

4/3/97 Unfinished Business Calendar

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APPROPRIATIONS CALENDAR

HOUSE FILE

715

BY COMMITTEE ON APPROPRIATIONS

Passed House, ^(P.1136) Date 4-9-97 Passed Senate, Date 4-17-97
 Vote: Ayes 94 Nays 6 Vote: Ayes 45 Nays 5

Approved May 19, 1997
[Signature]

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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HF 715

DIVISION I
APPROPRIATIONS

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3 Section 1. FAMILY INVESTMENT PROGRAM GENERAL FUND. There
4 is appropriated from the general fund of the state to the
5 department of human services for the fiscal year beginning
6 July 1, 1997, and ending June 30, 1998, the following amount,
7 or so much thereof as is necessary, to be used for the purpose
8 designated:

9 To be credited to the family investment program account and
10 used for assistance under the family investment program under
11 chapter 239, or under chapter 239B, as created in Senate File
12 516, if enacted by the Seventy-seventh General Assembly, 1997
13 Session:

14 \$ 9,060,000

15 1. The department of workforce development, in
16 consultation with the department of human services, shall
17 implement recruitment and employment practices to include
18 former and current family investment program recipients. The
19 department of workforce development shall submit a report of
20 the practices implemented and the results of the
21 implementation to the general assembly by January 1, 1998.

22 It is the intent of the general assembly that the
23 department of human services shall work with the department of
24 workforce development and local community collaborative
25 efforts to provide support services for family investment
26 program participants. The support services shall be directed
27 to those participant families who would benefit from the
28 support services and are likely to have success in achieving
29 economic independence. Community collaborative efforts
30 selected to provide support services shall have an existing
31 program providing support services with a significant local
32 match and a measurable record of success.

33 2. Of the funds appropriated in this section, \$6,832,592
34 is allocated for the JOBS program.

35 3. The department shall work with religious organizations

1 and other charitable institutions to increase the availability
2 of host homes, referred to as second chance homes or other
3 living arrangements under the federal Personal Responsibility
4 and Work Opportunity Reconciliation Act of 1996, Pub. L. No.
5 104-193, § 408. The purpose of the homes or arrangements is
6 to provide a supportive and supervised living arrangement for
7 minor parents receiving assistance under the family investment
8 program who, under 1995 Iowa Acts, chapter 53, section 1,
9 subsection 3, paragraph "a", or under chapter 239B, as created
10 in Senate File 516, if enacted by the Seventy-seventh General
11 Assembly, 1997 Session, may receive assistance while living in
12 an alternative setting other than with their parent or legal
13 guardian.

14 Sec. 2. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK
15 GRANT. There is appropriated from the fund created in section
16 8.41 to the department of human services for the fiscal year
17 beginning July 1, 1997, and ending June 30, 1998, from moneys
18 received under the federal temporary assistance for needy
19 families block grant pursuant to the federal Personal
20 Responsibility and Work Opportunity Reconciliation Act of
21 1996, Pub. L. No. 104-193, which are appropriated for the
22 federal fiscal years beginning October 1, 1996, and ending
23 September 30, 1997, and beginning October 1, 1997, and ending
24 September 30, 1998, the following amounts to be used for the
25 purposes designated:

26 Moneys appropriated in this section shall be used in
27 accordance with the federal law making the funds available,
28 applicable Iowa law, appropriations made from the general fund
29 of the state in this Act for the purpose designated, and
30 administrative rules adopted to implement the federal and Iowa
31 law. If actual federal revenues credited to the fund created
32 in section 8.41 through June 30, 1998, are less than the
33 amounts appropriated in this section, the amounts appropriated
34 shall be reduced proportionately and the department may reduce
35 expenditures as deemed necessary by the department to meet the

1 reduced funding level:

2 1. To be credited to the family investment program account
3 and used for assistance under the family investment program
4 under chapter 239 or chapter 239B, as created in Senate File
5 516, if enacted by the Seventy-seventh General Assembly, 1997
6 Session:

7 \$ 97,288,698

8 2. For the job opportunities and basic skills (JOBS)
9 program, and implementing family investment agreements, in
10 accordance with chapter 239C, or chapter 239B, as created in
11 Senate File 516, if enacted by the Seventy-seventh General
12 Assembly, 1997 Session:

13 \$ 18,038,404

14 3. For field operations:

15 \$ 5,756,227

16 4. For general administration:

17 \$ 2,573,844

18 5. For local administrative costs and other local services
19 previously allocated for under the federal social services
20 block grant:

21 \$ 1,732,617

22 6. For child and family services:

23 \$ 4,546,031

24 7. For state child care assistance:

25 \$ 1,214,089

26 8. For emergency assistance:

27 \$ 375,049

28 Notwithstanding section 8.33, moneys appropriated in this
29 section of this Act which remain unencumbered or unobligated
30 at the close of the fiscal year shall not revert from the fund
31 from which appropriated but shall remain available for
32 allocation under law in the succeeding fiscal year.

33 Sec. 3. FAMILY INVESTMENT PROGRAM ACCOUNT.

34 1. Moneys credited to the family investment program
35 account for the fiscal year beginning July 1, 1997, and ending

1 June 30, 1998, shall be used in accordance with the following
2 requirements:

3 a. The department shall provide assistance in accordance
4 with chapters 239 and 249C or in accordance with chapter 239B,
5 as created in Senate File 516, if enacted by the Seventy-
6 seventh General Assembly, 1997 Session.

7 b. The department shall continue the special needs program
8 under the family investment program.

9 c. The department shall implement federal welfare reform
10 data requirements pursuant to the appropriations made for that
11 purpose.

12 d. The department shall continue expansion of the
13 electronic benefit transfer program as necessary to comply
14 with federal requirements. The target date for statewide
15 implementation of the program is July 1, 1999.

16 e. The department shall conduct an evaluation of the
17 welfare reform program and child well-being provisions to
18 measure the program's effectiveness, impacts on children and
19 families, and impacts across programs, and to identify
20 effective strategies.

21 f. The department shall continue to contract for services
22 in developing and monitoring an entrepreneurial training
23 program to provide technical assistance to families which
24 receive assistance under the family investment program.

25 g. For family investment agreements developed beginning
26 July 1, 1997, the maximum allowable time period for
27 postsecondary education is limited to twenty-four months.

28 2. The department may transfer funds in accordance with
29 section 8.39, either federal or state, to or from the child
30 day care appropriations made for the fiscal year beginning
31 July 1, 1997, if the department deems this would be a more
32 effective method of paying for JOBS program child care, to
33 maximize federal funding, or to meet federal maintenance of
34 effort requirements.

35 3. Moneys appropriated in this Act and credited to the

1 family investment program account for the fiscal year
2 beginning July 1, 1997, and ending June 30, 1998, are
3 allocated as follows:

4 a. For the food stamp employment and training program:
5 \$ 129,985

6 b. For the family development and self-sufficiency grant
7 program as provided under section 217.12:
8 \$ 2,328,805

9 (1) Of the funds allocated for the family development and
10 self-sufficiency grant program in this lettered paragraph, not
11 more than 5 percent of the funds shall be used for the
12 administration of the grant program.

13 (2) Based upon the annual evaluation report concerning
14 each grantee funded by previously appropriated funds and
15 through the solicitation of additional grant proposals, the
16 family development and self-sufficiency council may use the
17 allocated funds to renew or expand existing grants or award
18 new grants. In utilizing the increased funding to expand the
19 program, the council shall give consideration, in addition to
20 other criteria established by the council, to a grant
21 proposal's intended use of local funds with a grant and to
22 whether a grant proposal would expand the availability of the
23 program's services to a wider geographic area.

24 (3) Family development and self-sufficiency grantees shall
25 not supplant previous local funding with state or federal
26 funds.

27 c. For increasing participation in vocational and
28 postsecondary training which lasts not more than twelve
29 months:
30 \$ 998,400

31 d. For replacing reductions in the federal social services
32 block grant with federal TANF block grant funds, except for
33 the allocation to child care:
34 \$ 3,484,121

35 e. For child day care in place of funds previously

1 allocated from the federal social services block grant to
2 child care:

3 \$ 1,214,089

4 The department may transfer the allocation made in this
5 paragraph directly into the appropriation made in this Act for
6 child day care.

7 f. If an enactment of the Seventy-seventh General
8 Assembly, 1997 Session, establishes a new Code chapter 239B,
9 as created in Senate File 516, and provides for the
10 elimination of the work transition period under the family
11 investment program, the following allocations shall apply:

12 (1) For the diversion subaccount of the family investment
13 program account:

14 \$ 500,000

15 Moneys allocated to the diversion subaccount shall be used
16 for a pilot initiative of providing incentives to assist
17 families who would otherwise be eligible for the family
18 investment program in obtaining or retaining employment and to
19 assist participant families in overcoming barriers to
20 obtaining employment. Incentives may be provided in the form
21 of payment or services. The department may limit the
22 availability of the pilot initiative on the basis of
23 geographic area or numbers of individuals provided with
24 incentives. The department shall evaluate the effectiveness
25 of the pilot initiative and make recommendations on or before
26 December 15, 1997, as to the potential benefits of expanding
27 the initiative.

28 (2) For incentive grants of not more than \$5,000 per grant
29 to community organizations serving as an operating
30 organization for administration of individual development
31 accounts in accordance with chapter 541A:

32 \$ 50,000

33 (3) For assistance associated with elimination of the work
34 transition period:

35 \$ 150,000

1 4. The moneys allocated for child care assistance in 1996
2 Iowa Acts, chapter 1210, section 10, subsection 3, paragraph
3 "c", may be reallocated by the department among the remaining
4 allocations made in the subsection, in proportion to the
5 amount an allocation bears to the total amount allocated in
6 the subsection.

7 5. Of the child support collections assigned under the
8 family investment program, an amount equal to the federal
9 share of support collections shall be deposited in the child
10 support recovery appropriation. The remainder of the assigned
11 child support collections and the state share of incentives
12 received by the child support recovery unit shall be deposited
13 in the family investment program account.

14 6. The department shall discontinue payment of the first
15 \$50 of the assigned child support collected by the department
16 in any given month to an applicant for family investment
17 program assistance approved for assistance on or after the
18 effective date of this Act. A recipient who is approved to
19 receive assistance prior to the effective date of this Act
20 shall continue to be eligible to receive the payment until the
21 recipient is no longer eligible for the family investment
22 program, but shall not be eligible to receive the payment upon
23 reapplication and subsequent receipt of family investment
24 program assistance. The department may adopt emergency rules
25 to implement this subsection.

26 7. The department may adopt administrative rules for the
27 family investment, food stamp, and medical assistance programs
28 to comply with federal requirements. Prior to adoption of the
29 rules, the department shall consult with the welfare reform
30 council, members of the public involved in development of
31 welfare reform policy established in the 1993 legislative
32 session, and the chairpersons and ranking members of the joint
33 appropriations subcommittee on human services.

34 8. Moneys appropriated for the job opportunities and basic
35 skills (JOBS) program in 1997 Iowa Acts, House File 125,

1 section 1, subsection 2, which remain unobligated or
2 unexpended at the close of the fiscal year beginning July 1,
3 1996, as provided in that Act, shall be used for the JOBS
4 program in the fiscal year beginning July 1, 1997.

5 9. Except as provided in subsection 8, not more than the
6 following amounts of the moneys received under the temporary
7 assistance for needy families block grant and appropriated to
8 the department pursuant to 1997 Iowa Acts, House File 125,
9 section 1, which remain unobligated or unexpended at the close
10 of the fiscal year beginning July 1, 1996, as provided in that
11 Act, shall be used for the following purposes in the fiscal
12 year beginning July 1, 1997, in the order designated:

- 13 a. For emergency assistance:
- 14 \$ 224,951
- 15 b. For the JOBS program:
- 16 \$ 300,000
- 17 c. For family support community-based grants:
- 18 \$ 200,000
- 19 d. For pregnancy prevention grants:
- 20 \$ 250,000
- 21 e. For technology needs and other resources necessary to
- 22 meet federal welfare reform reporting, tracking, and case
- 23 management requirements:
- 24 \$ 2,950,000

25 10. Notwithstanding 1995 Iowa Acts, chapter 220,
26 section 11, moneys appropriated to the department of
27 human services for purposes of costs associated with
28 the development of the X-pert computer system shall
29 not revert on August 31, 1997, but shall remain
30 available for the purpose designated until the close
31 of the fiscal year beginning July 1, 1997.

32 Sec. 4. EMERGENCY ASSISTANCE. There is appropriated from
33 the general fund of the state to the department of human
34 services for the fiscal year beginning July 1, 1997, and
35 ending June 30, 1998, the following amount, or so much thereof

1 as is necessary, to be used for the purpose designated:

2 For emergency assistance to families with dependent
3 children for homeless prevention programs:

4 \$ 1,967,000

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

24 2. For the fiscal year beginning July 1, 1997, the
25 department shall continue the process for the state to receive
26 refunds of rent deposits for emergency assistance recipients
27 which were paid by persons other than the state. The refunds
28 received by the department under this subsection shall be
29 deposited with the moneys of the appropriation made in this
30 section and used as additional funds for the emergency
31 assistance program. Notwithstanding section 8.33, moneys
32 received by the department under this subsection which remain
33 after the emergency assistance program is terminated and state
34 moneys in the emergency assistance account which remain
35 unobligated or unexpended at the close of the fiscal year

1 shall not revert to the general fund of the state but shall
2 remain available for expenditure when the program resumes
3 operation on October 1 in the succeeding fiscal year.

4 Sec. 5. MEDICAL ASSISTANCE. 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, 1997, and
7 ending June 30, 1998, the following amount, or so much thereof
8 as is necessary, to be used for the purpose designated:

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

13 \$381,789,000

14 1. Medically necessary abortions are those performed under
15 any of the following conditions:

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

18 b. The attending physician certifies that the fetus is
19 physically deformed, mentally deficient, or afflicted with a
20 congenital illness.

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

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

29 e. Any spontaneous abortion, commonly known as a
30 miscarriage, if not all of the products of conception are
31 expelled.

32 2. Notwithstanding section 8.39, the department may
33 transfer funds appropriated in this section to a separate
34 account established in the department's case management unit
35 for expenditures required to provide case management services

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

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

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

34 c. Medical assistance funding for case management services
35 for eligible persons 17 years of age and younger shall also be

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

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

14 4. The department may adopt and implement administrative
15 rules regarding a prepaid mental health services plan for
16 medical assistance patients. The rules shall include but not
17 be limited to service provider standards, service
18 reimbursement, and funding mechanisms. Notwithstanding the
19 provisions of subsection 3, paragraph "a", of this section and
20 section 249A.26, requiring counties to pay all or part of the
21 nonfederal share of certain services provided to persons with
22 disabilities under the medical assistance program, the state
23 shall pay 100 percent of the nonfederal share of any services
24 included in the plan implemented pursuant to this subsection.

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

32 6. Of the funds appropriated to the Iowa department of
33 health for substance abuse grants, \$950,000 for the fiscal
34 year beginning July 1, 1997, shall be transferred to the
35 department of human services for an integrated substance abuse

1 managed care system.

2 7. The department of human services, in cooperation with
3 the Iowa department of public health and in consultation with
4 county representatives and affected providers, shall review
5 potential funding streams, treatment methods, and provider
6 options for expansion of dual diagnosis services, providing
7 both mental health and substance abuse services, and shall
8 report the findings of the review and recommendations to the
9 joint appropriations subcommittee on human services on or
10 before January 1, 1998.

11 8. The department shall continue the medical assistance
12 home and community-based waiver for persons with physical
13 disabilities as a means to further develop the personal
14 assistance services program under section 225C.46. The waiver
15 shall not be implemented in a manner which would require
16 additional county or state funding for assistance provided to
17 an individual served under the waiver. The waiver shall be
18 limited in application to persons with physical disabilities
19 who reside in a medical institution at the time of applying
20 for assistance and who have been residents of a medical
21 institution for a minimum of thirty consecutive days.

22 9. The department shall not expand the requirement of drug
23 prior authorization without prior approval of the general
24 assembly except to require prior authorization of an
25 equivalent of a prescription drug which is subject to prior
26 authorization as of June 30, 1997. The department shall adopt
27 administrative rules to implement this provision.

28 10. The department of human services, in consultation with
29 the Iowa department of public health and the department of
30 education, shall continue the program to utilize the early and
31 periodic screening, diagnosis, and treatment (EPSDT) funding
32 under medical assistance, to the extent possible, to implement
33 the screening component of the EPSDT program through the
34 school system. The department may enter into contracts to
35 utilize maternal and child health centers, the public health

1 nursing program, or school nurses in implementing this
2 provision.

3 11. The department shall continue the case study for
4 outcome-based performance standards for programs serving
5 persons with mental retardation or other developmental
6 disabilities proposed pursuant to 1994 Iowa Acts, chapter
7 1170, section 56. The department shall adopt rules applicable
8 to the programs included in the case study, request a waiver
9 of applicable federal requirements, and take other actions
10 deemed necessary by the department to continue the case study.

11 12. The department shall develop methodologies to directly
12 reimburse hospitals with medical assistance-approved graduate
13 medical education programs for the direct and indirect costs
14 of medical education programs at those hospitals and for a
15 disproportionate share payment as allowed by the federal cap
16 at those hospitals with qualifying programs. The level of
17 this reimbursement shall be equal to the amount of managed
18 care capitation payments attributable to direct medical
19 education plus indirect medical education add-on components
20 included as part of the capitated rate setting methodology and
21 to the amounts paid through the fee-for-service inpatient
22 diagnostic-related groups and outpatient ambulatory patient
23 groups hospital reimbursement systems for state fiscal year
24 1994-1995, with an adjustment, if the federal upper limits
25 test has not been exceeded, to allow an increase for state
26 fiscal year 1996-1997 costs. This subsection shall only apply
27 to any capitated payment contracts entered into after June 30,
28 1997. The department may adopt emergency rules to implement
29 this subsection.

30 13. The department, in consultation with the Iowa
31 department of public health, the department of elder affairs,
32 home and community-based service providers, consumers, and
33 members of the joint appropriations subcommittee on human
34 services, shall evaluate the feasibility of improving access
35 and delivery of services to consumers and of improving cost-

1 effectiveness by incorporating the personal care services
2 option into the medical assistance program.

3 Sec. 6. HEALTH INSURANCE PREMIUM PAYMENT PROGRAM. There
4 is appropriated from the general fund of the state to the
5 department of human services for the fiscal year beginning
6 July 1, 1997, and ending June 30, 1998, the following amount,
7 or so much thereof as is necessary, to be used for the purpose
8 designated:

9 For administration of the health insurance premium payment
10 program, including salaries, support, maintenance, and
11 miscellaneous purposes:

12 \$ 390,000
13 FTEs 17.00

14 Sec. 7. MEDICAL CONTRACTS. There is appropriated from the
15 general fund of the state to the department of human services
16 for the fiscal year beginning July 1, 1997, and ending June
17 30, 1998, the following amount, or so much thereof as is
18 necessary, to be used for the purpose designated:

19 For medical contracts:

20 \$ 7,700,000

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

23 2. a. In any managed care contract entered into by the
24 department on or after July 1, 1997, the request for proposals
25 shall allow for coverage by the contractor on a regional or
26 statewide basis. The department shall consult with the
27 chairpersons and ranking members of the joint appropriations
28 subcommittee on human services in developing the request for
29 proposals and in evaluating the responses. In determining
30 whether a contract shall be entered into to provide regional
31 or statewide coverage, the department shall consider the most
32 effective means of providing access to and delivery of
33 services to recipients of services and shall consider the
34 cost-effectiveness of the particular proposal.

35 b. The department, in consultation with the Iowa

1 department of public health, shall evaluate the feasibility of
2 combining coverage for mental health and substance abuse
3 services in any managed care contract entered into for these
4 services.

5 3. The department shall implement the plan, as submitted
6 to the general assembly on or before January 1, 1996, to
7 administratively pursue reimbursement for pharmacy services
8 for which a recipient of medical assistance also has third-
9 party coverage. The department may use increased collections
10 of pharmaceutical rebates or existing funds to implement this
11 subsection.

12 Sec. 8. STATE SUPPLEMENTARY ASSISTANCE. 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, 1997, and ending June 30, 1998, the following amount,
16 or so much thereof as is necessary, to be used for the purpose
17 designated:

18 For state supplementary assistance, funeral assistance, and
19 the medical assistance waiver for persons with mental
20 retardation rent subsidy program:

21 \$ 19,190,000

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

29 2. a. If during the fiscal year beginning July 1, 1997,
30 the department projects that state supplementary assistance
31 expenditures for a calendar year will not meet the federal
32 pass-along requirement specified in Title XVI of the federal
33 Social Security Act, section 1618, as codified in 42 U.S.C. §
34 1382g, the department may take actions including but not
35 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, 1997, 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 3. The department may use up to \$75,000 of the funds
17 appropriated in this section for a rent subsidy program for
18 adult persons to whom all of the following apply:

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

22 b. Were discharged from an intermediate care facility for
23 persons with mental retardation (ICFMR) immediately prior to
24 receiving HCBS/MR services.

25 The goal of the subsidy program shall be to encourage and
26 assist in enabling persons who currently reside in an ICFMR to
27 move to a community living arrangement. An eligible person
28 may receive assistance in meeting their rental expense and, in
29 the initial two months of eligibility, in purchasing necessary
30 household furnishings and supplies. The program shall be
31 implemented so that it does not meet the federal definition of
32 state supplementary assistance and will not impact the federal
33 pass-along requirement specified in Title XVI of the federal
34 Social Security Act, section 1618, as codified in 42 U.S.C. §
35 1382g.

1 Sec. 9. CHILD DAY CARE ASSISTANCE. 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, 1997, and
 4 ending June 30, 1998, the following amount, or so much thereof
 5 as is necessary, to be used for the purposes designated:

6 For protective child day care assistance and state child
 7 care assistance:

8 \$ 13,740,000

9 1. Of the funds appropriated in this section, \$3,696,286
 10 shall be used for protective child day care assistance.

11 2. Of the funds appropriated in this section, \$8,215,889
 12 shall be used for state child care assistance.

13 3. For the purposes of this subsection, the term "poverty
 14 level" means the poverty level defined by the poverty income
 15 guidelines published by the United States department of health
 16 and human services. Based upon the availability of the
 17 funding provided in subsection 2 the department shall
 18 establish waiting lists for state child care assistance in
 19 descending order of prioritization as follows:

20 a. Families with an income at or below 100 percent of the
 21 federal poverty level whose members are employed at least 30
 22 hours per week, and parents with a family income at or below
 23 100 percent of the federal poverty level who are under the age
 24 of 21 and are participating in an educational program leading
 25 to a high school diploma or equivalent.

26 b. Parents with a family income at or below 100 percent of
 27 the federal poverty level who are under the age of 21 and are
 28 participating, at a satisfactory level, in an approved
 29 training program or in an educational program.

30 c. Families with an income of more than 100 percent but
 31 not more than 125 percent of the federal poverty level whose
 32 members are employed at least 30 hours per week. Assistance
 33 provided to families pursuant to this paragraph shall be
 34 provided in accordance with a sliding fee scale developed by
 35 the department.

1 d. Families with an income at or below 155 percent of the
2 federal poverty level with a special needs child as a member
3 of the family.

