who is 18 years of age or older in accordance with the
24 provisions of section 234.35, subsection 3, paragraph "c".
25 However, if funding in this appropriation would remain
26 unobligated at the end of the fiscal year, the allocation in
27 this subsection may be exceeded to the extent necessary to
28 provide the continued foster care services. The department
29 shall distribute the moneys allocated in this subsection to
30 the department's regions based on each region's proportion of
31 the total number of children placed in foster care on March 31
32 preceding the beginning of the fiscal year, who, during the
33 fiscal year would no longer be eligible for foster care due to
34 age.

35 6. Notwithstanding section 232.142, subsection 3, the

1 financial aid paid by the state for the establishment,
2 improvements, operation, and maintenance of county or
3 multicounty juvenile detention homes in the fiscal year
4 beginning July 1, 1995, shall be limited to \$872,500. Funds
5 allocated in this subsection shall be prorated among eligible
6 detention homes.

7 7. The amount of the appropriation made in this section
8 available for foster care is based upon expansion of the
9 number of children in foster care who are eligible for federal
10 supplemental security income (SSI). The department may use up
11 to \$300,000 of those funds to enter into a performance-based
12 contract to secure SSI benefits for children placed in foster
13 care. The contract shall include provisions for training of
14 department of human services and juvenile court staff,
15 completion of applications, tracking of application results,
16 and representation during the appeals process whenever an
17 appeal is necessary to secure SSI benefits. Notwithstanding
18 section 217.30 and section 232.2, subsection 11, and any other
19 provision of law to the contrary, the director or the
20 director's designee on behalf of a child in foster care may
21 release medical, mental health, substance abuse, or any other
22 information necessary only to determine the child's
23 eligibility for SSI benefits, and may sign releases for the
24 information. In any release of information made pursuant to
25 this subsection, confidentiality shall be maintained to the
26 maximum extent possible.

27 8. A portion of the funds appropriated in this section may
28 be used for emergency family assistance to provide other
29 resources required for a family participating in a family
30 preservation or reunification project to stay together or to
31 be reunified.

32 9. Notwithstanding section 234.35, subsection 1, for the
33 fiscal year beginning July 1, 1995, state funding for shelter
34 care paid pursuant to section 234.35, subsection 1, paragraph
35 "h", shall be limited to \$3,383,736. The department may adopt

1 emergency rules to implement the provisions of this
2 subsection.

3 10. Of the funds appropriated in this section, not more
4 than \$512,862 may be used to develop and maintain the state's
5 implementation of the national adoption and foster care
6 information system pursuant to the requirements of Pub. L. No.
7 99-509. The department may transfer funds as necessary from
8 the appropriations in this Act for field operations and
9 general administration to implement this subsection. Moneys
10 allocated in accordance with this subsection shall be
11 considered encumbered for the purposes of section 8.33.

12 11. Of the funds appropriated in this section, a portion
13 may be used for respite services to families of children with
14 mental retardation or other developmental disabilities, who
15 would otherwise enter or continue group care or foster family
16 home placement. The department may adopt administrative rules
17 to implement the provisions of this subsection.

18 12. Of the funds appropriated in this section, up to
19 \$673,217 may be used as determined by the department for any
20 of the following purposes:

21 a. For general administration of the department to improve
22 staff training efforts.

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

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

28 d. For specialized permanency planning field operations
29 staff.

30 13. The department may adopt administrative rules to
31 implement outcome-based child welfare services pilot projects.
32 The rules may include, but are not limited to, the development
33 of program descriptions, provider licensing and certification
34 standards, reimbursement and payment amounts, contract
35 requirements, assessment and service necessity requirements,

1 eligibility criteria, claims submission procedures, and
2 accountability standards.

3 14. Of the funds appropriated in this section, up to
4 \$133,230 may be used to develop a performance-based monitoring
5 program to evaluate and improve outcomes for children and
6 families. The department may adopt administrative rules to
7 implement this subsection.

8 15. The department may develop, within the funds
9 available, a pilot kinship care project to enhance family
10 involvement in the development of the permanency plan required
11 under chapter 232 for children who are removed from their
12 homes. The project components may include family involvement
13 before and after removal of the child and shall stress safety
14 for the child.

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

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

23 b. The child has lived with the potential guardian for at
24 least six months.

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

28 d. The placement does not require departmental
29 supervision.

30 The financial assistance provided shall be in the same
31 amount as provided for family foster care. For purposes of
32 medical assistance and child support recovery, these payments
33 shall be considered foster care payments.

34 17. Of the funds appropriated in this section, up to
35 \$175,000 may be used to establish and maintain a truancy pilot

1 initiative in the fifth judicial district which shall be
2 directed to keeping targeted youth in school by providing
3 noneducational supportive and therapy services both inside and
4 outside the school setting. The department may adopt
5 administrative rules to implement supportive and therapy
6 services in the truancy pilot initiative. The rules may
7 include, but are not limited to, the development of program
8 descriptions, certification standards, reimbursement, contract
9 requirements, and eligibility and accountability standards.

10 Sec. 11. COMMUNITY-BASED PROGRAMS. 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, 1995, and
13 ending June 30, 1996, the following amount, or so much thereof
14 as is necessary, to be used for the purpose designated:

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

19	\$	2,627,823
20	FTEs	1.0

21 1. Of the funds appropriated in this section, \$756,048
22 shall be used for adolescent pregnancy prevention grants,
23 including not more than \$156,048 for programs to prevent
24 second or subsequent pregnancies during the adolescent years
25 and to provide support services for pregnant or parenting
26 adolescents. Rules adopted by the department may allow for
27 revision of existing grant categories and the addition of
28 grant categories which allow for the development and
29 initiation of a statewide adolescent pregnancy prevention
30 campaign and of a statewide assessment or evaluation grant.

31 2. Of the funds appropriated in this section, \$300,000
32 shall be used for grants to community or regional groups which
33 demonstrate broad-based representation from community
34 representatives including but not limited to schools,
35 churches, human service-related organizations, and businesses.

1 Priority in the awarding of grants shall be given to groups
2 which provide services to both urban and rural areas within
3 the proximity of the community or region and which provide
4 age-appropriate programs adapted for both male and female
5 youth at the elementary, middle, and high school levels. A
6 program shall focus on the prevention of initial pregnancies
7 during the adolescent years by emphasizing sexual abstinence
8 as the only completely safe and effective means of avoiding
9 pregnancy and sexually transmitted diseases and by providing
10 information regarding the comparative failure rates of
11 contraceptives, and by emphasizing responsible decision making
12 in relationships, managing of peer and social pressures,
13 development of self-esteem, the costs and responsibilities of
14 parenting, and information regarding the alternative of
15 adoption for placement of a child. The program shall also
16 include an evaluation and assessment component which includes
17 evaluation of and recommendations for improvement of the
18 program by the youth and parents involved. Evaluation and
19 assessment reports shall be provided to the department of
20 human services, at a time determined by the department in the
21 grant award. Community or regional groups interested in
22 applying for a grant under this subsection may be issued a
23 planning grant or may utilize grant moneys for the costs of
24 technical assistance to analyze community needs, match service
25 providers to needs, negotiate service provision strategies, or
26 other assistance to focus grant services provided under this
27 subsection. The technical assistance may be provided by
28 organizations affiliated with institutions under the authority
29 of the state board of regents or other organizations
30 experienced in providing technical assistance concerning
31 similar services.

32 3. Of the funds appropriated in this section, \$732,789
33 shall be used by the department for child abuse prevention
34 grants.

35 4. Of the funds appropriated in this section, an

1 additional \$100,000, based upon the amount allocated in the
2 previous fiscal year, shall be used for family planning
3 services.

4 Sec. 12. COURT-ORDERED SERVICES PROVIDED TO JUVENILES.

5 There is appropriated from the general fund of the state to
6 the department of human services for the fiscal year beginning
7 July 1, 1995, and ending June 30, 1996. the following amount,
8 or so much thereof as is necessary, to be used for the purpose
9 designated:

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

13 \$ 3,090,000

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

19 2. a. Each judicial district shall continue the planning
20 group for the court-ordered services for juveniles provided in
21 that district which was established pursuant to 1991 Iowa
22 Acts, chapter 267, section 119. A planning group shall
23 continue to perform its duties as specified in that law.
24 Reimbursement rates for providers of court-ordered evaluation
25 and treatment services paid under section 232.141, subsection
26 4, shall be negotiated with providers by each judicial
27 district's planning group.

28 b. Each district planning group shall submit an annual
29 report in January to the state court administrator and the
30 department of human services. The report shall cover the
31 preceding fiscal year and shall include a preliminary report
32 on the current fiscal year. The administrator and the
33 department shall compile these reports and submit the reports
34 to the chairpersons and ranking members of the joint
35 appropriations subcommittee on human services and the

1 legislative fiscal bureau.

2 3. The department of human services shall develop policies
3 and procedures to ensure that the funds appropriated in this
4 section are spent only after all other reasonable actions have
5 been taken to utilize other funding sources and community-
6 based services. The policies and procedures shall be designed
7 to achieve the following objectives relating to services
8 provided under chapter 232:

9 a. Maximize the utilization of funds which may be
10 available from the medical assistance program including usage
11 of the early and periodic screening, diagnosis, and treatment
12 (EPSDT) program.

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

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

19 4. The department of human services, in consultation with
20 the state court administrator and the judicial district
21 planning groups, shall compile a monthly report describing
22 spending in the districts for court-ordered services for
23 juveniles, including the utilization of the medical assistance
24 program. The reports shall be submitted on or before the
25 twentieth day of each month to the chairpersons and ranking
26 members of the joint appropriations subcommittee on human
27 services and the legislative fiscal bureau.

28 5. Notwithstanding chapter 232 or any other provision of
29 law, a district or juvenile court in a department of human
30 services district shall not order any service which is a
31 charge upon the state pursuant to section 232.141 if there are
32 insufficient court-ordered services funds available in the
33 district allocation to pay for the service. The chief
34 juvenile court officer shall work with the judicial district
35 planning group to encourage use of the funds appropriated in

1 this section such that there are sufficient funds to pay for
2 all court-related services during the entire year. The eight
3 chief juvenile court officers shall attempt to anticipate
4 potential surpluses and shortfalls in the allocations and
5 shall cooperatively request the state court administrator to
6 transfer funds between the districts' allocations as prudent.

7 6. Notwithstanding any provision of law to the contrary, a
8 district or juvenile court shall not order a county to pay for
9 any service provided to a juvenile pursuant to an order
10 entered under chapter 232 which is a charge upon the state
11 under section 232.141, subsection 4.

12 7. Of the funds appropriated in this section, not more
13 than \$200,000 may be used by the judicial department for
14 administration of the requirements under this section and for
15 travel associated with court-ordered placements which are a
16 charge upon the state pursuant to section 232.141, subsection
17 4.

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

22 Sec. 13. MENTAL HEALTH INSTITUTES. There is appropriated
23 from the general fund of the state to the department of human
24 services for the fiscal year beginning July 1, 1995, and
25 ending June 30, 1996, the following amount, or so much thereof
26 as is necessary, to be used for the purposes designated:

27 For the state mental health institutes for salaries,
28 support, maintenance, and miscellaneous purposes and for not
29 more than the following full-time equivalent positions:
30 \$ 43,214,775
31 FTEs 954.75

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

34 a. State mental health institute at Cherokee:
35 \$ 14,842,902

1	.....	FTEs	331.13
2	b. State mental health institute at Clarinda:		
3	.....	\$	6,009,326
4	.....	FTEs	136.82
5	c. State mental health institute at Independence:		
6	.....	\$	17,594,062
7	.....	FTEs	401.82
8	d. State mental health institute at Mount Pleasant:		
9	.....	\$	4,768,485
10	.....	FTEs	84.98
11	2. Within the funds appropriated in this section, the		
12	department may reallocate funds as necessary to best fulfill		
13	the needs of the institutions provided for in the		
14	appropriation.		
15	3. As part of the discharge planning process at the state		
16	mental health institutes, the department shall provide		
17	assistance in obtaining eligibility for federal supplemental		
18	security income (SSI) to those individuals whose care at a		
19	state mental health institute is the financial responsibility		
20	of the state.		
21	Sec. 14. HOSPITAL-SCHOOLS. 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, 1995, and ending June		
24	30, 1996, the following amount, or so much thereof as is		
25	necessary, to be used for the purposes designated:		
26	For the state hospital-schools, for salaries, support,		
27	maintenance, and miscellaneous purposes and for not more than		
28	the following full-time equivalent positions:		
29	.....	\$	66,276,739
30	.....	FTEs	1,666.00
31	1. The funds appropriated and full-time equivalent		
32	positions authorized in this section are allocated as follows:		
33	a. State hospital-school at Glenwood:		
34	.....	\$	35,838,799
35	.....	FTEs	910.00

1 b. State hospital-school at Woodward:
2 \$ 30,437,940
3 FTEs 756.00

4 2. Within the funds appropriated in this section, the
5 department may reallocate funds as necessary to best fulfill
6 the needs of the institutions provided for in the
7 appropriation.

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

12 Sec. 15. MENTAL ILLNESS SPECIAL SERVICES. There is
13 appropriated from the general fund of the state to the
14 department of human services for the fiscal year beginning
15 July 1, 1995, and ending June 30, 1996, the following amount,
16 or so much thereof as is necessary, to be used for the purpose
17 designated:

18 For mental illness special services:
19 \$ 121,220

20 1. The department and the Iowa finance authority shall
21 develop methods to implement the financing for existing
22 community-based facilities and to implement financing for the
23 development of affordable community-based housing facilities.
24 The department shall assure that clients are referred to the
25 housing as it is developed.

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

31 Sec. 16. FAMILY SUPPORT SUBSIDY PROGRAM. There is
32 appropriated from the general fund of the state to the
33 department of human services for the fiscal year beginning
34 July 1, 1995, and ending June 30, 1996, the following amount,
35 or so much thereof as is necessary, to be used for the purpose

1 designated:

2 For the family support subsidy program:

3 \$ 1,116,236

4 Sec. 17. SPECIAL NEEDS GRANTS. There is appropriated from
5 the general fund of the state to the department of human
6 services for the fiscal year beginning July 1, 1995, and
7 ending June 30, 1996, the following amount, or so much thereof
8 as is necessary, to be used for the purpose designated:

9 To provide special needs grants to families with a family
10 member at home who has a developmental disability or to a
11 person with a developmental disability:

12 \$ 53,212

13 Grants must be used by a family to defray special costs of
14 caring for the family member to prevent out-of-home placement
15 of the family member or to provide for independent living
16 costs. A grant may provide up to \$5,000 per person for costs
17 associated with an assistive animal. The grants may be
18 administered by a private nonprofit agency which serves people
19 statewide provided that no administrative costs are received
20 by the agency. Regular reports regarding the special needs
21 grants with the family support subsidy program and an annual
22 report concerning the characteristics of the grantees shall be
23 provided to the legislative fiscal bureau.

24 Sec. 18. MI/MR/DD STATE CASES. 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, 1995, and
27 ending June 30, 1996, the following amount, or so much thereof
28 as is necessary, to be used for the purposes designated:

29 For purchase of local services for persons with mental
30 illness, mental retardation, and developmental disabilities
31 where the client has no established county of legal
32 settlement:

33 \$ 5,473,492

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

1 general fund of the state to the mental health and
2 developmental disabilities community services fund created in
3 section 225C.7 for the fiscal year beginning July 1, 1995, and
4 ending June 30, 1996, the following amount, or so much thereof
5 as is necessary, to be used for the purpose designated:

6 For mental health and developmental disabilities community
7 services in accordance with this Act:

8 \$ 16,239,182

9 1. Of the funds appropriated in this section, \$15,888,182
10 shall be allocated to counties for funding of community-based
11 mental illness, mental retardation, developmental
12 disabilities, and brain injury services. The moneys shall be
13 allocated to a county as follows:

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

18 b. Fifty percent based upon the county's proportion of the
19 state's general population.

20 2. a. A county shall utilize the funding the county
21 receives pursuant to subsection 1 for services provided to
22 persons with mental illness, mental retardation, developmental
23 disability, and brain injury (MI/MR/DD/BI). However, no more
24 than 50 percent of the funding shall be used for services
25 provided to any one of the service populations.

26 b. A county shall use at least 50 percent of the funding
27 the county receives under subsection 1 for contemporary
28 services provided to persons with MI/MR/DD/BI.

29 c. The mental health and developmental disabilities
30 commission shall adopt rules pursuant to chapter 17A
31 describing the contemporary services. The commission may
32 adopt administrative rules to implement this subsection.

33 3. Of the funds appropriated in this section, \$30,000
34 shall be used to support the Iowa compass program providing
35 computerized information and referral services for Iowans with

1 disabilities and their families.

2 4. The department shall submit an annual report concerning
3 each population served and each service funded in this section
4 to the chairpersons and ranking members of the joint
5 appropriations subcommittee on human services and the
6 legislative fiscal bureau.

7 5. a. A mental health and developmental disabilities
8 regional planning council established pursuant to section
9 225C.18 shall develop plans for the provision of services for
10 the fiscal year beginning July 1, 1995, for persons with
11 MI/MR/DD/BI in the county or counties comprising the planning
12 council.

13 b. County MI/MR/DD/BI expenditure reports for the prior
14 fiscal year are due to the department on or before October 15,
15 1995. The county MI/MR/DD/BI plan for the fiscal year
16 beginning July 1, 1995, is due to the department on or before
17 April 1, 1995.

18 6. a. Funding from the federal social services block
19 grant in the amount of \$13,038,763 is allocated for
20 distribution to counties for local purchase of services for
21 persons with mental illness or mental retardation or other
22 developmental disability.

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

35 c. In purchasing services with funds allocated in this

1 subsection, a county shall designate a person to provide for
2 eligibility determination and development of a case plan for
3 individuals for whom the services are purchased. The
4 designated person shall be a medical assistance case manager
5 serving the person's county of residence. If an individual
6 does not have a case manager, the individual's eligibility
7 shall be determined by a social services caseworker of the
8 department serving the individual's county of residence. The
9 case plan shall be developed in accordance with the
10 department's rules outlining general provisions for service
11 administration.

12 d. Services purchased with funds allocated in this
13 subsection must be the result of a referral by the person who
14 identified the services in developing the individual's case
15 plan.

16 e. Services purchased with funds allocated in this
17 subsection must be under a purchase of service contract
18 established in accordance with the department's administrative
19 rules for purchase of service.

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

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

26 (2) Fifty percent based upon the amount provided to the
27 county for local purchase services in the preceding fiscal
28 year.

29 g. Each county shall submit to the department a plan for
30 funding of the services eligible for payment under this
31 subsection. The plan may provide for allocation of the funds
32 for one or more of the eligible services. The plan shall
33 identify the funding amount the county allocates for each
34 service and the time period for which the funding will be
35 available. Only those services which have funding allocated

1 in the plan are eligible for payment with funds provided in
2 this subsection.

3 h. A county shall provide advance notice to the individual
4 receiving services, the service provider, and the person
5 responsible for developing the case plan of the date the
6 county determines that funding will no longer be available for
7 a service.

8 i. Moneys allocated to a county pursuant to paragraph "f"
9 shall be provided to the county as claims are submitted to the
10 state.

11 j. The moneys provided under this subsection do not
12 establish an entitlement to the services funded under this
13 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, 1995, and ending June 30, 1996, the following amount
18 or so much thereof as is necessary, to be used for the purpose
19 designated:

20 For implementing a pilot project for the personal
21 assistance services program in accordance with this section:
22 \$ 250,000

23 1. The funds appropriated in this section shall be used by
24 the division of mental health and developmental disabilities
25 to implement a 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. The department
2 may use not more than \$50,000 of the funds appropriated in
3 this section to employ not more than 1 additional FTE to
4 administer the personal assistance services program.

5 2. In cooperation with the personal assistance and family
6 support services council, the Iowa family support initiative,
7 and the governor's planning council for developmental
8 disabilities, the department shall apply for any federal funds
9 made available through the federal Families of Children with
10 Disabilities Support Act of 1994, provided no new state or
11 county funds are needed to match the federal funds. The
12 department may use funds from existing programs as matching
13 funds, provided the program goals are consistent and
14 reductions in services for program recipients do not occur.
15 The department shall use the personal assistance and family
16 support services council to meet any federal requirements for
17 a state board policy group, or may use a subgroup of the
18 council if necessary for meeting federal specifications on
19 size, composition, configuration, or functioning relating to a
20 federal requirement for a policy group. The department's
21 planning for a comprehensive family support initiative under
22 section 225C.47 and this subsection shall address options for
23 a means test eligibility requirement and for local review of
24 eligibility by existing bodies such as the mental health and
25 developmental disabilities regional planning councils created
26 pursuant to section 225C.18.

27 Sec. 21. FIELD OPERATIONS. 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, 1995, and ending June
30 30, 1996, the following amount, or so much thereof as is
31 necessary, to be used for the purpose designated:

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

35 \$ 37,846,205

1 FTEs 2009.50

2 Sec. 22. GENERAL ADMINISTRATION. 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, 1995, and
5 ending June 30, 1996, the following amount, or so much thereof
6 as is necessary, to be used for the purpose designated:

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

10 \$ 10,907,951

11 FTEs 375.50

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

15 Sec. 23. VOLUNTEERS. There is appropriated from the
16 general fund of the state to the department of human services
17 for the fiscal year beginning July 1, 1995, and ending June
18 30, 1996, the following amount, or so much thereof as is
19 necessary, to be used for the purpose designated:

20 For development and coordination of volunteer services:

21 \$ 85,793

22 Sec. 24. "X-PERT" PUBLIC ASSISTANCE BENEFIT ELIGIBILITY
23 DETERMINATION SYSTEM. There is appropriated from the general
24 fund of the state to the department of human services for the
25 fiscal year beginning July 1, 1995, and ending June 30, 1996,
26 the following amount, or so much thereof as is necessary, to
27 be used for the purpose designated:

28 For the development costs of the "X-PERT" knowledge-based
29 computer software package for public assistance benefit
30 eligibility determination, including salaries, support,
31 maintenance, and miscellaneous purposes and for not more than
32 the following full-time equivalent positions:

33 \$ 919,872

34 FTEs 17.00

35 Moneys appropriated in this section shall be considered

1 encumbered for the purposes of section 8.33.

2 Sec. 25. MEDICAL ASSISTANCE, STATE SUPPLEMENTARY
3 ASSISTANCE, AND SOCIAL SERVICE PROVIDERS REIMBURSED UNDER THE
4 DEPARTMENT OF HUMAN SERVICES.

5 1. a. For the fiscal year beginning July 1, 1995, the
6 department of human services may allocate any increases in
7 payments for durable medical products and supplies so that
8 equipment and supplies which have greater wholesale cost
9 increases may be reimbursed at a higher rate and those which
10 have a lower or no wholesale cost increase may be reimbursed
11 at a lower rate or have no increase.

12 b. For the fiscal year beginning July 1, 1995, providers
13 of obstetric services when provided by physicians or certified
14 nurse-midwives shall have their medical assistance
15 reimbursement rates increased by 5.0 percent over the rates in
16 effect on June 30, 1995.

17 c. For the fiscal year beginning July 1, 1995, skilled
18 nursing facilities shall have their medical assistance rates
19 increased by 4.6 percent over the rates in effect on June 30,
20 1995.

21 d. The dispensing fee for pharmacists shall remain at the
22 rate in effect on June 30, 1995. The reimbursement policy for
23 drug product costs shall be in accordance with federal
24 requirements.

25 e. Reimbursement rates for in-patient and outpatient
26 hospital services shall be increased by an average of 4.2
27 percent over the rates in effect on June 30, 1995. The
28 department shall continue the outpatient hospital
29 reimbursement system based upon ambulatory patient groups
30 implemented pursuant to 1994 Iowa Acts, chapter 1186, section
31 25, subsection 1, paragraph "f". In addition, the department
32 shall continue the revised medical assistance payment policy
33 implemented pursuant to that paragraph to provide
34 reimbursement for costs of screening and treatment provided in
35 the hospital emergency room is made pursuant to the

1 prospective payment methodology developed by the department
2 for the payment of outpatient services provided under the
3 medical assistance program.

4 f. Reimbursement rates for rural health clinics shall be
5 increased in accordance with increases under the federal
6 medicare program.

7 g. Home health agencies certified for the federal medicare
8 program, hospice services, and acute care mental hospitals
9 shall be reimbursed for their current federal medicare audited
10 costs.

11 h. The basis for establishing the maximum medical
12 assistance reimbursement rate for nursing facilities shall be
13 the 70th percentile of facility costs as calculated from the
14 June 30, 1995, unaudited compilation of cost and statistical
15 data. However, to the extent funds are available within the
16 amount projected for reimbursement of nursing facilities
17 within the appropriation for medical assistance in this Act,
18 and within the appropriation for medical assistance as a
19 whole, the department shall adjust the maximum medical
20 assistance reimbursement for nursing facilities to the 70th
21 percentile, as calculated on December 31, 1995, unaudited
22 compilation of cost and statistical data and the adjustment
23 shall take effect January 1, 1996.

24 i. The department may revise the fee schedule used for
25 physician reimbursement.

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

29 k. Reimbursement for air ambulance service shall be \$7.50
30 per mile and the base rate is \$200.

31 2. For the fiscal year beginning July 1, 1995, the maximum
32 cost reimbursement rate for residential care facilities
33 reimbursed by the department shall be \$21.32 per day. The
34 flat reimbursement rate for facilities electing not to file
35 semiannual cost reports shall be \$15.25 per day. For the

1 fiscal year beginning July 1, 1995, the maximum reimbursement
2 rate for providers reimbursed under the in-home health-related
3 care program shall be \$409.89 per month.

4 3. Unless otherwise directed in this section, when the
5 department's reimbursement methodology for any provider
6 reimbursed in accordance with this section includes an
7 inflation factor, this factor shall not exceed the amount by
8 which the consumer price index for all urban consumers
9 increased during the calendar year ending December 31, 1994.

10 4. Notwithstanding section 234.38, in the fiscal year
11 beginning July 1, 1995, the foster family basic daily
12 maintenance rate and the maximum adoption subsidy rate for
13 children ages 0 through 5 years shall be \$12.00, the rate for
14 children ages 6 through 11 years shall be \$12.72, the rate for
15 children ages 12 through 15 years shall be \$13.89, and the
16 rate for children ages 16 and older shall be \$14.73.

17 Effective July 1, 1995, payments to foster and adoptive
18 families shall be calculated on a daily basis. Effective July
19 1, 1995, the special care allowance paid to adoptive families
20 who have adopted a child with special needs and are eligible
21 for an adoptive subsidy shall be the same as foster care.

22 5. For the fiscal year beginning July 1, 1995, the maximum
23 reimbursement rates for social service providers shall be the
24 same as the rates in effect on June 30, 1995, except under any
25 of the following circumstances:

26 a. If a new service was added after June 30, 1995, the
27 initial reimbursement rate for the service shall be based upon
28 actual and allowable costs.

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

35 6. The group foster care reimbursement rates paid for

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

7 7. For the fiscal year beginning July 1, 1995, the
8 combined service and maintenance components of the
9 reimbursement rate paid to a shelter care provider shall be
10 based on the cost report submitted to the department. The
11 maximum reimbursement rate shall be \$76.61 per day. If the
12 department would reimburse the provider at less than the
13 maximum rate but the provider's cost report justifies a rate
14 of at least \$76.61, the department shall readjust the
15 provider's reimbursement rate to the maximum reimbursement
16 rate. In January 1996, the department shall review the usage
17 of shelter care and the funding allocated for shelter care, if
18 the usage is less than anticipated and the existing contracts
19 for provision of shelter care do not obligate the total amount
20 of the funds allocated, the department may utilize moneys in
21 the allocation, which would otherwise be unexpended, for wrap-
22 around services or support to enable group foster care
23 placement to be prevented or the length of stay reduced.

24 8. The department shall continue the pilot project to
25 implement the alternative payment system, recommended in the
26 study completed by the drug utilization review commission, for
27 compensation of pharmacists for pharmaceutical care services
28 under medical assistance. A report of the findings and
29 recommendations resulting from an evaluation of the pilot
30 project regarding the payment system shall be submitted to the
31 legislative fiscal bureau and to the chairpersons and ranking
32 members of the joint appropriations subcommittee on human
33 services by January 15, 1997.

34 9. The department shall adopt rules which establish an
35 equitable reimbursement rate for all child day care providers

1 reimbursed by the department. In applying the equitable
2 reimbursement rate, the department shall not distinguish
3 between providers on the basis of the date a provider was
4 registered or licensed, or on the basis that the provider
5 received reimbursement in a prior fiscal year.

6 10. The department may adopt emergency rules to implement
7 the provisions of this section.

8 11. For the period beginning on the effective date of this
9 subsection and ending June 30, 1996, the department shall not
10 reduce the percentile amount used to calculate reimbursement
11 rates for intermediate care facilities for the mentally
12 retarded.

13 Sec. 26. STATE INSTITUTIONS -- CLOSINGS AND REDUCTIONS.

14 If a state institution administered by the department of human
15 services is to be closed or reduced in size, prior to the
16 closing or reduction the department shall initiate and
17 coordinate efforts in cooperation with the Iowa department of
18 economic development to develop new jobs in the area in which
19 the state institution is located. In addition, the department
20 may take other actions to utilize the facilities of an
21 institution, including but not limited to assisting not-for-
22 profit users with remodeling and lease costs by forgiving
23 future rental or lease payments to the extent necessary for a
24 period not to exceed five years.

25 Sec. 27. 1994 Iowa Acts, chapter 1186, section 10,
26 unnumbered paragraph 2, is amended to read as follows:

27 For child and family services:

28 \$ 74,761,776.12
29 81,264,807

30 Sec. 28. 1994 Iowa Acts, chapter 1186, section 18,
31 unnumbered paragraph 2, is amended to read as follows:

32 For purchase of local services for persons with mental
33 illness, mental retardation, and developmental disabilities
34 services where the client has no established county of legal
35 settlement:

1 \$ 5,973,492
2 2,973,492

3 Sec. 29. 1994 Iowa Acts, chapter 1186, section 19,
4 unnumbered paragraph 2, is amended to read as follows:

5 For mental illness, mental retardation, developmental
6 disabilities, and brain injury community services in
7 accordance with the provisions of this Act:

8 \$ 29,277,958
9 21,860,789

10 Sec. 30. 1994 Iowa Acts, chapter 1186, section 19,
11 subsection 6, paragraph a, as amended by 1994 Iowa Acts,
12 chapter 1199, section 70, is amended to read as follows:

13 a. Of the funds appropriated in this section, ~~\$13,038,763~~
14 \$5,621,594 is allocated for distribution to counties for local
15 purchase of services for persons with mental illness or mental
16 retardation or other developmental disability.

17 Sec. 31. 1994 Iowa Acts, chapter 1186, section 20,
18 unnumbered paragraph 2, is amended to read as follows:

19 For field operations, including salaries, support,
20 maintenance, and miscellaneous purposes:

21 \$ 37,567,639
22 41,337,613

23 Sec. 32. 1994 Iowa Acts, chapter 1194, section 10,
24 subsections 2 and 3, are amended to read as follows:

25 2. Not more than ~~\$17,257,148~~ 2,078,730 of the funds
26 appropriated in subsection 1 shall be used by the department
27 of human services for general administration. From the funds
28 set aside by this subsection for general administration, the
29 department of human services shall pay to the auditor of state
30 an amount sufficient to pay the cost of auditing the use and
31 administration of the state's portion of the funds
32 appropriated in subsection 1.

33 3. In addition to the allocation for general
34 administration in subsection 2, the remaining funds
35 appropriated in subsection 1 shall be allocated in the

1 following amounts to supplement appropriations for the federal
2 fiscal year beginning October 1, 1994, for the following
3 programs within the department of human services:

4 a. Field operations:

5 \$ ~~12,124,297~~
6 11,322,332

7 b. Child and family services:

8 \$ ~~14,101,019~~
9 -0-

10 c. Child care assistance:

11 \$ ~~1,310,652~~
12 1,581,230

13 d. Local administrative costs and other local services:

14 \$ ~~1,164,210~~
15 1,462,851

16 e. Volunteers:

17 \$ ~~122,778~~
18 148,259

19 f. Community-based services:

20 \$ ~~146,321~~
21 183,855

22 g. Local purchase:

23 \$ 10,917,169

24 h. MI/MR state cases:

25 \$ 3,000,000

26 Sec. 33. Section 99D.7, Code 1995, is amended by adding
27 the following new subsection:

28 NEW SUBSECTION. 22. To cooperate with the gamblers
29 assistance program administered by the department of human
30 services to incorporate information regarding the gamblers
31 assistance program and its toll-free telephone number in
32 printed materials distributed by the commission. The
33 commission may require licensees to have the information
34 available in a conspicuous place as a condition of licensure.

35 Sec. 34. Section 99E.9, Code 1995, is amended by adding

1 the following new subsection:

2 NEW SUBSECTION. 8. The Iowa lottery board shall cooperate
3 with the gamblers assistance program administered by the
4 department of human services to incorporate information
5 regarding the gamblers assistance program and its toll-free
6 telephone number in printed materials distributed by the
7 board.

8 Sec. 35. Section 217.3, subsection 4, Code 1995, is
9 amended to reads as follows:

10 4. Approve the budget of the department of human services
11 prior to submission to the governor. ~~Within-two-weeks-of-the~~
12 date Prior to approval of the budget is approved, the council
13 shall publicize and hold a public hearing to provide
14 explanations and hear questions, opinions, and suggestions
15 regarding the budget. Invitations to the hearing shall be
16 extended to the governor, the governor-elect, the director of
17 the department of management, and other persons deemed by the
18 council as integral to the budget process.

19 Sec. 36. Section 232.188, subsection 6, Code 1995, is
20 amended to read as follows:

21 6. Initially the department shall work with the five
22 counties previously authorized under law to enter into
23 decategorization agreements with the state. At a minimum, any
24 of those counties may elect to use funding for foster care,
25 family-centered services, subsidized adoption, child day care,
26 local purchase of service, state juvenile institution care,
27 state mental health institute care, state hospital-school
28 care, juvenile detention, department direct services, and
29 court-ordered services for juveniles in the child welfare fund
30 established for that county. A portion of the fund may also
31 be used for emergency family assistance to provide resources
32 for families to remain intact or to be reunified. The
33 department shall inform each county in advance of a fiscal
34 year of the amount of funding that is available on account for
35 the county at the state institutions for the fiscal year.

1 Sec. 37. EMERGENCY RULES. If specifically authorized by a
2 provision of this Act, the department of human services or the
3 mental health and mental retardation commission may adopt
4 administrative rules under section 17A.4, subsection 2, and
5 section 17A.5, subsection 2, paragraph "b", to implement the
6 provisions and the rules shall become effective immediately
7 upon filing, unless a later effective date is specified in the
8 rules. In addition, the department may adopt administrative
9 rules in accordance with the provisions of this section as
10 necessary to comply with federal requirements or to adjust to
11 a change in the level of federal funding during the fiscal
12 year beginning July 1, 1995, and ending June 30, 1996. Any
13 rules adopted in accordance with the provisions of this
14 section shall also be published as notice of intended action
15 as provided in section 17A.4.

16 Sec. 38. EFFECTIVE DATE. Section 3, subsection 10, of
17 this Act, relating to drug prior authorization, section 25,
18 subsection 11, relating to reimbursement rates for
19 intermediate care facilities for the mentally retarded, and
20 sections 27 through 32, amending 1994 Iowa Acts, being deemed
21 of immediate importance, take effect upon enactment.

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SENATE FILE 462

H-3765

1 Amend Senate File 462, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 7, by striking lines 13 through 29 and
4 inserting the following:

5 "10. a. Beginning September 1, 1995, the
6 department may require prior authorization for any
7 brand name prescription drug which has an "A" rated
8 generic bioequivalent as determined by the federal
9 food and drug administration and which is recommended
10 for prior authorization by the drug utilization review
11 commission. The department shall establish an
12 educational program through the drug utilization
13 review commission to review and encourage the use of
14 these "A" rated generic equivalents within the medical
15 assistance program. The department shall adopt
16 administrative rules to implement the prior
17 authorization provisions of this paragraph. Beginning
18 January 1, 1996, prior authorization shall not be
19 required for clozapine. The department shall consider
20 expert medical opinion in revising administrative
21 rules applicable to clozapine.

22 b. The department of human services shall, when it
23 is economically beneficial, implement maximum
24 allowable costs for multiple source drugs in
25 accordance with federal guidelines.

26 c. The department shall require prior
27 authorization for full therapeutic dose levels of
28 histamine H2 receptor antagonists and sucralfate
29 beyond 60 days of therapy.

30 d. The department shall review the feasibility of
31 assuming responsibility for administratively pursuing
32 reimbursement for pharmacy services for which a
33 recipient of medical assistance also has third-party
34 coverage. The department shall submit a report of the
35 department's findings and recommendations to the
36 chairpersons and ranking members of the joint
37 appropriations subcommittee on human services on or
38 before January 15, 1996."

39 2. Page 10, by striking line 12 and inserting the
40 following:

41 "..... \$ 7,740,000"

42 3. Page 11, line 10, by inserting after the
43 figure "12." the following: "The department may adopt
44 emergency rules to implement the provisions of this
45 lettered paragraph."

46 4. Page 12, line 5, by striking the figure
47 "640,270" and inserting the following: "636,641".

48 5. Page 12, line 11, by striking the figure
49 "1,679,769" and inserting the following: "1,676,139".

50 6. Page 16, by striking line 13 and inserting the

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Page 2

- 1 following:
- 2 "..... \$ 13,480,000"
- 3 7. Page 16, by striking line 18 and inserting the
- 4 following:
- 5 "..... \$ 4,980,000"
- 6 8. Page 16, by striking line 23 and inserting the
- 7 following:
- 8 "..... \$ 8,500,000"
- 9 9. Page 17, by striking line 7 and inserting the
- 10 following:
- 11 "..... \$ 83,380,000"
- 12 10. Page 21, lines 12 and 13, by striking the
- 13 words "a portion may be used" and inserting the
- 14 following: "\$1,000,000 is allocated".
- 15 11. Page 21, line 16, by inserting after the word
- 16 "placement." the following: "On or before January 4,
- 17 1996, the department shall review the use of the
- 18 funding allocated in this subsection and project
- 19 whether an amount of the funding will be unused by the
- 20 close of the fiscal year. If an amount is projected,
- 21 the department shall transfer the projected amount to
- 22 the appropriation in this Act for family support
- 23 subsidy for use to provide assistance to additional
- 24 families who would otherwise remain on the waiting
- 25 list for that program. The department shall work with
- 26 the Iowa governor's planning council for developmental
- 27 disabilities, the arc of Iowa, the Iowa respite
- 28 coalition, and the Iowa family support initiative to
- 29 review use of the program funded in this section and
- 30 develop recommendations for consideration in the 1996
- 31 legislative session. The recommendations shall
- 32 address how much of the funding should be directed to
- 33 families trying to keep their children with
- 34 disabilities in the family home, potential
- 35 administrative rule revisions to improve the program,
- 36 and actions for the department to take to inform
- 37 families about the program."
- 38 12. Page 23, by striking line 19 and inserting
- 39 the following:
- 40 "..... \$ 2,620,000"
- 41 13. Page 23, line 21, by striking the figure
- 42 "756,048" and inserting the following: "754,000".
- 43 14. Page 23, line 31, by striking the figure
- 44 "300,000" and inserting the following: "298,000".
- 45 15. Page 24, line 32, by striking the figure
- 46 "732,789" and inserting the following: "731,014".
- 47 16. Page 25, line 1, by striking the figure
- 48 "100,000" and inserting the following: "98,000".
- 49 17. Page 27, by striking line 30 and inserting
- 50 the following:

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Page 3

- 1 "..... \$ 43,190,000"
- 2 18. Page 27, by striking line 35 and inserting
- 3 the following:
- 4 "..... \$ 14,840,000"
- 5 19. Page 28, by striking line 3 and inserting the
- 6 following:
- 7 "..... \$ 6,000,000"
- 8 20. Page 28, by striking line 6 and inserting the
- 9 following:
- 10 "..... \$ 17,590,000"
- 11 21. Page 28, by striking line 9 and inserting the
- 12 following:
- 13 "..... \$ 4,760,000"
- 14 22. Page 28, by striking line 29 and inserting
- 15 the following:
- 16 "..... \$ 66,260,000"
- 17 23. Page 28, by striking line 34 and inserting
- 18 the following:
- 19 "..... \$ 35,830,000"
- 20 24. Page 29, by striking line 2 and inserting the
- 21 following:
- 22 "..... \$ 30,430,000"
- 23 25. Page 29, by striking lines 8 through 11.
- 24 26. Page 30, by striking line 3 and inserting the
- 25 following:
- 26 "..... \$ 1,110,000"
- 27 27. Page 30, by striking line 33 and inserting
- 28 the following:
- 29 "..... \$ 5,470,000"
- 30 28. Page 31, by striking line 8 and inserting the
- 31 following:
- 32 "..... \$ 16,230,000"
- 33 29. Page 31, line 9, by striking the figure
- 34 "15,888,182" and inserting the following:
- 35 "15,630,138".
- 36 30. Page 32, by inserting after line 17 the
- 37 following:
- 38 "____. Of the funds appropriated in this section,
- 39 not more than \$248,862 shall be provided to those
- 40 counties having supplemental per diem contracts in
- 41 effect on June 30, 1995, which were originally
- 42 initiated under 1993 Iowa Acts, chapter 172, section
- 43 16, subsection 2. The amount provided to each county
- 44 shall be equal to the amount the county would be
- 45 eligible to receive under the supplemental per diem
- 46 contracts in effect on June 30, 1995, if the contracts
- 47 were continued in effect for the entire fiscal year
- 48 beginning July 1, 1995."
- 49 31. Page 35, by striking lines 1 through 4 and
- 50 inserting the following: "served under the pilot

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Page 4

1 project or the waiver."
 2 32. Page 35, by striking line 35 and inserting
 3 the following:
 4 "..... \$ 38,146,205"
 5 33. Page 36, by inserting after line 1 the
 6 following:
 7 "The department may exceed the quantity of full-
 8 time equivalent positions authorized in this section
 9 by up to 8.5 FTEs as necessary to increase services
 10 for the permanent placement of children for whom
 11 parental rights have been terminated and who are under
 12 the guardianship of the department."
 13 34. Page 36, by striking line 33 and inserting
 14 the following:
 15 "..... \$ 919,000"
 16 35. Page 39, by inserting after line 34 the
 17 following:
 18 "c. The department revises the reimbursement rates
 19 due to implementation of a redesigned purchase of
 20 services system."
 21 36. By striking page 40, line 34 through page 41,
 22 line 5 and inserting the following:
 23 " . The department shall modify reimbursement
 24 provisions applicable to agencies providing services
 25 under the department's rehabilitative treatment
 26 program for children and their families. The
 27 modification shall address the service utilization
 28 reimbursement rates under the program to include the
 29 time a child is away from the agency for good cause."
 30 37. Page 41, by striking lines 8 through 12.

By COMMITTEE ON APPROPRIATIONS
MILLAGE of Scott, Chairperson

H-3765 FILED APRIL 5, 1995

Adopted 4-11-95

(p. 1466)

Motion to R/C by Siegrist

Motion Prevailed

*Amend as adopted 4-11-95
(p. 1475)*

SENATE FILE 462

H-3793

1 Amend the amendment, H-3765, to Senate File 462, as
2 amended, passed, and reprinted by the Senate, as
3 follows:

4 1. Page 3, by inserting after line 48 the
5 following:

6 " ". By striking page 34, line 14, through page
7 35, line 26, and inserting the following:

8 "Sec. 100. PERSONAL ASSISTANCE SERVICES.

9 1. The department of human services, in
10 consultation with the personal assistance and family
11 support services council created in section 225C.48,
12 shall submit a request to the United States department
13 of health and human services to amend the mental
14 retardation and the ill and handicapped home and
15 community-based services waivers to include the
16 provision of consumer-directed attendant care as a
17 fundable service under the medical assistance home and
18 community-based services waiver. If approved, the
19 consumer-directed attendant care services portion of
20 the waiver as provided in 1994 Iowa Acts, chapter
21 1041, section 5, shall be implemented immediately
22 following approval.

23 2. The department of human services, in
24 consultation with the personal assistance and family
25 support services council created in section 225C.48,
26 shall submit a waiver request to the United States
27 department of health and human services for approval
28 of funding of services provided to persons with
29 physical disabilities through the medical assistance
30 home and community-based services waiver, including
31 consumer-directed attendant care services. If
32 approved, the services, as provided in 1994 Iowa Acts,
33 chapter 1041, section 5, shall be implemented
34 immediately following approval. The department shall
35 use existing state funds to draw down federal funds
36 for the consumer-directed attendant services. The
37 department shall not propose or implement the medical
38 assistance home and community-based waiver for
39 services for persons with physical disabilities in a
40 manner which would require county funding to match
41 federal funding. The nonfederal funding match shall
42 be provided only through expenditure of state funds
43 from existing human services programs, including but
44 not limited to the in-home-health-related program and
45 other programs which are funded solely through
46 expenditure of state funds.