4 e. Families with an income at or below 100 percent of the
5 federal poverty level whose members are employed part-time at
6 least 20 hours per week.

7 The department may adopt emergency rules to implement the
8 provisions of this subsection.

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

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

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

27 7. The department may use any of the funds appropriated in
28 this section as a match to obtain federal funds for use in
29 expanding child day care assistance and related programs. For
30 the purpose of expenditures of state and federal child day
31 care funding, funds shall be considered obligated at the time
32 expenditures are projected or are allocated to the
33 department's regions. Projections shall be based on current
34 and projected caseload growth, current and projected provider
35 rates, staffing requirements for eligibility determination and

1 management of program requirements including data systems
2 management, staffing requirements for administration of the
3 program, contractual and grant obligations and any transfers
4 to other state agencies, and obligations for decategorization
5 or innovation projects.

6 8. Of the funds appropriated in this section, \$1,191,184
7 is allocated for transitional child care assistance.

8 9. During the 1997-1998 fiscal year, the department shall
9 utilize the moneys deposited in the child day care credit fund
10 created in section 237A.28 for state child care assistance, in
11 addition to the moneys allocated for that purpose in this
12 section.

13 10. The department shall assist the Hispanic educational
14 resource center in Des Moines in identifying or providing
15 replacement funding if the elimination of previous allocations
16 made to the center under this section results in a negative
17 impact to the center in providing child day care services. If
18 replacement funding is not identified, the department shall
19 replace the funding with federal child care and development
20 block grant moneys.

21 11. The department shall consult with service providers in
22 evaluating the practice of requiring recipients of state child
23 care assistance to make a co-payment to service providers.
24 The evaluation shall consider the impact on system
25 administration, service providers, and others. The department
26 shall report the evaluation results to the governor and
27 general assembly on or before December 15, 1997.

28 Sec. 10. 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, 1997, and
31 ending June 30, 1998, 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 \$ 6,605,000

2 FTEs 226.22

3 1. The director of human services, within the limitations
 4 of the moneys appropriated in this section, or moneys
 5 transferred from the family investment program appropriation
 6 for this purpose, shall establish new positions and add
 7 employees to the child support recovery unit if the director
 8 determines that both the current and additional employees
 9 together can reasonably be expected to maintain or increase
 10 net state revenue at or beyond the budgeted level. If the
 11 director adds employees, the department shall demonstrate the
 12 cost-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 fees, federal tax
 18 refund offset fees, and other user fees received by the child
 19 support recovery unit are appropriated and shall be used for
 20 the purposes of the child support recovery program. The
 21 director of human services may add positions within the
 22 limitations of the amount appropriated for salaries and
 23 support for the positions. The director shall report any
 24 positions added pursuant to this subsection to the
 25 chairpersons and ranking members of the joint appropriations
 26 subcommittee on human services and the legislative fiscal
 27 bureau.

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

33 4. The director of human services may establish new
 34 positions and add state employees to the child support
 35 recovery unit or contract for delivery of services if the

1 director determines the employees are necessary to replace
2 county-funded positions eliminated due to termination,
3 reduction, or nonrenewal of a chapter 28E contract. However,
4 the director must also determine that the resulting increase
5 in the state share of child support recovery incentives
6 exceeds the cost of the positions or contract, the positions
7 or contract are necessary to ensure continued federal funding
8 of the program, or the new positions or contract can
9 reasonably be expected to recover at least twice the amount of
10 money necessary to pay the salaries and support for the new
11 positions or the contract will generate at least 200 percent
12 of the cost of the contract.

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

20 6. The department shall expend up to \$50,000, including
21 federal financial participation, for the fiscal year beginning
22 July 1, 1997, for a child support public awareness campaign.
23 The department and the office of the attorney general shall
24 cooperate in continuation of the campaign. The public
25 awareness campaign shall emphasize, through a variety of media
26 activities, the importance of maximum involvement of both
27 parents in the lives of their children as well as the
28 importance of payment of child support obligations.

29 7. The department shall continue the option to provide and
30 supervise a community service pilot project for absent parents
31 who are ordered by the court to perform community service for
32 failure to pay child support pursuant to section 598.23A.

33 8. The director of human services may enter a contract
34 with private collection agencies to collect support payments
35 for cases which have been identified by the department as

1 difficult collection cases if the department determines that
2 this form of collection is more cost effective than
3 departmental collection methods. The director may use a
4 portion of the state share of funds collected through this
5 means to pay the costs of any contracts authorized under this
6 subsection.

7 9. Surcharges paid by obligors and received by the unit as
8 a result of the referral of support delinquency by the child
9 support recovery unit to any private collection agency are
10 appropriated to the department and shall be used to pay the
11 costs of any contracts with the collection agencies.

12 10. The child support recovery unit shall initiate a
13 process to evaluate the satisfaction of consumers, including
14 both obligors and obligees, with the child support recovery
15 unit. The unit shall submit a report of the findings of the
16 evaluation to the joint appropriations subcommittee on human
17 services on or before December 15, 1997.

18 Sec. 11. JUVENILE INSTITUTIONS. 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, 1997, and
21 ending June 30, 1998, the following amount, or so much thereof
22 as is necessary, to be used for the purposes designated:

23 For the operation of the state training school and the Iowa
24 juvenile home, including salaries, support, maintenance, and
25 miscellaneous purposes and for not more than the following
26 full-time equivalent positions:

27 For the state juvenile institutions:
28 \$ 13,869,000
29 FTEs 320.77

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

33 \$ 5,147,000
34 FTEs 118.54

35 2. The following amounts of the funds appropriated and

1 full-time equivalent positions authorized in this section are
2 allocated for the state training school at Eldora:

3 \$ 8,722,000

4 FTEs 202.23

5 3. During the fiscal year beginning July 1, 1997, the
6 population levels at the state juvenile institutions shall not
7 exceed the population guidelines established under 1990 Iowa
8 Acts, chapter 1239, section 21.

9 4. Of the funds appropriated in this section, \$10,000
10 shall be used by the state training school and \$8,000 by the
11 Iowa juvenile home for grants for adolescent pregnancy
12 prevention activities at the institutions in the fiscal year
13 beginning July 1, 1997.

14 5. Within the amount appropriated in this section, the
15 department may reallocate funds as necessary to best fulfill
16 the needs of the institutions provided for in the
17 appropriation.

18 Sec. 12. CHILD AND FAMILY SERVICES. 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, 1997, and
21 ending June 30, 1998, the following amount, or so much thereof
22 as is necessary, to be used for the purpose designated:

23 For child and family services:

24 \$111,084,000

25 1. The department may transfer moneys appropriated in this
26 section as necessary to pay the nonfederal costs of services
27 reimbursed under medical assistance or the family investment
28 program which are provided to children who would otherwise
29 receive services paid under the appropriation in this section.
30 The department may transfer funds appropriated in this section
31 to the appropriations in this Act for general administration
32 and for field operations for resources necessary to implement
33 and operate the services funded in this section.

34 2. a. Of the funds appropriated in this section, up to
35 \$29,153,146 is allocated as the statewide expenditure target

1 under section 232.143 for group foster care maintenance and
2 services.

3 b. The department shall report quarterly to the
4 legislative fiscal bureau concerning the status of each
5 region's efforts to contain expenditures for group foster care
6 placements in accordance with the regional plan established
7 pursuant to section 232.143.

8 c. The department shall not certify any additional
9 enhanced residential treatment beds, unless the director of
10 human services approves the beds as necessary, based on the
11 type of children to be served and the location of the enhanced
12 residential treatment beds.

13 d. (1) Of the funds appropriated in this section, not
14 more than \$5,690,600 is allocated as the state match funding
15 for psychiatric medical institutions for children.

16 (2) The department may transfer all or a portion of the
17 funds allocated in this paragraph for psychiatric medical
18 institutions for children (PMICs) to the appropriation in this
19 Act for medical assistance and shall not amend the managed
20 mental health care contract to include PMICs.

21 e. Of the funds allocated in this subsection, \$1,419,005
22 is allocated as the state match funding for 50 highly
23 structured juvenile program beds. If the number of beds
24 provided for in this paragraph is not utilized, the remaining
25 funds allocated may be used for group foster care.

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

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

34 5. The provisions of section 232.142, subsection 3,
35 requiring financial aid to be paid by the state for the

1 establishment, improvements, operation, and maintenance of
2 county or multicounty juvenile detention homes shall not apply
3 for the fiscal year beginning July 1, 1997. Section 25B.2,
4 subsection 3, shall not apply to this subsection.

5 6. The amount of the appropriation made in this section
6 available for foster care is based upon expansion of the
7 number of children in foster care who are eligible for federal
8 supplemental security income (SSI). The department may use up
9 to \$200,000 of those funds to enter into a performance-based
10 contract to secure SSI benefits for children placed in foster
11 care. The contract shall include provisions for training of
12 department of human services and juvenile court staff,
13 completion of applications, tracking of application results,
14 and representation during the appeals process whenever an
15 appeal is necessary to secure SSI benefits. The department
16 may extend the contract for an additional two years.

17 Notwithstanding section 217.30 and section 232.2, subsection
18 11, and any other provision of law to the contrary, the
19 director or the director's designee on behalf of a child in
20 foster care may release medical, mental health, substance
21 abuse, or any other information necessary only to determine
22 the child's eligibility for SSI benefits, and may sign
23 releases for the information. In the case of a child in the
24 custody of juvenile court services, the state court
25 administrator or administrator's designee acting on behalf of
26 a child in foster care may release medical, mental health,
27 substance abuse, or any other information necessary only to
28 determine the child's eligibility for SSI benefits, and may
29 sign releases for the information. In any release of
30 information made pursuant to this subsection, confidentiality
31 shall be maintained to the maximum extent possible.

32 7. A portion of the funds appropriated in this section may
33 be used for emergency family assistance to provide other
34 resources required for a family participating in a family
35 preservation or reunification project to stay together or to

1 be reunified.

2 8. Notwithstanding section 234.35, subsection 1, for the
3 fiscal year beginning July 1, 1997, state funding for shelter
4 care paid pursuant to section 234.35, subsection 1, paragraph
5 "h", shall be limited to \$7,403,905. The department shall
6 develop a formula, in consultation with the shelter care
7 committee and the judicial department, to allocate shelter
8 care funds to the department's regions. The department may
9 adopt emergency rules to implement this subsection.

10 9. Of the funds appropriated in this section, not more
11 than \$577,128 may be used to develop and maintain the state's
12 implementation of the national adoption and foster care
13 information system pursuant to the requirements of Pub. L.
14 No. 99-509. The department may transfer funds as necessary
15 from the appropriations in this Act for field operations and
16 general administration to implement this subsection. Moneys
17 allocated in accordance with this subsection shall be
18 considered encumbered for the purposes of section 8.33.

19 10. Of the funds appropriated in this section, up to
20 \$777,632 may be used as determined by the department for any
21 of the following purposes:

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

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

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

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

31 11. The department may adopt administrative rules
32 following consultation with child welfare services providers
33 to implement outcome-based child welfare services pilot
34 projects. The rules may include, but are not limited to, the
35 development of program descriptions, provider licensing and

1 certification standards, reimbursement and payment amounts,
2 contract requirements, assessment and service necessity
3 requirements, eligibility criteria, claims submission
4 procedures, and accountability standards.

5 12. Of the funds appropriated in this section, up to
6 \$200,000 may be used to develop, in cooperation with providers
7 of children and family services, a outcomes-based approach for
8 family-centered, family preservation, family-community-based
9 support, and wrap-around services to evaluate and improve
10 outcomes for children and families. The department shall
11 submit an outcomes-based budget for these programs and shall
12 submit the budget with other budget documents required
13 pursuant to section 8.23. The department may adopt
14 administrative rules to implement this subsection.

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

18 14. Federal funds received by the state during the fiscal
19 year beginning July 1, 1997, as the result of the expenditure
20 of state funds appropriated during a previous state fiscal
21 year for a service or activity funded under this section,
22 shall be used as additional funding for services provided
23 under this section. Moneys received by the department in
24 accordance with the provisions of this subsection shall remain
25 available for the purposes designated until June 30, 1999.

26 15. In each fiscal year, if the department determines that
27 sufficient funds are available under the appropriation in this
28 section, the department may transfer up to \$135,136 to the
29 appropriation in this Act for field operations to fund up to
30 an additional 5.00 FTEs beyond the authorized limit to respond
31 to increased applications resulting from recruitment efforts
32 in order to increase the number of adoptions of children with
33 special needs.

34 16. In addition to the report for group foster care
35 placements, the department shall report quarterly to the

1 legislative fiscal bureau concerning the status of each
2 region's funding expenditures compared with allocations in the
3 regional plan for services provided under this section.

4 17. The department and juvenile court services shall
5 develop criteria for the department regional administrator and
6 chief juvenile court officer to grant exceptions to extend
7 eligibility, within the funds allocated, for intensive
8 tracking and supervision and for supervised community
9 treatment to delinquent youth beyond age 18 who are subject to
10 release from the state training school, a highly structured
11 juvenile program, or group care. The department shall report
12 the number of such exceptions granted and the related
13 expenditures to the joint appropriations subcommittee on human
14 services on or before January 1, 1998.

15 18. Of the moneys appropriated in this section, not more
16 than \$900,000 is allocated to provide clinical assessment
17 services as necessary to continue funding of children's
18 rehabilitation services under medical assistance in accordance
19 with federal law and requirements. The funding allocated is
20 the amount projected to be necessary for providing the
21 clinical assessment services. The department shall submit a
22 report to the general assembly on or before January 1, 1998,
23 regarding the phased termination of providing services through
24 clinical assessment and treatment teams which the department
25 shall terminate by June 30, 1998. The department shall reduce
26 paperwork and other information requirements to the minimum
27 level necessary for compliance with the federal requirements
28 for the clinical assessment services.

29 Sec. 13. CONNER DECREE. There is appropriated from the
30 general fund of the state to the department of human services
31 for the fiscal year beginning July 1, 1997, and ending June
32 30, 1998, the following amount, or so much thereof as is
33 necessary, to be used for the purpose designated:

34 For providing training in accordance with the consent
35 decree of Conner v. Branstad, No. 4-86-CU-30871(S.D. Iowa,

1 July 14, 1994):

2 \$ 46,000

3 Sec. 14. COMMUNITY-BASED PROGRAMS -- ADOLESCENT PREGNANCY

4 PREVENTION. There is appropriated from the general fund of
5 the state to the department of human services for the fiscal
6 year beginning July 1, 1997, and ending June 30, 1998, the
7 following amount, or so much thereof as is necessary, to be
8 used for the purpose designated:

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

13 \$ 2,270,000

14 FTEs 1.00

15 1. Of the funds appropriated in this section, \$486,146
16 shall be used for adolescent pregnancy prevention grants,
17 including not more than \$156,048 for programs to prevent
18 pregnancies during the adolescent years and to provide support
19 services for pregnant or parenting adolescents. It is the
20 intent of the general assembly that by July 1, 1998, grants
21 awarded under this subsection be required to meet the criteria
22 under subsection 2 including the provision of community-wide
23 services within the proximity of a community or region. In
24 addition to the awarding of grants, funds may also be used for
25 grant evaluation and for a statewide media campaign.

26 2. Of the funds appropriated in this section, \$298,000
27 shall be used for grants to community or regional groups which
28 demonstrate broad-based representation from community
29 representatives including but not limited to schools,
30 churches, human service-related organizations, and businesses.
31 Priority in the awarding of grants shall be given to groups
32 which provide services to both urban and rural areas within
33 the proximity of the community or region and which provide
34 age-appropriate programs adapted for both male and female
35 youth at the elementary, middle, and high school levels. A

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

27 3. It is the intent of the general assembly that the
28 department of human services and the Iowa department of public
29 health shall identify existing abstinence education or
30 community-based programs which comply with the requirements
31 established in section 912, subchapter V, of the federal
32 Social Security Act, as codified in 42 U.S.C. § 701 et seq.
33 for matching of federal funds to be received on or after
34 October 1, 1997.

35 4. Of the funds appropriated in this section, \$731,014

1 shall be used by the department for child abuse prevention
2 grants.

3 Sec. 15. COURT-ORDERED SERVICES PROVIDED TO JUVENILES.
4 There is appropriated from the general fund of the state to
5 the department of human services for the fiscal year beginning
6 July 1, 1997, and ending June 30, 1998, the following amount,
7 or so much thereof as is necessary, to be used for the purpose
8 designated:

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

12 \$ 3,290,000

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

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

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

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

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

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

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

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

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

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

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

11 7. Of the funds appropriated in this section, not more
12 than \$100,000 may be used by the judicial department for
13 administration of the requirements under this section and for
14 travel associated with court-ordered placements which are a
15 charge upon the state pursuant to section 232.141, subsection
16 4.

17 8. Of the funds appropriated in this section, not more
18 than \$580,000 may be transferred to the appropriation in this
19 Act for child and family services and used to provide school-
20 based supervision of children adjudicated under chapter 232.

21 Sec. 16. MENTAL HEALTH INSTITUTES. There is appropriated
22 from the general fund of the state to the department of human
23 services for the fiscal year beginning July 1, 1997, and
24 ending June 30, 1998, the following amount, or so much thereof
25 as is necessary, to be used for the purposes designated:

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

29	\$ 41,480,900
30	FTEs 888.10

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

33 a. State mental health institute at Cherokee:	
34	\$ 13,199,400
35	FTEs 296.98

1 b. State mental health institute at Clarinda:
 2 \$ 6,324,400
 3 FTEs 136.82

4 c. State mental health institute at Independence:
 5 \$ 17,133,200
 6 FTEs 366.82

7 For the fiscal year beginning July 1, 1997, the state
 8 mental health institute at Independence shall implement a
 9 pilot project accounting test of managing revenues and
 10 expenditures attributable to the mental health institute in a
 11 manner that permits the net state expenditure amount to be
 12 determined. The mental health institute shall submit a
 13 preliminary report in January 1998, and a status report in
 14 October 1998, to the governor and the joint appropriations
 15 subcommittee on human services concerning the pilot project.
 16 The reports shall identify advantages and disadvantages of
 17 utilizing the pilot project approach and any changes in policy
 18 or statute identified to improve an implementation of the
 19 pilot project approach.

20 d. State mental health institute at Mount Pleasant:
 21 \$ 4,823,900
 22 FTEs 87.48

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

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

33 Sec. 17. HOSPITAL-SCHOOLS. There is appropriated from the
 34 general fund of the state to the department of human services
 35 for the fiscal year beginning July 1, 1997, and ending June

1 30, 1998, the following amount, or so much thereof as is
2 necessary, to be used for the purposes designated:

3 For the state hospital-schools, for salaries, support,
4 maintenance, and miscellaneous purposes and for not more than
5 the following full-time equivalent positions:

6 \$ 28,613,376
7 FTEs 1508.00

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

10 a. State hospital-school at Glenwood:

11 \$ 2,108,276
12 FTEs 872.50

13 (1) The department shall implement a pilot project of
14 operating the hospital-school with a net general fund
15 appropriation. The amount allocated in this paragraph is the
16 net state appropriation amount projected to be needed for the
17 state hospital-school at Glenwood. Purposes of the pilot
18 project are to encourage the hospital-school to operate with
19 increased self-sufficiency, to improve quality and efficiency,
20 and to support collaborative efforts between the hospital-
21 school and counties and other funders of services available
22 from the hospital-school. The pilot project shall not be
23 implemented in a manner which results in cost shifting between
24 the medical assistance program, counties, or other sources of
25 funding for the state hospital-school. Moneys allocated in
26 this paragraph may be used throughout the fiscal year in the
27 manner necessary for purposes of cash flow management, and for
28 purposes of cash flow management the hospital-school may
29 temporarily draw more than the amount allocated, provided the
30 amount allocated is not exceeded at the close of the fiscal
31 year.

32 (2) In implementing the pilot project, subject to the
33 approval of the department, except for revenues under section
34 249A.11, revenues attributable to the state hospital-school
35 for the fiscal year beginning July 1, 1997, shall be deposited

1 into the hospital-school's account, including but not limited
2 to all of the following:

3 (a) Moneys received by the state from billings to counties
4 under section 222.73.

5 (b) The federal share of medical assistance revenue
6 received under chapter 249A.

7 (c) Federal Medicare program payments.

8 (d) Moneys received from client financial participation.

9 (e) Other revenues generated from current, new, or
10 expanded services which the state hospital-school is
11 authorized to provide.

12 (3) Unless otherwise provided by law, the hospital-school
13 may retain that portion of reimbursement attributable to
14 depreciation in a subaccount. Moneys so retained shall be
15 expended for capital and major maintenance projects as
16 provided by law.

17 (4) Salary adjustment fund moneys appropriated separately
18 from this appropriation shall be allocated to the hospital-
19 school based upon the full estimated salary costs of the
20 hospital-school.

21 (5) The state hospital-school and the department shall
22 submit a preliminary report in January 1998, and a status
23 report in October 1998, to the governor and the joint
24 appropriations subcommittee on human services concerning the
25 pilot project.

26 b. State hospital-school at Woodward:

27	\$	26,505,100
28	FTEs	635.50

29 2. 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 3. The department may implement a pilot project to bill
34 for state hospital-school services utilizing a scope of
35 services used for private providers of intermediate care

1 facilities for persons with mental retardation services.

2 Sec. 18. MENTAL ILLNESS SPECIAL SERVICES. There is
3 appropriated from the general fund of the state to the
4 department of human services for the fiscal year beginning
5 July 1, 1997, and ending June 30, 1998, the following amount,
6 or so much thereof as is necessary, to be used for the purpose
7 designated:

8 For mental illness special services:

9 \$ 121,220

10 1. The department and the Iowa finance authority shall
11 develop methods to implement the financing for existing
12 community-based facilities and to implement financing for the
13 development of affordable community-based housing facilities.
14 The department shall assure that clients are referred to the
15 housing as it is developed.

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

21 Sec. 19. FAMILY SUPPORT SUBSIDY PROGRAM. There is
22 appropriated from the general fund of the state to the
23 department of human services for the fiscal year beginning
24 July 1, 1997, and ending June 30, 1998, the following amount,
25 or so much thereof as is necessary, to be used by the division
26 of children and family services for the purpose designated:

27 For the family support subsidy program:

28 \$ 1,670,000

29 The department may use up to \$200,000 of the moneys
30 appropriated in this section to continue the children-at-home
31 program.

32 Sec. 20. SPECIAL NEEDS GRANTS. There is appropriated from
33 the general fund of the state to the department of human
34 services for the fiscal year beginning July 1, 1997, and
35 ending June 30, 1998, the following amount, or so much thereof

1 as is necessary, to be used for the purpose designated:

2 To provide special needs grants to families with a family
3 member at home who has a developmental disability or to a
4 person with a developmental disability:

5 \$ 53,212

6 Grants must be used by a family to defray special costs of
7 caring for the family member to prevent out-of-home placement
8 of the family member or to provide for independent living
9 costs. The grants may be administered by a private nonprofit
10 agency which serves people statewide provided that no
11 administrative costs are received by the agency. Regular
12 reports regarding the special needs grants with the family
13 support subsidy program and an annual report concerning the
14 characteristics of the grantees shall be provided to the
15 legislative fiscal bureau.