47 Sec. 200. PERSONAL ASSISTANCE SERVICES --
48 APPROPRIATION. There is appropriated from the general
49 fund of the state to the department of human services
50 for the fiscal year beginning July 1, 1995, and ending

H-3793

H-3793

Page 2

1 June 30, 1996, the following amount, or so much
2 thereof as is necessary, to be used for the purpose
3 designated:

4 For the personal assistance services program
5 created in section 225C.46:

6 \$ 2,889,723"

7 2. Page 4, by inserting after line 30 the
8 following:

9 "____. Page 45, line 19, by inserting after the
10 word "retarded," the following: "sections 100 and 200
11 of this Act relating to personal assistance
12 services,"."

13 3. By renumbering as necessary.

By RUNNING of Linn

H-3793 FILED APRIL 6, 1995

*Lost 4-11-95
(P. 1467)*

SENATE FILE 462

H-3803

1 Amend Senate File 462, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 8, by inserting after line 21 the
4 following:

5 "____. The department of human services shall
6 consult with the department of inspections and
7 appeals, the Iowa state association of counties, and
8 the Iowa association of rehabilitation and residential
9 facilities in adopting administrative rules
10 identifying optimum staffing ratios for intermediate
11 care facilities for the mentally retarded (ICFMR).
12 The administrative rules shall be implemented on or
13 before January 1, 1996."

14 2. By renumbering as necessary.

By HOUSER of Pottawattamie

H-3803 FILED APRIL 6, 1995

*Adopted 4-11-95
(P. 1466)*

SENATE FILE 462

H-3850

1 Amend Senate File 462, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 23, by inserting after line 9 the
4 following:

5 "100. Notwithstanding section 234.39, if a child
6 was removed from the child's home and placed in foster
7 care during the fiscal year beginning July 1, 1994,
8 based upon an allegation of child abuse that was
9 subsequently determined to be unfounded, a support
10 obligation shall not be established for the child's
11 parent or guardian for the cost of the foster care."

A.

12 2. Page 45, line 17, by inserting after the word
13 "authorization," the following: "section 10,
14 subsection 100, relating to support obligations for
15 certain foster care placements,".

B.

16 3. By renumbering as necessary.

By MURPHY of Dubuque

H-3850 FILED APRIL 10, 1995

A. adopted B. Withdrawn 4-11-95 (P. 1472)

SENATE FILE 462

H-3823

1 Amend Senate File 462 as amended, passed, and
 2 reprinted by the Senate, as follows:
 3 1. Page 8, by inserting after line 21 the
 4 following:
 5 " . Medical assistance funding shall not be
 6 provided to a nursing facility licensed pursuant to
 7 chapter 135C, if the nursing facility segregates
 8 residents within the facility based upon source of
 9 payment of the resident's cost of care."
 10 2. By renumbering as necessary.

By RUNNING of Linn

H-3823 FILED APRIL 10, 1995

*Lost 4-11-95
(P. 1469)*

SENATE FILE 462

H-3825

1 Amend Senate File 462, as amended, passed, and
 2 reprinted by the Senate, as follows:
 3 1. Page 25, by inserting after line 3 the
 4 following:
 5 "5. Moneys appropriated in this section shall not
 6 be allocated to persons who provide abortions."

By BODDICKER of Cedar	VEENTSTRA of Sioux
SALTON of Palo Alto	RUNNING of Linn
BRADLEY of Clinton	DISNEY of Polk
CARROLL of Poweshiek	HURLEY of Fayette
LORD of Dallas	HARRISON of Scott
MUNDIE of Webster	HUSEMAN of Cherokee
O'BRIEN of Boone	KREMER of Buchanan
VAN FOSSEN of Scott	DAGGETT of Adams
SCHULTE of Linn	MERTZ of Kossuth
GARMAN of Story	MCCOY of Polk
VANDE HOEF of Osceola	

H-3825 FILED APRIL 10, 1995

*Out of Order 4-11-95
(P. 1464)*

SENATE FILE 462

H-3822

1 Amend Senate File 462, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 8, by inserting after line 21 the
4 following:

5 "Sec. 200. The department of human services shall
6 seek federal approval on or before July 1, 1995, for
7 the implementation of a pilot program to allow medical
8 assistance program reimbursement for payment of
9 services provided by persons who provide a home and
10 services to persons who currently reside in or who
11 would otherwise be placed in nursing homes but for the
12 alternative offered under this subsection. The
13 department, in cooperation with the department of
14 elder affairs, shall develop a program which will
15 result in a cost savings to the state or in cost
16 neutrality, and shall develop parameters for the
17 program which shall include but are not limited to all
18 of the following:

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

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

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

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

35 2. Page 45, line 17, by inserting after the word
36 "authorization," the following: "section 200 relating
37 to the nursing home waiver pilot program,".

38 3. By renumbering as necessary.

By FALLON of Polk

H-3822 FILED APRIL 10, 1995

Adopted 4-11-95
(P.1468)

SENATE FILE 462

H-3831

1 Amend Senate File 462, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 41, by inserting after line 12 the
4 following:

5 "Sec. . STANDARDS FOR CASELOADS AND
6 REIMBURSEMENT.

7 1. The department of human services shall develop
8 a plan for meeting national standards on caseloads for
9 the department's social workers.

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

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

35 2. By renumbering as necessary.

By JOCHUM of Dubuque

H-3831 FILED APRIL 10, 1995

adopted 4-11-95-
(P. 1473)

SENATE FILE 462

H-3840

1 Amend the amendment, H-3765, to Senate File 462, as
2 amended, passed, and reprinted by the Senate, as
3 follows:

4 1. Page 4, by striking line 30.

By VANDE HOEF of Osceola

H-3840 FILED APRIL 10, 1995

adopted
4-11-95-
(P. 1466)

SENATE FILE 462

H-3830

1 Amend Senate File 462 as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 8, by inserting after line 21 the
4 following:

5 " . Medical assistance funding shall not be
6 provided to a nursing facility licensed pursuant to
7 chapter 135C, if the nursing facility establishes a
8 system of the order of admission of applicants for
9 which the basis of admission is other than initial
10 application, including source of payment of the
11 resident's cost of care, unless documentation is
12 provided to the facility verifying the applicant's
13 death or desire to cancel the application for
14 admission, or unless the applicant is the spouse of a
15 current resident and a bed becomes available even
16 though the spouse is listed first on the application
17 listing. The admissions listing shall be made
18 available to an applicant upon request."

19 2. By renumbering as necessary.

By RUNNING of Linn

H-3830 FILED APRIL 10, 1995

WITHDRAWN

4-11-95

(P. 1469)

SENATE FILE 462

H-3841

1 Amend Senate File 462 as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 9, line 2, by inserting after the word
4 "plan." the following: "The department shall submit a
5 report on a quarterly basis to the general assembly
6 during the months in which the general assembly is in
7 session and to the fiscal committee of the legislative
8 council during the months in which the general
9 assembly is not in session, describing the progress
10 and activities of the prepaid mental health services
11 plan."

By MURPHY of Dubuque

H-3841 FILED APRIL 10, 1995

adopted
4-11-95
(P. 1470)

SENATE FILE 462

H-3842

1 Amend Senate File 462, as amended, passed, and re-
2 printed by the Senate, as follows:
3 1. Page 7, line 12, by inserting after the figure
4 "1995." the following: "The department of human
5 services shall submit a report on a quarterly basis to
6 the general assembly during the months in which the
7 general assembly is in session and to the fiscal
8 committee of the legislative council during the months
9 in which the general assembly is not in session,
10 describing the progress and activities of the
11 integrated substance abuse managed care program."

By MURPHY of Dubuque

H-3842 FILED APRIL 10, 1995

adopted
4-11-95
(P. 1475)

SENATE FILE 462

H-3844

1 Amend Senate File 462 as amended, passed, and
2 reprinted by the Senate as follows;
3 1. Page 12, line 31, by striking the figure
4 "11,935,189" and inserting the following:
5 "12,277,189".
6 2. Page 13, by inserting after line 27 the
7 following:
8 "_____. Of the funds appropriated in this section,
9 \$342,000 shall be used for increasing postsecondary
10 education services for family investment agreement
11 participants."
12 3. Page 36, line 10, by striking the figure
13 "10,907,951" and inserting the following:
14 "10,565,951".
15 4. Page 36, by inserting after line 14 the
16 following:
17 "The amount of the appropriation in this section
18 has been established so as to require the department
19 to reduce its projected expenditures for personal
20 services by 1 percent and for office supplies by 5
21 percent, resulting in an estimated reduction of
22 \$342,000."

By BRAND of Benton

H-3844 FILED APRIL 10, 1995

Lost 4-11-95
(P. 1471)

SENATE FILE 462

H-3845

1 Amend Senate File 462, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 8, by inserting after line 21 the
4 following:
5 "15. Notwithstanding the limitations of section
6 249A.3, subsection 4, discretionary medical assistance
7 shall be provided to individuals who are receiving
8 care in a nursing home who meet all eligibility
9 requirements for federal supplemental security income
10 except that their income exceeds the allowable maximum
11 but is insufficient to meet the full cost of their
12 care in the nursing home on the basis of standards
13 established by the department."
14 2. By renumbering as necessary.

By BRAND of Benton

H-3845 FILED APRIL 10, 1995

Lost 4-11-95
(p. 1469)

SENATE FILE 462

H-3846

1 Amend Senate File 462, as amended, passed, and
 2 reprinted by the Senate, as follows:
 3 1. Page 20, line 4, by striking the words and
 4 figure "limited to \$872,500" and inserting the
 5 following: "20 percent of the total cost of the
 6 establishment, improvements, operation, and
 7 maintenance of the homes".

By BRAND of Benton

H-3846 FILED APRIL 10, 1995

*Lost 4-11-95**(P. 1471)*

SENATE FILE 462

H-3847

1 Amend Senate File 462, as amended, passed, and
 2 reprinted by the Senate, as follows:
 3 1. Page 23, by inserting after line 9 the
 4 following:
 5 "____. The department, in cooperation with
 6 interested social service providers, shall study the
 7 feasibility of expanding existing confidentiality
 8 provisions to allow social service providers to form
 9 local teams to discuss provision of the most
 10 appropriate services in individual cases."
 11 2. By renumbering as necessary.

By MUNDIE of Webster

H-3847 FILED APRIL 10, 1995

*Adopted 4-11-95**(P. 1472)*

SENATE FILE 462

H-3848

1 Amend Senate File 462, as amended, passed, and re-
 2 printed by the Senate, as follows:
 3 1. Page 44, by inserting after line 35 the
 4 following:
 5 "Sec. ____ . Section 249A.3, subsection 9, Code
 6 1995, is amended to read as follows:
 7 9. Beginning October 1, ~~1990~~ 1995, in determining
 8 the eligibility of an institutionalized individual for
 9 assistance under this chapter, the department shall
 10 establish a minimum community spouse resource
 11 allowance amount ~~of twenty-four-thousand-dollars~~ which
 12 is the maximum amount allowed to be retained for the
 13 benefit of the institutionalized individual's
 14 community spouse in accordance with the federal Social
 15 Security Act, section 1924(f) as codified in 42 U.S.C.
 16 § 1396r-5(f)."
 17 2. By renumbering as necessary.

By RUNNING of Linn

H-3848 FILED APRIL 10, 1995

*Lost 4-11-95**(P. 1474)*

SENATE FILE 462

H-3858

1 Amend the amendment, H-3765, to Senate File 462, as
2 amended, passed, and reprinted by the Senate, as
3 follows:

4 1. Page 1, by inserting after line 2 the
5 following:

6 "_____. Page 1, by inserting after line 34 the
7 following:

8 "_____. The department shall research the
9 feasibility of establishing a program of developing
10 community-based residential facilities or "second
11 chance homes" for young mothers and children. The
12 research shall consider potential benefits of second
13 chance homes including the potential effects of
14 deterring child abuse by use of the homes. The
15 research is subject to all of the following
16 provisions:

17 a. The department shall consider developing the
18 home in a manner to provide supervision by mature
19 adult couples. The program should coordinate
20 comprehensive services for pregnant or parenting
21 teens, including but not limited to educational
22 services, vocational services, personal and family
23 counseling, parent education classes, and assistance
24 in developing independent living and homemaking
25 skills.

26 b. The department shall consider various options
27 for designing second chance homes so that the homes
28 will not necessarily be government-operated
29 institutions. The options considered shall include
30 operation by churches and community groups with state
31 guidance through administrative rules. If the program
32 is implemented, administrative rules will delineate
33 how the homes will be structured and specify the
34 combination of support, services, and participant
35 obligations to help teenage mothers to become good
36 mothers, finish school, and gain adequate skills to
37 support their children.

38 c. The department shall consider a design which
39 provides incentive grants to communities that pledge
40 private funding and in-kind services equal to at least
41 one-half of the cost of operating a second chance
42 home. In addition, operating expenses could be
43 supported in part by participants' welfare payments,
44 food stamps, housing assistance, and other forms of
45 public assistance for which participants are eligible,
46 as well as a commitment from communities.

47 d. The department shall submit a report to the
48 general assembly on or before January 8, 1996,
49 concerning the research conducted pursuant to this
50 subsection.""

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1 2. By renumbering as necessary.
By JOCHUM of Dubuque

H-3858 FILED APRIL 11, 1995
LOST, RECONSIDERED AND ADOPTED

SENATE FILE 462

H-3853

1 Amend the amendment, H-3765, to Senate File 462, as
2 amended, passed, and reprinted by the Senate, as
3 follows:
4 1. Page 1, by inserting after line 49 the
5 following:
6 "____. Page 14, by striking line 1 and inserting
7 the following:
8 "..... \$ 6,390,000"
9 2. Page 2, by inserting after line 11 the
10 following:
11 "____. Page 18, line 1, by striking the word
12 "administrative" and inserting the following:
13 "emergency".
14 3. Page 3, line 35, by striking the figure
15 "15,630,138" and inserting the following:
16 "15,951,138".
17 4. Page 3, line 41, by striking the figure "1995"
18 and inserting the following: "1994".
19 5. Page 3, line 46, by striking the figure "1995"
20 and inserting the following: "1994".
21 6. Page 4, by striking line 4 and inserting the
22 following:
23 ""..... \$ 38,140,000"
24 7. Page 4, by inserting after line 30 the
25 following:
26 "____. Page 45, by striking lines 17 through 19
27 and inserting the following: "this Act, relating to
28 any prior authorization, and".

By HOUSER of Pottawattamie

H-3853 FILED APRIL 11, 1995

ADOPTED

(p.1463)

SENATE FILE 462

H-3852

1 Amend Senate File 462, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 23, by inserting after line 9 the
4 following:
5 "____. The department shall continue to make
6 adoption presubsidy and adoption subsidy payments to
7 adoptive parents at the beginning of the month for the
8 current month."
9 2. By renumbering as necessary.

By JOCHUM of Dubuque

H-3852 FILED APRIL 11, 1995

RULES SUSPENDED, ADOPTED

SENATE FILE 462

H-3860

1 Amend the amendment, H-3765, to Senate File 462, as
2 amended, passed, and reprinted by the Senate, as
3 follows:

4 1. Page 1, line 17, by inserting after the word
5 "paragraph." the following: "The department shall not
6 expand the requirement of prior authorization for
7 drugs other than the "A" rated generic bioequivalents
8 authorized under this paragraph, without prior
9 approval of the general assembly for such expansion."

10 2. Page 1, by inserting after line 21 the
11 following:

12 "aa. The department shall amend the contract with
13 the department's fiscal agent regarding prior
14 authorization of prescription drugs to provide for
15 review by the fiscal agent of inquiries for prior
16 authorization during pharmacy business hours,
17 evenings, Saturdays and during pharmacy peak business
18 hours on Sundays, and shall consider providing for
19 review by the fiscal agent of inquiries on a seven-
20 day-per-week, 24-hour-per-day basis.

21 aaa. (1) The department of human services shall
22 conduct a study of the prior authorization program
23 based upon the program data collected during fiscal
24 year 1994-1995, including a review of a sampling of
25 specific drugs for which prior authorization is
26 required. The study shall be completed by October 1,
27 1995, and a report of the findings of the study shall
28 be submitted to the chairpersons and ranking members
29 of the senate and house appropriations committees, to
30 the chairpersons and ranking members of the joint
31 human services appropriations committee, and to the
32 legislative fiscal bureau. The study shall address
33 and include information and recommendations regarding
34 all of the following:

35 (a) A comparison of the costs associated with the
36 prescribing of generic drugs rather than brand name
37 drugs, taking into consideration any rebates or other
38 cost reductions associated with the use of brand name
39 drugs.

40 (b) A review of the time associated with the prior
41 authorization process including telephone
42 communications between providers and the department's
43 prior authorization fiscal agent and with delays for
44 either party. The review shall include an analysis of
45 the average time associated with each inquiry by
46 classification of drug.

47 (c) A review of the number of denials of
48 authorization by classification of drug by the fiscal
49 agent and the rationale for the denials.

50 (d) A review of the actual and projected cost

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1 savings and workability of the prior authorization
2 program.

3 (e) A review of the services provided by the
4 fiscal agent including a comparison of the services of
5 the fiscal agent with private pay insurers in
6 providing a similar service, and an evaluation of the
7 current availability of the fiscal agent and any
8 improvements to the program which might result from
9 increased availability.

10 (f) A review of the volume of inquiries for prior
11 authorization during a weekly period including an
12 analysis of the days and times of peak volume as
13 compared with the availability of the fiscal agent for
14 responding to inquiries.

15 (g) An analysis of the time which elapses between
16 the submission of a bill to the department for
17 reimbursement and actual reimbursement.

18 (2) Following receipt of the report from the
19 department, the legislative fiscal bureau shall review
20 the study. The review shall include all of the
21 following:

22 (a) An evaluation of the cost and savings
23 methodology utilized by the department, including an
24 analysis of whether all governmental costs and savings
25 were included or adequately addressed in the savings
26 methodology used during fiscal year 1994-1995. If the
27 legislative fiscal bureau determines that the cost and
28 savings methodology utilized by the department or the
29 fiscal agent did not include or adequately address all
30 governmental costs, the legislative fiscal bureau
31 shall provide recommendations to the general assembly
32 to improve the cost and savings methodology for future
33 application.

34 (b) An individualized assessment of the prior
35 authorization program based on a random sample of not
36 more than 50 individual prior authorization actions,
37 of which one-half shall be approval actions and one-
38 half shall be denial actions. The random sample shall
39 be provided by the department to the legislative
40 fiscal bureau based upon a random sampling methodology
41 submitted by the legislative fiscal bureau. All data
42 deemed necessary by the legislative fiscal bureau to
43 conduct the assessment shall be provided by the
44 department including but not limited to the date and
45 time of the prior authorization contact between the
46 fiscal agent and the provider; the name, address, and
47 telephone number of the provider; and the
48 classification of the drug for which prior
49 authorization was sought. If the action was an
50 approval action, the department shall provide a

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1 statement of the actual cost associated with the
 2 substituted drug and the cost associated with the
 3 alternative drug. If the action was a denial action,
 4 the department shall provide the rationale for the
 5 denial."

6 3. Page 1, by striking lines 26 through 29.

7 4. Page 1, by striking lines 30 through 38 and
 8 inserting the following:

9 "_____. The department shall develop a plan to
 10 administratively pursue reimbursement for pharmacy
 11 services for which a recipient of medical assistance
 12 also has third-party coverage. The department shall
 13 develop the plan in cooperation with the insurance
 14 division of the department of commerce and with
 15 representatives of the Iowa pharmacists association.
 16 The department shall submit the plan to the general
 17 assembly on or before January 1, 1996, and shall
 18 implement the plan on or before May 1, 1996. The
 19 department shall also include a preliminary estimate
 20 of the costs of administratively pursuing
 21 reimbursement for pharmacy services in the budget
 22 submitted to the council of human services for fiscal
 23 year 1996-1997."

24 5. By relettering as necessary.

By HOUSER of Pottawattamie

H-3860 FILED APRIL 11, 1995

ADOPTED

(p. 1462)

SENATE FILE 462

H-3876

1 Amend the amendment, H-3765, to Senate File 462, as
 2 amended, passed, and reprinted by the Senate, as
 3 follows:

4 1. Page 3, by inserting after line 35 the
 5 following:

6 "_____. Page 31, by striking lines 11 and 12 and
 7 inserting the following: "mental health and
 8 developmental disabilities services. The moneys shall
 9 be".

10 _____. Page 31, by striking lines 22 and 23 and
 11 inserting the following: "persons with a disability,
 12 as defined in section 255C.2. However, no more".

13 _____. Page 31, by striking line 28 and inserting
 14 the following: "services provided to persons with a
 15 disability."

16 _____. Page 32, line 11, by striking the word
 17 "MI/MR/DD/BI" and inserting the following: "a
 18 disability".

19 _____. Page 32, by striking line 13 and inserting
 20 the following:

21 "b. County expenditure reports for services
 22 provided to persons with a disability for the prior".

23 2. By renumbering as necessary.

By HOUSER of Pottawattamie

H-3876 FILED APRIL 11, 1995

ADOPTED

(p. 1464)

SENATE FILE 462

H-3861

1 Amend the amendment, H-3765, to Senate File 462, as
2 amended, passed, and reprinted by the Senate, as
3 follows:
4 1. Page 2, by inserting after line 37 the
5 following:
6 "____. Page 23, by striking lines 15 and 16 and
7 inserting the following:
8 "For community-based programs directed to child
9 abuse prevention and adolescent pregnancy prevention,
10 including salaries, support."
11 2. Page 2, by striking lines 47 and 48 and
12 inserting the following:
13 "____. By striking page 24, line 35, through page
14 25, line 3, and inserting the following:
15 "____. Moneys appropriated in this section which
16 are otherwise unallocated shall be distributed among
17 the allocations specified in this section. The
18 distribution shall be made based upon the specific
19 allocation's proportion of the total amount allocated
20 in this section. Moneys distributed in accordance
21 with this subsection shall be used for the purposes
22 designated in the specific subsection."
23 3. By renumbering as necessary.

By MILLAGE of Scott

H-3861 FILED APRIL 11, 1995

ADOPTED

(P. 1464)

SENATE FILE 462

H-3871

1 Amend the amendment, H-3822, to Senate File 462, as
2 amended, passed, and reprinted by the Senate, as
3 follows:
4 1. Page 1, line 6, by striking the word "July"
5 and inserting the following: "August".
6 2. Page 1, by striking lines 10 through 12 and
7 inserting the following: "services to a total of
8 seventy-five persons who currently reside in nursing
9 homes. The".
10 3. Page 1, line 19, by inserting after the word
11 "level" the following: ", established by the
12 department,".
13 4. Page 1, line 32 and 33, by striking the words
14 "or prospective".

By FALLON of Polk

H-3871 FILED APRIL 11, 1995

ADOPTED

(P. 1468)

HOUSE AMENDMENT TO
SENATE FILE 462

S-3394

1 Amend Senate File 462, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 1, by inserting after line 34 the
4 following:
5 "a. The department shall research the feasibility
6 of establishing a program of developing community-
7 based residential facilities or "second chance homes"
8 for young mothers and children. The research shall
9 consider potential benefits of second chance homes
10 including the potential effects of deterring child
11 abuse by use of the homes. The research is subject to
12 all of the following provisions:
13 b. The department shall consider developing the
14 home in a manner to provide supervision by mature
15 adult couples. The program should coordinate
16 comprehensive services for pregnant or parenting
17 teens, including but not limited to educational
18 services, vocational services, personal and family
19 counseling, parent education classes, and assistance
20 in developing independent living and homemaking
21 skills.
22 c. The department shall consider various options
23 for designing second chance homes so that the homes
24 will not necessarily be government-operated
25 institutions. The options considered shall include
26 operation by churches and community groups with state
27 guidance through administrative rules. If the program
28 is implemented, administrative rules will delineate
29 how the homes will be structured and specify the
30 combination of support, services, and participant
31 obligations to help teenage mothers to become good
32 mothers, finish school, and gain adequate skills to
33 support their children.
34 d. The department shall consider a design which
35 provides incentive grants to communities that pledge
36 private funding and in-kind services equal to at least
37 one-half of the cost of operating a second chance
38 home. In addition, operating expenses could be
39 supported in part by participants' welfare payments,
40 food stamps, housing assistance, and other forms of
41 public assistance for which participants are eligible,
42 as well as a commitment from communities.
43 e. The department shall submit a report to the
44 general assembly on or before January 8, 1996,
45 concerning the research conducted pursuant to this
46 subsection."
47 2. Page 7, line 12, by inserting after the figure
48 "1995." the following: "The department of human
49 services shall submit a report on a quarterly basis to
50 the general assembly during the months in which the
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1 general assembly is in session and to the fiscal
2 committee of the legislative council during the months
3 in which the general assembly is not in session,
4 describing the progress and activities of the
5 integrated substance abuse managed care program."

6 3. Page 7, by striking lines 13 through 29 and
7 inserting the following:

8 "10. a. Beginning September 1, 1995, the
9 department may require prior authorization for any
10 brand name prescription drug which has an "A" rated
11 generic bioequivalent as determined by the federal
12 food and drug administration and which is recommended
13 for prior authorization by the drug utilization review
14 commission. The department shall establish an
15 educational program through the drug utilization
16 review commission to review and encourage the use of
17 these "A" rated generic equivalents within the medical
18 assistance program. The department shall adopt
19 administrative rules to implement the prior
20 authorization provisions of this paragraph. The
21 department shall not expand the requirement of prior
22 authorization for drugs other than the "A" rated
23 generic bioequivalents authorized under this
24 paragraph, without prior approval of the general
25 assembly for such expansion. Beginning January 1,
26 1996, prior authorization shall not be required for
27 clozapine. The department shall consider expert
28 medical opinion in revising administrative rules
29 applicable to clozapine.

30 aa. The department shall amend the contract with
31 the department's fiscal agent regarding prior
32 authorization of prescription drugs to provide for
33 review by the fiscal agent of inquiries for prior
34 authorization during pharmacy business hours,
35 evenings, Saturdays and during pharmacy peak business
36 hours on Sundays, and shall consider providing for
37 review by the fiscal agent of inquiries on a seven-
38 day-per-week, 24-hour-per-day basis.

39 aaa. (1) The department of human services shall
40 conduct a study of the prior authorization program
41 based upon the program data collected during fiscal
42 year 1994-1995, including a review of a sampling of
43 specific drugs for which prior authorization is
44 required. The study shall be completed by October 1,
45 1995, and a report of the findings of the study shall
46 be submitted to the chairpersons and ranking members
47 of the senate and house appropriations committees, to
48 the chairpersons and ranking members of the joint
49 human services appropriations committee, and to the
50 legislative fiscal bureau. The study shall address

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1 and include information and recommendations regarding
2 all of the following:

3 (a) A comparison of the costs associated with the
4 prescribing of generic drugs rather than brand name
5 drugs, taking into consideration any rebates or other
6 cost reductions associated with the use of brand name
7 drugs.

8 (b) A review of the time associated with the prior
9 authorization process including telephone
10 communications between providers and the department's
11 prior authorization fiscal agent and with delays for
12 either party. The review shall include an analysis of
13 the average time associated with each inquiry by
14 classification of drug.

15 (c) A review of the number of denials of
16 authorization by classification of drug by the fiscal
17 agent and the rationale for the denials.

18 (d) A review of the actual and projected cost
19 savings and workability of the prior authorization
20 program.

21 (e) A review of the services provided by the
22 fiscal agent including a comparison of the services of
23 the fiscal agent with private pay insurers in
24 providing a similar service, and an evaluation of the
25 current availability of the fiscal agent and any
26 improvements to the program which might result from
27 increased availability.

28 (f) A review of the volume of inquiries for prior
29 authorization during a weekly period including an
30 analysis of the days and times of peak volume as
31 compared with the availability of the fiscal agent for
32 responding to inquiries.

33 (g) An analysis of the time which elapses between
34 the submission of a bill to the department for
35 reimbursement and actual reimbursement.

36 (2) Following receipt of the report from the
37 department, the legislative fiscal bureau shall review
38 the study. The review shall include all of the
39 following:

40 (a) An evaluation of the cost and savings
41 methodology utilized by the department, including an
42 analysis of whether all governmental costs and savings
43 were included or adequately addressed in the savings
44 methodology used during fiscal year 1994-1995. If the
45 legislative fiscal bureau determines that the cost and
46 savings methodology utilized by the department or the
47 fiscal agent did not include or adequately address all
48 governmental costs, the legislative fiscal bureau
49 shall provide recommendations to the general assembly
50 to improve the cost and savings methodology for future

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1 application.

2 (b) An individualized assessment of the prior
3 authorization program based on a random sample of not
4 more than 50 individual prior authorization actions,
5 of which one-half shall be approval actions and one-
6 half shall be denial actions. The random sample shall
7 be provided by the department to the legislative
8 fiscal bureau based upon a random sampling methodology
9 submitted by the legislative fiscal bureau. All data
10 deemed necessary by the legislative fiscal bureau to
11 conduct the assessment shall be provided by the
12 department including but not limited to the date and
13 time of the prior authorization contact between the
14 fiscal agent and the provider; the name, address, and
15 telephone number of the provider; and the
16 classification of the drug for which prior
17 authorization was sought. If the action was an
18 approval action, the department shall provide a
19 statement of the actual cost associated with the
20 substituted drug and the cost associated with the
21 alternative drug. If the action was a denial action,
22 the department shall provide the rationale for the
23 denial.

24 b. The department of human services shall, when it
25 is economically beneficial, implement maximum
26 allowable costs for multiple source drugs in
27 accordance with federal guidelines.

28 c. The department shall develop a plan to
29 administratively pursue reimbursement for pharmacy
30 services for which a recipient of medical assistance
31 also has third-party coverage. The department shall
32 develop the plan in cooperation with the insurance
33 division of the department of commerce and with
34 representatives of the Iowa pharmacists association.
35 The department shall submit the plan to the general
36 assembly on or before January 1, 1996, and shall
37 implement the plan on or before May 1, 1996. The
38 department shall also include a preliminary estimate
39 of the costs of administratively pursuing
40 reimbursement for pharmacy services in the budget
41 submitted to the council of human services for fiscal
42 year 1996-1997."

43 4. Page 8, by inserting after line 21 the
44 following:

45 "Sec. 200. The department of human services shall
46 seek federal approval on or before August 1, 1995, for
47 the implementation of a pilot program to allow medical
48 assistance program reimbursement for payment of
49 services provided by persons who provide a home and
50 services to a total of seventy-five persons who

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1 currently reside in nursing homes. The department, in
2 cooperation with the department of elder affairs,
3 shall develop a program which will result in a cost
4 savings to the state or in cost neutrality, and shall
5 develop parameters for the program which shall include
6 but are not limited to all of the following:

7 a. A maximum income eligibility level, established
8 by the department, which applies to persons providing
9 a home and services and seeking reimbursement through
10 the medical assistance program.

11 b. An evaluative component which enables the
12 department to measure the financial and quality of
13 life aspects of the pilot program in comparison with
14 placement of a person in a nursing home.

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

18 d. Any other criteria necessary to implement the
19 pilot program including but not limited to
20 implementation in a manner which targets current
21 nursing home residents in both rural and urban areas
22 of the state."

23 5. Page 8, by inserting after line 21 the
24 following:

25 "____. The department of human services shall
26 consult with the department of inspections and
27 appeals, the Iowa state association of counties, and
28 the Iowa association of rehabilitation and residential
29 facilities in adopting administrative rules
30 identifying optimum staffing ratios for intermediate
31 care facilities for the mentally retarded (ICFMR).
32 The administrative rules shall be implemented on or
33 before January 1, 1996."

34 6. Page 9, line 2, by inserting after the word
35 "plan." the following: "The department shall submit a
36 report on a quarterly basis to the general assembly
37 during the months in which the general assembly is in
38 session and to the fiscal committee of the legislative
39 council during the months in which the general
40 assembly is not in session, describing the progress
41 and activities of the prepaid mental health services
42 plan."

43 7. Page 10, by striking line 12 and inserting the
44 following:

45 "..... \$ 7,740,000"

46 8. Page 11, line 10, by inserting after the
47 figure "12." the following: "The department may adopt
48 emergency rules to implement the provisions of this
49 lettered paragraph."

50 9. Page 12, line 5, by striking the figure

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1 "640,270" and inserting the following: "636,641".
2 10. Page 12, line 11, by striking the figure
3 "1,679,769" and inserting the following: "1,676,139".
4 11. Page 14, by striking line 1 and inserting the
5 following:
6 "..... \$ 6,390,000"
7 12. Page 16, by striking line 13 and inserting
8 the following:
9 "..... \$ 13,480,000"
10 13. Page 16, by striking line 18 and inserting
11 the following:
12 "..... \$ 4,980,000"
13 14. Page 16, by striking line 23 and inserting
14 the following:
15 "..... \$ 8,500,000"
16 15. Page 17, by striking line 7 and inserting the
17 following:
18 "..... \$ 83,380,000"
19 16. Page 18, line 1, by striking the word
20 "administrative" and inserting the following:
21 "emergency".
22 17. Page 21, lines 12 and 13, by striking the
23 words "a portion may be used" and inserting the
24 following: "\$1,000,000 is allocated".
25 18. Page 21, line 16, by inserting after the word
26 "placement." the following: "On or before January 4,
27 1996, the department shall review the use of the
28 funding allocated in this subsection and project
29 whether an amount of the funding will be unused by the
30 close of the fiscal year. If an amount is projected,
31 the department shall transfer the projected amount to
32 the appropriation in this Act for family support
33 subsidy for use to provide assistance to additional
34 families who would otherwise remain on the waiting
35 list for that program. The department shall work with
36 the Iowa governor's planning council for developmental
37 disabilities, the arc of Iowa, the Iowa respite
38 coalition, and the Iowa family support initiative to
39 review use of the program funded in this section and
40 develop recommendations for consideration in the 1996
41 legislative session. The recommendations shall
42 address how much of the funding should be directed to
43 families trying to keep their children with
44 disabilities in the family home, potential
45 administrative rule revisions to improve the program,
46 and actions for the department to take to inform
47 families about the program."
48 19. Page 23, by inserting after line 9 the
49 following:
50 " _____. The department, in cooperation with

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1 interested social service providers, shall study the
2 feasibility of expanding existing confidentiality
3 provisions to allow social service providers to form
4 local teams to discuss provision of the most
5 appropriate services in individual cases."

6 20. Page 23, by inserting after line 9 the
7 following:

8 "100. Notwithstanding section 234.39, if a child
9 was removed from the child's home and placed in foster
10 care during the fiscal year beginning July 1, 1994,
11 based upon an allegation of child abuse that was
12 subsequently determined to be unfounded, a support
13 obligation shall not be established for the child's
14 parent or guardian for the cost of the foster care."

15 21. Page 23, by inserting after line 9 the
16 following:

17 "_____. The department shall continue to make
18 adoption presubsidy and adoption subsidy payments to
19 adoptive parents at the beginning of the month for the
20 current month."

21 22. Page 23, by striking lines 15 and 16 and
22 inserting the following:

23 "For community-based programs directed to child
24 abuse prevention and adolescent pregnancy prevention,
25 including salaries, support".

26 23. Page 23, by striking line 19 and inserting
27 the following:

28 "..... \$ 2,620,000"

29 24. Page 23, line 21, by striking the figure
30 "756,048" and inserting the following: "754,000".

31 25. Page 23, line 31, by striking the figure
32 "300,000" and inserting the following: "298,000".

33 26. Page 24, line 32, by striking the figure
34 "732,789" and inserting the following: "731,014".

35 27. By striking page 24, line 35, through page
36 25, line 3, and inserting the following:

37 "_____. Moneys appropriated in this section which
38 are otherwise unallocated shall be distributed among
39 the allocations specified in this section. The
40 distribution shall be made based upon the specific
41 allocation's proportion of the total amount allocated
42 in this section. Moneys distributed in accordance
43 with this subsection shall be used for the purposes
44 designated in the specific subsection."

45 28. Page 27, by striking line 30 and inserting
46 the following:

47 "..... \$ 43,190,000"

48 29. Page 27, by striking line 35 and inserting
49 the following:

50 "..... \$ 14,840,000"

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Page 8

1 30. Page 28, by striking line 3 and inserting the
2 following:
3 "..... \$ 6,000,000"
4 31. Page 28, by striking line 6 and inserting the
5 following:
6 "..... \$ 17,590,000"
7 32. Page 28, by striking line 9 and inserting the
8 following:
9 "..... \$ 4,760,000"
10 33. Page 28, by striking line 29 and inserting
11 the following:
12 "..... \$ 66,260,000"
13 34. Page 28, by striking line 34 and inserting
14 the following:
15 "..... \$ 35,830,000"
16 35. Page 29, by striking line 2 and inserting the
17 following:
18 "..... \$ 30,430,000"
19 36. Page 29, by striking lines 8 through 11.
20 37. Page 30, by striking line 3 and inserting the
21 following:
22 "..... \$ 1,110,000"
23 38. Page 30, by striking line 33 and inserting
24 the following:
25 "..... \$ 5,470,000"
26 39. Page 31, by striking line 8 and inserting the
27 following:
28 "..... \$ 16,230,000"
29 40. Page 31, line 9, by striking the figure
30 "15,888,182" and inserting the following:
31 "15,951,138".
32 41. Page 31, by striking lines 11 and 12 and
33 inserting the following: "mental health and
34 developmental disabilities services. The moneys shall
35 be".
36 42. Page 31, by striking lines 22 and 23 and
37 inserting the following: "persons with a disability,
38 as defined in section 255C.2. However, no more".
39 43. Page 31, by striking line 28 and inserting
40 the following: "services provided to persons with a
41 disability."
42 44. Page 32, line 11, by striking the word
43 "MI/MR/DD/BI" and inserting the following: "a
44 disability".
45 45. Page 32, by striking line 13 and inserting
46 the following:
47 "b. County expenditure reports for services
48 provided to persons with a disability for the prior".
49 46. Page 32, by inserting after line 17 the
50 following:

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Page 9

1 "_____. Of the funds appropriated in this section,
 2 not more than \$248,862 shall be provided to those
 3 counties having supplemental per diem contracts in
 4 effect on June 30, 1994, which were originally
 5 initiated under 1993 Iowa Acts, chapter 172, section
 6 16, subsection 2. The amount provided to each county
 7 shall be equal to the amount the county would be
 8 eligible to receive under the supplemental per diem
 9 contracts in effect on June 30, 1994, if the contracts
 10 were continued in effect for the entire fiscal year
 11 beginning July 1, 1995."

12 47. Page 35, by striking lines 1 through 4 and
 13 inserting the following: "served under the pilot
 14 project or the waiver."

15 48. Page 35, by striking line 35 and inserting
 16 the following:

17 "..... \$ 38,140,000"

18 49. Page 36, by inserting after line 1 the
 19 following:

20 "The department may exceed the quantity of full-
 21 time equivalent positions authorized in this section
 22 by up to 8.5 FTEs as necessary to increase services
 23 for the permanent placement of children for whom
 24 parental rights have been terminated and who are under
 25 the guardianship of the department."

26 50. Page 36, by striking line 33 and inserting
 27 the following:

28 "..... \$ 919,000"

29 51. Page 39, by inserting after line 34 the
 30 following:

31 "c. The department revises the reimbursement rates
 32 due to implementation of a redesigned purchase of
 33 services system."

34 52. By striking page 40, line 34 through page 41,
 35 line 5 and inserting the following:

36 "_____. The department shall modify reimbursement
 37 provisions applicable to agencies providing services
 38 under the department's rehabilitative treatment
 39 program for children and their families. The
 40 modification shall address the service utilization
 41 reimbursement rates under the program to include the
 42 time a child is away from the agency for good cause."

43 53. Page 41, by inserting after line 12 the
 44 following:

45 "Sec. _____. STANDARDS FOR CASELOADS AND
 46 REIMBURSEMENT.

47 1. The department of human services shall develop
 48 a plan for meeting national standards on caseloads for
 49 the department's social workers.

50 2. The department shall also develop a plan for

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Page 10

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

20 3. The department shall submit the planning
21 provisions required by this section to the members of
22 the joint appropriations subcommittee on human
23 services of the senate and house of representatives on
24 or before January 8, 1996."

25 54. Page 45, by striking lines 17 through 19 and
26 inserting the following: "this Act, relating to any
27 prior authorization, and".

28 55. Page 45, line 17, by inserting after the word
29 "authorization," the following: "section 200 relating
30 to the nursing home waiver pilot program,".

31 56. By renumbering, relettering, or redesignating
32 and correcting internal references as necessary.

RECEIVED FROM THE HOUSE

S-3394 FILED APRIL 12, 1995

CONCURRED (p. 1171)
as amended

SENATE FILE 462

S-3402

- 1 Amend the House amendment, S-3394, to Senate File
2 462, as amended, passed, and reprinted by the Senate,
3 as follows:
4 1. Page 4, line 45, by striking the word and
5 figure "Sec. 200." and inserting the following:
6 "200".
7 2. Page 5, by inserting after line 45 the
8 following:
9 "_____. Page 10, line 15, by striking the figure
10 "3,895,934" and inserting the following:
11 "2,895,934"."
12 3. Page 7, line 5, by inserting after the word
13 "cases." the following: "The department shall submit
14 a report of the findings of the study to the
15 chairpersons and ranking members of the joint
16 appropriations subcommittee on human services on or
17 before January 1, 1996."
18 4. Page 7, line 8, by striking the figure "100"
19 and inserting the following: "_____."
20 5. Page 7, by striking lines 21 through 25.
21 6. Page 7, by striking lines 35 through 44.
22 7. Page 8, line 38, by striking the figure
23 "255C.2" and inserting the following: "225C.2".
24 8. Page 10, by striking lines 25 through 30 and
25 inserting the following:
26 "_____. Page 45, line 17, by inserting after the
27 word "authorization," the following: "section 3,
28 subsection 200, relating to the nursing home waiver
29 pilot program,."
30 9. By renumbering as necessary.

By JOHNIE HAMMOND

S-3402 FILED APRIL 12, 1995

ADOPTED (p. 1171)

SENATE AMENDMENT TO HOUSE AMENDMENT TO SENATE FILE 462
H-3910

- 1 Amend the House amendment, S-3394, to Senate File
2 462, as amended, passed, and reprinted by the Senate,
3 as follows:
4 1. Page 4, line 45, by striking the word and
5 figure "Sec. 200." and inserting the following:
6 "200".
7 2. Page 5, by inserting after line 45 the
8 following:
9 " ". Page 10, line 15, by striking the figure
10 "3,895,934" and inserting the following:
11 "2,895,934".
12 3. Page 7, line 5, by inserting after the word
13 "cases." the following: "The department shall submit
14 a report of the findings of the study to the
15 chairpersons and ranking members of the joint
16 appropriations subcommittee on human services on or
17 before January 1, 1996."
18 4. Page 7, line 8, by striking the figure "100"
19 and inserting the following: " ".
20 5. Page 7, by striking lines 21 through 25.
21 6. Page 7, by striking lines 35 through 44.
22 7. Page 8, line 38, by striking the figure
23 "255C.2" and inserting the following: "225C.2".
24 8. Page 10, by striking lines 25 through 30 and
25 inserting the following:
26 " ". Page 45, line 17, by inserting after the
27 word "authorization," the following: "section 3,
28 subsection 200, relating to the nursing home waiver
29 pilot program,."
30 9. By renumbering as necessary.

RECEIVED FROM THE SENATE

H-3910 FILED APRIL 12, 1995

House concurred 4/12/95 (p. 1687)

Hammond
Murphy
Tinsman

SSB-344

Appropriations

Succeeded By
SF/HF

SENATE FILE 462

BY (PROPOSED COMMITTEE ON
APPROPRIATIONS BILL BY
SENATE APPROPRIATIONS
SUBCOMMITTEE ON HUMAN
SERVICES)

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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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, 1995, and ending June 30, 1996, 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 \$ 32,820,032

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

12 2. Notwithstanding section 239.6, the department is not
13 required to reconsider eligibility of family investment
14 program recipients every six months if a federal waiver is
15 granted.

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

27 4. The department shall consolidate the individual
28 planning and agreement provisions of the family investment
29 program and the family development and self-sufficiency grant
30 program to ensure service coordination by providing that if a
31 recipient is participating in the grant program, the
32 recipient's family investment agreement shall be developed or
33 revised in consultation with the family development and self-
34 sufficiency grant program worker.