16 Sec. 21. MI/MR/DD STATE CASES. There is appropriated from
17 the general fund of the state to the department of human
18 services for the fiscal year beginning July 1, 1997, and
19 ending June 30, 1998, the following amount, or so much thereof
20 as is necessary, to be used for the purpose designated:

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

25 \$ 7,230,000

26 If a county has a county management plan which is approved
27 by the director of human services pursuant to section 331.439,
28 the services paid for under this section are exempt from the
29 department's purchase of service system requirements. The
30 department shall adopt rules to implement the provisions of
31 this paragraph.

32 Sec. 22. MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES --
33 COMMUNITY SERVICES FUND. There is appropriated from the
34 general fund of the state to the mental health and
35 developmental disabilities community services fund created in

1 section 225C.7 for the fiscal year beginning July 1, 1997, and
2 ending June 30, 1998, the following amount, or so much thereof
3 as is necessary, to be used for the purpose designated:

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

6 \$ 17,400,000

7 1. Of the funds appropriated in this section, \$17,121,138
8 shall be allocated to counties for funding of community-based
9 mental health and developmental disabilities services. The
10 moneys shall be 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 a disability, as defined in section 225C.2.
20 However, no more than 50 percent of the funding shall be used
21 for services provided to any one of the service populations.

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

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

30 4. The department shall submit an annual report concerning
31 each population served and each service funded in this section
32 to the chairpersons and ranking members of the joint
33 appropriations subcommittee on human services and the
34 legislative fiscal bureau.

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

1 than \$248,862 shall be provided to those counties having
2 supplemental per diem contracts in effect on June 30, 1994,
3 which were originally initiated under 1993 Iowa Acts, chapter
4 172, section 16, subsection 2. The amount provided to each
5 county shall be equal to the amount the county would be
6 eligible to receive under the supplemental per diem contracts
7 in effect on June 30, 1994, if the contracts were continued in
8 effect for the entire fiscal year beginning July 1, 1997.

9 6. a. Funding appropriated for purposes of the federal
10 social services block grant is allocated for distribution to
11 counties for local purchase of services for persons with
12 mental illness or mental retardation or other developmental
13 disability.

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

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

1 department's rules outlining general provisions for service
2 administration.

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

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

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

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

17 (2) Fifty percent based upon the amount provided to the
18 county for local purchase of services in the preceding fiscal
19 year.

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

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

34 i. The moneys provided under this subsection do not
35 establish an entitlement to the services funded under this

1 subsection.

2 7. If a county has a county management plan which is
3 approved by the director of human services pursuant to section
4 331.439, the county shall be considered to have met the
5 requirements of subsection 2, and subsection 6, paragraphs
6 "b", "c", "d", "e", and "g". The department shall adopt rules
7 to implement the provisions of this subsection.

8 8. It is the intent of the general assembly that to the
9 extent possible, public funding for mental retardation and
10 developmental disabilities services should be used in a
11 flexible manner to reduce reliance on institutional-based
12 services. To this end, a county may amend the county's
13 service management plans for mental retardation and
14 developmental disabilities services submitted for the fiscal
15 year beginning July 1, 1997, under section 331.439, as
16 necessary for the county to provide appropriate assistance in
17 lieu of placement of an individual in an intermediate care
18 facility for persons with mental retardation or other
19 institutional placement. The appropriate assistance may be
20 modeled on the personal assistance and family support subsidy
21 programs under chapter 225C.

22 Sec. 23. PERSONAL ASSISTANCE. There is appropriated from
23 the general fund of the state to the department of human
24 services for the fiscal year beginning July 1, 1997, and
25 ending June 30, 1998, the following amount, or so much thereof
26 as is necessary, to be used for the purpose designated:

27 For continuation of a pilot project for the personal
28 assistance services program in accordance with this section:
29 \$ 364,000

30 The funds appropriated in this section shall be used to
31 continue the pilot project for the personal assistance
32 services program under section 225C.46 in an urban and a rural
33 area. A portion of the funds may be used for costs to develop
34 a federal home and community-based waiver under the medical
35 assistance program for persons with physical disabilities or

1 other expenditures necessary to develop the personal
2 assistance program in the most appropriate and cost-effective
3 manner. However, not more than \$36,400 shall be used for
4 administrative costs. The pilot project and the waiver shall
5 not be implemented in a manner that would require additional
6 county or state costs for assistance provided to an individual
7 served under the pilot project or the waiver.

8 Sec. 24. 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, 1997, and ending June
11 30, 1998, 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	\$ 47,500,000
17	FTEs 2,047.00

18 Of the full-time equivalent positions authorized in this
19 section, there are additional positions in excess of the
20 number authorized for the previous fiscal year. It is the
21 intent of the general assembly that of the additional
22 positions, up to 20 FTEs may be utilized for incremental
23 expansion of the assessment-based approach for responding to
24 reports of child abuse.

25 Sec. 25. GENERAL ADMINISTRATION. 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, 1997, and
28 ending June 30, 1998, the following amount, or so much thereof
29 as is necessary, to be used for the purpose designated:

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

33	\$ 13,940,000
34	FTEs 383.00

35 1. Of the funds appropriated in this section, \$57,090 is

1 allocated for the prevention of disabilities policy council
2 established in section 225B.3.

3 2. The amount appropriated in this section provides not
4 more than \$240,000 in funding for the state-county assistance
5 team (SCAT). However, the department may shift other funding
6 to continue SCAT at the level authorized for the previous
7 fiscal year provided the shifted funding does not reduce
8 funding for services or the draw down of federal funding.

9 Sec. 26. VOLUNTEERS. There is appropriated from the
10 general fund of the state to the department of human services
11 for the fiscal year beginning July 1, 1997, and ending June
12 30, 1998, the following amount, or so much thereof as is
13 necessary, to be used for the purpose designated:

14 For development and coordination of volunteer services:
15 \$ 98,900

16 Sec. 27. MEDICAL ASSISTANCE, STATE SUPPLEMENTARY
17 ASSISTANCE, AND SOCIAL SERVICE PROVIDERS REIMBURSED UNDER THE
18 DEPARTMENT OF HUMAN SERVICES.

19 1. a. For the fiscal year beginning July 1, 1997, the
20 rate for skilled nursing facilities shall be increased by 3.3
21 percent over the rates in effect on June 30, 1997.

22 b. For the fiscal year beginning July 1, 1997, the
23 dispensing fee for pharmacists shall remain at the rate in
24 effect on June 30, 1997. The reimbursement policy for drug
25 product costs shall be in accordance with federal
26 requirements.

27 c. For the fiscal year beginning July 1, 1997,
28 reimbursement rates for inpatient and outpatient hospital
29 services shall be increased by 2.8 percent over the rates in
30 effect on June 30, 1997. The department shall continue the
31 outpatient hospital reimbursement system based upon ambulatory
32 patient groups implemented pursuant to 1994 Iowa Acts, chapter
33 1186, section 25, subsection 1, paragraph "f". In addition,
34 the department shall continue the revised medical assistance
35 payment policy implemented pursuant to that paragraph to

1 provide reimbursement for costs of screening and treatment
2 provided in the hospital emergency room if made pursuant to
3 the prospective payment methodology developed by the
4 department for the payment of outpatient services provided
5 under the medical assistance program.

6 d. Reimbursement rates for rural health clinics shall be
7 increased in accordance with increases under the federal
8 Medicare program.

9 e. Home health agencies certified for the federal Medicare
10 program, hospice services, and acute care mental hospitals
11 shall be reimbursed for their current federal Medicare audited
12 costs.

13 f. The basis for establishing the maximum medical
14 assistance reimbursement rate for nursing facilities shall be
15 the 70th percentile of facility costs as calculated from the
16 June 30, 1997, unaudited compilation of cost and statistical
17 data. However, to the extent funds are available within the
18 amount projected for reimbursement of nursing facilities
19 within the appropriation for medical assistance in this Act
20 for fiscal year beginning July 1, 1997, and within the
21 appropriation for medical assistance as a whole for fiscal
22 year beginning July 1, 1997, the department shall adjust the
23 maximum medical assistance reimbursement for nursing
24 facilities to the 70th percentile, as calculated on December
25 31, 1997, unaudited compilation of cost and statistical data
26 and the adjustment shall take effect January 1, 1998.

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

30 h. The reimbursement for dental services shall remain at
31 the rates in effect on June 30, 1997.

32 2. For the fiscal year beginning July 1, 1997, the maximum
33 cost reimbursement rate for residential care facilities
34 reimbursed by the department shall not be less than \$22.20 per
35 day. The flat reimbursement rate for facilities electing not

1 to file semiannual cost reports shall not be less than \$15.88
2 per day. For the fiscal year beginning July 1, 1997, the
3 maximum reimbursement rate for providers reimbursed under the
4 in-home health-related care program shall not be less than
5 \$426.78 per month.

6 3. Unless otherwise directed in this section, when the
7 department's reimbursement methodology for any provider
8 reimbursed in accordance with this section includes an
9 inflation factor, this factor shall not exceed the amount by
10 which the consumer price index for all urban consumers
11 increased during the calendar year ending December 31, 1996.

12 4. Notwithstanding section 234.38, in the fiscal year
13 beginning July 1, 1997, the foster family basic daily
14 maintenance rate and the maximum adoption subsidy rate for
15 children ages 0 through 5 years shall be \$13.01, the rate for
16 children ages 6 through 11 years shall be \$13.77, the rate for
17 children ages 12 through 15 years shall be \$15.48, and the
18 rate for children ages 16 and older shall be \$15.47.

19 5. For the fiscal year beginning July 1, 1997, the maximum
20 reimbursement rates for nonrehabilitative treatment and
21 supportive services and for social service providers shall be
22 the same as the rates in effect on June 30, 1997, except under
23 any of the following circumstances:

24 a. If a new service was added after June 30, 1997, the
25 initial reimbursement rate for the service shall be based upon
26 actual and allowable costs.

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

33 c. The department revises the reimbursement rates as part
34 of the changes in the mental health and developmental
35 disabilities services system initiated pursuant to 1995 Iowa

1 Acts, chapter 206, and associated legislation.

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

9 7. For the fiscal year beginning July 1, 1997, the
10 combined service and maintenance components of the
11 reimbursement rate paid to a shelter care provider shall be
12 based on the cost report submitted to the department. The
13 maximum reimbursement rate shall be \$76.61 per day. If the
14 department would reimburse the provider at less than the
15 maximum rate but the provider's cost report justifies a rate
16 of at least \$76.61, the department shall readjust the
17 provider's reimbursement rate to the maximum reimbursement
18 rate.

19 8. For the fiscal year beginning July 1, 1997, the
20 department shall calculate reimbursement rates for
21 intermediate care facilities for persons with mental
22 retardation at the 80th percentile.

23 9. For the fiscal year beginning July 1, 1997, for child
24 day care providers, the department shall set provider
25 reimbursement rates based on the rate reimbursement survey
26 completed in December 1996. The department shall set rates in
27 a manner so as to provide incentives for a nonregistered
28 provider to become registered.

29 10. The department may, at no cost to the state, implement
30 a pilot project to examine use of a payment system for
31 pharmaceutical care services provided by pharmacists under the
32 medical assistance program.

33 11. The department of human services shall revise the
34 financial and statistical report form applicable to nursing
35 facilities to incorporate the recommendations made as the

1 result of the directive relating to nursing facilities in
2 accordance with 1996 Iowa Acts, chapter 1213, section 25,
3 subsection 12. The revisions shall include, but are not
4 limited to, the addition of a category labeled "Patient Care
5 Services" which shall be subdivided into the subcategories of
6 "Direct Patient Care Costs" and "Support Care Costs". Costs
7 associated with food and dietary wages shall be included in
8 the "Support Care Costs" subcategory. The department may
9 adopt emergency rules to implement this subsection.

10 12. For the fiscal year beginning July 1, 1997, the
11 reimbursement rate for psychiatric medical institutions for
12 children shall be increased by 3 percent over the rates in
13 effect on June 30, 1997.

14 13. The department may adopt emergency rules to implement
15 the provisions of this section.

16 Sec. 28. STATE INSTITUTIONS -- CLOSINGS AND REDUCTIONS.

17 1. If a state institution administered by the department
18 of human services is to be closed or reduced in size, prior to
19 the closing or reduction the department shall initiate and
20 coordinate efforts in cooperation with the Iowa department of
21 economic development to develop new jobs in the area in which
22 the state institution is located. In addition, the department
23 may take other actions to utilize any closed unit or other
24 facilities and services of an institution, including but not
25 limited to assisting public or private organizations in
26 utilizing the services and facilities. The actions may also
27 include assisting an organization with remodeling and lease
28 costs by forgiving future rental or lease payments to the
29 extent necessary for a period not to exceed five years. The
30 department of human services and the department of economic
31 development shall submit a joint report to the chairpersons
32 and ranking members of the joint appropriations subcommittee
33 on human services on or before January 2, 1998, regarding any
34 efforts made pursuant to this subsection.

35 2. For purposes of this section, "state institution" means

1 a state mental health institute, a state hospital-school, the
2 state training school, and the Iowa juvenile home under the
3 authority of the department of human services listed in
4 section 218.1. If excess capacity exists at a state
5 institution beyond the capacity required for placements at the
6 institution under law, the department of human services may
7 enter into a contract with a managed care provider or an
8 organized delivery system for health care, to provide services
9 during the fiscal year beginning July 1, 1997, at the
10 institution for the plan or system.

11 Sec. 29. PROGRAM SIMPLIFICATION -- PAPERWORK REDUCTION.

12 The department of human services shall consult with providers
13 of services relating to child and family services and personal
14 assistance to review provider reporting requirements,
15 applicant and recipient process and documentation
16 requirements, and other paperwork and process requirements.
17 Following the review and no later than January 1, 1999, the
18 department shall implement a process which provides, at a
19 minimum, for a simplified means of demonstrating compliance of
20 providers, applicants, and recipients with document and
21 process requirements which shall include consolidation of
22 reports and forms and which may provide for submission of
23 reports and forms in an electronic format.

24 Sec. 30. JUVENILE JUSTICE ISSUES. The legislative council
25 is requested to establish a juvenile justice issues oversight
26 task force. If established, the task force should be directed
27 to consider the impact of juvenile problems, duplication in
28 intervention services, and gaps in service provision. The
29 membership of the task force should include interested members
30 of the joint appropriations subcommittees on human services,
31 health and human rights, and education and of the standing
32 committees for these subject areas.

33 Sec. 31. SERVICES RESTRUCTURING TASK FORCE.

34 1. The legislative council is requested to establish a
35 task force to develop a comprehensive proposal for changing

1 the role and function of health, education and human services.
2 The purpose of the changes is to improve services to Iowans
3 through the creation of new federal, state, and local
4 partnerships. The task force shall make recommendations
5 regarding restructuring public services in order to achieve
6 better results, to improve the quality of service delivery,
7 and to increase the quality of the public service provider
8 interaction with the public. The task force may also assess
9 program duplication and linkages with other federal, state, or
10 local programs or funding streams.

11 2. The task force membership should include members of the
12 joint appropriations subcommittees on human services, health
13 and human rights, and education as well as members of standing
14 committees associated with these public services. The task
15 force should be authorized to develop work groups and to hold
16 public hearings.

17 3. The topics addressed by the task force should include
18 local authority to deliver public services, use of public
19 institutions and facilities, the possibility of creating an
20 agency for disability and rehabilitation services, development
21 of a "seamless" system for referral of families to child day
22 care resources and public financial assistance, and
23 collaborative programs.

24 Sec. 32. CHILDREN WITH MENTAL RETARDATION. It is the
25 intent of the general assembly to appropriate funding of
26 services to children with mental retardation in a manner so
27 that beginning January 1, 1998, separate funding categories
28 for the services will be pooled. The tentative name for the
29 combined funding pool is "Mental Retardation -- Most
30 Appropriate Groupcare Initiative for Children" or "MR --
31 MAGIC". The service funding streams to be considered for the
32 funding pool shall include but are not limited to the
33 following services or programs to support children with mental
34 retardation and their families: family support subsidy,
35 intermediate care facility for persons with mental

1 retardation, medical assistance home and community-based
2 waiver services, group foster care, and state cases. The
3 department of human services shall convene a work group to
4 make recommendations for implementation of the MR -- MAGIC
5 funding pool. The work group shall include representatives of
6 the department, the personal assistance and family support
7 services council, service providers, families, and advocates.
8 The recommendations shall be submitted to the governor and
9 general assembly on or before October 15, 1997.

10 Sec. 33. MENTAL HEALTH -- CHILDREN. The legislative
11 council is requested to submit a request to the Iowa advisory
12 commission on intergovernmental relations created in section
13 28J.2, to review mental health services for children with the
14 goal of assuring coordination and provision of effective
15 services. The commission shall submit a report of findings
16 and recommendations which shall include recommendations for
17 purposed legislation to the legislative council on or before
18 October 1, 1997.

19 Sec. 34. TRANSFER AUTHORITY. Subject to the provisions of
20 section 8.39, for the fiscal year beginning July 1, 1997, if
21 necessary to meet federal maintenance of effort requirements
22 or to transfer federal temporary assistance for needy families
23 block grant funding to be used for purposes of the federal
24 social services block grant, the department of human services
25 may transfer between any of the appropriations made in this
26 Act to the department for the following purposes, provided
27 that the combined amount of state and federal temporary
28 assistance for needy families block grant funding for each
29 appropriation remains the same before and after the transfer:

- 30 1. For the family investment program.
- 31 2. For child day care assistance.
- 32 3. For child and family services.
- 33 4. For field operations.
- 34 5. For general administration.

35 Sec. 35. EMERGENCY RULES. If specifically authorized by a

1 provision of this Act, the department of human services or the
2 mental health and mental retardation commission may adopt
3 administrative rules under section 17A.4, subsection 2, and
4 section 17A.5, subsection 2, paragraph "b", to implement the
5 provisions and the rules shall become effective immediately
6 upon filing, unless the effective date is delayed by the
7 administrative rules review committee, notwithstanding section
8 17A.4, subsection 5, and section 17A.8, subsection 9, or a
9 later effective date is specified in the rules. Any rules
10 adopted in accordance with this section shall not take effect
11 before the rules are reviewed by the administrative rules
12 review committee. Any rules adopted in accordance with the
13 provisions of this section shall also be published as notice
14 of intended action as provided in section 17A.4.

15 Sec. 36. REPORTS. Any reports or information required to
16 be compiled and submitted under this Act shall be submitted to
17 the chairpersons and ranking members of the joint
18 appropriations subcommittee on human services, the legislative
19 fiscal bureau, the legislative service bureau, and to the
20 caucus staffs on or before the dates specified for submission
21 of the reports or information.

22 Sec. 37. EFFECTIVE DATE. Section 15, subsection 1, of
23 this division of this Act, relating to determining allocation
24 of court-ordered services funding, being deemed of immediate
25 importance, takes effect upon enactment.

26 DIVISION II

27 CODIFIED PROVISIONS

28 Sec. 38. Section 232.52, subsection 2, paragraph e,
29 subparagraph (4), Code 1997, is amended to read as follows:

30 (4) The child has previously been placed in a treatment
31 facility outside the child's home or in a supervised community
32 treatment program established pursuant to section 232.191,
33 subsection 4, as a result of a prior delinquency adjudication.

34 EXPLANATION

35 This bill makes appropriations for the 1997-1998 fiscal

1 year to the department of human services and the prevention of
2 disabilities policy council for human services and health care
3 programs.

4 The bill includes a provision making Code section 232.142,
5 subsection 3, inapplicable for fiscal year 1997-1998. That
6 provision would otherwise require the payment of state
7 financial aid to counties for the costs of county and multi-
8 county juvenile detention and shelter care homes. The amount
9 of state aid is required to be at least 10 percent and not
10 more than 50 percent of the cost. The effect of the void
11 provision may be to impose a state mandate as defined in
12 chapter 25B. The provision provides that Code section 25B.2,
13 subsection 3, relating to state funding of a state mandate,
14 does not apply.

15 Division II of the bill provides for amendment of codified
16 statutes.

17 Code section 232.52, providing for criteria for placement
18 at the state training school, is amended to include a child
19 who has been placed in a supervised community treatment
20 program due to the requirement for previous out-of-home
21 placement of the child.

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HOUSE FILE 715

H-1612

1 Amend House File 715 as follows:

2 1. Page 5, by striking line 30 and inserting the
3 following:

4 "..... \$ 1,448,400".

By MURPHY of Dubuque

H-1612 FILED APRIL 8, 1997

*lost 4-9-97
(P. 1127)*

HOUSE FILE 715

H-1613

1 Amend House File 715 as follows:

2 1. Page 8, by inserting after line 24 the
3 following:

4 "f. All remaining moneys shall be used as
5 additional funding for child day care, JOBS program
6 benefits, and other direct services to persons
7 receiving family investment program assistance during
8 the fiscal year beginning July 1, 1997."

By MURPHY of Dubuque

H-1613 FILED APRIL 8, 1997

*lost 4-9-97
(P. 1128)*

HOUSE FILE 715

H-1614

1 Amend House File 715 as follows:

2 1. Page 8, by inserting after line 31 the
3 following:

4 "11. The department shall monitor and assess the
5 impacts from the social services changes implemented
6 pursuant to the federal Personal Responsibility and
7 Work Opportunity Reconciliation Act of 1996, Pub. L.
8 No. 104-193. The monitoring and assessments shall
9 include but are not limited to eligibility changes
10 involving legal immigrants, federal supplemental
11 security income (SSI), and food stamps and the impacts
12 of the changes upon state and local jurisdictions.
13 The assessment shall include consideration of
14 eligibility provisions and public expenditures prior
15 to the implementation of the federal law and the
16 effects of the eligibility changes upon former
17 recipients and public expenditures following
18 implementation of the federal law."

19 2. By renumbering as necessary.

By JOCHUM of Dubuque

DOTZLER of Black Hawk

H-1614 FILED APRIL 8, 1997

*lost 4-9-97
(P. 1129)*

HOUSE FILE 715

H-1604

- 1 Amend House File 715 as follows:
2 1. Page 15, by striking lines 21 and 22 and
3 inserting the following:
4 "1. a. The department shall continue prospective
5 drug utilization review and may establish drug
6 surveillance prior authorization under the medical
7 assistance program. The department shall also conduct
8 a prior authorization cost-effectiveness review study
9 and shall not include in the study any individual
10 currently or previously utilized for a similar study
11 by the department.
12 b. The prospective drug utilization review and
13 prior authorization review studies shall include, but
14 are not limited to, all of the following:
15 (1) The net cost of the generic substitution and
16 brand-name drugs denied under prior authorization,
17 including the effect of rebates.
18 (2) The costs attributed to cost-shifting to more
19 expensive treatment regimens, including additional
20 physician visits, emergency room visits,
21 hospitalization, and nursing home placements.
22 (3) The cost of prescribing mandates, such as
23 requiring two failures of generic drug treatment
24 before allowing prescribing of a brand-name
25 alternative.
26 (4) Outcomes measures of cost-effectiveness and
27 comparison of the two approaches.
28 (5) Administrative costs and comparison of the two
29 approaches.
30 c. Beginning April 1, 1998, the department shall
31 remove from the categories of prescription drugs, for
32 which prior authorization is currently necessary, all
33 of the following for which the comparative drug usage
34 studies establish that prospective drug utilization
35 review is at least as cost-effective as prior
36 authorization:
37 (1) Nonsedating antihistamines.
38 (2) Histamine H2-receptor antagonists.
39 (3) Cephalexin hydrochloride monohydrate
40 prescriptions.
41 (4) Single-source nonsteroidal anti-inflammatory
42 drugs.
43 (5) Single-source benzodiazepines.
44 (6) Topical acne products.
45 (7) Proton pump inhibitors.
46 d. The department may adopt emergency rules to
47 implement this subsection."