35 Sec. 2. EMERGENCY ASSISTANCE. There is appropriated from

1 the general fund of the state to the department of human
2 services for the fiscal year beginning July 1, 1995, and
3 ending June 30, 1996, the following amount, or so much thereof
4 as is necessary, to be used for the purpose designated:

5 For emergency assistance to families with dependent
6 children for homeless prevention programs:
7 \$ 1,767,500

8 1. The emergency assistance provided for in this section
9 shall be available beginning October 1 of the fiscal year and
10 shall be provided only if all other publicly funded resources
11 have been exhausted. Specifically, emergency assistance is
12 the program of last resort and shall not supplant assistance
13 provided by the low-income home energy assistance program
14 (LIHEAP), county general relief, and veterans affairs
15 programs. The department shall establish a \$500 maximum
16 payment, per family, in a twelve-month period. The emergency
17 assistance includes, but is not limited to, assisting people
18 who face eviction, potential eviction, or foreclosure, utility
19 shutoff or fuel shortage, loss of heating energy supply or
20 equipment, homelessness, utility or rental deposits, or other
21 specified crisis which threatens family or living
22 arrangements. The emergency assistance shall be available to
23 migrant families who would otherwise meet eligibility
24 criteria. The department may adopt administrative rules to
25 implement the program including eligibility criteria and
26 benefit levels. The department may contract for the
27 administration and delivery of the program. The program shall
28 be terminated when funds are exhausted.

29 2. For the fiscal year beginning July 1, 1995, the
30 department shall establish a process for the state to receive
31 refunds of rent deposits for emergency assistance recipients
32 which were paid by persons other than the state. The refunds
33 received by the department under this subsection shall be
34 deposited with the moneys of the appropriation made in this
35 section and used as additional funds. Notwithstanding section

1 8.33, moneys received by the department under this subsection
2 which remain unobligated or unexpended at the close of the
3 fiscal year shall not revert to the general fund of the state
4 but shall remain available for expenditure in the succeeding
5 fiscal year.

6 Sec. 3. MEDICAL ASSISTANCE. There is appropriated from
7 the general fund of the state to the department of human
8 services for the fiscal year beginning July 1, 1995, and
9 ending June 30, 1996, the following amount, or so much thereof
10 as is necessary, to be used for the purpose designated:

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

15 \$351,496,521

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

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

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

23 c. The pregnancy is the result of a rape which is reported
24 within 45 days of the incident to a law enforcement agency or
25 public or private health agency which may include a family
26 physician.

27 d. The pregnancy is the result of incest which is reported
28 within 150 days of the incident to a law enforcement agency or
29 public or private health agency which may include a family
30 physician.

31 e. Any spontaneous abortion, commonly known as a
32 miscarriage, if not all of the products of conception are
33 expelled.

34 2. Notwithstanding section 8.39, the department may
35 transfer funds appropriated in this section to a separate

1 account established in the department's case management unit
2 for expenditures required to provide case management services
3 for mental health, mental retardation, and developmental
4 disabilities services under medical assistance which are
5 jointly funded by the state and county, pending final
6 settlement of the expenditures. Funds received by the case
7 management unit in settlement of the expenditures shall be
8 used to replace the transferred funds and are available for
9 the purposes for which the funds were appropriated in this
10 section.

11 3. If a medical assistance recipient is more than 17 years
12 of age and is receiving care which is reimbursed under a
13 federally approved home and community-based services waiver
14 but would otherwise be approved for care in an intermediate
15 care facility for the mentally retarded, the recipient's
16 county of legal settlement shall reimburse the department on a
17 monthly basis for the portion of the recipient's cost of care
18 which is not paid from federal funds.

19 4. a. The county of legal settlement shall be billed for
20 50 percent of the nonfederal share of the cost of case
21 management provided for adults, day treatment, and partial
22 hospitalization in accordance with sections 249A.26 and
23 249A.27, and 100 percent of the nonfederal share of the cost
24 of care which is reimbursed under a federally approved home
25 and community-based waiver that would otherwise be approved
26 for provision in an intermediate care facility for the
27 mentally retarded, provided under the medical assistance
28 program for persons with mental retardation, a developmental
29 disability, or chronic mental illness. The state shall have
30 responsibility for the remaining 50 percent of the nonfederal
31 share of the cost of case management provided for adults, day
32 treatment, and partial hospitalization. For persons without a
33 county of legal settlement, the state shall have
34 responsibility for 100 percent of the nonfederal share of the
35 cost of case management provided for adults, day treatment,

1 partial hospitalization, and the home and community-based
2 waiver services. Those services specified in this subsection
3 shall be billed to a county only if the services are provided
4 outside of a managed care contract.

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

10 c. Medical assistance funding for case management services
11 for eligible persons 17 years of age and younger shall also be
12 provided to persons residing in counties with child welfare
13 decategorization projects implemented in accordance with
14 section 232.188, provided these projects have included these
15 persons in their service plan and the decategorization project
16 county is willing to provide the nonfederal share of costs.

17 d. The state shall pay the entire nonfederal share of
18 intermediate care facilities for the mentally retarded (ICFMR)
19 costs for eligible persons 17 years of age and younger.

20 e. When paying the necessary and legal expenses of
21 intermediate care facilities for the mentally retarded
22 (ICFMR), the cost payment requirements of section 222.60 shall
23 be considered fulfilled when payment is made in accordance
24 with the medical assistance payment rates established for
25 ICFMRs by the department and the state or a county of legal
26 settlement is not obligated for any amount in excess of the
27 rates.

28 5. The department may adopt and implement administrative
29 rules regarding a prepaid mental health services plan for
30 medical assistance patients. The rules shall include but not
31 be limited to service provider standards, service
32 reimbursement, and funding mechanisms. Notwithstanding the
33 provisions of subsection 4, paragraph "a", of this section and
34 section 249A.26, requiring counties to pay all or part of the
35 nonfederal share of certain services provided to persons with

1 disabilities under the medical assistance program, the state
2 shall pay 100 percent of the nonfederal share of any services
3 included in the plan implemented pursuant to this subsection.

4 6. The department shall utilize not more than \$60,000 of
5 the funds appropriated in this section to continue the
6 AIDS/HIV health insurance premium payment program as
7 established in 1992 Iowa Acts, Second Extraordinary Session,
8 Chapter 1001, section 409, subsection 6. Of the funds
9 allocated in this subsection, not more than \$10,000 may be
10 expended for administrative purposes.

11 7. Contingent upon federal approval of a waiver, the
12 department shall adopt administrative rules to establish the
13 requirements for the alternative nursing home pilot project.

14 8. The department of human services shall develop and
15 implement a medical assistance home and community-based waiver
16 for persons with brain injury who currently reside in a
17 medical institution and who have been residents of a medical
18 institution for a minimum of thirty days.

19 9. Of the funds appropriated to the Iowa department of
20 health for substance abuse grants, \$950,000 for the fiscal
21 year beginning July 1, 1995, shall be transferred to the
22 department of human services to implement an integrated
23 substance abuse managed care system. The department of human
24 services in conjunction with the Iowa department of health and
25 other appropriate state agencies may adopt and implement
26 administrative rules to establish a prepaid substance abuse
27 treatment plan for medical assistance recipients. The rules
28 shall include but are not limited to defining the structure of
29 the program, establishing the scope of services to be provided
30 in the program, including, but not limited to, establishing
31 client eligibility for prepaid substance abuse treatment
32 services, establishing the basis and the rate of reimbursement
33 for the program, defining the expected outcome measures of the
34 program, and defining a client appeals process. However,
35 nothing in the rules shall condition provider eligibility to

1 render services under this program upon the scope of services
2 rendered by a provider or upon provider licensure,
3 certification, or corporate structure. The department of
4 human services and the Iowa department of public health shall
5 evaluate methods for inclusion of court-ordered detoxification
6 services in the substance abuse managed care program and shall
7 provide recommendations regarding inclusion of the services in
8 the program to the general assembly on or before December 1,
9 1995.

10 10. The department shall require prior authorization for
11 any brand name prescription drug which has an "A" rated
12 generic bioequivalent as determined by the federal food and
13 drug administration. The department shall establish an
14 educational program through the drug utilization review
15 commission to review and encourage the use of these "A" rated
16 generic equivalents within the medical assistance program.

17 11. The department of human services shall, when it is
18 economically beneficial, implement maximum allowable costs for
19 multiple source drugs in accordance with federal guidelines.

20 12. The department shall implement strategies to address
21 administrative and provider concerns associated with
22 discretionary medical assistance provided to individuals and
23 families pursuant to section 249A.3, subsection 4, and the
24 provisions relating to the expenditure of income to a level
25 which qualifies the individual or family as eligible for par-
26 ticipation in the medical assistance program. The department
27 shall submit a report regarding the strategies implemented to
28 the general assembly on or before November 30, 1995.

29 13. The department may seek qualification of supervised
30 community treatment for children under the medical assistance
31 program.

32 Sec. 4. MEDICAL CONTRACTS. There is appropriated from the
33 general fund of the state to the department of human services
34 for the fiscal year beginning July 1, 1995, and ending June
35 30, 1996, the following amount, or so much thereof as is

1 necessary, to be used for the purpose designated:

2 For medical contracts:

3 \$ 6,226,400

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

6 2. The department may use not more than \$22,500 of the
7 funds appropriated in this section for contracting for the
8 rebasing-recalibration of the ambulatory patient grouping
9 system.

10 3. The department may use not more than \$75,000 of the
11 funds appropriated in this section for the independent
12 evaluation of the prepaid mental health services plan.

13 Sec. 5. STATE SUPPLEMENTARY ASSISTANCE. 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, 1995, and ending June 30, 1996, the following amount,
17 or so much thereof as is necessary, to be used for the purpose
18 designated:

19 For state supplementary assistance:

20 \$ 19,115,000

21 1. The department shall increase the personal needs
22 allowance for residents of residential care facilities by the
23 same percentage and at the same time as federal supplemental
24 security income and federal social security benefits are
25 increased due to a recognized increase in the cost of living.
26 The department may adopt administrative rules to implement
27 this subsection.

28 2. a. If during the fiscal year beginning July 1, 1995,
29 the department projects that state supplementary assistance
30 expenditures for a calendar year will not meet the federal
31 pass-along requirement specified in Title XVI of the federal
32 Social Security Act, section 1618, as codified in 42 U.S.C. §
33 1382g, or that expenditures in the fiscal year will exceed the
34 amount appropriated, the department may take actions including
35 but not limited to increasing the personal needs allowance for

1 residential care facility residents and making programmatic
2 adjustments or upward adjustments of the residential care
3 facility or in-home health-related care reimbursement rates
4 prescribed in this Act to ensure that federal requirements are
5 met. The department may adopt emergency rules to implement
6 the provisions of this subsection.

7 b. If during the fiscal year beginning July 1, 1995, the
8 department projects that state supplementary assistance
9 expenditures will exceed the amount appropriated, the
10 department may transfer funds appropriated in this Act for
11 medical assistance for the purposes of the state supplementary
12 assistance program. However, funds shall only be transferred
13 from the medical assistance appropriation if the funds
14 transferred are projected to be in excess of the funds
15 necessary for the medical assistance program.

16 Sec. 6. CHILD DAY CARE ASSISTANCE. There is appropriated
17 from the general fund of the state to the department of human
18 services for the fiscal year beginning July 1, 1995, and
19 ending June 30, 1996, the following amount, or so much thereof
20 as is necessary, to be used for the purposes designated:

21 For protective child day care assistance and state child
22 care assistance:
23 \$ 8,747,259

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

26 2. Of the funds appropriated in this section, \$3,930,934
27 shall be used for state child care assistance.

28 3. Based upon the availability of the funding provided in
29 subsection 2 the department shall establish waiting lists for
30 state child care assistance in descending order of
31 prioritization as follows:

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

34 b. Parents under the age of 21 who are employed full-time
35 or part-time or who are participating in an approved training

1 program or who are enrolled in an education program.

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

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

7 4. a. For state child care assistance, eligibility shall
8 be limited to children whose family income is equal to or less
9 than 100 percent of the federal office of management and
10 budget poverty guidelines. However, on or after October 1,
11 1995, the department may increase the income eligibility limit
12 to be equal to or less than 75 percent of the Iowa median
13 family income.

14 b. The department may adopt administrative rules to comply
15 with the federal child care development block grant and
16 federal at-risk child care program; to streamline the existing
17 day care program; and to deliver the services within state and
18 federal funds appropriated.

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

26 5. The department shall develop, in cooperation with child
27 day care resource and referral services and with the state
28 child day care advisory council, incentives to encourage the
29 registration of child day care providers and shall report the
30 recommendations developed to the chairpersons and the ranking
31 members of the joint appropriations subcommittee on human
32 services on or before January 1, 1996.

33 6. Of the funds appropriated in this section, \$640,270 is
34 allocated for the statewide program for child day care
35 resource and referral services under section 237A.26.

1 7. The department may use any of the funds appropriated in
2 this section as a match to obtain federal funds for use in
3 expanding child day care assistance and related programs.

4 8. Of the funds appropriated in this section, \$1,679,769
5 shall be used for transitional child care assistance.

6 9. During the 1995-1996 fiscal year, the department shall
7 utilize the moneys deposited in the child day care credit fund
8 created in section 237A.28 for state child care assistance, in
9 addition to the moneys appropriated for that purpose in this
10 section.

11 Sec. 7. JOBS PROGRAM. There is appropriated from the
12 general fund of the state to the department of human services
13 for the fiscal year beginning July 1, 1995, and ending June
14 30, 1996, the following amount, or so much thereof as is
15 necessary, to be used for the purposes designated:

16 For the federal-state job opportunities and basic skills
17 (JOBS) program, food stamp employment and training program,
18 family development and self-sufficiency grants,
19 entrepreneurial training, and implementing family investment
20 agreements, in accordance with this section:

21 \$ 11,935,189

22 1. Of the funds appropriated in this section, \$11,025,889
23 is allocated for the JOBS program.

24 2. The department shall continue to contract for services
25 in developing, delivering, and monitoring an entrepreneurial
26 training waiver program to provide technical assistance in
27 self-employment training to families which receive assistance
28 under the family investment program, contingent upon federal
29 approval of waiver renewal requests.

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

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

35 a. Not more than 5 percent of the funds allocated in this

1 subsection shall be used for the administration of the grant
2 program.

3 b. Federal funding matched by state, county, or other
4 funding which is not appropriated in this section shall be
5 deposited in the department's JOBS account. If the match
6 funding is generated by a family development and self-
7 sufficiency grantee, the federal funding received shall be
8 used to expand the family development and self-sufficiency
9 grant program. If the match funding is generated by another
10 source, the federal funding received shall be used to expand
11 the grant program or the JOBS program. The department may
12 adopt administrative rules to implement the provisions of this
13 paragraph.

14 c. Based upon the annual evaluation report concerning each
15 grantee funded by this allocation, the family development and
16 self-sufficiency council may use funds allocated to renew
17 grants.

18 Sec. 8. CHILD SUPPORT RECOVERY. There is appropriated
19 from the general fund of the state to the department of human
20 services for the fiscal year beginning July 1, 1995, and
21 ending June 30, 1996, the following amount, or so much thereof
22 as is necessary, to be used for the purposes designated:

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

26	\$	6,397,505
27	FTEs	226.22

28 1. The director of human services, within the limitations
29 of the funds appropriated in this section, or funds
30 transferred from the family investment program for this
31 purpose, shall establish new positions and add employees to
32 the child support recovery unit if the director determines
33 that both the current and additional employees together can
34 reasonably be expected to maintain or increase net state
35 revenue at or beyond the budgeted level. If the director adds

1 employees, the department shall demonstrate the cost-
2 effectiveness of the current and additional employees by
3 reporting to the joint appropriations subcommittee on human
4 services the ratio of the total amount of administrative costs
5 for child support recoveries to the total amount of the child
6 support recovered.

7 2. Nonpublic assistance application and user fees received
8 by the child support recovery program are appropriated and
9 shall be used for the purposes of the child support recovery
10 program. The director of human services may add positions if
11 fees collected relating to the new positions are sufficient to
12 pay the salaries and support for the positions. The director
13 shall report any positions added pursuant to this subsection
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 director of human services, in consultation with
18 the department of management and the legislative fiscal
19 committee, is authorized to receive and deposit state child
20 support incentive earnings in the manner specified under
21 applicable federal requirements.

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

34 5. The child support recovery unit shall continue to work
35 with the judicial department to determine the feasibility of a

1 pilot project utilizing a court-appointed referee for judicial
2 determinations on child support matters. The extent and
3 location of any pilot project shall be jointly developed by
4 the judicial department and the child support recovery unit.

5 6. The department shall spend up to \$50,000, including
6 federal financial participation, for the fiscal year beginning
7 July 1, 1995, for continuation of the child support public
8 awareness campaign. The department shall continue to
9 cooperate with the office of the attorney general in
10 continuation of the campaign.

11 7. The department shall continue the pilot program option
12 to provide and supervise a community service pilot project for
13 absent parents who are ordered by the court to perform
14 community service for failure to pay child support pursuant to
15 section 598.23A.

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

25 9. The department shall employ at least one full-time
26 equivalent position to respond to telephone inquiries during
27 all weekly business hours.

28 Sec. 9. JUVENILE INSTITUTIONS. There is appropriated from
29 the general fund of the state to the department of human
30 services for the fiscal year beginning July 1, 1995, and
31 ending June 30, 1996, the following amount, or so much thereof
32 as is necessary, to be used for the purposes designated:

33 For the operation of the state training school and the Iowa
34 juvenile home, including salaries, support, maintenance, and
35 miscellaneous purposes and for not more than the following

1 full-time equivalent positions:

2 For the state juvenile institutions:

3 \$ 13,487,062

4 FTEs 320.77

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

8 \$ 4,984,184

9 FTEs 118.54

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

13 \$ 8,502,878

14 FTEs 202.23

15 3. During the fiscal year beginning July 1, 1995, the
16 population levels at the state juvenile institutions shall not
17 exceed the population guidelines established under 1990 Iowa
18 Acts, chapter 1239, section 21.

19 4. Each state juvenile institution shall apply for
20 adolescent pregnancy prevention grants for the fiscal year
21 beginning July 1, 1995.

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

26 Sec. 10. CHILD AND FAMILY SERVICES. There is appropriated
27 from the general fund of the state to the department of human
28 services for the fiscal year beginning July 1, 1995, and
29 ending June 30, 1996, the following amount, or so much thereof
30 as is necessary, to be used for the purpose designated:

31 For child and family services:

32 \$ 83,384,244

33 1. The department may transfer moneys appropriated in this
34 section as necessary to pay the nonfederal costs of services
35 reimbursed under medical assistance or the family investment

1 program which are provided to children who would otherwise
2 receive services paid under the appropriation in this section.
3 The department may transfer funds appropriated in this section
4 to the appropriations in this Act for general administration
5 and for field operations for resources necessary to implement
6 and operate the services funded in this section.

7 2. a. Of the funds appropriated in this section, up to
8 \$20,937,703 is allocated for group foster care maintenance and
9 services. For the fiscal year beginning July 1, 1995, the
10 statewide target, as provided in section 232.143, for the
11 daily average number of children placed in group foster care
12 services which are a charge upon or paid for by the state
13 shall be 1,220. Notwithstanding the statewide target
14 established in this subsection and sections 232.52, 232.102,
15 232.117, 232.127, and 232.182, a target established in a
16 region's group foster care plan developed pursuant to section
17 232.143 may be exceeded, a group foster care placement may be
18 ordered, and state payment may be made if a clinical
19 assessment and consultation team finds that the placement is
20 necessary to meet the child's needs. The department and the
21 courts shall work together to ensure that a region's group
22 foster care expenditures shall not exceed the funds allocated
23 to the region for group foster care placements in the 1995-
24 1996 fiscal year. However, regions may transfer bed days
25 between regions as necessary to meet group foster care needs.
26 The department may adopt administrative rules to implement the
27 provisions of this paragraph.

28 b. In each quarter of the fiscal year, the department
29 shall compare the actual number of group foster care
30 placements in a region and the targets allocated to the region
31 for that quarter. The department shall develop a methodology
32 to provide, within the funds allocated in this subsection,
33 fiscal incentives to regions which have reduced the number or
34 length of group foster care placements.

35 c. The department shall report quarterly to the

1 legislative fiscal bureau concerning the status of each
2 region's efforts to limit the number of group foster care
3 placements in accordance with the regional plan established
4 pursuant to section 232.143.

5 d. Notwithstanding the formula specified in section
6 232.143, subsection 1, the department and the judicial
7 department shall develop a formula for allocating a portion of
8 the statewide target to each of the department's regions based
9 on factors determined by the department and the judicial
10 department which may include but are not limited to historical
11 usage of group foster care beds and indicators of need for
12 group foster care placements. The formula shall be
13 established by May 1, 1995. The department may adopt
14 administrative rules to implement the provisions of this
15 paragraph.

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

21 f. (1) Of the funds appropriated in this section, not
22 more than \$6,439,398 is allocated as the state match funding
23 for psychiatric medical institutions for children.

24 (2) Based upon the director's decision pursuant to 1994
25 Iowa Acts, chapter 1186, section 10, subsection 19, regarding
26 the managed care approaches for determining service necessity
27 for children served by psychiatric medical institutions for
28 children (PMICs), the department may transfer all or a portion
29 of the moneys appropriated in this section for PMICs to the
30 appropriation in this Act for medical assistance and may amend
31 the managed mental health care contract to include PMICs, and
32 may increase the statewide target for group foster care
33 placements in paragraph "a" of this subsection, accordingly.
34 The department may adopt administrative rules to implement the
35 provisions of this subsection.

1 g. Of the funds allocated in this subsection, not more
2 than \$995,764 is allocated as the state match funding for 50
3 highly structured juvenile program beds.

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

8 4. In accordance with the provisions of section 232.188,
9 the department shall continue the program to decategorize
10 child welfare services in additional counties or clusters of
11 counties.

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

26 6. Notwithstanding section 232.142, subsection 3, the
27 financial aid paid by the state for the establishment,
28 improvements, operation, and maintenance of county or
29 multicounty juvenile detention homes in the fiscal year
30 beginning July 1, 1995, shall be limited to \$872,500. Funds
31 allocated in this subsection shall be prorated among eligible
32 detention homes.

33 7. The amount of the appropriation made in this section
34 available for foster care is based upon expansion of the
35 number of children in foster care who are eligible for federal

1 supplemental security income (SSI). The department may use up
2 to \$300,000 of those funds to enter into a performance-based
3 contract to secure SSI benefits for children placed in foster
4 care. The contract shall include provisions for training of
5 department of human services and juvenile court staff,
6 completion of applications, tracking of application results,
7 and representation during the appeals process whenever an
8 appeal is necessary to secure SSI benefits. Notwithstanding
9 section 217.30 and section 232.2, subsection 11, and any other
10 provision of law to the contrary, the director or the
11 director's designee on behalf of a child in foster care may
12 release medical, mental health, substance abuse, or any other
13 information necessary only to determine the child's
14 eligibility for SSI benefits, and may sign releases for the
15 information. In any release of information made pursuant to
16 this subsection, confidentiality shall be maintained to the
17 maximum extent possible.