By BLODGETT of Cerro Gordo
HANSEN of Pottawattamie

H-1604 FILED APRIL 8, 1997

*Withdrawn
4-9-97
(P.1131)*

HOUSE FILE 715

H-1617

1 Amend House File 715 as follows:
 2 1. Page 44, line 24, by inserting after the word
 3 "abuse." the following: "None of the additional
 4 positions shall be used to perform reviews of child
 5 abuse information in the central registry as of July
 6 1, 1997, due to a change in the criteria for placement
 7 of child abuse information in the central registry in
 8 accordance with 1997 Iowa Acts, House File 698, if
 9 enacted, or any other enactment of the Seventy-seventh
 10 General Assembly, 1997 Session."

By MURPHY of Dubuque

H-1617 FILED APRIL 8, 1997

*Lost 4-9-97
(P1136)*

HOUSE FILE 715

H-1618

1 Amend House File 715 as follows:
 2 1. Page 52, by inserting after line 34, the
 3 following:
 4 "Sec. ____ . COMPUTER PROGRAM -- COORDINATION. The
 5 department shall develop a proposal to provide that,
 6 to the greatest extent possible, all computer programs
 7 used by the department, including but not limited to
 8 FACS, X-PERT, and the program used by the child
 9 support recovery unit are interactive. The department
 10 shall submit the proposal, including costs associated
 11 with implementation of the proposal, to the general
 12 assembly on or before January 12, 1998."
 13 2. By renumbering as necessary.

By HUSER of Polk

H-1618 FILED APRIL 8, 1997

*Lost 4-9-97
(P1136)*

HOUSE FILE 715

H-1620

1 Amend House File 715 as follows:
 2 1. Page 15, by inserting after line 2 the
 3 following:
 4 " ____ . Of the funds appropriated in this section,
 5 \$1,088,839, which is the savings realized under the
 6 medical assistance program due to a reduced estimate
 7 of the number of bed days utilized by nursing facility
 8 residents because of the expansion of case management
 9 services, shall be transferred to the department of
 10 elder affairs prior to the close of the fiscal year to
 11 be used by the department of elder affairs for case
 12 management services. Notwithstanding section 8.33,
 13 moneys transferred pursuant to this subsection shall
 14 not revert to the general fund of the state at the
 15 close of the fiscal year but shall remain available
 16 and used for the purpose designated in the succeeding
 17 fiscal year."

By WEIGEL of Chickasaw

H-1620 FILED APRIL 8, 1997

*Lost 4-9-97
(P1129)*

HOUSE FILE 715

H-1615

1 Amend House File 715 as follows:
 2 1. By striking page 24, line 34, through page 25,
 3 line 2, and inserting the following:
 4 "2. a. The provisions of section 232.143 and any
 5 related provision of law or rule prohibiting a group
 6 foster care placement which is not in accordance with
 7 a regional plan established pursuant to section
 8 232.143 shall not apply for the fiscal year beginning
 9 July 1, 1997, and moneys appropriated in this section
 10 shall be used as necessary to provide group foster
 11 care in accordance with court orders for the care."
 12 2. By renumbering as necessary.

By SHOULTZ of Black Hawk
DOTZLER of Black Hawk

H-1615 FILED APRIL 8, 1997

O/Order 4-9-97
(P.1123)

HOUSE FILE 715

H-1616

1 Amend House File 715 as follows:
 2 1. Page 32, by inserting after line 2 the
 3 following:
 4 "Sec. ____ . JUVENILE DELINQUENCY PREVENTION GRANTS.
 5 There is appropriated from the general fund of the
 6 state to the department of human services for the
 7 fiscal year beginning July 1, 1997, and ending June
 8 30, 1998, the following amount, or so much thereof as
 9 is necessary, to be used for the purpose designated:
 10 For grants to local communities for purposes of
 11 juvenile delinquency prevention:
 12 \$ 2,500,000
 13 The department shall work cooperatively with other
 14 state agencies in developing requirements for, and for
 15 soliciting, reviewing, and awarding grants under this
 16 section. If the department determines the grant
 17 program could be administered at less cost to the
 18 state by another state agency with expertise in
 19 administering a similar program, the department may
 20 transfer the moneys appropriated in this section to
 21 the other state agency which shall administer the
 22 grants."
 23 2. By renumbering as necessary.

By SHOULTZ of Black Hawk
DOTZLER of Black Hawk

H-1616 FILED APRIL 8, 1997

Last 4-9-97
(P.1135)

HOUSE FILE 715

H-1626

1 Amend House File 715 as follows:

2 1. Page 1, line 11, by inserting after the figure
3 "239" the following: "or the JOBS program under
4 chapter 249C".

5 2. Page 2, line 5, by striking the figure "408"
6 and inserting the following: "103".

7 3. Page 3, line 10, by striking the figure "239C"
8 and inserting the following: "249C".

9 4. Page 3, by striking lines 18 through 20 and
10 inserting the following:

11 "5. For local administrative costs:"

12 5. Page 3, by striking line 22 and inserting the
13 following:

14 "6. For replacement of reductions in the federal
15 social services block grant with federal TANF block
16 grant funds, except for the allocation to child care:"

17 6. Page 5, by striking line 34 and inserting the
18 following:

19 "..... \$ 4,546,031"

20 7. Page 6, by striking lines 24 through 27 and
21 inserting the following: "incentives. The department
22 shall make recommendations on or before January 15,
23 1998, regarding the potential benefits of expanding
24 the initiative. The department may adopt emergency
25 administrative rules in order to implement the
26 provisions of this subparagraph."

27 8. Page 6, by striking lines 33 and 34 and
28 inserting the following:

29 "(3) For assistance associated with elimination of
30 the employment earnings disregard period when
31 determining the effective date of assistance for
32 unemployed parent families."

33 9. Page 7, by striking lines 1 through 6.

34 10. Page 7, line 26, by inserting after the word
35 "adopt" the following: "emergency".

36 11. Page 7, line 27, by inserting after the word
37 "programs" the following: ", if necessary,".

38 12. By striking page 7, line 35, through page 8,
39 line 1, and inserting the following: "skills (JOBS)
40 program in 1996 Iowa Acts, chapter 1213, section 7,
41 which remain unobligated or".

42 13. Page 8, by striking line 5 and inserting the
43 following:

44 "9. Not more than the".

45 14. Page 10, by inserting after line 3 the
46 following:

47 " . Of the funds appropriated in this section,
48 \$10,000 is allocated to the community voice mail
49 program to continue the existing program. The funds
50 shall be made available beginning July 1, 1997."

H-1626

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Page 2

1 15. Page 15, line 23, by inserting after the word
2 "contract" the following: "for mental health or
3 substance abuse services".

4 16. Page 19, line 10, by striking the figure
5 "100" and inserting the following: "110".

6 17. Page 25, line 19, by inserting before the
7 word "managed" the following: "existing".

8 18. Page 25, by inserting after line 25 the
9 following:

10 "f. It is the intent of the general assembly that
11 of the statewide expenditure target established in
12 this subsection, the moneys allocated in accordance
13 with section 232.143 as the budget target to each of
14 the department's regions shall constitute the region's
15 annual budget for group foster care. The
16 representatives appointed by the department of human
17 services and the juvenile court to establish the plan
18 to contain expenditures for children placed in group
19 foster care ordered by the court within the budget
20 target allocated to the region shall establish the
21 plan in a manner so as to ensure the moneys allocated
22 to the region under section 232.141 shall last the
23 entire fiscal year."

24 19. Page 28, line 7, by striking the words "a
25 outcomes-based" and inserting the following:
26 "juvenile court, and other interested parties, an
27 outcomes-based".

28 20. Page 29, line 14, by inserting after the
29 figure "1998." The following: "The department may
30 adopt emergency administrative rules to implement this
31 subsection."

32 21. Page 29, by striking lines 23 through 25 and
33 inserting the following: "regarding the development
34 of a new model for determining rehabilitative needs in
35 place of clinical assessment and treatment teams. The
36 department shall implement the new model on or before
37 June 30, 1998, in a manner so as to reduce".

38 22. Page 29, by inserting after line 28 the
39 following:

40 "____. The department shall adopt and implement
41 emergency rules to provide for user fees for
42 international and private adoptions. The fees
43 collected shall be deposited in the adoption
44 administrative fund and shall be used to provide these
45 services."

46 23. Page 36, line 23, by inserting before the
47 word "cost" the following: "a cost increase to the
48 state or".

49 24. Page 36, line 24, by inserting after the word
50 "the" the following: "state, the".

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Page 3

1 25. Page 37, by striking lines 12 through 16, and
 2 inserting the following:
 3 "(3) For the initial year of the pilot project,
 4 the federal share of the reimbursement for
 5 depreciation shall be deposited in the general fund of
 6 the state. The institution shall develop a report
 7 detailing the items for which these funds would have
 8 been utilized and shall include this report with the
 9 preliminary report submitted pursuant to subparagraph
 10 (5) in January 1998."

11 26. Page 37, by striking lines 17 through 20 and
 12 inserting the following:

13 "(4) For the purposes of allocating the salary
 14 adjustment fund moneys appropriated in another Act,
 15 the state hospital-school at Glenwood shall be
 16 considered to be funded entirely with state moneys."

17 27. Page 38, line 1, by inserting after the word
 18 "services" the following: "in a manner which does not
 19 shift costs between the medical assistance program,
 20 counties, or other sources of funding for the state-
 21 hospital schools".

22 28. Page 38, line 31, by inserting after the word
 23 "program" the following: ", of which not more than
 24 \$30,000 shall be used for administrative costs".

25 29. Page 39, by striking line 25 and inserting
 26 the following:

27 "..... \$ 7,070,000"

28 30. By striking page 43, line 33, through page
 29 44, line 7, and inserting the following: "area. Not
 30 more than \$36,400 shall be used for administrative
 31 costs. The pilot project and any federal home and
 32 community-based waiver developed under the medical
 33 assistance program shall not be implemented in a
 34 manner which would require additional county or state
 35 costs for assistance provided to an individual served
 36 under the pilot project or the waiver.

37 It is the intent of the general assembly that for
 38 any new applicants for personal assistance, priority
 39 shall be given to providing assistance to individuals
 40 for education, job training, and other forms of
 41 employment support. It is also the intent of the
 42 general assembly that if other programs become
 43 available which provide similar services, current
 44 recipients of personal assistance for whom these
 45 similar services are appropriate shall be assisted in
 46 attaining eligibility for these programs."

47 31. Page 44, by striking line 33 and inserting
 48 the following:

49 "..... \$ 14,100,000"

50 32. Page 44, line 35, by striking the figure "1."

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Page 4

1 33. Page 45, by striking lines 3 through 8.

2 34. Page 48, by striking lines 27 and 28, and
3 inserting the following: "a manner so that there is
4 not a rate reimbursement deviation between
5 nonregistered and registered child day care home
6 providers".

7 35. Page 50, line 31, by inserting after the word
8 "rights," the following: "justice system,".

9 36. By striking page 50, line 33, through page
10 51, line 23, and inserting the following:

11 "Sec. ____ . SERVICES RESTRUCTURING TASK FORCE.

12 1. The legislative council is requested to
13 continue the task force established for the 1996
14 interim of the general assembly in order to develop a
15 comprehensive proposal to accomplish all of the
16 following:

17 a. Devolution of the control of service delivery
18 to the local level.

19 b. Elimination of program duplication within the
20 department of human services and between the
21 department of human services and other departments
22 including but not limited to the Iowa department of
23 public health, the department of education, and the
24 judicial department.

25 c. Reduction of paperwork, red-tape, and
26 bureaucracy to improve the quality of services
27 delivery and consumer satisfaction.

28 d. Evaluation of the adherence of the department of
29 human services to the department's mission statement.

30 2. In addition, the task force may address the
31 following topics: granting local authority to deliver
32 public services, use of public institutions and
33 facilities, the possibility of creating an agency for
34 disability and rehabilitation services, and
35 development of a "seamless" system for referral of
36 families to child day care resources and public
37 financial assistance and collaborative programs."

38 37. Page 51, line 27, by striking the word
39 "January" and inserting the following: "July".

40 38. Page 52, line 2, by inserting after the word
41 "care," the following: "in-home services and other
42 support,".

43 39. Page 52, by striking lines 10 through 18 and
44 inserting the following:

45 "Sec. ____ . MENTAL HEALTH -- CHILDREN. The mental
46 health and developmental disabilities commission, the
47 council on human services, and the state-county
48 management committee, shall review mental health
49 services for children with the goal of assuring
50 coordination and provision of effective services. The

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Page 5

1 commission, council, and committee shall submit a
2 report of findings and recommendations, which shall
3 include recommendations for proposed legislation, to
4 the general assembly on or before December 15, 1997."

5 40. Page 52, by inserting after line 30 the
6 following:

7 "1A. For emergency assistance."

8 41. Page 52, by inserting after line 34 the
9 following:

10 "This section shall not be construed to prohibit
11 existing state transfer authority for other purposes."

12 42. Page 53, line 24, by inserting after the word
13 "funding," the following: "and section 3, subsection
14 8, relating to remaining unobligated or unexpended
15 funds for the JOBS program,".

16 43. Page 53, line 25, by striking the word
17 "takes" and inserting the following: "take".

By HOUSER of Pottawattamie
HANSEN of Pottawattamie
OSTERHAUS of Jackson

H-1626 FILED APRIL 8, 1997

Adopted
4-9-97
(P. 1123)

HOUSE FILE 715

H-1627

1 Amend House File 715 as follows:

2 1. By striking page 1, line 35, through page 2,
3 line 1, and inserting the following:

4 "Sec. ____ . HOST HOMES. There is appropriated from
5 the general fund of the state to the department of
6 human services for the fiscal year beginning July 1,
7 1997, and ending June 30, 1998, the following amount,
8 or so much thereof as is necessary, to be used for the
9 purpose designated:

10 For implementation of host homes in accordance with
11 this section:

12 \$ 500,000

13 The department shall use the moneys appropriated in
14 this section for grants to increase the availability".

15 2. By renumbering as necessary.

By JOCHUM of Dubuque

H-1627 FILED APRIL 8, 1997

Host 4-9-97
(P. 1126)

HOUSE FILE 715

H-1621

1 Amend House File 715 as follows:

2 1. Page 24, by striking line 24 and inserting the
3 following:

4 "..... \$113,468,000"

5 2. Page 29, by inserting after line 28 the
6 following:

7 "19. In addition to other moneys allocated in this
8 section for adolescent tracking and monitoring,
9 \$944,000 shall be used for this purpose.

10 20. In addition to other moneys allocated in this
11 section for school-based supervision for delinquents
12 and at-risk students, \$240,000 shall be used for this
13 purpose.

14 21. In addition to other moneys allocated in this
15 section for supervised community treatment, \$1,200,000
16 shall be used for this purpose."

17 3. Page 32, by striking line 12 and inserting the
18 following:

19 "..... \$ 3,490,000"

20 4. Page 34, line 18, by striking the figure
21 "580,000" and inserting the following: "780,000".

By FORD of Polk DOTZLER of Black Hawk
SHOULTZ of Black Hawk BELL of Jasper

H-1621 FILED APRIL 8, 1997

*Rest 4/9/97
(p. 1134)*

HOUSE FILE 715

H-1630

1 Amend House File 715 as follows:

2 1. Page 39, by striking line 25 and inserting the
3 following:

4 "..... \$ 7,140,000"

5 2. Page 43, by inserting after line 21 the
6 following:

7 "Sec. ____ . PROVIDER REIMBURSEMENT -- SHELTERED
8 WORKSHOPS. There is appropriated from the general
9 fund of the state to the department of human services
10 for the fiscal year beginning July 1, 1997, and ending
11 June 30, 1998, the following amount, or so much
12 thereof as is necessary, to be used for the purpose
13 designated:

14 For payment of an increase in provider
15 reimbursement for sheltered workshops:

16 \$ 90,000

17 The moneys appropriated in this section shall be
18 allocated to counties in accordance with the
19 methodology for distribution of property tax relief
20 fund moneys under section 426B.2, subsection 1. The
21 moneys provided pursuant to this section shall be used
22 to pay the state share of the increase in
23 reimbursement rates by two percent over the
24 reimbursement rate provided on June 30, 1997, for
25 sheltered workshops."

By WARNSTADT of Woodbury
WHITEAD of Woodbury

H-1630 FILED APRIL 8, 1997

*Order 4-9-97
(P. 1122)*

HOUSE FILE 715

H-1631

1 Amend House File 715 as follows:

2 1. Page 24, by inserting after line 17 the
3 following:

4 "Sec. ____ . EDUCATIONAL PROGRAMMING AT ELDORA AND
5 TOLEDO. There is appropriated from the general fund
6 of the state to the department of human services for
7 the fiscal year beginning July 1, 1997, and ending
8 June 30, 1998, the following additional amount, or so
9 much thereof as is necessary, to be used for purposes
10 of providing educational programs at the state
11 training school at Eldora and the Iowa juvenile home
12 at Toledo which focus on the prevention of sexual
13 abuse and the development of positive social
14 interaction skills:

15 \$ 200,000"

16 2. By renumbering as necessary.

By FORD of Polk

H-1631 FILED APRIL 8, 1997

*Adopted
4-9-97
(P. 1133)
Correction
FORD
Withdrawn
amendment
4.14.97
(P. 1217)*

HOUSE FILE 715

H-1628

- 1 Amend House File 715 as follows:
- 2 1. Page 15, by inserting after line 2 the
- 3 following:
- 4 "____. The department shall provide health
- 5 insurance to children who were previously recipients
- 6 of federal supplemental security income (SSI) but who,
- 7 due to the provisions of the federal Personal
- 8 Responsibility and Work Opportunity Reconciliation Act
- 9 of 1996, Pub. L. No. 104-193, have lost their
- 10 eligibility for SSI, are no longer categorically
- 11 eligible for medical assistance, and are not otherwise
- 12 eligible for medical assistance."
- 13 2. By renumbering as necessary.

By BRAND of Tama

H-1628 FILED APRIL 8, 1997

*Lost 4/9/97
(p. 1130)*

HOUSE FILE 715

H-1629

- 1 Amend House File 715 as follows:
- 2 1. Page 1, by striking line 14, and inserting the
- 3 following:
- 4 "..... \$ 11,460,000"
- 5 2. Page 1, line 33, by striking the figure
- 6 "6,832,592" and inserting the following: "9,232,592".

By WISE of Lee

H-1629 FILED APRIL 8, 1997

*Lost
4-9-97
(p. 1124)*

HOUSE FILE 715

H-1633

1 Amend House File 715 as follows:

2 1. Page 15, by striking lines 21 and 22 and
3 inserting the following:

4 "1. a. The department shall continue prospective
5 drug utilization review and may establish drug
6 surveillance prior authorization under the medical
7 assistance program.

8 b. The department shall develop and implement an
9 individual patient tracking system to assess the
10 effectiveness of the drug prior authorization program.
11 The system shall include patient specific elements
12 including, at a minimum, the drug prescribed or
13 requested, the alternative drug dispensed, the
14 quantity requested, the quantity dispensed, and the
15 drugs dispensed during required trials.

16 c. The department shall conduct a prior
17 authorization cost-effectiveness study, at no cost to
18 the state, and shall not use any entity or individual
19 currently or previously utilized by the department to
20 perform the study.

21 d. The prospective drug utilization review and
22 prior authorization cost-effectiveness studies shall
23 include, but are not limited to, all of the following:

24 (1) The net cost of the substitution of brand name
25 drugs for which alternatives are required, including
26 the drug rebates, if applicable, under the Iowa prior
27 authorization regimen.

28 (2) The costs attributable to the ambulatory
29 treatment of iatrogenic, unexpected conditions which
30 result when the prescribed drug is not authorized and
31 a substitution is made under the Iowa prior
32 authorization regimen, when it is possible to
33 determine that the conditions resulted from the
34 substitution of the alternative medication for the
35 prescribed medication.

36 (3) The costs attributable to institutionalization
37 and treatment for iatrogenic, unexpected conditions
38 which result when the prescribed drug is not
39 authorized and a substitution is made under the Iowa
40 prior authorization regimen when it is possible to
41 determine that the condition resulted from the
42 substitution of the alternative medication for the
43 prescribed medication.

44 (4) The costs of prescribing mandates, such as
45 requiring two failures of generic drug treatment
46 before allowing the prescribing of a brand name
47 alternative.

48 (5) The measurement of the cost-effectiveness of
49 patient outcomes under prior authorization compared to
50 the patient outcomes under prospective drug

H-1633

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Page 2

1 utilization review.

2 (6) The comparison of administrative costs for
3 prior authorization review and prospective drug
4 utilization review.

5 The department shall review the methodology for
6 calculating and projecting costs savings and shall
7 update the methodology, if necessary.

8 The costs identified under the studies performed
9 shall be netted against the cost savings projected by
10 the department to accurately determine and report cost
11 savings for the drug prior authorization program.

12 The department shall submit a report of the studies
13 to the general assembly on or before March 1, 1998,
14 for review. Subsequent to that date, the department
15 shall adopt emergency rules to remove the categories
16 of prescription drugs for which prior authorization is
17 currently required unless otherwise directed by the
18 general assembly."

By BLODGETT of Cerro Gordo
HANSEN of Pottawattamie

H-1633 FILED APRIL 8, 1997

Withdrawn 4-9-97 (P1131)

HOUSE FILE 715

H-1634

1 Amend the amendment, H-1626, to House File 715 as
2 follows:

3 1. Page 3, by striking line 27 and inserting the
4 following:

5 "..... \$ 6,910,000"

6 Page 43, by inserting after line 21 the
7 following:

8 "Sec. ____ PROVIDER REIMBURSEMENT -- SHELTERED
9 WORKSHOPS -- WORK ACTIVITY SERVICES. There is

10 appropriated from the general fund of the state to the
11 department of human services for the fiscal year
12 beginning July 1, 1997, and ending June 30, 1998, the
13 following amount, or so much thereof as is necessary,
14 to be used for the purpose designated:

15 For payment of an increased provider reimbursement
16 for sheltered workshops and work activity services:

17 \$ 160,000

18 The moneys appropriated in this section shall be
19 allocated to counties in accordance with the
20 methodology for distribution of local purchase of
21 services moneys in section 22, subsection 6, paragraph
22 "f", of this Act. The moneys provided pursuant to
23 this section shall be used to pay the increase in
24 reimbursement rates by one percent over the
25 reimbursement rate provided on June 30, 1997, for
26 sheltered workshops and work activity services."

27 2. By renumbering as necessary.

By RANTS of Woodbury

H-1634 FILED APRIL 8, 1997

*Adopted
4-9-97
(P. 1122)*

HOUSE FILE 715

H-1635

1 Amend House File 715 as follows:

2 1. Page 15, by striking lines 21 and 22 and
3 inserting the following:

4 "1. a. The department shall continue prospective
5 drug utilization review and may establish drug
6 surveillance prior authorization under the medical
7 assistance program.