18 8. A portion of the funds appropriated in this section may
19 be used for emergency family assistance to provide other
20 resources required for a family participating in a family
21 preservation or reunification project to stay together or to
22 be reunified.

23 9. Notwithstanding section 234.35, subsection 1, for the
24 fiscal year beginning July 1, 1995, state funding for shelter
25 care paid pursuant to section 234.35, subsection 1, paragraph
26 "h", shall be limited to \$3,383,736. The department may adopt
27 administrative rules to implement the provisions of this
28 subsection.

29 10. Of the funds appropriated in this section, not more
30 than \$512,862 may be used to develop and maintain the state's
31 implementation of the national adoption and foster care
32 information system pursuant to the requirements of Pub. L. No.
33 99-509. The department may transfer funds as necessary from
34 the appropriations in this Act for field operations and
35 general administration to implement this subsection. Moneys

1 allocated in accordance with this subsection shall be
2 considered encumbered for the purposes of section 8.33.

3 11. Of the funds appropriated in this section, a portion
4 may be used for respite services to families of children with
5 mental retardation or other developmental disabilities, who
6 would otherwise enter or continue group care or foster family
7 home placement. The department may adopt administrative rules
8 to implement the provisions of this subsection.

9 12. Of the funds appropriated in this section, up to
10 \$673,217 may be used as determined by the department for any
11 of the following purposes:

12 a. For general administration of the department to improve
13 staff training efforts.

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

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

19 d. For specialized permanency planning field operations
20 staff.

21 13. The department may adopt administrative rules to
22 implement outcome-based child welfare services pilot projects.
23 The rules may include, but are not limited to, the development
24 of program descriptions, provider licensing and certification
25 standards, reimbursement and payment amounts, contract
26 requirements, assessment and service necessity requirements,
27 eligibility criteria, claims submission procedures, and
28 accountability standards.

29 14. Of the funds appropriated in this section, up to
30 \$300,000 may be used to develop a performance-based monitoring
31 program to evaluate and improve outcomes for children and
32 families. The department may adopt administrative rules to
33 implement this subsection.

34 15. The department may develop, within the funds
35 available, a pilot kinship care project to enhance family

1 involvement in the development of the permanency plan required
2 under chapter 232 for children who are removed from their
3 homes. The project components may include family involvement
4 before and after removal of the child and shall stress safety
5 for the child.

6 16. Within the funds appropriated in this section, the
7 department may develop a subsidized guardianship program to
8 provide financial assistance to guardians of children who have
9 a permanency order under section 232.104, subsection 2,
10 paragraph "d", subparagraph (1), in cases in which all of the
11 following conditions exist:

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

14 b. The child has lived with the potential guardian for at
15 least six months.

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

19 d. The placement does not require departmental
20 supervision.

21 The financial assistance provided shall be in the same
22 amount as provided for family foster care. For purposes of
23 medical assistance and child support recovery, these payments
24 shall be considered foster care payments.

25 17. Of the funds appropriated in this section, up to
26 \$175,000 may be used to establish and maintain a truancy pilot
27 initiative in the fifth judicial district which shall be
28 directed to keeping targeted youth in school by providing
29 noneducational supportive and therapy services both inside and
30 outside the school setting. The department may adopt
31 administrative rules to implement supportive and therapy
32 services in the truancy pilot initiative. The rules may
33 include, but are not limited to, the development of program
34 descriptions, certification standards, reimbursement, contract
35 requirements, and eligibility and accountability standards.

1 Sec. 11. COMMUNITY-BASED PROGRAMS. There is appropriated
2 from the general fund of the state to the department of human
3 services for the fiscal year beginning July 1, 1995, and
4 ending June 30, 1996, the following amount, or so much thereof
5 as is necessary, to be used for the purpose designated:

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

10	\$	2,627,823
11	FTEs	1.0

12 1. Of the funds appropriated in this section, \$756,048
13 shall be used for adolescent pregnancy prevention grants,
14 including not more than \$156,048 for programs to prevent
15 second or subsequent pregnancies during the adolescent years
16 and to provide support services for pregnant or parenting
17 adolescents. Rules adopted by the department may allow for
18 revision of existing grant categories and the addition of
19 grant categories which allow for the development and
20 initiation of a statewide adolescent pregnancy prevention
21 campaign and of a statewide assessment or evaluation grant.

22 2. Of the funds appropriated in this section, \$300,000
23 shall be used for grants to community or regional groups which
24 demonstrate broad-based representation from community
25 representatives including but not limited to schools,
26 churches, human service-related organizations, and businesses.
27 Priority in the awarding of grants shall be given to groups
28 which provide services to both urban and rural areas within
29 the proximity of the community or region and which provide
30 age-appropriate programs adapted for both male and female
31 youth at the elementary, middle, and high school levels. A
32 program shall focus on the prevention of initial pregnancies
33 during the adolescent years by emphasizing sexual abstinence
34 as the only completely safe and effective means of avoiding
35 pregnancy and sexually transmitted diseases and by providing

1 information regarding the comparative failure rates of
2 contraceptives, and by emphasizing responsible decision making
3 in relationships, managing of peer and social pressures,
4 development of self-esteem, the costs and responsibilities of
5 parenting, and information regarding the alternative of
6 adoption for placement of a child. The program shall also
7 include an evaluation and assessment component which includes
8 evaluation of and recommendations for improvement of the
9 program by the youth and parents involved. Evaluation and
10 assessment reports shall be provided to the department of
11 human services, at a time determined by the department in the
12 grant award. Community or regional groups interested in
13 applying for a grant under this subsection may be issued a
14 planning grant or may utilize grant moneys for the costs of
15 technical assistance to analyze community needs, match service
16 providers to needs, negotiate service provision strategies, or
17 other assistance to focus grant services provided under this
18 subsection. The technical assistance may be provided by
19 organizations affiliated with institutions under the authority
20 of the state board of regents or other organizations
21 experienced in providing technical assistance concerning
22 similar services.

23 3. Of the funds appropriated in this section, \$732,789
24 shall be used by the department for child abuse prevention
25 grants.

26 4. Of the funds appropriated in this section, an
27 additional \$100,000, based upon the amount allocated in the
28 previous fiscal year, shall be used for family planning
29 services.

30 Sec. 12. COURT-ORDERED SERVICES PROVIDED TO JUVENILES.

31 There is appropriated from the general fund of the state to
32 the department of human services for the fiscal year beginning
33 July 1, 1995, and ending June 30, 1996, the following amount,
34 or so much thereof as is necessary, to be used for the purpose
35 designated:

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

4 \$ 3,090,000

5 1. Notwithstanding section 232.141 or any other provision
6 of law, the funds appropriated in this section shall be
7 allocated to the judicial districts as determined by the state
8 court administrator. The state court administrator shall make
9 the determination on the allocations on or before June 15.

10 2. a. Each judicial district shall continue the planning
11 group for the court-ordered services for juveniles provided in
12 that district which was established pursuant to 1991 Iowa
13 Acts, chapter 267, section 119. A planning group shall
14 continue to perform its duties as specified in that law.
15 Reimbursement rates for providers of court-ordered evaluation
16 and treatment services paid under section 232.141, subsection
17 4, shall be negotiated with providers by each judicial
18 district's planning group.

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

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

35 a. Maximize the utilization of funds which may be

1 available from the medical assistance program including usage
2 of the early and periodic screening, diagnosis, and treatment
3 (EPSDT) program.

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

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

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

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

33 6. Notwithstanding any provision of law to the contrary, a
34 district or juvenile court shall not order a county to pay for
35 any service provided to a juvenile pursuant to an order

1 entered under chapter 232 which is a charge upon the state
2 under section 232.141, subsection 4.

3 7. Of the funds appropriated in this section, not more
4 than \$200,000 may be used by the judicial department for
5 administration of the requirements under this section and for
6 travel associated with court-ordered placements which are a
7 charge upon the state pursuant to section 232.141, subsection
8 4.

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

13 Sec. 13. MENTAL HEALTH INSTITUTES. There is appropriated
14 from the general fund of the state to the department of human
15 services for the fiscal year beginning July 1, 1995, and
16 ending June 30, 1996, the following amount, or so much thereof
17 as is necessary, to be used for the purposes designated:

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

21	\$ 43,214,775
22	FTEs 954.75

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

25 a. State mental health institute at Cherokee:

26	\$ 14,842,902
27	FTEs 331.13

28 b. State mental health institute at Clarinda:

29	\$ 6,009,326
30	FTEs 136.82

31 c. State mental health institute at Independence:

32	\$ 17,594,062
33	FTEs 401.82

34 d. State mental health institute at Mount Pleasant:

35	\$ 4,768,485
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1 FTEs 84.98

2 2. Within the funds appropriated in this section, the
3 department may reallocate funds as necessary to best fulfill
4 the needs of the institutions provided for in the
5 appropriation.

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

12 Sec. 14. HOSPITAL-SCHOOLS. There is appropriated from the
13 general fund of the state to the department of human services
14 for the fiscal year beginning July 1, 1995, and ending June
15 30, 1996, the following amount, or so much thereof as is
16 necessary, to be used for the purposes designated:

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

20 \$ 66,276,739
21 FTEs 1,666.00

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

24 a. State hospital-school at Glenwood:

25 \$ 35,838,799
26 FTEs 910.00

27 b. State hospital-school at Woodward:

28 \$ 30,437,940
29 FTEs 756.00

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

34 Sec. 15. MENTAL ILLNESS SPECIAL SERVICES. There is
35 appropriated from the general fund of the state to the

1 department of human services for the fiscal year beginning
2 July 1, 1995, and ending June 30, 1996, the following amount,
3 or so much thereof as is necessary, to be used for the purpose
4 designated:

5 For mental illness special services:
6 1995-96 FY \$ 121,220

7 1. The department and the Iowa finance authority shall
8 develop methods to implement the financing for existing
9 community-based facilities and to implement financing for the
10 development of affordable community-based housing facilities.
11 The department shall assure that clients are referred to the
12 housing as it is developed.

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

18 Sec. 16. FAMILY SUPPORT SUBSIDY PROGRAM. 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, 1995, and ending June 30, 1996, the following amount,
22 or so much thereof as is necessary, to be used for the purpose
23 designated:

24 For the family support subsidy program:
25 \$ 1,116,236

26 Sec. 17. SPECIAL NEEDS GRANTS. There is appropriated from
27 the general fund of the state to the department of human
28 services for the fiscal year beginning July 1, 1995, and
29 ending June 30, 1996, the following amount, or so much thereof
30 as is necessary, to be used for the purpose designated:

31 To provide special needs grants to families with a family
32 member at home who has a developmental disability or to a
33 person with a developmental disability:

34 \$ 53,212

35 Grants must be used by a family to defray special costs of

1 caring for the family member to prevent out-of-home placement
2 of the family member or to provide for independent living
3 costs. A grant may provide up to \$5,000 per person for costs
4 associated with an assistive animal. The grants may be
5 administered by a private nonprofit agency which serves people
6 statewide provided that no administrative costs are received
7 by the agency. Regular reports regarding the special needs
8 grants with the family support subsidy program and an annual
9 report concerning the characteristics of the grantees shall be
10 provided to the legislative fiscal bureau.

11 Sec. 18. MI/MR/DD STATE CASES. There is appropriated from
12 the general fund of the state to the department of human
13 services for the fiscal year beginning July 1, 1995, and
14 ending June 30, 1996, the following amount, or so much thereof
15 as is necessary, to be used for the purposes designated:

16 For purchase of local services for persons with mental
17 illness, mental retardation, and developmental disabilities
18 where the client has no established county of legal
19 settlement:

20 \$ 5,473,492

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 services fund created in section
25 225C.7 for the fiscal year beginning July 1, 1995, and ending
26 June 30, 1996, the following amount, or so much thereof as is
27 necessary, to be used for the purpose designated:

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

30 \$ 16,239,182

31 1. Of the funds appropriated in this section, \$15,888,182
32 shall be allocated to counties for funding of community-based
33 mental illness, mental retardation, developmental
34 disabilities, and brain injury services. The moneys shall be
35 allocated to a county as follows:

1 a. Fifty percent based upon the county's proportion of the
2 state's population of persons with an annual income which is
3 equal to or less than the poverty guideline established by the
4 federal office of management and budget.

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

7 2. a. A county shall utilize the funding the county
8 receives pursuant to subsection 1 for services provided to
9 persons with mental illness, mental retardation, developmental
10 disability, and brain injury (MI/MR/DD/BI). However, no more
11 than 50 percent of the funding shall be used for services
12 provided to any one of the service populations.

13 b. A county shall use at least 50 percent of the funding
14 the county receives under subsection 1 for contemporary
15 services provided to persons with MI/MR/DD/BI.

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

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

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

29 5. a. A mental health and developmental disabilities
30 planning council established pursuant to section 225C.18 shall
31 develop plans for the provision of services for the fiscal
32 year beginning July 1, 1995, for persons with MI/MR/DD/BI in
33 the county or counties comprising the planning council.

34 b. County MI/MR/DD/BI expenditure reports for the prior
35 fiscal year are due to the department on or before October 15,

1 1995. The county MI/MR/DD/BI plan for the fiscal year
2 beginning July 1, 1995, is due to the department on or before
3 April 1, 1995.

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

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

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

33 d. Services purchased with funds allocated in this
34 subsection must be the result of a referral by the person who
35 identified the services in developing the individual's case

1 plan.

2 e. Services purchased with funds allocated in this
3 subsection must be under a purchase of service contract
4 established in accordance with the department's administrative
5 rules for purchase of service.

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

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

12 (2) Fifty percent based upon the amount provided to the
13 county for local purchase services in the preceding fiscal
14 year.

15 g. Each county shall submit to the department a plan for
16 funding of the services eligible for payment under this
17 subsection. The plan may provide for allocation of the funds
18 for one or more of the eligible services. The plan shall
19 identify the funding amount the county allocates for each
20 service and the time period for which the funding will be
21 available. Only those services which have funding allocated
22 in the plan are eligible for payment with funds provided in
23 this subsection.

24 h. A county shall provide advance notice to the individual
25 receiving services, the service provider, and the person
26 responsible for developing the case plan of the date the
27 county determines that funding will no longer be available for
28 a service.

29 i. Moneys allocated to a county pursuant to paragraph "f"
30 shall be provided to the county as claims are submitted to the
31 state.

32 j. The moneys provided under this subsection do not
33 establish an entitlement to the services funded under this
34 subsection.

35 Sec. 20. PERSONAL ASSISTANCE -- FAMILY SUPPORT. There is

1 appropriated from the general fund of the state to the
2 department of human services for the fiscal year beginning
3 July 1, 1995, and ending June 30, 1996, the following amount
4 or so much thereof as is necessary, to be used for the purpose
5 designated:

6 For implementing a pilot project for the personal
7 assistance services program in accordance with this section:
8 \$ 250,000

9 1. The funds appropriated in this section shall be used by
10 the division of mental health and developmental disabilities
11 to implement a pilot project for the personal assistance
12 services program under section 225C.46 in an urban and a rural
13 area. The moneys may be used for costs to develop a federal
14 waiver under medical assistance or other expenditures
15 necessary to develop the personal assistance program in the
16 most appropriate and cost-effective manner. The pilot project
17 and the waiver shall not be implemented in a manner that would
18 require additional county or state costs for assistance
19 provided to an individual served under the pilot project or
20 the waiver.

21 2. In cooperation with the personal assistance and family
22 support services council, the Iowa family support initiative,
23 and the governor's planning council for developmental
24 disabilities, the department shall apply for any federal funds
25 made available through the federal Families of Children with
26 Disabilities Support Act of 1994, provided no new state or
27 county funds are needed to match the federal funds. The
28 department may use funds from existing programs as matching
29 funds, provided the program goals are consistent and
30 reductions in services for program recipients do not occur.
31 The department shall use the personal assistance and family
32 support services council to meet any federal requirements for
33 a state board policy group, or may use a subgroup of the
34 council if necessary for meeting federal specifications on
35 size, composition, configuration, or functioning relating to a

1 federal requirement for a policy group. The department's
2 planning for a comprehensive family support initiative under
3 section 225C.47 and this subsection shall address options for
4 a means test eligibility requirement and for local review of
5 eligibility by existing bodies such as the mental health and
6 developmental disabilities regional planning councils created
7 pursuant to section 225C.18.

8 Sec. 21. FIELD OPERATIONS. There is appropriated from the
9 general fund of the state to the department of human services
10 for the fiscal year beginning July 1, 1995, and ending June
11 30, 1996, the following amount, or so much thereof as is
12 necessary, to be used for the purpose designated:

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

16 \$ 37,846,205
17 FTEs 2009.50

18 Sec. 22. GENERAL ADMINISTRATION. There is appropriated
19 from the general fund of the state to the department of human
20 services for the fiscal year beginning July 1, 1995, and
21 ending June 30, 1996, the following amount, or so much thereof
22 as is necessary, to be used for the purpose designated:

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

26 \$ 10,907,951
27 FTEs 375.50

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

31 Sec. 23. VOLUNTEERS. There is appropriated from the
32 general fund of the state to the department of human services
33 for the fiscal year beginning July 1, 1995, and ending June
34 30, 1996, the following amount, or so much thereof as is
35 necessary, to be used for the purpose designated:

1 For development and coordination of volunteer services:
2 \$ 85,793

3 Sec. 24. "X-PERT" PUBLIC ASSISTANCE BENEFIT ELIGIBILITY
4 DETERMINATION SYSTEM. There is appropriated from the general
5 fund of the state to the department of human services for the
6 fiscal year beginning July 1, 1995, and ending June 30, 1996,
7 the following amount, or so much thereof as is necessary, to
8 be used for the purpose designated:

9 For the development costs of the "X-PERT" knowledge-based
10 computer software package for public assistance benefit
11 eligibility determination, including salaries, support,
12 maintenance, and miscellaneous purposes and for not more than
13 the following full-time equivalent positions:

14 \$ 919,872
15 FTEs 17.00

16 Moneys appropriated in this section shall be considered
17 encumbered for the purposes of section 8.33.

18 Sec. 25. MEDICAL ASSISTANCE, STATE SUPPLEMENTARY
19 ASSISTANCE, AND SOCIAL SERVICE PROVIDERS REIMBURSED UNDER THE
20 DEPARTMENT OF HUMAN SERVICES.

21 1. a. For the fiscal year beginning July 1, 1995, the
22 department of human services may allocate any increases in
23 payments for durable medical products and supplies so that
24 equipment and supplies which have greater wholesale cost
25 increases may be reimbursed at a higher rate and those which
26 have a lower or no wholesale cost increase may be reimbursed
27 at a lower rate or have no increase.

28 b. For the fiscal year beginning July 1, 1995, providers
29 of obstetric services when provided by physicians or certified
30 nurse-midwives shall have their medical assistance
31 reimbursement rates increased by 5.0 percent over the rates in
32 effect on June 30, 1995.

33 c. For the fiscal year beginning July 1, 1995, skilled
34 nursing facilities shall have their medical assistance rates
35 increased by 4.6 percent over the rates in effect on June 30,

1 1995.

2 d. The dispensing fee for pharmacists shall remain at the
3 rate in effect on June 30, 1995. The reimbursement policy for
4 drug product costs shall be in accordance with federal
5 requirements.

6 e. Reimbursement rates for in-patient and outpatient
7 hospital services shall be increased by an average of 4.2
8 percent over the rates in effect on June 30, 1995. The
9 department shall continue the outpatient hospital
10 reimbursement system based upon ambulatory patient groups
11 implemented pursuant to 1994 Iowa Acts, chapter 1186, section
12 25, subsection 1, paragraph "f". In addition, the department
13 shall continue the revised medical assistance payment policy
14 implemented pursuant to that paragraph to provide
15 reimbursement for costs of screening and treatment provided in
16 the hospital emergency room is made pursuant to the
17 prospective payment methodology developed by the department
18 for the payment of outpatient services provided under the
19 medical assistance program.

20 f. Reimbursement rates for rural health clinics shall be
21 increased in accordance with increases under the federal
22 medicare program.

23 g. Home health agencies certified for the federal medicare
24 program, hospice services, and acute care mental hospitals
25 shall be reimbursed for their current federal medicare audited
26 costs.

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, 1995, 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, 1995, unaudited
3 compilation of cost and statistical data and the adjustment
4 shall take effect January 1, 1996.

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. Reimbursement for air ambulance service shall be \$7.50
11 per mile and the base rate is \$200.

12 2. For the fiscal year beginning July 1, 1995, the maximum
13 cost reimbursement rate for residential care facilities
14 reimbursed by the department shall be \$21.32 per day. The
15 flat reimbursement rate for facilities electing not to file
16 semiannual cost reports shall be \$15.25 per day. For the
17 fiscal year beginning July 1, 1995, the maximum reimbursement
18 rate for providers reimbursed under the in-home health-related
19 care program shall be \$409.89 per month.

20 3. Unless otherwise directed in this section, when the
21 department's reimbursement methodology for any provider
22 reimbursed in accordance with this section includes an
23 inflation factor, this factor shall not exceed the amount by
24 which the consumer price index for all urban consumers
25 increased during the calendar year ending December 31, 1994.

26 4. Notwithstanding section 234.38, in the fiscal year
27 beginning July 1, 1995, the foster family basic monthly
28 maintenance rate and the maximum adoption subsidy rate for
29 children ages 0 through 5 years shall be \$12.00, the rate for
30 children ages 6 through 11 years shall be \$12.72, the rate for
31 children ages 12 through 15 years shall be \$13.89, and the
32 rate for children ages 16 and older shall be \$14.73.

33 Effective July 1, 1995, payments to foster and adoptive
34 families shall be calculated on a daily basis. Effective July
35 1, 1995, the special care allowance paid to adoptive families

1 who have adopted a child with special needs and is eligible
2 for an adoptive subsidy shall be the same as foster care.

3 5. For the fiscal year beginning July 1, 1995, the maximum
4 reimbursement rates for social service providers shall be the
5 same as the rates in effect on June 30, 1995, except under any
6 of the following circumstances:

7 a. If a new service was added after June 30, 1995, the
8 initial reimbursement rate for the service shall be based upon
9 actual and allowable costs.