8 b. The department shall develop and implement an
9 individual patient tracking system to assess the
10 effectiveness of the drug prior authorization program.
11 The system shall include patient specific elements
12 including, at a minimum, the drug prescribed or
13 requested, the alternative drug dispensed, the
14 quantity requested, the quantity dispensed, and the
15 drugs dispensed during required trials.

16 c. The department shall conduct a prior
17 authorization cost-effectiveness study, at no cost to
18 the state, and shall not use any entity or individual
19 currently or previously utilized by the department to
20 perform the study.

21 d. The prospective drug utilization review and
22 prior authorization cost-effectiveness studies shall
23 include, but are not limited to, all of the following:

24 (1) The net cost of the substitution of brand name
25 drugs for which alternatives are required, including
26 the drug rebates, if applicable, under the Iowa prior
27 authorization regimen.

28 (2) The costs attributable to the ambulatory
29 treatment of iatrogenic, unexpected conditions which
30 result when the prescribed drug is not authorized and
31 a substitution is made under the Iowa prior
32 authorization regimen, when it is possible to
33 determine that the conditions resulted from the
34 substitution of the alternative medication for the
35 prescribed medication.

36 (3) The costs attributable to institutionalization
37 and treatment for iatrogenic, unexpected conditions
38 which result when the prescribed drug is not
39 authorized and a substitution is made under the Iowa
40 prior authorization regimen when it is possible to
41 determine that the condition resulted from the
42 substitution of the alternative medication for the
43 prescribed medication.

44 (4) The costs of prescribing mandates, such as
45 requiring two failures of generic drug treatment
46 before allowing the prescribing of a brand name
47 alternative.

48 (5) The measurement of the cost-effectiveness of
49 patient outcomes under prior authorization compared to
50 the patient outcomes under prospective drug

H-1635

-1-

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Page 2

1 utilization review.

2 (6) The comparison of administrative costs for
3 prior authorization review and prospective drug
4 utilization review.

5 The department shall review the methodology for
6 calculating and projecting costs savings and shall
7 update the methodology, if necessary.

8 The costs identified under the studies performed
9 shall be netted against the cost savings projected by
10 the department to accurately determine and report cost
11 savings for the drug prior authorization program.

12 The department shall submit a report of the studies
13 to the general assembly on or before March 1, 1998,
14 for review. Subsequent to that date, the general
15 assembly may direct the department to remove from the
16 categories of prescription drugs for which prior
17 authorization is currently required, all of the drugs
18 for which the comparative studies establish that
19 prospective drug utilization review is at least as
20 cost-effective in patient outcomes as prior
21 authorization."

By HANSEN of Pottawattamie
HOUSER of Pottawattamie
BLODGETT of Cerro Gordo

H-1635 FILED APRIL 8, 1997

Adopted 4-9-97
(P. 1132)

HOUSE FILE 715

H-1636

1 Amend House File 715 as follows:

2 1. Page 46, by inserting after line 31 the
3 following:

4 "____. For the fiscal year beginning July 1, 1997,
5 reimbursement rates for dentists shall be increased by
6 3.6 percent over the rates in effect on June 30,
7 1997."

By BERNAU of Story

H-1636 FILED APRIL 8, 1997

Lost 4-9-97

(P. 1136)

HOUSE FILE 715

H-1644

- 1 Amend the amendment, H-1633 to House File 715 as
2 follows:
3 1. Page 2, line 5, by inserting before the word
4 "The" the following: "e."
5 2. Page 2, by striking lines 15 through 18, and
6 inserting the following: "shall adopt emergency rules
7 to remove the following categories of prescription
8 drugs for which prior authorization is currently
9 required, unless contraindicated by the studies or
10 otherwise directed by the general assembly:
11 (1) Nonsedating antihistamines.
12 (2) Histamine H2-receptor antagonists.
13 (3) Cephalixin hydrochloride monohydrate
14 prescriptions.
15 (4) Single-source nonsteriodal anti-inflammatory
16 drugs.
17 (5) Single-source benzodiazepines.
18 (6) Topical acne products.
19 (7) Proton pump inhibitors.""

By BLODGETT of Cerro Gordo

H-1644 FILED APRIL 9, 1997
WITHDRAWN

HOUSE FILE 715

H-1649

- 1 Amend the amendment, H-1626, to House File 715 as
2 follows:
3 1. Page 2, by striking lines 6 and 7.
4 2. Page 4, by striking lines 2 through 6, and
5 inserting the following:
6 "____. Page 48, line 28, by inserting after the
7 word "registered." the following: "The department
8 shall review the effects of providing a rate
9 reimbursement incentive on child day care availability
10 including but not limited to any change in the number
11 of providers who are registered and the effect on
12 access to providers in rural and urban areas. The
13 department shall report the findings of the review to
14 the general assembly on or before January 2, 1998."
15 3. By renumbering as necessary.

By HOUSER of Pottawattamie

H-1649 FILED APRIL 9, 1997
WITHDRAWN

(P. 1121)

HOUSE FILE 715

H-1642

1 Amend the amendment, H-1626, to House File 715 as
2 follows:

3 1. Page 5, by inserting after line 11 the
4 following:

5 "____. Page 52, by inserting after line 34, the
6 following:

7 "Sec. ____ . YOUTH SERVICES DEPARTMENT -- STUDY.

8 The legislative council is requested to establish an
9 interim study committee consisting of members of both
10 political parties from both houses of the general
11 assembly to consider whether a separate state
12 department for youth services should be established.
13 The study may include, but is not limited to, a review
14 of existing programs and services provided to
15 juveniles in this state and the funding mechanisms for
16 those programs and services; identifying the various
17 agencies currently involved in the delivery of those
18 programs and services to juveniles; identifying areas
19 in which programs and services overlap; reviewing the
20 approaches used and experiences of other states in
21 delivering juvenile services; and receiving testimony
22 from agency staff, service providers, and youth
23 services advocates on issues deemed relevant to the
24 delivery of juvenile services in this state. The
25 committee may be authorized to hire a consultant to
26 provide the background information requested by the
27 committee. The committee should be directed to submit
28 its findings, together with any recommendations, in a
29 report to the general assembly session which convenes
30 in January 1998.""

31 2. By renumbering as necessary.

By FORD of Polk
BRAND of Tama

H-1642 FILED APRIL 9, 1997

ADOPTED

(P. 1123)

HOUSE FILE 715

H-1654

- 1 Amend the amendment, H-1626, to House File 715 as
 2 follows:
 3 1. Page 2, by inserting after line 3 the
 4 following:
 5 " . Page 18, line 16, by inserting after the
 6 word "services." the following: "Effective October 1,
 7 1997, the department shall increase to 125 percent the
 8 maximum federal poverty level used to determine
 9 eligibility for state child care assistance."
 10 2. By renumbering as necessary.

By JACOBS of Polk

H-1654 FILED APRIL 9, 1997

ADOPTED

(P.1121)

HOUSE FILE 715

H-1658

- 1 Amend the amendment, H-1620, to House File 715 as
 2 follows:
 3 1. Page 1, line 5, by striking the figure
 4 "1,088,839" and inserting the following: "500,000".

By WEIGEL of Chickasaw

H-1658 FILED APRIL 9, 1997

ADOPTED

(P.1129)

HOUSE FILE 715

H-1659

- 1 Amend the amendment, H-1626, to House File 715 as
 2 follows:
 3 1. Page 2, by striking lines 8 through 23.
 4 2. By renumbering as necessary.

By SHOULTZ of Black Hawk

H-1659 FILED APRIL 9, 1997

LOST

(P.1123)

HOUSE FILE 715

H-1661

- 1 Amend the amendment, H-1626, to House File 715 as
 2 follows:
 3 1. Page 2, by inserting before line 24 the
 4 following:
 5 " . Page 25, line 34, by striking the word
 6 "The" and inserting the following: "Of the funds
 7 appropriated in this section, \$872,500 is allocated
 8 for purposes of section 232.142, subsection 3, unless
 9 an enactment of the Seventy-seventh General Assembly,
 10 1997 Session, establishes a new Code chapter 911A
 11 providing for a jail, courthouse security, and
 12 juvenile detention and runaway assessment facility
 13 surcharge, in which case the".
 14 2. By renumbering as necessary.

By SHOULTZ of Black Hawk

H-1661 FILED APRIL 9, 1997

LOST

(P.1123)

HOUSE FILE 715

H-1651

1 Amend the amendment, H-1614, to House File 715 as
2 follows:
3 1. Page 1, line 18, by inserting after the word
4 "law." the following: "The department shall report to
5 the general assembly on or before January 12, 1998,
6 regarding the monitoring, assessments, and
7 consideration of the effects of the federal law."

By JOCHUM of Dubuque

H-1651 FILED APRIL 9, 1997

ADOPTED

(p. 1128)

HOUSE FILE 715

H-1652

1 Amend the amendment, H-1626, to House File 715 as
2 follows:
3 1. Page 2, by striking lines 6 and 7.
4 2. Page 3, by striking lines 3 through 10 and
5 inserting the following:
6 ""(3) For the initial year of the pilot project,
7 the institution shall develop a report detailing the
8 items for which depreciation reimbursement funds would
9 have been utilized if the depreciation reimbursement
10 had been retained by the institution. This report
11 shall be included with the preliminary report
12 submitted pursuant to subparagraph (5) in January
13 1998.""
14 3. Page 4, by striking lines 2 through 6, and
15 inserting the following:
16 "____. Page 48, line 28, by inserting after the
17 word "registered." the following: "The department
18 shall review the effects of providing a rate
19 reimbursement incentive on child day care availability
20 including but not limited to any change in the number
21 of providers who are registered and the effect on
22 access to providers in rural and urban areas. The
23 department shall report the findings of the review to
24 the general assembly on or before January 2, 1998.""
25 4. By renumbering as necessary.

By HOUSER of Pottawattamie

H-1652 FILED APRIL 9, 1997

ADOPTED

(p. 1121)

HOUSE FILE **715**
BY COMMITTEE ON APPROPRIATIONS

(As Amended and Passed by the House, April 9, 1997)

Passed House, ^{P. 1389} Date 4-21-97 Passed Senate, ^(P. 1259) Date 4-17-97
Vote: Ayes 90 Nays 7 Vote: Ayes 45 Nays 5

Approved May 19, 1997
[Signature]

A BILL FOR

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

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

7
8 House Amendments _____

9
10 Deleted Language *

HOUSE FILE 715

S-3506

- 1 Amend House File 715, as amended, passed, and
- 2 reprinted by the House, as follows:
- 3 1. Page 41, line 2, by inserting after the word
- 4 "funds." the following: "Programs or areas which have
- 5 previously received funding shall be eligible for
- 6 additional funding under this appropriation."
- 7 2. Page 53, line 15, by inserting after the word
- 8 "system" the following: "without use of county
- 9 funds".
- 10 3. Page 55, line 6, by inserting after the word
- 11 "support," the following: "state hospital-schools,".

Adopted 4-17-97
(P. 1253)

By ELAINE SZYMONIAK

S-3506 FILED APRIL 14, 1997

DIVISION I
APPROPRIATIONS

1
2
3 Section 1. FAMILY INVESTMENT PROGRAM GENERAL FUND. There
4 is appropriated from the general fund of the state to the
5 department of human services for the fiscal year beginning
6 July 1, 1997, and ending June 30, 1998, the following amount,
7 or so much thereof as is necessary, to be used for the purpose
8 designated:

9 To be credited to the family investment program account and
10 used for assistance under the family investment program under
11 chapter 239 or the JOBS program under chapter 249C, or under
12 chapter 239B, as created in Senate File 516, if enacted by the
13 Seventy-seventh General Assembly, 1997 Session:

14 \$ 9,060,000

15 1. The department of workforce development, in
16 consultation with the department of human services, shall
17 implement recruitment and employment practices to include
18 former and current family investment program recipients. The
19 department of workforce development shall submit a report of
20 the practices implemented and the results of the
21 implementation to the general assembly by January 1, 1998.

22 It is the intent of the general assembly that the
23 department of human services shall work with the department of
24 workforce development and local community collaborative
25 efforts to provide support services for family investment
26 program participants. The support services shall be directed
27 to those participant families who would benefit from the
28 support services and are likely to have success in achieving
29 economic independence. Community collaborative efforts
30 selected to provide support services shall have an existing
31 program providing support services with a significant local
32 match and a measurable record of success.

33 2. Of the funds appropriated in this section, \$6,832,592
34 is allocated for the JOBS program.

35 3. The department shall work with religious organizations

1 and other charitable institutions to increase the availability
2 of host homes, referred to as second chance homes or other
3 living arrangements under the federal Personal Responsibility
4 and Work Opportunity Reconciliation Act of 1996, Pub. L. No.
5 104-193, § 103. The purpose of the homes or arrangements is
6 to provide a supportive and supervised living arrangement for
7 minor parents receiving assistance under the family investment
8 program who, under 1995 Iowa Acts, chapter 53, section 1,
9 subsection 3, paragraph "a", or under chapter 239B, as created
10 in Senate File 516, if enacted by the Seventy-seventh General
11 Assembly, 1997 Session, may receive assistance while living in
12 an alternative setting other than with their parent or legal
13 guardian.

14 Sec. 2. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK
15 GRANT. There is appropriated from the fund created in section
16 8.41 to the department of human services for the fiscal year
17 beginning July 1, 1997, and ending June 30, 1998, from moneys
18 received under the federal temporary assistance for needy
19 families block grant pursuant to the federal Personal
20 Responsibility and Work Opportunity Reconciliation Act of
21 1996, Pub. L. No. 104-193, which are appropriated for the
22 federal fiscal years beginning October 1, 1996, and ending
23 September 30, 1997, and beginning October 1, 1997, and ending
24 September 30, 1998, the following amounts to be used for the
25 purposes designated:

26 Moneys appropriated in this section shall be used in
27 accordance with the federal law making the funds available,
28 applicable Iowa law, appropriations made from the general fund
29 of the state in this Act for the purpose designated, and
30 administrative rules adopted to implement the federal and Iowa
31 law. If actual federal revenues credited to the fund created
32 in section 8.41 through June 30, 1998, are less than the
33 amounts appropriated in this section, the amounts appropriated
34 shall be reduced proportionately and the department may reduce
35 expenditures as deemed necessary by the department to meet the

1 reduced funding level:

2 1. To be credited to the family investment program account
3 and used for assistance under the family investment program
4 under chapter 239 or chapter 239B, as created in Senate File
5 516, if enacted by the Seventy-seventh General Assembly, 1997
6 Session:

7 \$ 97,288,698

8 2. For the job opportunities and basic skills (JOBS)
9 program, and implementing family investment agreements, in
10 accordance with chapter 249C, or chapter 239B, as created in
11 Senate File 516, if enacted by the Seventy-seventh General
12 Assembly, 1997 Session:

13 \$ 18,038,404

14 3. For field operations:

15 \$ 5,756,227

16 4. For general administration:

17 \$ 2,573,844

18 5. For local administrative costs:

19 \$ 1,732,617

20 6. For replacement of reductions in the federal social
21 services block grant with federal TANF block grant funds,
22 except for the allocation to child care:

23 \$ 4,546,031

24 7. For state child care assistance:

25 \$ 1,214,089

26 8. For emergency assistance:

27 \$ 375,049

28 Notwithstanding section 8.33, moneys appropriated in this
29 section of this Act which remain unencumbered or unobligated
30 at the close of the fiscal year shall not revert from the fund
31 from which appropriated but shall remain available for
32 allocation under law in the succeeding fiscal year.

33 Sec. 3. FAMILY INVESTMENT PROGRAM ACCOUNT.

34 1. Moneys credited to the family investment program
35 account for the fiscal year beginning July 1, 1997, and ending

1 June 30, 1998, shall be used in accordance with the following
2 requirements:

3 a. The department shall provide assistance in accordance
4 with chapters 239 and 249C or in accordance with chapter 239B,
5 as created in Senate File 516, if enacted by the Seventy-
6 seventh General Assembly, 1997 Session.

7 b. The department shall continue the special needs program
8 under the family investment program.

9 c. The department shall implement federal welfare reform
10 data requirements pursuant to the appropriations made for that
11 purpose.

12 d. The department shall continue expansion of the
13 electronic benefit transfer program as necessary to comply
14 with federal requirements. The target date for statewide
15 implementation of the program is July 1, 1999.

16 e. The department shall conduct an evaluation of the
17 welfare reform program and child well-being provisions to
18 measure the program's effectiveness, impacts on children and
19 families, and impacts across programs, and to identify
20 effective strategies.

21 f. The department shall continue to contract for services
22 in developing and monitoring an entrepreneurial training
23 program to provide technical assistance to families which
24 receive assistance under the family investment program.

25 g. For family investment agreements developed beginning
26 July 1, 1997, the maximum allowable time period for
27 postsecondary education is limited to twenty-four months.

28 2. The department may transfer funds in accordance with
29 section 8.39, either federal or state, to or from the child
30 day care appropriations made for the fiscal year beginning
31 July 1, 1997, if the department deems this would be a more
32 effective method of paying for JOBS program child care, to
33 maximize federal funding, or to meet federal maintenance of
34 effort requirements.

35 3. Moneys appropriated in this Act and credited to the

1 family investment program account for the fiscal year
2 beginning July 1, 1997, and ending June 30, 1998, are
3 allocated as follows:

4 a. For the food stamp employment and training program:
5 \$ 129,985

6 b. For the family development and self-sufficiency grant
7 program as provided under section 217.12:
8 \$ 2,328,805

9 (1) Of the funds allocated for the family development and
10 self-sufficiency grant program in this lettered paragraph, not
11 more than 5 percent of the funds shall be used for the
12 administration of the grant program.

13 (2) Based upon the annual evaluation report concerning
14 each grantee funded by previously appropriated funds and
15 through the solicitation of additional grant proposals, the
16 family development and self-sufficiency council may use the
17 allocated funds to renew or expand existing grants or award
18 new grants. In utilizing the increased funding to expand the
19 program, the council shall give consideration, in addition to
20 other criteria established by the council, to a grant
21 proposal's intended use of local funds with a grant and to
22 whether a grant proposal would expand the availability of the
23 program's services to a wider geographic area.

24 (3) Family development and self-sufficiency grantees shall
25 not supplant previous local funding with state or federal
26 funds.

27 c. For increasing participation in vocational and
28 postsecondary training which lasts not more than twelve
29 months:
30 \$ 998,400

31 d. For replacing reductions in the federal social services
32 block grant with federal TANF block grant funds, except for
33 the allocation to child care:
34 \$ 4,546,031

35 e. For child day care in place of funds previously

1 allocated from the federal social services block grant to
2 child care:

3 \$ 1,214,089

4 The department may transfer the allocation made in this
5 paragraph directly into the appropriation made in this Act for
6 child day care.

7 f. If an enactment of the Seventy-seventh General
8 Assembly, 1997 Session, establishes a new Code chapter 239B,
9 as created in Senate File 516, and provides for the
10 elimination of the work transition period under the family
11 investment program, the following allocations shall apply:

12 (1) For the diversion subaccount of the family investment
13 program account:

14 \$ 500,000

15 Moneys allocated to the diversion subaccount shall be used
16 for a pilot initiative of providing incentives to assist
17 families who would otherwise be eligible for the family
18 investment program in obtaining or retaining employment and to
19 assist participant families in overcoming barriers to
20 obtaining employment. Incentives may be provided in the form
21 of payment or services. The department may limit the
22 availability of the pilot initiative on the basis of
23 geographic area or numbers of individuals provided with
24 incentives. The department shall make recommendations on or
25 before January 15, 1998, regarding the potential benefits of
26 expanding the initiative. The department may adopt emergency
27 administrative rules in order to implement the provisions of
28 this subparagraph.

29 (2) For incentive grants of not more than \$5,000 per grant
30 to community organizations serving as an operating
31 organization for administration of individual development
32 accounts in accordance with chapter 541A:

33 \$ 50,000

34 (3) For assistance associated with elimination of the
35 employment earnings disregard period when determining the

1 effective date of assistance for unemployed parent families.

2 \$ 150,000

* 3

4 4. Of the child support collections assigned under the
5 family investment program, an amount equal to the federal
6 share of support collections shall be deposited in the child
7 support recovery appropriation. The remainder of the assigned
8 child support collections and the state share of incentives
9 received by the child support recovery unit shall be deposited
10 in the family investment program account.

11 5. The department shall discontinue payment of the first
12 \$50 of the assigned child support collected by the department
13 in any given month to an applicant for family investment
14 program assistance approved for assistance on or after the
15 effective date of this Act. A recipient who is approved to
16 receive assistance prior to the effective date of this Act
17 shall continue to be eligible to receive the payment until the
18 recipient is no longer eligible for the family investment
19 program, but shall not be eligible to receive the payment upon
20 reapplication and subsequent receipt of family investment
21 program assistance. The department may adopt emergency rules
22 to implement this subsection.

23 6. The department may adopt emergency administrative rules
24 for the family investment, food stamp, and medical assistance
25 programs, if necessary, to comply with federal requirements.
26 Prior to adoption of the rules, the department shall consult
27 with the welfare reform council, members of the public
28 involved in development of welfare reform policy established
29 in the 1993 legislative session, and the chairpersons and
30 ranking members of the joint appropriations subcommittee on
31 human services.

32 7. Moneys appropriated for the job opportunities and basic
33 skills (JOBS) program in 1996 Iowa Acts, chapter 1213, section
34 7, which remain unobligated or unexpended at the close of the
35 fiscal year beginning July 1, 1996, as provided in that Act,
shall be used for the JOBS program in the fiscal year

1 beginning July 1, 1997.

2 8. Not more than the following amounts of the moneys
3 received under the temporary assistance for needy families
4 block grant and appropriated to the department pursuant to
5 1997 Iowa Acts, House File 125, section 1, which remain
6 unobligated or unexpended at the close of the fiscal year
7 beginning July 1, 1996, as provided in that Act, shall be used
8 for the following purposes in the fiscal year beginning July
9 1, 1997, in the order designated:

- 10 a. For emergency assistance:
11 \$ 224,951
- 12 b. For the JOBS program:
13 \$ 300,000
- 14 c. For family support community-based grants:
15 \$ 200,000
- 16 d. For pregnancy prevention grants:
17 \$ 250,000
- 18 e. For technology needs and other resources necessary to
19 meet federal welfare reform reporting, tracking, and case
20 management requirements:
21 \$ 2,950,000

22 9. Notwithstanding 1995 Iowa Acts, chapter 220,
23 section 11, moneys appropriated to the department of
24 human services for purposes of costs associated with
25 the development of the X-pert computer system shall
26 not revert on August 31, 1997, but shall remain
27 available for the purpose designated until the close
28 of the fiscal year beginning July 1, 1997.

29 Sec. 4. EMERGENCY ASSISTANCE. There is appropriated from
30 the general fund of the state to the department of human
31 services for the fiscal year beginning July 1, 1997, and
32 ending June 30, 1998, the following amount, or so much thereof
33 as is necessary, to be used for the purpose designated:

34 For emergency assistance to families with dependent
35 children for homeless prevention programs:

1 \$ 1,967,000

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

21 2. For the fiscal year beginning July 1, 1997, the
22 department shall continue the process for the state to receive
23 refunds of rent deposits for emergency assistance recipients
24 which were paid by persons other than the state. The refunds
25 received by the department under this subsection shall be
26 deposited with the moneys of the appropriation made in this
27 section and used as additional funds for the emergency
28 assistance program. Notwithstanding section 8.33, moneys
29 received by the department under this subsection which remain
30 after the emergency assistance program is terminated and state
31 moneys in the emergency assistance account which remain
32 unobligated or unexpended at the close of the fiscal year
33 shall not revert to the general fund of the state but shall
34 remain available for expenditure when the program resumes
35 operation on October 1 in the succeeding fiscal year.