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

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

23 7. For the fiscal year beginning July 1, 1995, the
24 combined service and maintenance components of the
25 reimbursement rate paid to a shelter care provider shall be
26 based on the cost report submitted to the department. The
27 maximum reimbursement rate shall be \$76.61 per day. If the
28 department would reimburse the provider at less than the
29 maximum rate but the provider's cost report justifies a rate
30 of at least \$76.61, the department shall readjust the
31 provider's reimbursement rate to the maximum reimbursement
32 rate. In January 1996, the department shall review the usage
33 of shelter care and the funding allocated for shelter care, if
34 the usage is less than anticipated, the department may utilize
35 moneys in the allocation, which would otherwise be unexpended,

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

3 8. The department shall continue the pilot project to
4 implement the alternative payment system, recommended in the
5 study completed by the drug utilization review commission, for
6 compensation of pharmacists for pharmaceutical care services
7 under medical assistance. A report of the findings and
8 recommendations resulting from an evaluation of the pilot
9 project regarding the payment system shall be submitted to the
10 legislative fiscal bureau and to the chairpersons and ranking
11 members of the joint appropriations subcommittee on human
12 services by January 15, 1997.

13 9. The department shall adopt rules which establish an
14 equitable reimbursement rate for all child day care providers
15 reimbursed by the department. The reimbursement rate for
16 these providers shall be the lower of either the average
17 charge to private pay child day care purchasers or the
18 department's maximum reimbursement rate for child day care in
19 effect on June 30, 1995.

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

22 Sec. 26. STATE INSTITUTIONS -- CLOSINGS AND REDUCTIONS.

23 1. The department of human services shall develop a
24 proposal to close two state institutions administered by the
25 department. The proposal shall include recommendations which
26 address the effects of closing on the community, employees,
27 and clients of the institution identified for closing and the
28 fiscal impact on the counties, the areas in which the
29 institutions are located and the state. The department shall
30 submit the proposal to the general assembly on or before
31 January 15, 1996.

32 2. If a state institution administered by the department
33 of human services is to be closed or reduced in size, prior to
34 the closing or reduction the department shall initiate and
35 coordinate efforts in cooperation with the Iowa department of

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

8 Sec. 27. 1994 Iowa Acts, chapter 1186, section 10,
9 unnumbered paragraph 2, is amended to read as follows:

10 For child and family services:

11 \$ 74,617,612
12 81,264,807

13 Sec. 28. 1994 Iowa Acts, chapter 1186, section 18,
14 unnumbered paragraph 2, is amended to read as follows:

15 For purchase of local services for persons with mental
16 illness, mental retardation, and developmental disabilities
17 services where the client has no established county of legal
18 settlement:

19 \$ 57,973,492
20 2,973,492

21 Sec. 29. 1994 Iowa Acts, chapter 1186, section 19,
22 unnumbered paragraph 2, is amended to read as follows:

23 For mental illness, mental retardation, developmental
24 disabilities, and brain injury community services in
25 accordance with the provisions of this Act:

26 \$ 29,277,958
27 21,860,789

28 Sec. 30. 1994 Iowa Acts, chapter 1186, section 19,
29 subsection 6, paragraph a, as amended by 1994 Iowa Acts,
30 chapter 1199, section 70, is amended to read as follows:

31 a. Of the funds appropriated in this section, \$13,038,763
32 \$5,621,594 is allocated for distribution to counties for local
33 purchase of services for persons with mental illness or mental
34 retardation or other developmental disability.

35 Sec. 31. 1994 Iowa Acts, chapter 1186, section 20,

1 unnumbered paragraph 2, is amended to read as follows:

2 For field operations, including salaries, support,
3 maintenance, and miscellaneous purposes:

4 \$ 37,567,639
5 41,337,613

6 Sec. 32. 1994 Iowa Acts, chapter 1194, section 10,
7 subsections 2 and 3, are amended to read as follows:

8 2. Not more than ~~\$17,725,148~~ 2,078,730 of the funds
9 appropriated in subsection 1 shall be used by the department
10 of human services for general administration. From the funds
11 set aside by this subsection for general administration, the
12 department of human services shall pay to the auditor of state
13 an amount sufficient to pay the cost of auditing the use and
14 administration of the state's portion of the funds
15 appropriated in subsection 1.

16 3. In addition to the allocation for general
17 administration in subsection 2, the remaining funds
18 appropriated in subsection 1 shall be allocated in the
19 following amounts to supplement appropriations for the federal
20 fiscal year beginning October 1, 1994, for the following
21 programs within the department of human services:

22 a. Field operations:

23 \$ ~~12,124,297~~
24 11,322,332

25 b. Child and family services:

26 \$ ~~14,101,701~~
27 -0-

28 c. Child care assistance:

29 \$ ~~1,731,076~~
30 1,581,230

31 d. Local administrative costs and other local services:

32 \$ ~~1,716,472~~
33 1,462,851

34 e. Volunteers:

35 \$ ~~1,227,778~~

1		<u>148,259</u>
2	f. Community-based services:	
3	.....	\$ <u>146,321</u>
4		<u>183,855</u>
5	g. Local purchase:	
6	.....	<u>\$ 10,917,169</u>
7	h. MI/MR state cases:	
8	.....	<u>\$ 3,000,000</u>

9 Sec. 33. Section 99D.7, Code 1995, is amended by adding
 10 the following new subsection:

11 NEW SUBSECTION. 22. To cooperate with the gamblers
 12 assistance program administered by the department of human
 13 services to incorporate information regarding the gamblers
 14 assistance program and its toll-free telephone number in
 15 printed materials distributed by the commission. The
 16 commission may require licensees to have the information
 17 available in a conspicuous place as a condition of licensure.

18 Sec. 34. Section 99E.9, Code 1995, is amended by adding
 19 the following new subsection:

20 NEW SUBSECTION. 8. The Iowa lottery board shall cooperate
 21 with the gamblers assistance program administered by the
 22 department of human services to incorporate information
 23 regarding the gamblers assistance program and its toll-free
 24 telephone number in printed materials distributed by the
 25 board.

26 Sec. 35. Section 217.3, subsection 4, Code 1995, is
 27 amended to reads as follows:

28 4. Approve the budget of the department of human services
 29 prior to submission to the governor. ~~Within-two-weeks-of-the~~
 30 date Prior to approval of the budget is-approved, the council
 31 shall publicize and hold a public hearing to provide
 32 explanations and hear questions, opinions, and suggestions
 33 regarding the budget. Invitations to the hearing shall be
 34 extended to the governor, the governor-elect, the director of
 35 the department of management, and other persons deemed by the

1 council as integral to the budget process.

2 Sec. 36. Section 232.188, subsection 6, Code 1995, is
3 amended to read as follows:

4 6. Initially the department shall work with the five
5 counties previously authorized under law to enter into
6 decategorization agreements with the state. At a minimum, any
7 of those counties may elect to use funding for foster care,
8 family-centered services, subsidized adoption, child day care,
9 local purchase of service, state juvenile institution care,
10 state mental health institute care, state hospital-school
11 care, juvenile detention, department direct services, and
12 court-ordered services for juveniles in the child welfare fund
13 established for that county. The department shall inform each
14 county in advance of a fiscal year of the amount of funding
15 that is available on account for the county at the state
16 institutions for the fiscal year.

17 Sec. 37. EMERGENCY RULES. If specifically authorized by a
18 provision of this Act, the department of human services or the
19 mental health and mental retardation commission may adopt
20 administrative rules under section 17A.4, subsection 2, and
21 section 17A.5, subsection 2, paragraph "b", to implement the
22 provisions and the rules shall become effective immediately
23 upon filing, unless a later effective date is specified in the
24 rules. In addition, the department may adopt administrative
25 rules in accordance with the provisions of this section as
26 necessary to comply with federal requirements or to adjust to
27 a change in the level of federal funding during the fiscal
28 year beginning July 1, 1995, and ending June 30, 1996. Any
29 rules adopted in accordance with the provisions of this
30 section shall also be published as notice of intended action
31 as provided in section 17A.4.

32 Sec. 38. EFFECTIVE DATE. Sections 27 through 32 of this
33 Act, being deemed of immediate importance, take effect upon
34 enactment.

35

EXPLANATION

1 This bill makes appropriations for the 1995-1996 fiscal
2 year to the department of human services for human services
3 and health care programs.

4 The bill also makes reductions and supplements other human
5 services appropriations in 1994 Iowa Acts, chapters 1186 and
6 1194, for the 1994-1995 fiscal year. These changes are
7 effective upon enactment.

8 Amendments to sections 99D.7 and 99E.9 relate to the
9 gamblers assistance program by codifying language regarding
10 cooperation between the state racing and gaming commission and
11 the Iowa lottery board, and the gamblers assistance program
12 relating to incorporation of the program's toll-free telephone
13 number in printed materials distributed by the commission and
14 the board.

15 Under current law, section 217.3 directs the council of
16 human services to publicize and hold a public hearing within
17 two weeks of approval of the budget of the department of human
18 services. The bill amends this provision to require the
19 public hearing to be held prior to approving the budget.

20 Section 232.188, relating to decategorization of child
21 welfare funding, is amended to incorporate mental health
22 institute care and state hospital-school care to the list of
23 services for which funding may be used by a decategorization
24 project county. The codified language also directs the
25 department of human services to inform each county in advance
26 of the fiscal year of the amount of funding that is available
27 on account for the county's use at the state institutions for
28 the fiscal year. The codified provisions have been part of
29 the annual department of human services appropriations bill
30 for a number of years.

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35



OFFICE OF THE GOVERNOR

STATE CAPITOL

DES MOINES, IOWA 50319

515 281-5211

TERRY E. BRANSTAD
GOVERNOR

April 27, 1995

RECEIVED

APR 28 1995

LEGISLATIVE SERVICE
BUREAU

The Honorable Leonard Boswell
President of the Senate
State Capitol Building
L O C A L

Dear Mr. President:

I hereby transmit Senate File 462, 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 462 is, therefore, approved on this date with the following exceptions which I hereby disapprove.

I am unable to approve the designated portions of Section 3, subsection 10, paragraph e. These items would require the Department of Human Services to implement a plan to pursue reimbursement for pharmacy services from third-party payors by May 1, 1996, and to include the administrative costs of adopting this new policy in the department's proposed FY 1997 budget. While I support asking the department to explore the feasibility of a "pay and chase" policy to recover the costs of pharmacy services, it would be premature to direct the department to implement the policy before a plan is even developed. Further, implementation of such a policy will result in costs to the Medicaid program which have not been included in the funds appropriated to the department for FY 1996. Also, the requirement that the director include the costs of implementing the policy in the department's FY 1997 budget requests goes beyond the authority the legislature has in the budgeting process, and for that reason can not be approved.

I am unable to approve the item designated as Section 3, subsection 14, in its entirety. This item would require the Department of Human Services to seek federal approval to develop a new program to pay persons, including relatives, to provide

care in their homes for elderly individuals who are currently residing in nursing homes. In recent years, several very good programs have been established to provide alternatives to nursing home care for Iowa's elderly. As a result, the elderly who are entering nursing homes are doing so only after they have become so frail or infirm that alternative services are no longer appropriate. I am concerned that because this proposal targets the elderly who have already been placed in nursing homes, it has the potential of encouraging abuses of the Medicaid program and perhaps even of elderly Iowans who are best cared for in the nursing home setting. I urge the Department of Human Services to continue to work with the Department of Elder Affairs to develop alternative services that are cost effective and that address the needs of Iowa's elderly citizens.

I am unable to approve the item designated as Section 10, subsection 11, in its entirety. This item utilizes a budgeting gimmick to shift funds from one area of the Department of Human Service's budget to another, the result of which reduces the department's flexibility to design delinquency and child welfare services and creates built-in increases in future years. Again this is an example of the bad budgeting practices of the past which can no longer be tolerated.

I am unable to approve the item designated as Section 10, subsection 19, in its entirety. This item provides an exception to the Department of Human Services' policies relating to foster care support obligations. The cases that would be impacted can not be easily identified and for that reason the exception as written would be difficult, if not impossible, to administer. The department has existing procedures that allow persons to request an exception to policy in appropriate cases which is already available as a remedy.

I am unable to approve the item designated as Section 11, subsection 4, in its entirety. This item would provide an additional \$100,000 for family planning services over and above the \$739,000 otherwise provided in the bill. This level of funding goes beyond the amount requested by the department and recommended by me for the program.

I am unable to approve the item designated as Section 26, subsection 1, in its entirety. This item directs the Department of Human Services to develop a plan for meeting national standards for social worker caseloads. Social worker 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 to make it possible for our


The Honorable Leonard Boswell
April 27, 1995
Page 3

workers to perform 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 37, in its entirety. This proposed statutory change fails to address the relationships of the local decategorization accounts and the current funding mechanisms for the mental health institutes and state hospital-schools. Traditionally child welfare funds have not been used for mental health institutes or hospital-school costs. Counties that decategorize child welfare funding will be able to continue to carry out their plans.

For the above reasons, I hereby 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 462 are hereby approved as of this date.

Sincerely,


Terry E. Branstad
Governor

TEB/ps

cc: Secretary of the Senate
Chief Clerk of the House
Secretary of State

SENATE FILE 462

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, 1995, and ending June 30, 1996, 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:

..... \$ 32,820,032

- 1. The department shall continue the special needs program under the family investment program.
- 2. Notwithstanding section 239.6, the department is not required to reconsider eligibility of family investment program recipients every six months if a federal waiver is granted.
- 3. 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.

4. The department shall consolidate the individual planning and agreement provisions of the family investment program and the family development and self-sufficiency grant program to ensure service coordination by providing that if a recipient is participating in the grant program, the recipient's family investment agreement shall be developed or revised in consultation with the family development and self-sufficiency grant program worker.

5. The department shall research the feasibility of establishing a program of developing community-based residential facilities or "second chance homes" for young mothers and children. The research shall consider potential benefits of second chance homes including the potential effects of deterring child abuse by use of the homes. The research is subject to all of the following provisions:

- a. The department shall consider developing the home in a manner to provide supervision by mature adult couples. The program should coordinate comprehensive services for pregnant or parenting teens, including but not limited to educational services, vocational services, personal and family counseling, parent education classes, and assistance in developing independent living and homemaking skills.
- b. The department shall consider various options for designing second chance homes so that the homes will not necessarily be government-operated institutions. The options considered shall include operation by churches and community groups with state guidance through administrative rules. If the program is implemented, administrative rules will delineate how the homes will be structured and specify the combination of support, services, and participant obligations to help teenage mothers to become good mothers, finish school, and gain adequate skills to support their children.

c. The department shall consider a design which provides incentive grants to communities that pledge private funding and in-kind services equal to at least one-half of the cost of operating a second chance home. In addition, operating expenses could be supported in part by participants' welfare payments, food stamps, housing assistance, and other forms of public assistance for which participants are eligible, as well as a commitment from communities.

d. The department shall submit a report to the general assembly on or before January 8, 1996, concerning the research conducted pursuant to this subsection.

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, 1995, and ending June 30, 1996, 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:

..... \$ 1,767,500

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, 1995, the department shall establish a 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.

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, 1995, and ending June 30, 1996, 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:

..... \$351,496,521

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 cost 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. The department may adopt emergency rules to implement the provisions of this subsection.

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. The state shall pay the entire nonfederal share of intermediate care facilities for the mentally retarded (ICFMR) costs for eligible persons 17 years of age and younger.

e. 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 \$10,000 may be expended for administrative purposes.

7. Contingent upon federal approval of a waiver, the department shall adopt administrative rules to establish the requirements for the alternative nursing home pilot project.

8. The department of human services shall use not more than \$47,368 to employ not more than 2 FTEs to develop and implement a medical assistance home and community-based waiver for persons with brain injury who currently reside in a medical institution and who have been residents of a medical institution for a minimum of thirty days.

9. Of the funds appropriated to the Iowa department of health for substance abuse grants, \$950,000 for the fiscal

year beginning July 1, 1995, shall be transferred to the department of human services to implement an integrated substance abuse managed care system. The department of human services in conjunction with the Iowa department of health and other appropriate state agencies may adopt and implement emergency rules to establish a prepaid substance abuse treatment plan for medical assistance recipients. The rules shall include but are not limited to defining the structure of the program, establishing the scope of services to be provided in the program, including, but not limited to, establishing client eligibility for prepaid substance abuse treatment services, establishing the basis and the rate of reimbursement for the program, defining the expected outcome measures of the program, and defining a client appeals process. However, nothing in the rules shall condition provider eligibility to render services under this program upon the scope of services rendered by a provider or upon provider licensure, certification, or corporate structure. The department of human services and the Iowa department of public health shall evaluate methods for inclusion of court-ordered detoxification services in the substance abuse managed care program and shall provide recommendations regarding inclusion of the services in the program to the general assembly on or before December 1, 1995. The department of human services shall submit a report on a quarterly basis to the general assembly during the months in which the general assembly is in session and to the fiscal committee of the legislative council during the months in which the general assembly is not in session, describing the progress and activities of the integrated substance abuse managed care program.

10. a. Beginning September 1, 1995, the department may require prior authorization for any brand name prescription drug which has an "A" rated generic bioequivalent as determined by the federal food and drug administration and which is recommended for prior authorization by the drug

utilization review commission. The department shall establish an educational program through the drug utilization review commission to review and encourage the use of these "A" rated generic equivalents within the medical assistance program. The department shall adopt administrative rules to implement the prior authorization provisions of this paragraph. The department shall not expand the requirement of prior authorization for drugs other than the "A" rated generic bioequivalents authorized under this paragraph, without prior approval of the general assembly for such expansion. Beginning January 1, 1996, prior authorization shall not be required for clozapine. The department shall consider expert medical opinion in revising administrative rules applicable to clozapine.

b. The department shall amend the contract with the department's fiscal agent regarding prior authorization of prescription drugs to provide for review by the fiscal agent of inquiries for prior authorization during pharmacy business hours, evenings, Saturdays and during pharmacy peak business hours on Sundays, and shall consider providing for review by the fiscal agent of inquiries on a seven-day-per-week, 24-hour-per-day basis.

c. (1) The department of human services shall conduct a study of the prior authorization program based upon the program data collected during fiscal year 1994-1995, including a review of a sampling of specific drugs for which prior authorization is required. The study shall be completed by October 1, 1995, and a report of the findings of the study shall be submitted to the chairpersons and ranking members of the senate and house appropriations committees, to the chairpersons and ranking members of the joint human services appropriations committee, and to the legislative fiscal bureau. The study shall address and include information and recommendations regarding all of the following:

(a) A comparison of the costs associated with the prescribing of generic drugs rather than brand name drugs, taking into consideration any rebates or other cost reductions associated with the use of brand name drugs.

(b) A review of the time associated with the prior authorization process including telephone communications between providers and the department's prior authorization fiscal agent and with delays for either party. The review shall include an analysis of the average time associated with each inquiry by classification of drug.

(c) A review of the number of denials of authorization by classification of drug by the fiscal agent and the rationale for the denials.

(d) A review of the actual and projected cost savings and workability of the prior authorization program.

(e) A review of the services provided by the fiscal agent including a comparison of the services of the fiscal agent with private pay insurers in providing a similar service, and an evaluation of the current availability of the fiscal agent and any improvements to the program which might result from increased availability.

(f) A review of the volume of inquiries for prior authorization during a weekly period including an analysis of the days and times of peak volume as compared with the availability of the fiscal agent for responding to inquiries.

(g) An analysis of the time which elapses between the submission of a bill to the department for reimbursement and actual reimbursement.

(2) Following receipt of the report from the department, the legislative fiscal bureau shall review the study. The review shall include all of the following:

(a) An evaluation of the cost and savings methodology, utilized by the department, including an analysis of whether all governmental costs and savings were included or adequately addressed in the savings methodology used during fiscal year

1994-1995. If the legislative fiscal bureau determines that the cost and savings methodology utilized by the department or the fiscal agent did not include or adequately address all governmental costs, the legislative fiscal bureau shall provide recommendations to the general assembly to improve the cost and savings methodology for future application.

(b) An individualized assessment of the prior authorization program based on a random sample of not more than 50 individual prior authorization actions, of which one-half shall be approval actions and one-half shall be denial actions. The random sample shall be provided by the department to the legislative fiscal bureau based upon a random sampling methodology submitted by the legislative fiscal bureau. All data deemed necessary by the legislative fiscal bureau to conduct the assessment shall be provided by the department including but not limited to the date and time of the prior authorization contact between the fiscal agent and the provider; the name, address, and telephone number of the provider; and the classification of the drug for which prior authorization was sought. If the action was an approval action, the department shall provide a statement of the actual cost associated with the substituted drug and the cost associated with the alternative drug. If the action was a denial action, the department shall provide the rationale for the denial.

d. The department of human services shall, when it is economically beneficial, implement maximum allowable costs for multiple source drugs in accordance with federal guidelines.

e. The department shall develop a plan to administratively pursue reimbursement for pharmacy services for which a recipient of medical assistance also has third-party coverage. The department shall develop the plan in cooperation with the insurance division of the department of commerce and with representatives of the Iowa pharmacists association. The department shall submit the plan to the general assembly on or

before January 1, 1996, and shall implement the plan on or before May 1, 1996. The department shall also include a preliminary estimate of the costs of administratively pursuing reimbursement for pharmacy services in the budget submitted to the council of human services for fiscal year 1996-1997.

Veto

11. The department shall develop strategies to address administrative and provider concerns associated with discretionary medical assistance provided to individuals and families pursuant to section 249A.3, subsection 4, and the provisions relating to the expenditure of income to a level which qualifies the individual or family as eligible for participation in the medical assistance program. The department shall submit a report regarding the strategies developed to the general assembly on or before November 30, 1995.

12. The department may seek qualification of supervised community treatment for children under the medical assistance program.

13. The department shall amend the department's current home and community-based waivers under medical assistance to include "consumer directed attendant care" as allowed by federal regulation. The department shall also develop and implement a new 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 costs for assistance provided to an individual served under the waiver. A waiver amended, developed, or implemented pursuant to this subsection shall be consistent with the provisions of the appropriation in this Act for a personal assistance services pilot project and the provisions of chapter 255C relating to personal assistance services.

14. The department of human services shall seek federal approval on or before August 1, 1995, for the implementation of a pilot program to allow medical assistance program

VETO

reimbursement for payment of services provided by persons who provide a home and services to a total of seventy-five persons who currently reside in nursing homes. The department, in cooperation with the department of elder affairs, shall develop a program which will result in a cost savings to the state or in cost neutrality, and shall develop parameters for the program which shall include but are not limited to all of the following:

- a. A maximum income eligibility level, established by the department, which applies to persons providing a home and services and seeking reimbursement through the medical assistance program.
- b. An evaluative component which enables the department to measure the financial and quality of life aspects of the pilot program in comparison with placement of a person in a nursing home.
- c. A maximum reimbursement rate of \$15,000, annually, for housing and services provided by the home provider under the pilot program.
- d. Any other criteria necessary to implement the pilot program including but not limited to implementation in a manner which targets current nursing home residents in both rural and urban areas of the state.