1 3. Of the funds appropriated in this section, \$10,000 is
 2 allocated to the community voice mail program to continue the
 3 existing program. The funds shall be made available beginning
 4 July 1, 1997.

5 Sec. 5. MEDICAL ASSISTANCE. There is appropriated from
 6 the general fund of the state to the department of human
 7 services for the fiscal year beginning July 1, 1997, and
 8 ending June 30, 1998, the following amount, or so much thereof
 9 as is necessary, to be used for the purpose designated:

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

14 \$381,789,000

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

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

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

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

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

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

33 2. Notwithstanding section 8.39, the department may
 34 transfer funds appropriated in this section to a separate
 35 account established in the department's case management unit

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

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

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

35 c. Medical assistance funding for case management services

1 for eligible persons 17 years of age and younger shall also be
2 provided to persons residing in counties with child welfare
3 decategorization projects implemented in accordance with
4 section 232.188, provided these projects have included these
5 persons in their service plan and the decategorization project
6 county is willing to provide the nonfederal share of costs.

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

15 4. The department may adopt and implement administrative
16 rules regarding a prepaid mental health services plan for
17 medical assistance patients. The rules shall include but not
18 be limited to service provider standards, service
19 reimbursement, and funding mechanisms. Notwithstanding the
20 provisions of subsection 3, paragraph "a", of this section and
21 section 249A.26, requiring counties to pay all or part of the
22 nonfederal share of certain services provided to persons with
23 disabilities under the medical assistance program, the state
24 shall pay 100 percent of the nonfederal share of any services
25 included in the plan implemented pursuant to this subsection.

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

33 6. Of the funds appropriated to the Iowa department of
34 health for substance abuse grants, \$950,000 for the fiscal
35 year beginning July 1, 1997, shall be transferred to the

1 department of human services for an integrated substance abuse
2 managed care system.

3 7. The department of human services, in cooperation with
4 the Iowa department of public health and in consultation with
5 county representatives and affected providers, shall review
6 potential funding streams, treatment methods, and provider
7 options for expansion of dual diagnosis services, providing
8 both mental health and substance abuse services, and shall
9 report the findings of the review and recommendations to the
10 joint appropriations subcommittee on human services on or
11 before January 1, 1998.

12 8. The department shall continue the medical assistance
13 home and community-based waiver for persons with physical
14 disabilities as a means to further develop the personal
15 assistance services program under section 225C.46. The waiver
16 shall not be implemented in a manner which would require
17 additional county or state funding for assistance provided to
18 an individual served under the waiver. The waiver shall be
19 limited in application to persons with physical disabilities
20 who reside in a medical institution at the time of applying
21 for assistance and who have been residents of a medical
22 institution for a minimum of thirty consecutive days.

23 9. The department shall not expand the requirement of drug
24 prior authorization without prior approval of the general
25 assembly except to require prior authorization of an
26 equivalent of a prescription drug which is subject to prior
27 authorization as of June 30, 1997. The department shall adopt
28 administrative rules to implement this provision.

29 10. The department of human services, in consultation with
30 the Iowa department of public health and the department of
31 education, shall continue the program to utilize the early and
32 periodic screening, diagnosis, and treatment (EPSDT) funding
33 under medical assistance, to the extent possible, to implement
34 the screening component of the EPSDT program through the
35 school system. The department may enter into contracts to

1 utilize maternal and child health centers, the public health
2 nursing program, or school nurses in implementing this
3 provision.

4 11. The department shall continue the case study for
5 outcome-based performance standards for programs serving
6 persons with mental retardation or other developmental
7 disabilities proposed pursuant to 1994 Iowa Acts, chapter
8 1170, section 56. The department shall adopt rules applicable
9 to the programs included in the case study, request a waiver
10 of applicable federal requirements, and take other actions
11 deemed necessary by the department to continue the case study.

12 12. The department shall develop methodologies to directly
13 reimburse hospitals with medical assistance-approved graduate
14 medical education programs for the direct and indirect costs
15 of medical education programs at those hospitals and for a
16 disproportionate share payment as allowed by the federal cap
17 at those hospitals with qualifying programs. The level of
18 this reimbursement shall be equal to the amount of managed
19 care capitation payments attributable to direct medical
20 education plus indirect medical education add-on components
21 included as part of the capitated rate setting methodology and
22 to the amounts paid through the fee-for-service inpatient
23 diagnostic-related groups and outpatient ambulatory patient
24 groups hospital reimbursement systems for state fiscal year
25 1994-1995, with an adjustment, if the federal upper limits
26 test has not been exceeded, to allow an increase for state
27 fiscal year 1996-1997 costs. This subsection shall only apply
28 to any capitated payment contracts entered into after June 30,
29 1997. The department may adopt emergency rules to implement
30 this subsection.

31 13. The department, in consultation with the Iowa
32 department of public health, the department of elder affairs,
33 home and community-based service providers, consumers, and
34 members of the joint appropriations subcommittee on human
35 services, shall evaluate the feasibility of improving access

1 and delivery of services to consumers and of improving cost-
2 effectiveness by incorporating the personal care services
3 option into the medical assistance program.

4 Sec. 6. HEALTH INSURANCE PREMIUM PAYMENT PROGRAM. There
5 is appropriated from the general fund of the state to the
6 department of human services for the fiscal year beginning
7 July 1, 1997, and ending June 30, 1998, the following amount,
8 or so much thereof as is necessary, to be used for the purpose
9 designated:

10 For administration of the health insurance premium payment
11 program, including salaries, support, maintenance, and
12 miscellaneous purposes:

13	\$	390,000
14	FTEs	17.00

15 Sec. 7. MEDICAL CONTRACTS. 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, 1997, and ending June
18 30, 1998, the following amount, or so much thereof as is
19 necessary, to be used for the purpose designated:

20 For medical contracts:
21 \$ 7,700,000

22 1. a. The department shall continue prospective drug
23 utilization review and may establish drug surveillance prior
24 authorization under the medical assistance program.

25 b. The department shall develop and implement an
26 individual patient tracking system to assess the effectiveness
27 of the drug prior authorization program. The system shall
28 include patient specific elements including, at a minimum, the
29 drug prescribed or requested, the alternative drug dispensed,
30 the quantity requested, the quantity dispensed, and the drugs
31 dispensed during required trials.

32 c. The department shall conduct a prior authorization
33 cost-effectiveness study, at no cost to the state, and shall
34 not use any entity or individual currently or previously
35 utilized by the department to perform the study.

1 d. The prospective drug utilization review and prior
2 authorization cost-effectiveness studies shall include, but
3 are not limited to, all of the following:

4 (1) The net cost of the substitution of brand name drugs
5 for which alternatives are required, including the drug
6 rebates, if applicable, under the Iowa prior authorization
7 regimen.

8 (2) The costs attributable to the ambulatory treatment of
9 iatrogenic, unexpected conditions which result when the
10 prescribed drug is not authorized and a substitution is made
11 under the Iowa prior authorization regimen, when it is
12 possible to determine that the conditions resulted from the
13 substitution of the alternative medication for the prescribed
14 medication.

15 (3) The costs attributable to institutionalization and
16 treatment for iatrogenic, unexpected conditions which result
17 when the prescribed drug is not authorized and a substitution
18 is made under the Iowa prior authorization regimen when it is
19 possible to determine that the condition resulted from the
20 substitution of the alternative medication for the prescribed
21 medication.

22 (4) The costs of prescribing mandates, such as requiring
23 two failures of generic drug treatment before allowing the
24 prescribing of a brand name alternative.

25 (5) The measurement of the cost-effectiveness of patient
26 outcomes under prior authorization compared to the patient
27 outcomes under prospective drug utilization review.

28 (6) The comparison of administrative costs for prior
29 authorization review and prospective drug utilization review.

30 The department shall review the methodology for calculating
31 and projecting costs savings and shall update the methodology,
32 if necessary.

33 The costs identified under the studies performed shall be
34 netted against the cost savings projected by the department to
35 accurately determine and report cost savings for the drug

1 prior authorization program.

2 The department shall submit a report of the studies to the
3 general assembly on or before March 1, 1998, for review.

4 Subsequent to that date, the general assembly may direct the
5 department to remove from the categories of prescription drugs
6 for which prior authorization is currently required, all of
7 the drugs for which the comparative studies establish that
8 prospective drug utilization review is at least as cost-
9 effective in patient outcomes as prior authorization.

10 2. a. In any managed care contract for mental health or
11 substance abuse services entered into by the department on or
12 after July 1, 1997, the request for proposals shall allow for
13 coverage by the contractor on a regional or statewide basis.
14 The department shall consult with the chairpersons and ranking
15 members of the joint appropriations subcommittee on human
16 services in developing the request for proposals and in
17 evaluating the responses. In determining whether a contract
18 shall be entered into to provide regional or statewide
19 coverage, the department shall consider the most effective
20 means of providing access to and delivery of services to
21 recipients of services and shall consider the cost-
22 effectiveness of the particular proposal.

23 b. The department, in consultation with the Iowa
24 department of public health, shall evaluate the feasibility of
25 combining coverage for mental health and substance abuse
26 services in any managed care contract entered into for these
27 services.

28 3. The department shall implement the plan, as submitted
29 to the general assembly on or before January 1, 1996, to
30 administratively pursue reimbursement for pharmacy services
31 for which a recipient of medical assistance also has third-
32 party coverage. The department may use increased collections
33 of pharmaceutical rebates or existing funds to implement this
34 subsection.

35 Sec. 8. STATE SUPPLEMENTARY ASSISTANCE. 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, 1997, and ending June 30, 1998, the following amount,
4 or so much thereof as is necessary, to be used for the purpose
5 designated:

6 For state supplementary assistance, funeral assistance, and
7 the medical assistance waiver for persons with mental
8 retardation rent subsidy program:

9 \$ 19,190,000

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

17 2. a. If during the fiscal year beginning July 1, 1997,
18 the department projects that state supplementary assistance
19 expenditures for a calendar year will not meet the federal
20 pass-along requirement specified in Title XVI of the federal
21 Social Security Act, section 1618, as codified in 42 U.S.C. §
22 1382g, the department may take actions including but not
23 limited to increasing the personal needs allowance for
24 residential care facility residents and making programmatic
25 adjustments or upward adjustments of the residential care
26 facility or in-home health-related care reimbursement rates
27 prescribed in this Act to ensure that federal requirements are
28 met. The department may adopt emergency rules to implement
29 the provisions of this subsection.

30 b. If during the fiscal year beginning July 1, 1997, the
31 department projects that state supplementary assistance
32 expenditures will exceed the amount appropriated, the
33 department may transfer funds appropriated in this Act for
34 medical assistance for the purposes of the state supplementary
35 assistance program. However, funds shall only be transferred

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

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

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

10 b. Were discharged from an intermediate care facility for
11 persons with mental retardation (ICFMR) immediately prior to
12 receiving HCBS/MR services.

13 The goal of the subsidy program shall be to encourage and
14 assist in enabling persons who currently reside in an ICFMR to
15 move to a community living arrangement. An eligible person
16 may receive assistance in meeting their rental expense and, in
17 the initial two months of eligibility, in purchasing necessary
18 household furnishings and supplies. The program shall be
19 implemented so that it does not meet the federal definition of
20 state supplementary assistance and will not impact 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.

24 Sec. 9. CHILD DAY CARE ASSISTANCE. There is appropriated
25 from the general fund of the state to the department of human
26 services for the fiscal year beginning July 1, 1997, and
27 ending June 30, 1998, the following amount, or so much thereof
28 as is necessary, to be used for the purposes designated:

29 For protective child day care assistance and state child
30 care assistance:

31 \$ 13,740,000

32 1. Of the funds appropriated in this section, \$3,696,286
33 shall be used for protective child day care assistance.

34 2. Of the funds appropriated in this section, \$8,215,889
35 shall be used for state child care assistance.

1 3. For the purposes of this subsection, the term "poverty
2 level" means the poverty level defined by the poverty income
3 guidelines published by the United States department of health
4 and human services. Effective October 1, 1997, the department
5 shall increase to 125 percent the maximum federal poverty
6 level used to determine eligibility for state child care
7 assistance. Based upon the availability of the funding
8 provided in subsection 2 the department shall establish
9 waiting lists for state child care assistance in descending
10 order of prioritization as follows:

11 a. Families with an income at or below 100 percent of the
12 federal poverty level whose members are employed at least 30
13 hours per week, and parents with a family income at or below
14 100 percent of the federal poverty level who are under the age
15 of 21 and are participating in an educational program leading
16 to a high school diploma or equivalent.

17 b. Parents with a family income at or below 100 percent of
18 the federal poverty level who are under the age of 21 and are
19 participating, at a satisfactory level, in an approved
20 training program or in an educational program.

21 c. Families with an income of more than 100 percent but
22 not more than 125 percent of the federal poverty level whose
23 members are employed at least 30 hours per week. Assistance
24 provided to families pursuant to this paragraph shall be
25 provided in accordance with a sliding fee scale developed by
26 the department.

27 d. Families with an income at or below 155 percent of the
28 federal poverty level with a special needs child as a member
29 of the family.

30 e. Families with an income at or below 100 percent of the
31 federal poverty level whose members are employed part-time at
32 least 20 hours per week.

33 The department may adopt emergency rules to implement the
34 provisions of this subsection.

35 4. Migrant seasonal farm worker families whose family

1 income is equal to or less than 110 percent of the United
2 States office of management and budget poverty guidelines are
3 eligible for state child care assistance. The monthly family
4 income shall be determined by calculating the total amount of
5 family income earned during the 12-month period preceding the
6 date of application for the assistance and dividing the total
7 amount by 12.

8 5. Nothing in this section shall be construed or is
9 intended as, or shall imply, a grant of entitlement for
10 services to persons who are eligible for assistance due to an
11 income level consistent with the requirements of this section.
12 Any state obligation to provide services pursuant to this
13 section is limited to the extent of the funds appropriated in
14 this section.

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

18 7. The department may use any of the funds appropriated in
19 this section as a match to obtain federal funds for use in
20 expanding child day care assistance and related programs. For
21 the purpose of expenditures of state and federal child day
22 care funding, funds shall be considered obligated at the time
23 expenditures are projected or are allocated to the
24 department's regions. Projections shall be based on current
25 and projected caseload growth, current and projected provider
26 rates, staffing requirements for eligibility determination and
27 management of program requirements including data systems
28 management, staffing requirements for administration of the
29 program, contractual and grant obligations and any transfers
30 to other state agencies, and obligations for decategorization
31 or innovation projects.

32 8. Of the funds appropriated in this section, \$1,191,184
33 is allocated for transitional child care assistance.

34 9. During the 1997-1998 fiscal year, the department shall
35 utilize the moneys deposited in the child day care credit fund

1 created in section 237A.28 for state child care assistance, in
2 addition to the moneys allocated for that purpose in this
3 section.

4 10. The department shall assist the Hispanic educational
5 resource center in Des Moines in identifying or providing
6 replacement funding if the elimination of previous allocations
7 made to the center under this section results in a negative
8 impact to the center in providing child day care services. If
9 replacement funding is not identified, the department shall
10 replace the funding with federal child care and development
11 block grant moneys.

12 11. The department shall consult with service providers in
13 evaluating the practice of requiring recipients of state child
14 care assistance to make a co-payment to service providers.
15 The evaluation shall consider the impact on system
16 administration, service providers, and others. The department
17 shall report the evaluation results to the governor and
18 general assembly on or before December 15, 1997.

19 Sec. 10. CHILD SUPPORT RECOVERY. 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, 1997, and
22 ending June 30, 1998, the following amount, or so much thereof
23 as is necessary, to be used for the purposes designated:

24 For child support recovery, including salaries, support,
25 maintenance, and miscellaneous purposes and for not more than
26 the following full-time equivalent positions:

27	\$	6,605,000
28	FTEs	226.22

29 1. The director of human services, within the limitations
30 of the moneys appropriated in this section, or moneys
31 transferred from the family investment program appropriation
32 for this purpose, shall establish new positions and add
33 employees to the child support recovery unit if the director
34 determines that both the current and additional employees
35 together can reasonably be expected to maintain or increase

1 net state revenue at or beyond the budgeted level. If the
2 director adds employees, the department shall demonstrate the
3 cost-effectiveness of the current and additional employees by
4 reporting to the joint appropriations subcommittee on human
5 services the ratio of the total amount of administrative costs
6 for child support recoveries to the total amount of the child
7 support recovered.

8 2. Nonpublic assistance application fees, federal tax
9 refund offset fees, and other user fees received by the child
10 support recovery unit are appropriated and shall be used for
11 the purposes of the child support recovery program. The
12 director of human services may add positions within the
13 limitations of the amount appropriated for salaries and
14 support for the positions. The director shall report any
15 positions added pursuant to this subsection to the
16 chairpersons and ranking members of the joint appropriations
17 subcommittee on human services and the legislative fiscal
18 bureau.

19 3. The director of human services, in consultation with
20 the department of management and the legislative fiscal
21 committee, is authorized to receive and deposit state child
22 support incentive earnings in the manner specified under
23 applicable federal requirements.

24 4. The director of human services may establish new
25 positions and add state employees to the child support
26 recovery unit or contract for delivery of services if the
27 director determines the employees are necessary to replace
28 county-funded positions eliminated due to termination,
29 reduction, or nonrenewal of a chapter 28E contract. However,
30 the director must also determine that the resulting increase
31 in the state share of child support recovery incentives
32 exceeds the cost of the positions or contract, the positions
33 or contract are necessary to ensure continued federal funding
34 of the program, or the new positions or contract can
35 reasonably be expected to recover at least twice the amount of

1 money necessary to pay the salaries and support for the new
2 positions or the contract will generate at least 200 percent
3 of the cost of the contract.

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

11 6. The department shall expend up to \$50,000, including
12 federal financial participation, for the fiscal year beginning
13 July 1, 1997, for a child support public awareness campaign.
14 The department and the office of the attorney general shall
15 cooperate in continuation of the campaign. The public
16 awareness campaign shall emphasize, through a variety of media
17 activities, the importance of maximum involvement of both
18 parents in the lives of their children as well as the
19 importance of payment of child support obligations.

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

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

33 9. Surcharges paid by obligors and received by the unit as
34 a result of the referral of support delinquency by the child
35 support recovery unit to any private collection agency are

1 appropriated to the department and shall be used to pay the
2 costs of any contracts with the collection agencies.

3 10. The child support recovery unit shall initiate a
4 process to evaluate the satisfaction of consumers, including
5 both obligors and obligees, with the child support recovery
6 unit. The unit shall submit a report of the findings of the
7 evaluation to the joint appropriations subcommittee on human
8 services on or before December 15, 1997.

9 Sec. 11. JUVENILE INSTITUTIONS. There is appropriated
10 from the general fund of the state to the department of human
11 services for the fiscal year beginning July 1, 1997, and
12 ending June 30, 1998, the following amount, or so much thereof
13 as is necessary, to be used for the purposes designated:

14 For the operation of the state training school and the Iowa
15 juvenile home, including salaries, support, maintenance, and
16 miscellaneous purposes and for not more than the following
17 full-time equivalent positions:

18 For the state juvenile institutions:

19 \$ 13,869,000
20 FTEs 320.77

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

24 \$ 5,147,000
25 FTEs 118.54

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

29 \$ 8,722,000
30 FTEs 202.23

31 3. During the fiscal year beginning July 1, 1997, the
32 population levels at the state juvenile institutions shall not
33 exceed the population guidelines established under 1990 Iowa
34 Acts, chapter 1239, section 21.

35 4. Of the funds appropriated in this section, \$10,000

1 shall be used by the state training school and \$8,000 by the
2 Iowa juvenile home for grants for adolescent pregnancy
3 prevention activities at the institutions in the fiscal year
4 beginning July 1, 1997.

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

9 Sec. 12. CHILD AND FAMILY SERVICES. There is appropriated
10 from the general fund of the state to the department of human
11 services for the fiscal year beginning July 1, 1997, and
12 ending June 30, 1998, the following amount, or so much thereof
13 as is necessary, to be used for the purpose designated:

14 For child and family services:
15 \$111,084,000

16 1. The department may transfer moneys appropriated in this
17 section as necessary to pay the nonfederal costs of services
18 reimbursed under medical assistance or the family investment
19 program which are provided to children who would otherwise
20 receive services paid under the appropriation in this section.
21 The department may transfer funds appropriated in this section
22 to the appropriations in this Act for general administration
23 and for field operations for resources necessary to implement
24 and operate the services funded in this section.

25 2. a. Of the funds appropriated in this section, up to
26 \$29,153,146 is allocated as the statewide expenditure target
27 under section 232.143 for group foster care maintenance and
28 services.

29 b. The department shall report quarterly to the
30 legislative fiscal bureau concerning the status of each
31 region's efforts to contain expenditures for group foster care
32 placements in accordance with the regional plan established
33 pursuant to section 232.143.

34 c. The department shall not certify any additional
35 enhanced residential treatment beds, unless the director of

1 human services approves the beds as necessary, based on the
2 type of children to be served and the location of the enhanced
3 residential treatment beds.

4 d. (1) Of the funds appropriated in this section, not
5 more than \$5,690,600 is allocated as the state match funding
6 for psychiatric medical institutions for children.

7 (2) The department may transfer all or a portion of the
8 funds allocated in this paragraph for psychiatric medical
9 institutions for children (PMICs) to the appropriation in this
10 Act for medical assistance and shall not amend the managed
11 mental health care contract to include PMICs.

12 e. Of the funds allocated in this subsection, \$1,419,005
13 is allocated as the state match funding for 50 highly
14 structured juvenile program beds. If the number of beds
15 provided for in this paragraph is not utilized, the remaining
16 funds allocated may be used for group foster care.

17 f. It is the intent of the general assembly that of the
18 statewide expenditure target established in this subsection,
19 the moneys allocated in accordance with section 232.143 as the
20 budget target to each of the department's regions shall
21 constitute the region's annual budget for group foster care.
22 The representatives appointed by the department of human
23 services and the juvenile court to establish the plan to
24 contain expenditures for children placed in group foster care
25 ordered by the court within the budget target allocated to the
26 region shall establish the plan in a manner so as to ensure
27 the moneys allocated to the region under section 232.141 shall
28 last the entire fiscal year.

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

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

1 counties.

2 5. The provisions of section 232.142, subsection 3,
3 requiring financial aid to be paid by the state for the
4 establishment, improvements, operation, and maintenance of
5 county or multicounty juvenile detention homes shall not apply
6 for the fiscal year beginning July 1, 1997. Section 25B.2,
7 subsection 3, shall not apply to this subsection.