15. The department of human services shall consult with the department of inspections and appeals, the Iowa state association of counties, and the Iowa association of rehabilitation and residential facilities in adopting administrative rules identifying optimum staffing ratios for intermediate care facilities for the mentally retarded (ICFMR). The administrative rules shall be implemented on or before January 1, 1996.

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, 1995, and ending June 30, 1996, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

VETO

For medical contracts:

..... \$ 6,226,400

- 1. The department shall continue to contract for drug utilization review under the medical assistance program.
- 2. The department may use not more than \$22,500 of the funds appropriated in this section for contracting for the rebasing-recalibration of the ambulatory patient grouping system.
- 3. The department may use not more than \$75,000 of the funds appropriated in this section for the independent evaluation of the prepaid mental health services plan. The department shall submit a report on a quarterly basis to the general assembly during the months in which the general assembly is in session and to the fiscal committee of the legislative council during the months in which the general assembly is not in session, describing the progress and activities of the prepaid mental health services plan.

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, 1995, and ending June 30, 1996, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For state supplementary assistance:

..... \$ 19,115,000

- 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, 1995, 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, 1995, 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.

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, 1995, and ending June 30, 1996, 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:
..... \$ 7,740,000

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, \$2,895,934 shall be used for state child care assistance.

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

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

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

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

4. a. For state child care assistance, eligibility shall be limited to children whose family income is equal to or less than 100 percent of the United States office of management and budget poverty guidelines. However, on or after October 1, 1995, the department may increase the income eligibility limit to be equal to or less than 75 percent of the Iowa median family income.

b. 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. The department may adopt emergency rules to implement the provisions of this lettered paragraph. For purposes of eligibility for state child care assistance, a migrant seasonal farm worker is an individual to which all of the following conditions apply:

(1) The worker performs seasonal agricultural work which requires travel so that the worker is unable to return to the worker's permanent residence within the same day.

(2) Most of the worker's income is derived from seasonal agricultural work performed during the months of July through October.

(3) The worker generally performs seasonal agricultural work in this state during the months of July through October.

c. The department may adopt administrative rules to comply with the federal child care development block grant and federal at-risk child care program; to streamline the existing day care program; and to deliver the services within state and federal funds appropriated.

d. 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. The department shall develop, in cooperation with child day care resource and referral services and with the state child day care advisory council, incentives to encourage the registration of child day care providers and shall report the recommendations developed to the chairpersons and the ranking members of the joint appropriations subcommittee on human services on or before January 1, 1996.

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, \$1,676,139 shall be used for transitional child care assistance.

9. During the 1995-1996 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 appropriated for that purpose in this section.

10. 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.

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, 1995, and ending June 30, 1996, 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:
..... \$ 11,935,189

1. Of the funds appropriated in this section, \$11,025,889 is allocated for the JOBS program.

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 emergency 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, 1995, and ending June 30, 1996, 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:	
.....	\$ 6,390,000
.....	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 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 and user fees received by the child support recovery program are appropriated and shall be used for the purposes of the child support recovery program. The director of human services may add positions if fees collected relating to the new positions are sufficient to pay the 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 more than twice the amount of money 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 spend up to \$50,000, including federal financial participation, for the fiscal year beginning

July 1, 1995, for continuation of the child support public awareness campaign. The department shall continue to cooperate with the office of the attorney general in continuation of the campaign.

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 at least one full-time equivalent position to respond to telephone inquiries during all weekly business hours.

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, 1995, and ending June 30, 1996, 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:
..... \$ 13,480,000
..... 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:

..... \$ 4,980,000
..... 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:

..... \$ 8,500,000
..... FTEs 202.23

3. During the fiscal year beginning July 1, 1995, the population levels at the state juvenile institutions shall not exceed the population guidelines established under 1990 Iowa Acts, chapter 1239, section 21.

4. Each state juvenile institution shall apply for adolescent pregnancy prevention grants for the fiscal year beginning July 1, 1995.

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, 1995, and ending June 30, 1996, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For child and family services:
..... \$ 83,380,000

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 \$20,937,703 is allocated for group foster care maintenance and services. For the fiscal year beginning July 1, 1995, the statewide target, as provided in section 232.143, for the daily average number of children placed in group foster care services which are a charge upon or paid for by the state shall be 1,220. Notwithstanding the statewide target established in this subsection and sections 232.52, 232.102, 232.117, 232.127, and 232.182, a target established in a region's group foster care plan developed pursuant to section 232.143 may be exceeded, a group foster care placement may be ordered, and state payment may be made if a clinical assessment and consultation team finds that the placement is necessary to meet the child's needs. The department and the courts shall work together to ensure that a region's group foster care expenditures shall not exceed the funds allocated to the region for group foster care placements in the 1995-1996 fiscal year. However, regions may transfer bed days between regions as necessary to meet group foster care needs. The department may adopt emergency rules to implement the provisions of this paragraph.

b. In each quarter of the fiscal year, the department shall compare the actual number of group foster care placements in a region and the targets allocated to the region for that quarter. The department shall develop a methodology to provide, within the funds allocated in this subsection, fiscal incentives to regions which have reduced the number or length of group foster care placements.

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

d. Notwithstanding the formula specified in section 232.143, subsection 1, the department and the judicial

department shall develop a formula for allocating a portion of the statewide target to each of the department's regions based on factors determined by the department and the judicial department which may include but are not limited to historical usage of group foster care beds and indicators of need for group foster care placements. The formula shall be established by May 1, 1995. The department may adopt emergency rules to implement the provisions of this paragraph.

e. 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.

f. (1) Of the funds appropriated in this section, not more than \$6,439,398 is allocated as the state match funding for psychiatric medical institutions for children.

(2) Based upon the director's decision pursuant to 1994 Iowa Acts, chapter 1186, section 10, subsection 19, regarding the managed care approaches for determining service necessity for children served by psychiatric medical institutions for children (PMICs), the department may transfer all or a portion of the moneys appropriated in this section for PMICs to the appropriation in this Act for medical assistance and may amend the managed mental health care contract to include PMICs, and may increase the statewide target for group foster care placements in paragraph "a" of this subsection, accordingly. The department may adopt emergency rules to implement the provisions of this paragraph.

g. Of the funds allocated in this subsection, not more than \$995,764 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, 1995, 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, 1995, state funding for shelter care paid pursuant to section 234.35, subsection 1, paragraph "h", shall be limited to \$3,383,736. The department may adopt emergency rules to implement the provisions of this subsection.

10. Of the funds appropriated in this section, not more than \$512,862 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, \$1,000,000 is allocated for respite services to families of children with mental retardation or other developmental disabilities, who would otherwise enter or continue group care or foster family home placement. On or before January 4, 1996, the department

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shall review the use of the funding allocated in this subsection and project whether an amount of the funding will be unused by the close of the fiscal year. If an amount is projected, the department shall transfer the projected amount to the appropriation in this Act for family support subsidy for use to provide assistance to additional families who would otherwise remain on the waiting list for that program. The department shall work with the Iowa governor's planning council for developmental disabilities, the arc of Iowa, the Iowa respite coalition, and the Iowa family support initiative to review use of the program funded in this section and develop recommendations for consideration in the 1996 legislative session. The recommendations shall address how much of the funding should be directed to families trying to keep their children with disabilities in the family home, potential administrative rule revisions to improve the program, and actions for the department to take to inform families about the program. The department may adopt administrative rules to implement the provisions of this subsection.

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12. Of the funds appropriated in this section, up to \$673,217 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.

13. The department may adopt administrative rules 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.

14. Of the funds appropriated in this section, up to \$133,230 may be used to develop a performance-based monitoring program to evaluate and improve outcomes for children and families. The department may adopt administrative rules to implement this subsection.

15. 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.

16. 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.

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

4. Of the funds appropriated in this section, an additional \$100,000, based upon the amount allocated in the previous fiscal year, shall be used for family planning services.

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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, 1995, and ending June 30, 1996, 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.

17. Of the funds appropriated in this section, up to \$175,000 may be used to establish and maintain a truancy pilot initiative in the fifth judicial district which shall be directed to keeping targeted youth in school by providing noneducational supportive and therapy services both inside and outside the school setting. The department may adopt administrative rules to implement supportive and therapy services in the truancy pilot initiative. The rules may include, but are not limited to, the development of program descriptions, certification standards, reimbursement, contract requirements, and eligibility and accountability standards.

18. The department, in cooperation with interested social service providers, shall study the feasibility of expanding existing confidentiality provisions to allow social service providers to form local teams to discuss provision of the most appropriate services in individual cases. The department shall submit a report of the findings of the study to the chairpersons and ranking members of the joint appropriations subcommittee on human services on or before January 1, 1996.

19. Notwithstanding section 234.39, if a child was removed from the child's home and placed in foster care during the fiscal year beginning July 1, 1994, based upon an allegation of child abuse that was subsequently determined to be unfounded, a support obligation shall not be established for the child's parent or guardian for the cost of the foster care.

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20. 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.

Sec. 11. COMMUNITY-BASED PROGRAMS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1995, and ending June 30, 1996, 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:

..... \$ 2,620,000
..... FTEs 1.0

1. Of the funds appropriated in this section, \$754,000 shall be used for adolescent pregnancy prevention grants, including not more than \$156,048 for programs to prevent second or subsequent pregnancies during the adolescent years and to provide support services for pregnant or parenting adolescents. Rules adopted by the department may allow for revision of existing grant categories and the addition of grant categories which allow for the development and initiation of a statewide adolescent pregnancy prevention campaign and of a statewide assessment or evaluation grant.

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

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 \$200,000 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, 1995, and ending June 30, 1996, 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:

.....	\$ 43,190,000
..... FTEs	954.75
1. The funds appropriated and full-time equivalent positions authorized in this section are allocated as follows:	
a. State mental health institute at Cherokee:	
.....	\$ 14,840,000
..... FTEs	331.13
b. State mental health institute at Clarinda:	
.....	\$ 6,000,000
..... FTEs	136.82
c. State mental health institute at Independence:	
.....	\$ 17,590,000
..... FTEs	401.82
d. State mental health institute at Mount Pleasant:	
.....	\$ 4,760,000
..... FTEs	84.98

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, 1995, and ending June 30, 1996, 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:

..... \$ 66,260,000
..... FTEs 1,666.00

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

a. State hospital-school at Glenwood:
..... \$ 35,830,000
..... FTEs 910.00

b. State hospital-school at Woodward:
..... \$ 30,430,000
..... FTEs 756.00

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, 1995, and ending June 30, 1996, 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, 1995, and ending June 30, 1996, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the family support subsidy program:
..... \$ 1,110,000

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, 1995, and ending June 30, 1996, 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. A grant may provide up to \$5,000 per person for costs associated with an assistive animal. 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, 1995, and ending June 30, 1996, 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:

..... \$ 5,470,000

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, 1995, and ending June 30, 1996, 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.

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

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. a. A mental health and developmental disabilities regional planning council established pursuant to section 225C.18 shall develop plans for the provision of services for the fiscal year beginning July 1, 1995, for persons with a disability in the county or counties comprising the planning council.

b. County expenditure reports for services provided to persons with a disability for the prior fiscal year are due to the department on or before October 15, 1995. The county MI/MR/DD/BI plan for the fiscal year beginning July 1, 1995, is due to the department on or before April 1, 1995.

6. 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, 1995.

7. 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 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. Moneys allocated to a county pursuant to paragraph "f" shall be provided to the county as claims are submitted to the state.

j. The moneys provided under this subsection do not establish an entitlement to the services funded under 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, 1995, and ending June 30, 1996, the following amount or so much thereof as is necessary, to be used for the purpose designated:

For implementing a pilot project for the personal assistance services program in accordance with this section:
..... \$ 250,000

1. The funds appropriated in this section shall be used by the division of mental health and developmental disabilities to implement a 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 manner that would require additional county or state costs for assistance provided to an individual served under the pilot project or the waiver.

2. In cooperation with the personal assistance and family support services council, the Iowa family support initiative, and the governor's planning council for developmental disabilities, the department shall apply for any federal funds made available through the federal Families of Children with Disabilities Support Act of 1994, provided no new state or

county funds are needed to match the federal funds. The department may use funds from existing programs as matching funds, provided the program goals are consistent and reductions in services for program recipients do not occur. The department shall use the personal assistance and family support services council to meet any federal requirements for a state board policy group, or may use a subgroup of the council if necessary for meeting federal specifications on size, composition, configuration, or functioning relating to a federal requirement for a policy group. The department's planning for a comprehensive family support initiative under section 225C.47 and this subsection shall address options for a means test eligibility requirement and for local review of eligibility by existing bodies such as the mental health and developmental disabilities regional planning councils created pursuant to section 225C.18.

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, 1995, and ending June 30, 1996, 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:
..... \$ 38,140,000
..... FTEs 2009.50

The department may exceed the quantity of full-time equivalent positions authorized in this section by up to 8.5 FTEs as necessary to increase services for the permanent placement of children for whom parental rights have been terminated and who are under the guardianship of the department.

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, 1995, and

ending June 30, 1996, 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:

..... \$ 10,907,951
..... FTEs 375.50

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

Sec. 23. VOLUNTEERS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1995, and ending June 30, 1996, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For development and coordination of volunteer services:

..... \$ 85,793

Sec. 24. "X-PERT" PUBLIC ASSISTANCE BENEFIT ELIGIBILITY DETERMINATION SYSTEM. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1995, and ending June 30, 1996, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the development costs of the "X-PERT" knowledge-based computer software package for public assistance benefit eligibility determination, including salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent positions:

..... \$ 919,000
..... FTEs 17.00

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

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

1. a. For the fiscal year beginning July 1, 1995, the department of human services may allocate any increases in payments for durable medical products and supplies so that equipment and supplies which have greater wholesale cost increases may be reimbursed at a higher rate and those which have a lower or no wholesale cost increase may be reimbursed at a lower rate or have no increase.

b. For the fiscal year beginning July 1, 1995, providers of obstetric services when provided by physicians or certified nurse-midwives shall have their medical assistance reimbursement rates increased by 5.0 percent over the rates in effect on June 30, 1995.

c. For the fiscal year beginning July 1, 1995, skilled nursing facilities shall have their medical assistance rates increased by 4.6 percent over the rates in effect on June 30, 1995.

d. The dispensing fee for pharmacists shall remain at the rate in effect on June 30, 1995. The reimbursement policy for drug product costs shall be in accordance with federal requirements.

e. Reimbursement rates for in-patient and outpatient hospital services shall be increased by an average of 4.2 percent over the rates in effect on June 30, 1995. 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". 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 is made pursuant to the prospective payment methodology developed by the department for the payment of outpatient services provided under the medical assistance program.

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

g. 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.

h. 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, 1995, 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, 1995, unaudited compilation of cost and statistical data and the adjustment shall take effect January 1, 1996.

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. Reimbursement for air ambulance service shall be \$7.50 per mile and the base rate is \$200.

2. For the fiscal year beginning July 1, 1995, the maximum cost reimbursement rate for residential care facilities reimbursed by the department shall be \$21.32 per day. The flat reimbursement rate for facilities electing not to file semiannual cost reports shall be \$15.25 per day. For the fiscal year beginning July 1, 1995, the maximum reimbursement rate for providers reimbursed under the in-home health-related care program shall be \$409.89 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, 1994.

4. Notwithstanding section 234.38, in the fiscal year beginning July 1, 1995, the foster family basic daily maintenance rate and the maximum adoption subsidy rate for children ages 0 through 5 years shall be \$12.00, the rate for children ages 6 through 11 years shall be \$12.72, the rate for children ages 12 through 15 years shall be \$13.89, and the rate for children ages 16 and older shall be \$14.73. Effective July 1, 1995, payments to foster and adoptive families shall be calculated on a daily basis. Effective July 1, 1995, the special care allowance paid to adoptive families who have adopted a child with special needs and are eligible for an adoptive subsidy shall be the same as foster care.

5. For the fiscal year beginning July 1, 1995, the maximum reimbursement rates for social service providers shall be the same as the rates in effect on June 30, 1995, except under any of the following circumstances:

a. If a new service was added after June 30, 1995, 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 due to implementation of a redesigned purchase of services system.

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, 1995, 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 1996, 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 shall continue the pilot project to implement the 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. A report of the findings and recommendations resulting from an evaluation of the pilot project regarding the payment system shall be submitted to the legislative fiscal bureau and to the chairpersons and ranking members of the joint appropriations subcommittee on human services by January 15, 1997.

9. The department shall modify reimbursement provisions applicable to agencies providing services under the department's rehabilitative treatment program for children and

their families. The modification shall address the service utilization reimbursement rates under the program to include the time a child is away from the agency for good cause.

10. The department may adopt emergency rules to implement the provisions of this section.

11. For the period beginning on the effective date of this subsection and ending June 30, 1996, the department shall not reduce the percentile amount used to calculate reimbursement rates for intermediate care facilities for the mentally retarded.

Veto **Sec. 26. STANDARDS FOR CASELOADS AND REIMBURSEMENT.** *Veto*

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

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

3. 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, 1996.

Sec. 27. STATE INSTITUTIONS -- CLOSINGS AND REDUCTIONS.

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 the facilities of an institution, including but not limited to assisting not-for-profit users with remodeling and lease costs by forgiving future rental or lease payments to the extent necessary for a period not to exceed five years.

Sec. 28. 1994 Iowa Acts, chapter 1186, section 10, unnumbered paragraph 2, is amended to read as follows:

For child and family services:

..... \$ 74,617,612
81,264,807

Sec. 29. 1994 Iowa Acts, chapter 1186, section 18, unnumbered paragraph 2, is amended to read as follows:

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

..... \$ 5,973,492
2,973,492

Sec. 30. 1994 Iowa Acts, chapter 1186, section 19, unnumbered paragraph 2, is amended to read as follows:

For mental illness, mental retardation, developmental disabilities, and brain injury community services in accordance with the provisions of this Act:

..... \$ 29,277,958
21,860,789

Sec. 31. 1994 Iowa Acts, chapter 1186, section 19, subsection 6, paragraph a, as amended by 1994 Iowa Acts, chapter 1199, section 70, is amended to read as follows:

a. Of the funds appropriated in this section, \$13,030,763 \$5,621,594 is allocated for distribution to counties for local purchase of services for persons with mental illness or mental retardation or other developmental disability.

Sec. 32. 1994 Iowa Acts, chapter 1186, section 20, unnumbered paragraph 2, is amended to read as follows:

For field operations, including salaries, support, maintenance, and miscellaneous purposes:

..... \$ 37,567,639
41,337,613

Sec. 33. 1994 Iowa Acts, chapter 1194, section 10, subsections 2 and 3, are amended to read as follows:

2. Not more than ~~\$17,225,148~~ 2,078,730 of the funds appropriated in subsection 1 shall be used by the department of human services for general administration. From the funds set aside by this subsection for general administration, the department of human services shall pay to the auditor of state an amount sufficient to pay the cost of auditing the use and administration of the state's portion of the funds appropriated in subsection 1.

3. In addition to the allocation for general administration in subsection 2, the remaining funds appropriated in subsection 1 shall be allocated in the following amounts to supplement appropriations for the federal fiscal year beginning October 1, 1994, for the following programs within the department of human services:

a. Field operations:

..... \$ 12,124,297
11,322,332

b. Child and family services:

..... \$ 14,101,019
-0-

c. Child care assistance:

..... \$ 1,310,652
1,581,230

d. Local administrative costs and other local services:

.....	\$ 1,164,210
	<u>1,462,851</u>
e. Volunteers:	
.....	\$ 122,778
	<u>148,259</u>
f. Community-based services:	
.....	\$ 146,321
	<u>183,855</u>
g. Local purchase:	
.....	\$ 10,917,169
h. MI/MR state cases:	
.....	\$ 3,000,000

Sec. 34. Section 99D.7, Code 1995, is amended by adding the following new subsection:

NEW SUBSECTION. 22. To cooperate with the gamblers assistance program administered by the department of human services to incorporate information regarding the gamblers assistance program and its toll-free telephone number in printed materials distributed by the commission. The commission may require licensees to have the information available in a conspicuous place as a condition of licensure.

Sec. 35. Section 99E.9, Code 1995, is amended by adding the following new subsection:

NEW SUBSECTION. 8. The Iowa lottery board shall cooperate with the gamblers assistance program administered by the department of human services to incorporate information regarding the gamblers assistance program and its toll-free telephone number in printed materials distributed by the board.

Sec. 36. Section 217.3, subsection 4, Code 1995, is amended to read as follows:

4. Approve the budget of the department of human services prior to submission to the governor. ~~Within two weeks of the date~~ Prior to approval of the budget is approved, the council shall publicize and hold a public hearing to provide

explanations and hear questions, opinions, and suggestions regarding the budget. Invitations to the hearing shall be extended to the governor, the governor-elect, the director of the department of management, and other persons deemed by the council as integral to the budget process.

Sec. 37. Section 232.188, subsection 6, Code 1995, is amended to read as follows:

6. Initially the department shall work with the five counties previously authorized under law to enter into decategorization agreements with the state. At a minimum, any of those counties may elect to use funding for foster care, family-centered services, subsidized adoption, child day care, local purchase of service, state juvenile institution care, state mental health institute care, state hospital-school care, juvenile detention, department direct services, and court-ordered services for juveniles in the child welfare fund established for that county. A portion of the fund may also be used for emergency family assistance to provide resources for families to remain intact or to be reunified. The department shall inform each county in advance of a fiscal year of the amount of funding that is available on account for the county at the state institutions for the fiscal year.

VETO

Veto

Sec. 38. 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 a later effective date is specified in the rules. In addition, the department may adopt administrative rules in accordance with the provisions of this section as necessary to comply with federal requirements or to adjust to a change in the level of federal funding during the fiscal year beginning July 1, 1995, and ending June 30, 1996. 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. 39. EFFECTIVE DATE. Section 3, subsection 10, of this Act, relating to drug prior authorization, section 3, subsection 14, relating to the nursing home waiver pilot program, section 25, subsection 11, relating to reimbursement rates for intermediate care facilities for the mentally retarded, and sections 28 through 33, amending 1994 Iowa Acts, being deemed of immediate importance, take effect upon enactment.

LEONARD L. BOSWELL
President of the Senate

RON J. CORBETT
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 462, Seventy-sixth General Assembly.

JOHN F. DWYER
Secretary of the Senate

Approved April 27, 1995

TERRY E. BRANSTAD
Governor