8 6. The amount of the appropriation made in this section
9 available for foster care is based upon expansion of the
10 number of children in foster care who are eligible for federal
11 supplemental security income (SSI). The department may use up
12 to \$200,000 of those funds to enter into a performance-based
13 contract to secure SSI benefits for children placed in foster
14 care. The contract shall include provisions for training of
15 department of human services and juvenile court staff,
16 completion of applications, tracking of application results,
17 and representation during the appeals process whenever an
18 appeal is necessary to secure SSI benefits. The department
19 may extend the contract for an additional two years.

20 Notwithstanding section 217.30 and section 232.2, subsection
21 11, and any other provision of law to the contrary, the
22 director or the director's designee on behalf of a child in
23 foster care may release medical, mental health, substance
24 abuse, or any other information necessary only to determine
25 the child's eligibility for SSI benefits, and may sign
26 releases for the information. In the case of a child in the
27 custody of juvenile court services, the state court
28 administrator or administrator's designee acting on behalf of
29 a child in foster care may release medical, mental health,
30 substance abuse, or any other information necessary only to
31 determine the child's eligibility for SSI benefits, and may
32 sign releases for the information. In any release of
33 information made pursuant to this subsection, confidentiality
34 shall be maintained to the maximum extent possible.

35 7. A portion of the funds appropriated in this section may

1 be used for emergency family assistance to provide other
2 resources required for a family participating in a family
3 preservation or reunification project to stay together or to
4 be reunified.

5 8. Notwithstanding section 234.35, subsection 1, for the
6 fiscal year beginning July 1, 1997, state funding for shelter
7 care paid pursuant to section 234.35, subsection 1, paragraph
8 "h", shall be limited to \$7,403,905. The department shall
9 develop a formula, in consultation with the shelter care
10 committee and the judicial department, to allocate shelter
11 care funds to the department's regions. The department may
12 adopt emergency rules to implement this subsection.

13 9. Of the funds appropriated in this section, not more
14 than \$577,128 may be used to develop and maintain the state's
15 implementation of the national adoption and foster care
16 information system pursuant to the requirements of Pub. L.
17 No. 99-509. The department may transfer funds as necessary
18 from the appropriations in this Act for field operations and
19 general administration to implement this subsection. Moneys
20 allocated in accordance with this subsection shall be
21 considered encumbered for the purposes of section 8.33.

22 10. Of the funds appropriated in this section, up to
23 \$777,632 may be used as determined by the department for any
24 of the following purposes:

25 a. For general administration of the department to improve
26 staff training efforts.

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

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

32 d. For specialized permanency planning field operations
33 staff.

34 11. The department may adopt administrative rules
35 following consultation with child welfare services providers

1 to implement outcome-based child welfare services pilot
2 projects. The rules may include, but are not limited to, the
3 development of program descriptions, provider licensing and
4 certification standards, reimbursement and payment amounts,
5 contract requirements, assessment and service necessity
6 requirements, eligibility criteria, claims submission
7 procedures, and accountability standards.

8 12. Of the funds appropriated in this section, up to
9 \$200,000 may be used to develop, in cooperation with providers
10 of children and family services, juvenile court, and other
11 interested parties, an outcomes-based approach for family-
12 centered, family preservation, family-community-based support,
13 and wrap-around services to evaluate and improve outcomes for
14 children and families. The department shall submit an
15 outcomes-based budget for these programs and shall submit the
16 budget with other budget documents required pursuant to
17 section 8.23. The department may adopt administrative rules
18 to implement this subsection.

19 13. The department shall continue to make adoption
20 presubsidy and adoption subsidy payments to adoptive parents
21 at the beginning of the month for the current month.

22 14. Federal funds received by the state during the fiscal
23 year beginning July 1, 1997, as the result of the expenditure
24 of state funds appropriated during a previous state fiscal
25 year for a service or activity funded under this section,
26 shall be used as additional funding for services provided
27 under this section. Moneys received by the department in
28 accordance with the provisions of this subsection shall remain
29 available for the purposes designated until June 30, 1999.

30 15. In each fiscal year, if the department determines that
31 sufficient funds are available under the appropriation in this
32 section, the department may transfer up to \$135,136 to the
33 appropriation in this Act for field operations to fund up to
34 an additional 5.00 FTEs beyond the authorized limit to respond
35 to increased applications resulting from recruitment efforts

1 in order to increase the number of adoptions of children with
2 special needs.

3 16. In addition to the report for group foster care
4 placements, the department shall report quarterly to the
5 legislative fiscal bureau concerning the status of each
6 region's funding expenditures compared with allocations in the
7 regional plan for services provided under this section.

8 17. The department and juvenile court services shall
9 develop criteria for the department regional administrator and
10 chief juvenile court officer to grant exceptions to extend
11 eligibility, within the funds allocated, for intensive
12 tracking and supervision and for supervised community
13 treatment to delinquent youth beyond age 18 who are subject to
14 release from the state training school, a highly structured
15 juvenile program, or group care. The department shall report
16 the number of such exceptions granted and the related
17 expenditures to the joint appropriations subcommittee on human
18 services on or before January 1, 1998. The department may
19 adopt emergency administrative rules to implement this
20 subsection.

21 18. Of the moneys appropriated in this section, not more
22 than \$900,000 is allocated to provide clinical assessment
23 services as necessary to continue funding of children's
24 rehabilitation services under medical assistance in accordance
25 with federal law and requirements. The funding allocated is
26 the amount projected to be necessary for providing the
27 clinical assessment services. The department shall submit a
28 report to the general assembly on or before January 1, 1998,
29 regarding the development of a new model for determining
30 rehabilitative needs in place of clinical assessment and
31 treatment teams. The department shall implement the new model
32 on or before June 30, 1998, in a manner so as to reduce
33 paperwork and other information requirements to the minimum
34 level necessary for compliance with the federal requirements
35 for the clinical assessment services.

1 19. The department shall adopt and implement emergency
2 rules to provide for user fees for international and private
3 adoptions. The fees collected shall be deposited in the
4 adoption administrative fund and shall be used to provide
5 these services.

6 Sec. 13. CONNER DECREE. There is appropriated from the
7 general fund of the state to the department of human services
8 for the fiscal year beginning July 1, 1997, and ending June
9 30, 1998, the following amount, or so much thereof as is
10 necessary, to be used for the purpose designated:

11 For providing training in accordance with the consent
12 decree of Conner v. Branstad, No. 4-86-CU-30871(S.D. Iowa,
13 July 14, 1994):

14 \$ 46,000

15 Sec. 14. COMMUNITY-BASED PROGRAMS -- ADOLESCENT PREGNANCY
16 PREVENTION. There is appropriated from the general fund of
17 the state to the department of human services for the fiscal
18 year beginning July 1, 1997, and ending June 30, 1998, the
19 following amount, or so much thereof as is necessary, to be
20 used for the purpose designated:

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

25 \$ 2,270,000

26 FTEs 1.00

27 1. Of the funds appropriated in this section, \$486,146
28 shall be used for adolescent pregnancy prevention grants,
29 including not more than \$156,048 for programs to prevent
30 pregnancies during the adolescent years and to provide support
31 services for pregnant or parenting adolescents. It is the
32 intent of the general assembly that by July 1, 1998, grants
33 awarded under this subsection be required to meet the criteria
34 under subsection 2 including the provision of community-wide
35 services within the proximity of a community or region. In

1 addition to the awarding of grants, funds may also be used for
2 grant evaluation and for a statewide media campaign.

3 2. Of the funds appropriated in this section, \$298,000
4 shall be used for grants to community or regional groups which
5 demonstrate broad-based representation from community
6 representatives including but not limited to schools,
7 churches, human service-related organizations, and businesses.
8 Priority in the awarding of grants shall be given to groups
9 which provide services to both urban and rural areas within
10 the proximity of the community or region and which provide
11 age-appropriate programs adapted for both male and female
12 youth at the elementary, middle, and high school levels. A
13 program shall focus on the prevention of initial pregnancies
14 during the adolescent years by emphasizing sexual abstinence
15 as the only completely safe and effective means of avoiding
16 pregnancy and sexually transmitted diseases and by providing
17 information regarding the comparative failure rates of
18 contraceptives, and by emphasizing responsible decision making
19 in relationships, managing of peer and social pressures,
20 development of self-esteem, the costs and responsibilities of
21 parenting, and information regarding the alternative of
22 adoption for placement of a child. The program shall also
23 include an evaluation and assessment component which includes
24 evaluation of and recommendations for improvement of the
25 program by the youth and parents involved. Evaluation and
26 assessment reports shall be provided to the department of
27 human services, at a time determined by the department in the
28 grant award. Community or regional groups interested in
29 applying for a grant under this subsection may be issued a
30 planning grant or may utilize grant moneys for the costs of
31 technical assistance to analyze community needs, match service
32 providers to needs, negotiate service provision strategies, or
33 other assistance to focus grant services provided under this
34 subsection. The technical assistance may be provided by
35 organizations affiliated with institutions under the authority

1 of the state board of regents or other organizations
2 experienced in providing technical assistance concerning
3 similar services.

4 3. It is the intent of the general assembly that the
5 department of human services and the Iowa department of public
6 health shall identify existing abstinence education or
7 community-based programs which comply with the requirements
8 established in section 912, subchapter V, of the federal
9 Social Security Act, as codified in 42 U.S.C. § 701 et seq.
10 for matching of federal funds to be received on or after
11 October 1, 1997.

12 4. Of the funds appropriated in this section, \$731,014
13 shall be used by the department for child abuse prevention
14 grants.

15 Sec. 15. COURT-ORDERED SERVICES PROVIDED TO JUVENILES.

16 There is appropriated from the general fund of the state to
17 the department of human services for the fiscal year beginning
18 July 1, 1997, and ending June 30, 1998, the following amount,
19 or so much thereof as is necessary, to be used for the purpose
20 designated:

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

24 \$ 3,290,000

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

30 2. a. Each judicial district shall continue the planning
31 group for the court-ordered services for juveniles provided in
32 that district which was established pursuant to 1991 Iowa
33 Acts, chapter 267, section 119. A planning group shall
34 continue to perform its duties as specified in that law.

35 Reimbursement rates for providers of court-ordered evaluation

1 and treatment services paid under section 232.141, subsection
2 4, shall be negotiated with providers by each judicial
3 district's planning group.

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

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

20 a. Maximize the utilization of funds which may be
21 available from the medical assistance program including usage
22 of the early and periodic screening, diagnosis, and treatment
23 (EPSDT) program.

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

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

30 4. The department of human services, in consultation with
31 the state court administrator and the judicial district
32 planning groups, shall compile a monthly report describing
33 spending in the districts for court-ordered services for
34 juveniles, including the utilization of the medical assistance
35 program. The reports shall be submitted on or before the

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

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

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

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

29 8. Of the funds appropriated in this section, not more
30 than \$580,000 may be transferred to the appropriation in this
31 Act for child and family services and used to provide school-
32 based supervision of children adjudicated under chapter 232.

33 Sec. 16. MENTAL HEALTH INSTITUTES. 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, 1997, and

1 ending June 30, 1998, the following amount, or so much thereof
2 as is necessary, to be used for the purposes designated:

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

6	\$ 41,480,900
7	FTEs 888.10

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

10 a. State mental health institute at Cherokee:	
11	\$ 13,199,400
12	FTEs 296.98

13 b. State mental health institute at Clarinda:	
14	\$ 6,324,400
15	FTEs 136.82

16 c. State mental health institute at Independence:	
17	\$ 17,133,200
18	FTEs 366.82

19 For the fiscal year beginning July 1, 1997, the state
20 mental health institute at Independence shall implement a
21 pilot project accounting test of managing revenues and
22 expenditures attributable to the mental health institute in a
23 manner that permits the net state expenditure amount to be
24 determined. The mental health institute shall submit a
25 preliminary report in January 1998, and a status report in
26 October 1998, to the governor and the joint appropriations
27 subcommittee on human services concerning the pilot project.
28 The reports shall identify advantages and disadvantages of
29 utilizing the pilot project approach and any changes in policy
30 or statute identified to improve an implementation of the
31 pilot project approach.

32 d. State mental health institute at Mount Pleasant:	
33	\$ 4,823,900
34	FTEs 87.48

35 2. Within the funds appropriated in this section, the

1 department may reallocate funds as necessary to best fulfill
2 the needs of the institutions provided for in the
3 appropriation.

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

10 Sec. 17. HOSPITAL-SCHOOLS. There is appropriated from the
11 general fund of the state to the department of human services
12 for the fiscal year beginning July 1, 1997, and ending June
13 30, 1998, the following amount, or so much thereof as is
14 necessary, to be used for the purposes designated:

15 For the state hospital-schools, for salaries, support,
16 maintenance, and miscellaneous purposes and for not more than
17 the following full-time equivalent positions:

18	\$ 28,613,376
19	FTEs 1508.00

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

22 a. State hospital-school at Glenwood:

23	\$ 2,108,276
24	FTEs 872.50

25 (1) The department shall implement a pilot project of
26 operating the hospital-school with a net general fund
27 appropriation. The amount allocated in this paragraph is the
28 net state appropriation amount projected to be needed for the
29 state hospital-school at Glenwood. Purposes of the pilot
30 project are to encourage the hospital-school to operate with
31 increased self-sufficiency, to improve quality and efficiency,
32 and to support collaborative efforts between the hospital-
33 school and counties and other funders of services available
34 from the hospital-school. The pilot project shall not be
35 implemented in a manner which results in a cost increase to

1 the state or cost shifting between the state, the medical
2 assistance program, counties, or other sources of funding for
3 the state hospital-school. Moneys allocated in this paragraph
4 may be used throughout the fiscal year in the manner necessary
5 for purposes of cash flow management, and for purposes of cash
6 flow management the hospital-school may temporarily draw more
7 than the amount allocated, provided the amount allocated is
8 not exceeded at the close of the fiscal year.

9 (2) In implementing the pilot project, subject to the
10 approval of the department, except for revenues under section
11 249A.11, revenues attributable to the state hospital-school
12 for the fiscal year beginning July 1, 1997, shall be deposited
13 into the hospital-school's account, including but not limited
14 to all of the following:

15 (a) Moneys received by the state from billings to counties
16 under section 222.73.

17 (b) The federal share of medical assistance revenue
18 received under chapter 249A.

19 (c) Federal Medicare program payments.

20 (d) Moneys received from client financial participation.

21 (e) Other revenues generated from current, new, or
22 expanded services which the state hospital-school is
23 authorized to provide.

24 (3) For the initial year of the pilot project, the
25 institution shall develop a report detailing the items for
26 which depreciation reimbursement funds would have been
27 utilized if the depreciation reimbursement had been retained
28 by the institution. This report shall be included with the
29 preliminary report submitted pursuant to subparagraph (5) in
30 January 1998.

31 (4) For the purposes of allocating the salary adjustment
32 fund moneys appropriated in another Act, the state hospital-
33 school at Glenwood shall be considered to be funded entirely
34 with state moneys.

35 (5) The state hospital-school and the department shall

1 submit a preliminary report in January 1998, and a status
2 report in October 1998, to the governor and the joint
3 appropriations subcommittee on human services concerning the
4 pilot project.

5 b. State hospital-school at Woodward:
6 \$ 26,505,100
7 FTEs 635.50

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. The department may implement a pilot project to bill
13 for state hospital-school services utilizing a scope of
14 services used for private providers of intermediate care
15 facilities for persons with mental retardation services in a
16 manner which does not shift costs between the medical
17 assistance program, counties, or other sources of funding for
18 the state-hospital schools.

19 Sec. 18. MENTAL ILLNESS SPECIAL SERVICES. There is
20 appropriated from the general fund of the state to the
21 department of human services for the fiscal year beginning
22 July 1, 1997, and ending June 30, 1998, the following amount,
23 or so much thereof as is necessary, to be used for the purpose
24 designated:

25 For mental illness special services:
26 \$ 121,220

27 1. The department and the Iowa finance authority shall
28 develop methods to implement the financing for existing
29 community-based facilities and to implement financing for the
30 development of affordable community-based housing facilities.
31 The department shall assure that clients are referred to the
32 housing as it is developed.

33 2. The funds appropriated in this section are to provide
34 funds for construction and start-up costs to develop community
35 living arrangements to provide for persons with mental illness

1 who are homeless. These funds may be used to match federal
2 Stewart B. McKinney Homeless Assistance Act grant funds.

3 Sec. 19. FAMILY SUPPORT SUBSIDY PROGRAM. 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, 1997, and ending June 30, 1998, the following amount,
7 or so much thereof as is necessary, to be used by the division
8 of children and family services for the purpose designated:

9 For the family support subsidy program:

10 \$ 1,670,000

11 The department may use up to \$200,000 of the moneys
12 appropriated in this section to continue the children-at-home
13 program, of which not more than \$30,000 shall be used for
14 administrative costs.

15 Sec. 20. SPECIAL NEEDS GRANTS. There is appropriated from
16 the general fund of the state to the department of human
17 services for the fiscal year beginning July 1, 1997, and
18 ending June 30, 1998, the following amount, or so much thereof
19 as is necessary, to be used for the purpose designated:

20 To provide special needs grants to families with a family
21 member at home who has a developmental disability or to a
22 person with a developmental disability:

23 \$ 53,212

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

34 Sec. 21. MI/MR/DD STATE CASES. There is appropriated from
35 the general fund of the state to the department of human

1 services for the fiscal year beginning July 1, 1997, and
2 ending June 30, 1998, the following amount, or so much thereof
3 as is necessary, to be used for the purpose designated:

4 For purchase of local services for persons with mental
5 illness, mental retardation, and developmental disabilities
6 where the client has no established county of legal
7 settlement:

8 \$ 6,910,000

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

15 Sec. 22. MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES --

16 COMMUNITY SERVICES FUND. There is appropriated from the
17 general fund of the state to the mental health and
18 developmental disabilities community services fund created in
19 section 225C.7 for the fiscal year beginning July 1, 1997, and
20 ending June 30, 1998, the following amount, or so much thereof
21 as is necessary, to be used for the purpose designated:

22 For mental health and developmental disabilities community
23 services in accordance with this Act:

24 \$ 17,400,000

25 1. Of the funds appropriated in this section, \$17,121,138
26 shall be allocated to counties for funding of community-based
27 mental health and developmental disabilities services. The
28 moneys shall be allocated to a county as follows:

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

33 b. Fifty percent based upon the county's proportion of the
34 state's general population.

35 2. a. A county shall utilize the funding the county

1 receives pursuant to subsection 1 for services provided to
2 persons with a disability, as defined in section 225C.2.

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

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

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

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

18 5. Of the funds appropriated in this section, not more
19 than \$248,862 shall be provided to those counties having
20 supplemental per diem contracts in effect on June 30, 1994,
21 which were originally initiated under 1993 Iowa Acts, chapter
22 172, section 16, subsection 2. The amount provided to each
23 county shall be equal to the amount the county would be
24 eligible to receive under the supplemental per diem contracts
25 in effect on June 30, 1994, if the contracts were continued in
26 effect for the entire fiscal year beginning July 1, 1997.

27 6. a. Funding appropriated for purposes of the federal
28 social services block grant is allocated for distribution to
29 counties for local purchase of services for persons with
30 mental illness or mental retardation or other developmental
31 disability.

32 b. The funds allocated in this subsection shall be
33 expended by counties in accordance with eligibility guidelines
34 established in the department's rules outlining general
35 provisions for service administration. Services eligible for

1 payment with funds allocated in this subsection are limited to
2 any of the following which are provided in accordance with the
3 department's administrative rules for the services: adult
4 support, adult day care, administrative support for
5 volunteers, community supervised apartment living
6 arrangements, residential services for adults, sheltered work,
7 supported employment, supported work training, transportation,
8 and work activity.

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

21 d. Services purchased with funds allocated in this
22 subsection must be the result of a referral by the person who
23 identified the services in developing the individual's case
24 plan.

25 e. Services purchased with funds allocated in this
26 subsection must be under a purchase of service contract
27 established in accordance with the department's administrative
28 rules for purchase of service.

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

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

35 (2) Fifty percent based upon the amount provided to the

1 county for local purchase of services in the preceding fiscal
2 year.

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

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

17 i. The moneys provided under this subsection do not
18 establish an entitlement to the services funded under this
19 subsection.

20 7. If a county has a county management plan which is
21 approved by the director of human services pursuant to section
22 331.439, the county shall be considered to have met the
23 requirements of subsection 2, and subsection 6, paragraphs
24 "b", "c", "d", "e", and "g". The department shall adopt rules
25 to implement the provisions of this subsection.

26 8. It is the intent of the general assembly that to the
27 extent possible, public funding for mental retardation and
28 developmental disabilities services should be used in a
29 flexible manner to reduce reliance on institutional-based
30 services. To this end, a county may amend the county's
31 service management plans for mental retardation and
32 developmental disabilities services submitted for the fiscal
33 year beginning July 1, 1997, under section 331.439, as
34 necessary for the county to provide appropriate assistance in
35 lieu of placement of an individual in an intermediate care

1 facility for persons with mental retardation or other
2 institutional placement. The appropriate assistance may be
3 modeled on the personal assistance and family support subsidy
4 programs under chapter 225C.

5 Sec. 23. PROVIDER REIMBURSEMENT -- SHELTERED WORKSHOPS --
6 WORK ACTIVITY SERVICES. There is appropriated from the
7 general fund of the state to the department of human services
8 for the fiscal year beginning July 1, 1997, and ending June
9 30, 1998, the following amount, or so much thereof as is
10 necessary, to be used for the purpose designated:

11 For payment of an increased provider reimbursement for
12 sheltered workshops and work activity services:
13 \$ 160,000

14 The moneys appropriated in this section shall be allocated
15 to counties in accordance with the methodology for
16 distribution of local purchase of services moneys in section
17 22, subsection 6, paragraph "f", of this Act. The moneys
18 provided pursuant to this section shall be used to pay the
19 increase in reimbursement rates by one percent over the
20 reimbursement rate provided on June 30, 1997, for sheltered
21 workshops and work activity services.

22 Sec. 24. PERSONAL ASSISTANCE. There is appropriated from
23 the general fund of the state to the department of human
24 services for the fiscal year beginning July 1, 1997, and
25 ending June 30, 1998, the following amount, or so much thereof
26 as is necessary, to be used for the purpose designated:

27 For continuation of a pilot project for the personal
28 assistance services program in accordance with this section:
29 \$ 364,000

30 The funds appropriated in this section shall be used to
31 continue the pilot project for the personal assistance
32 services program under section 225C.46 in an urban and a rural
33 area. Not more than \$36,400 shall be used for administrative
34 costs. The pilot project and any federal home and community-
35 based waiver developed under the medical assistance program

1 shall not be implemented in a manner which would require
2 additional county or state costs for assistance provided to an
3 individual served under the pilot project or the waiver.

4 It is the intent of the general assembly that for any new
5 applicants for personal assistance, priority shall be given to
6 providing assistance to individuals for education, job
7 training, and other forms of employment support. It is also
8 the intent of the general assembly that if other programs
9 become available which provide similar services, current
10 recipients of personal assistance for whom these similar
11 services are appropriate shall be assisted in attaining
12 eligibility for these programs.

13 Sec. 25. FIELD OPERATIONS. There is appropriated from the
14 general fund of the state to the department of human services
15 for the fiscal year beginning July 1, 1997, and ending June
16 30, 1998, the following amount, or so much thereof as is
17 necessary, to be used for the purpose designated:

18 For field operations, including salaries, support,
19 maintenance, and miscellaneous purposes and for not more than
20 the following full-time equivalent positions:
21 \$ 47,500,000
22 FTEs 2,047.00

23 Of the full-time equivalent positions authorized in this
24 section, there are additional positions in excess of the
25 number authorized for the previous fiscal year. It is the
26 intent of the general assembly that of the additional
27 positions, up to 20 FTEs may be utilized for incremental
28 expansion of the assessment-based approach for responding to
29 reports of child abuse.

30 Sec. 26. GENERAL ADMINISTRATION. There is appropriated
31 from the general fund of the state to the department of human
32 services for the fiscal year beginning July 1, 1997, and
33 ending June 30, 1998, the following amount, or so much thereof
34 as is necessary, to be used for the purpose designated:

35 For general administration, including salaries, support,

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

3	\$ 14,100,000
4	FTEs 383.00

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

8 Sec. 27. VOLUNTEERS. 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, 1997, and ending June
11 30, 1998, the following amount, or so much thereof as is
12 necessary, to be used for the purpose designated:

13 For development and coordination of volunteer services:
14 \$ 98,900

15 Sec. 28. MEDICAL ASSISTANCE, STATE SUPPLEMENTARY
16 ASSISTANCE, AND SOCIAL SERVICE PROVIDERS REIMBURSED UNDER THE
17 DEPARTMENT OF HUMAN SERVICES.

18 1. a. For the fiscal year beginning July 1, 1997, the
19 rate for skilled nursing facilities shall be increased by 3.3
20 percent over the rates in effect on June 30, 1997.

21 b. For the fiscal year beginning July 1, 1997, the
22 dispensing fee for pharmacists shall remain at the rate in
23 effect on June 30, 1997. The reimbursement policy for drug
24 product costs shall be in accordance with federal
25 requirements.

26 c. For the fiscal year beginning July 1, 1997,
27 reimbursement rates for inpatient and outpatient hospital
28 services shall be increased by 2.8 percent over the rates in
29 effect on June 30, 1997. The department shall continue the
30 outpatient hospital reimbursement system based upon ambulatory
31 patient groups implemented pursuant to 1994 Iowa Acts, chapter
32 1186, section 25, subsection 1, paragraph "f". In addition,
33 the department shall continue the revised medical assistance
34 payment policy implemented pursuant to that paragraph to
35 provide reimbursement for costs of screening and treatment

1 provided in the hospital emergency room if made pursuant to
2 the prospective payment methodology developed by the
3 department for the payment of outpatient services provided
4 under the medical assistance program.

5 d. Reimbursement rates for rural health clinics shall be
6 increased in accordance with increases under the federal
7 Medicare program.

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

12 f. The basis for establishing the maximum medical
13 assistance reimbursement rate for nursing facilities shall be
14 the 70th percentile of facility costs as calculated from the
15 June 30, 1997, unaudited compilation of cost and statistical
16 data. However, to the extent funds are available within the
17 amount projected for reimbursement of nursing facilities
18 within the appropriation for medical assistance in this Act
19 for fiscal year beginning July 1, 1997, and within the
20 appropriation for medical assistance as a whole for fiscal
21 year beginning July 1, 1997, the department shall adjust the
22 maximum medical assistance reimbursement for nursing
23 facilities to the 70th percentile, as calculated on December
24 31, 1997, unaudited compilation of cost and statistical data
25 and the adjustment shall take effect January 1, 1998.

26 g. 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 h. The reimbursement for dental services shall remain at
30 the rates in effect on June 30, 1997.

31 2. For the fiscal year beginning July 1, 1997, the maximum
32 cost reimbursement rate for residential care facilities
33 reimbursed by the department shall not be less than \$22.20 per
34 day. The flat reimbursement rate for facilities electing not
35 to file semiannual cost reports shall not be less than \$15.88

1 per day. For the fiscal year beginning July 1, 1997, the
2 maximum reimbursement rate for providers reimbursed under the
3 in-home health-related care program shall not be less than
4 \$426.78 per month.

5 3. Unless otherwise directed in this section, when the
6 department's reimbursement methodology for any provider
7 reimbursed in accordance with this section includes an
8 inflation factor, this factor shall not exceed the amount by
9 which the consumer price index for all urban consumers
10 increased during the calendar year ending December 31, 1996.

11 4. Notwithstanding section 234.38, in the fiscal year
12 beginning July 1, 1997, the foster family basic daily
13 maintenance rate and the maximum adoption subsidy rate for
14 children ages 0 through 5 years shall be \$13.01, the rate for
15 children ages 6 through 11 years shall be \$13.77, the rate for
16 children ages 12 through 15 years shall be \$15.48, and the
17 rate for children ages 16 and older shall be \$15.47.

18 5. For the fiscal year beginning July 1, 1997, the maximum
19 reimbursement rates for nonrehabilitative treatment and
20 supportive services and for social service providers shall be
21 the same as the rates in effect on June 30, 1997, except under
22 any of the following circumstances:

23 a. If a new service was added after June 30, 1997, 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 c. The department revises the reimbursement rates as part
33 of the changes in the mental health and developmental
34 disabilities services system initiated pursuant to 1995 Iowa
35 Acts, chapter 206, and associated legislation.

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

8 7. For the fiscal year beginning July 1, 1997, the
9 combined service and maintenance components of the
10 reimbursement rate paid to a shelter care provider shall be
11 based on the cost report submitted to the department. The
12 maximum reimbursement rate shall be \$76.61 per day. If the
13 department would reimburse the provider at less than the
14 maximum rate but the provider's cost report justifies a rate
15 of at least \$76.61, the department shall readjust the
16 provider's reimbursement rate to the maximum reimbursement
17 rate.

18 8. For the fiscal year beginning July 1, 1997, the
19 department shall calculate reimbursement rates for
20 intermediate care facilities for persons with mental
21 retardation at the 80th percentile.

22 9. For the fiscal year beginning July 1, 1997, for child
23 day care providers, the department shall set provider
24 reimbursement rates based on the rate reimbursement survey
25 completed in December 1996. The department shall set rates in
26 a manner so as to provide incentives for a nonregistered
27 provider to become registered. The department shall review
28 the effects of providing a rate reimbursement incentive on
29 child day care availability including but not limited to any
30 change in the number of providers who are registered and the
31 effect on access to providers in rural and urban areas. The
32 department shall report the findings of the review to the
33 general assembly on or before January 2, 1998.

34 10. The department may, at no cost to the state, implement
35 a pilot project to examine use of a payment system for

1 pharmaceutical care services provided by pharmacists under the
2 medical assistance program.

3 11. The department of human services shall revise the
4 financial and statistical report form applicable to nursing
5 facilities to incorporate the recommendations made as the
6 result of the directive relating to nursing facilities in
7 accordance with 1996 Iowa Acts, chapter 1213, section 25,
8 subsection 12. The revisions shall include, but are not
9 limited to, the addition of a category labeled "Patient Care
10 Services" which shall be subdivided into the subcategories of
11 "Direct Patient Care Costs" and "Support Care Costs". Costs
12 associated with food and dietary wages shall be included in
13 the "Support Care Costs" subcategory. The department may
14 adopt emergency rules to implement this subsection.

15 12. For the fiscal year beginning July 1, 1997, the
16 reimbursement rate for psychiatric medical institutions for
17 children shall be increased by 3 percent over the rates in
18 effect on June 30, 1997.

19 13. The department may adopt emergency rules to implement
20 the provisions of this section.

21 Sec. 29. STATE INSTITUTIONS -- CLOSINGS AND REDUCTIONS.

22 1. If a state institution administered by the department
23 of human services is to be closed or reduced in size, prior to
24 the closing or reduction the department shall initiate and
25 coordinate efforts in cooperation with the Iowa department of
26 economic development to develop new jobs in the area in which
27 the state institution is located. In addition, the department
28 may take other actions to utilize any closed unit or other
29 facilities and services of an institution, including but not
30 limited to assisting public or private organizations in
31 utilizing the services and facilities. The actions may also
32 include assisting an organization with remodeling and lease
33 costs by forgiving future rental or lease payments to the
34 extent necessary for a period not to exceed five years. The
35 department of human services and the department of economic

1 development shall submit a joint report to the chairpersons
2 and ranking members of the joint appropriations subcommittee
3 on human services on or before January 2, 1998, regarding any
4 efforts made pursuant to this subsection.

5 2. For purposes of this section, "state institution" means
6 a state mental health institute, a state hospital-school, the
7 state training school, and the Iowa juvenile home under the
8 authority of the department of human services listed in
9 section 218.1. If excess capacity exists at a state
10 institution beyond the capacity required for placements at the
11 institution under law, the department of human services may
12 enter into a contract with a managed care provider or an
13 organized delivery system for health care, to provide services
14 during the fiscal year beginning July 1, 1997, at the
15 institution for the plan or system.

16 Sec. 30. PROGRAM SIMPLIFICATION -- PAPERWORK REDUCTION.

17 The department of human services shall consult with providers
18 of services relating to child and family services and personal
19 assistance to review provider reporting requirements,
20 applicant and recipient process and documentation
21 requirements, and other paperwork and process requirements.
22 Following the review and no later than January 1, 1999, the
23 department shall implement a process which provides, at a
24 minimum, for a simplified means of demonstrating compliance of
25 providers, applicants, and recipients with document and
26 process requirements which shall include consolidation of
27 reports and forms and which may provide for submission of
28 reports and forms in an electronic format.

29 Sec. 31. JUVENILE JUSTICE ISSUES. The legislative council
30 is requested to establish a juvenile justice issues oversight
31 task force. If established, the task force should be directed
32 to consider the impact of juvenile problems, duplication in
33 intervention services, and gaps in service provision. The
34 membership of the task force should include interested members
35 of the joint appropriations subcommittees on human services,

1 health and human rights, justice system, and education and of
2 the standing committees for these subject areas.

3 Sec. 32. SERVICES RESTRUCTURING TASK FORCE.

4 1. The legislative council is requested to continue the
5 task force established for the 1996 interim of the general
6 assembly in order to develop a comprehensive proposal to
7 accomplish all of the following:

8 a. Devolution of the control of service delivery to the
9 local level.

10 b. Elimination of program duplication within the
11 department of human services and between the department of
12 human services and other departments including but not limited
13 to the Iowa department of public health, the department of
14 education, and the judicial department.

15 c. Reduction of paperwork, red-tape, and bureaucracy to
16 improve the quality of services delivery and consumer
17 satisfaction.

18 d. Evaluation of the adherence of the department of human
19 services to the department's mission statement.

20 2. In addition, the task force may address the following
21 topics: granting local authority to deliver public services,
22 use of public institutions and facilities, the possibility of
23 creating an agency for disability and rehabilitation services,
24 and development of a "seamless" system for referral of
25 families to child day care resources and public financial
26 assistance and collaborative programs.

27 Sec. 33. CHILDREN WITH MENTAL RETARDATION. It is the
28 intent of the general assembly to appropriate funding of
29 services to children with mental retardation in a manner so
30 that beginning July 1, 1998, separate funding categories for
31 the services will be pooled. The tentative name for the
32 combined funding pool is "Mental Retardation -- Most
33 Appropriate Groupcare Initiative for Children" or "MR --
34 MAGIC". The service funding streams to be considered for the
35 funding pool shall include but are not limited to the

1 following services or programs to support children with mental
2 retardation and their families: family support subsidy,
3 intermediate care facility for persons with mental
4 retardation, medical assistance home and community-based
5 waiver services, group foster care, in-home services and other
6 support, and state cases. The department of human services
7 shall convene a work group to make recommendations for
8 implementation of the MR -- MAGIC funding pool. The work
9 group shall include representatives of the department, the
10 personal assistance and family support services council,
11 service providers, families, and advocates. The
12 recommendations shall be submitted to the governor and general
13 assembly on or before October 15, 1997.

14 Sec. 34. MENTAL HEALTH -- CHILDREN. The mental health and
15 developmental disabilities commission, the council on human
16 services, and the state-county management committee, shall
17 review mental health services for children with the goal of
18 assuring coordination and provision of effective services.
19 The commission, council, and committee shall submit a report
20 of findings and recommendations, which shall include
21 recommendations for proposed legislation, to the general
22 assembly on or before December 15, 1997.

23 Sec. 35. TRANSFER AUTHORITY. Subject to the provisions of
24 section 8.39, for the fiscal year beginning July 1, 1997, if
25 necessary to meet federal maintenance of effort requirements
26 or to transfer federal temporary assistance for needy families
27 block grant funding to be used for purposes of the federal
28 social services block grant, the department of human services
29 may transfer between any of the appropriations made in this
30 Act to the department for the following purposes, provided
31 that the combined amount of state and federal temporary
32 assistance for needy families block grant funding for each
33 appropriation remains the same before and after the transfer:

- 34 1. For the family investment program.
- 35 2. For emergency assistance.

- 1 3. For child day care assistance.
- 2 4. For child and family services.
- 3 5. For field operations.
- 4 6. For general administration.

5 This section shall not be construed to prohibit existing
6 state transfer authority for other purposes.

7 Sec. 36. YOUTH SERVICES DEPARTMENT -- STUDY. The
8 legislative council is requested to establish an interim study
9 committee consisting of members of both political parties from
10 both houses of the general assembly to consider whether a
11 separate state department for youth services should be
12 established. The study may include, but is not limited to, a
13 review of existing programs and services provided to juveniles
14 in this state and the funding mechanisms for those programs
15 and services; identifying the various agencies currently
16 involved in the delivery of those programs and services to
17 juveniles; identifying areas in which programs and services
18 overlap; reviewing the approaches used and experiences of
19 other states in delivering juvenile services; and receiving
20 testimony from agency staff, service providers, and youth
21 services advocates on issues deemed relevant to the delivery
22 of juvenile services in this state. The committee may be
23 authorized to hire a consultant to provide the background
24 information requested by the committee. The committee should
25 be directed to submit its findings, together with any
26 recommendations, in a report to the general assembly session
27 which convenes in January 1998.

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 the effective date is delayed by the
35 administrative rules review committee, notwithstanding section

1 17A.4, subsection 5, and section 17A.8, subsection 9, or a
2 later effective date is specified in the rules. Any rules
3 adopted in accordance with this section shall not take effect
4 before the rules are reviewed by the administrative rules
5 review committee. Any rules adopted in accordance with the
6 provisions of this section shall also be published as notice
7 of intended action as provided in section 17A.4.

8 Sec. 38. REPORTS. Any reports or information required to
9 be compiled and submitted under this Act shall be submitted to
10 the chairpersons and ranking members of the joint
11 appropriations subcommittee on human services, the legislative
12 fiscal bureau, the legislative service bureau, and to the
13 caucus staffs on or before the dates specified for submission
14 of the reports or information.

15 Sec. 39. EFFECTIVE DATE. Section 15, subsection 1, of
16 this division of this Act, relating to determining allocation
17 of court-ordered services funding, and section 3, subsection
18 8, relating to remaining unobligated or unexpended funds for
19 the JOBS program, being deemed of immediate importance, take
20 effect upon enactment.

21 DIVISION II

22 CODIFIED PROVISIONS

23 Sec. 40. Section 232.52, subsection 2, paragraph e,
24 subparagraph (4), Code 1997, is amended to read as follows:

25 (4) The child has previously been placed in a treatment
26 facility outside the child's home or in a supervised community
27 treatment program established pursuant to section 232.191,
28 subsection 4, as a result of a prior delinquency adjudication.

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HOUSE FILE 715

S-3548

1 Amend House File 715, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 32, by inserting after line 14 the
4 following:
5 "In addition to the moneys appropriated in this
6 section, the department shall use moneys appropriated
7 to the department under this Act as necessary to
8 comply with requirements of the state under the
9 consent decree of Conner v. Branstad, No. 4-86-CV-
10 30871 (S.D. Iowa, July 15, 1994)."

WITHDRAWN

4-17-97

(P.1252)

By ROBERT E. DVORSKY

S-3548 FILED APRIL 16, 1997

HOUSE FILE 715

S-3549

1 Amend House File 715, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 51, line 23, by striking the word "shall"
4 and inserting the following: "may".
5 2. Page 51, line 25, by striking the word "shall"
6 and inserting the following: "may".

(P.1254)

WITHDRAWN

4-17-97

By MERLIN E. BARTZ

S-3549 FILED APRIL 16, 1997

HOUSE FILE 715

S-3554

1 Amend House File 715, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 15, by striking lines 33 through 35 and
4 inserting the following: "cost-effectiveness study,
5 at no cost to the state."

Last 4-17-97 (P.1250)

By ELAINE SZYMONIAK

S-3554 FILED APRIL 16, 1997

HOUSE FILE 715

S-3557

1 Amend House File 715, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 13, by striking lines 20 through 22 and
4 inserting the following: "who are eligible for
5 placement in a medical institution."

By WALLY E. HORN

S-3557 FILED APRIL 16, 1997

*Last 4-17-97
(P.1249)*

HOUSE FILE 715

S-3561

- 1 Amend House File 715, as amended, passed, and
- 2 reprinted by the House, as follows:
- 3 1. Page 20, line 4, by striking the word
- 4 "October" and inserting the following: "July".

By JOHNIE HAMMOND

S-3561 FILED APRIL 17, 1997

WITHDRAWN

(P. 1251)

HOUSE FILE 715

S-3562

- 1 Amend House File 715, as amended, passed, and
- 2 reprinted by the House, as follows:
- 3 1. Page 32, by inserting after line 5 the
- 4 following:
- 5 " _____. If 1997 Iowa Acts, Senate File 532, or other
- 6 law relating to the imposition of school fees is
- 7 enacted and results in an increase in school fees in
- 8 excess of the school fee reimbursement amount allowed
- 9 for foster care, the department of human services
- 10 shall consult with the department of education in
- 11 adopting emergency rules to provide for claims by
- 12 foster care providers to cover the excess amount."
- 13 2. By renumbering as necessary.

By JOHNIE HAMMOND

MIKE CONNOLLY

S-3562 FILED APRIL 17, 1997

LOST

(P. 1252)

HOUSE FILE 715

S-3575

- 1 Amend House File 715, as amended, passed, and
- 2 reprinted by the House, as follows:
- 3 1. Page 32, by inserting after line 14 the
- 4 following:
- 5 "The department may use available moneys
- 6 appropriated to the department under this Act in
- 7 making efforts to comply with the requirements of the
- 8 state under the consent decree of Connor v. Branstad,
- 9 No. 4-86-CV-30871 (S.D. Iowa, July 15, 1994)."

By ROBERT E. DVORSKY

S-3575 FILED APRIL 17, 1997

LOST

(P. 1253)

S-3558

1 Amend House File 715 as amended, passed, and
2 reprinted by the House as follows:
3 1. Page 15, by inserting after line 3, the
4 following:
5 "____. The department shall implement a pilot
6 program, and shall seek any medical assistance waiver
7 necessary, to provide reimbursement through the
8 medical assistance program for teleconsultive services
9 provided by health care providers to medical
10 assistance recipients."

By PATTY JUDGE

S-3558 FILED APRIL 17, 1997

LOST

(p. 1249)

HOUSE FILE 715

S-3560

1 Amend House File 715, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 48, by inserting after line 7 the
4 following:
5 "If an expenditure reduction or other cost-saving
6 measure is deemed necessary to maintain expenditures
7 within the amounts appropriated to the department, the
8 department shall not implement the reduction or other
9 measure in a manner which reduces service funding or
10 reduces the drawdown of federal funding."

By JOHNIE HAMMOND
ROBERT E. DVORSKY

S-3560 FILED APRIL 17, 1997

WITHDRAWN

(p. 1254)

HOUSE FILE 715

S-3579

1 Amend House File 715, as amended, passed, and
 2 reprinted by the House, as follows:
 3 1. Page 19, by striking line 31 and inserting the
 4 following:
 5 "..... \$ 18,240,000"
 6 2. Page 20, line 4, by striking the word
 7 "October" and inserting the following: "July".
 8 3. Page 20, line 7, by inserting after the word
 9 "assistance." the following: "Effective October 1,
 10 1997, the department shall increase to 135 percent the
 11 maximum federal poverty level used to determine
 12 eligibility for state child care assistance."

By TOM VILSACK

S-3579 FILED APRIL 17, 1997

LOST

(P. 1250)

HOUSE FILE 715

S-3581

1 Amend House File 715, as amended, passed, and
 2 reprinted by the House, as follows:
 3 1. Page 10, by striking line 14 and inserting the
 4 following:
 5 "..... \$382,312,000"
 6 2. Page 49, line 33, by striking the figure
 7 "22.20" and inserting the following: "23.20".
 8 3. Page 49, line 35, by striking the figure
 9 "15.88" and inserting the following: "16.88".

By ROBERT E. DVORSKY

S-3581 FILED APRIL 17, 1997

LOST

(P. 1256)

HOUSE FILE 715

S-3582

1 Amend House File 715, as amended, passed, and
 2 reprinted by the House, as follows:
 3 1. Page 46, by striking line 13 and inserting the
 4 following:
 5 "..... \$ 260,000"
 6 2. Page 46, line 19, by striking the word "one"
 7 and inserting the following: "two".

By STEVEN D. HANSEN
DENNIS H. BLACK

ROD HALVORSON
ROBERT E. DVORSKY

S-3582 FILED APRIL 17, 1997

LOST

(P. 1254)

HOUSE FILE 715

S-3576

1 Amend House File 715, as amended, passed, and
 2 reprinted by the House, as follows:
 3 1. Page 48, by inserting after line 7 the
 4 following:
 5 "If an expenditure reduction or other cost-saving
 6 measure is deemed necessary to maintain expenditures
 7 within the amount appropriated to the department in
 8 this section, the department shall not implement the
 9 reduction or other measure in a manner which reduces
 10 service funding or reduces the drawdown of federal
 11 funding."

By JOHNIE HAMMOND
 ROBERT E. DVORSKY

S-3576 FILED APRIL 17, 1997

WITHDRAWN

(P.1259)

HOUSE FILE 715

S-3577

1 Amend House File 715, as amended, passed, and
 2 reprinted by the House, as follows:
 3 1. Page 27, by striking lines 12 through 16.
 4 2. By renumbering as necessary.

By STEVEN D. HANSEN

S-3577 FILED APRIL 17, 1997

WITHDRAWN

(P.1251)

HOUSE FILE 715

S-3578

1 Amend House File 715, as amended, passed, and
 2 reprinted by the House, as follows:
 3 1. Page 28, line 2, by striking the word "The"
 4 and inserting the following: "If an enactment of the
 5 Seventy-seventh General Assembly, 1997 Session,
 6 creates a surcharge on criminal fines and forfeitures
 7 from which the proceeds are deposited to counties and
 8 which may be used for the costs of county or
 9 multicounty juvenile detention homes, the".

By JOHNIE HAMMOND

S-3578 FILED APRIL 17, 1997

LOST

(P.1251)

HOUSE FILE 715

S-3586

1 Amend House File 715, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 32, by inserting after line 5 the
4 following:
5 "____. Of the funds appropriated in this section,
6 the department shall transfer \$400,000 to the
7 community grant fund established in section 232.190 to
8 be used for the purposes designated for use of the
9 fund."

By ROBERT E. DVORSKY

S-3586 FILED APRIL 17, 1997

LOST

(P.1252)

HOUSE FILE 715

S-3588

1 Amend House File 715, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 26, line 15, by striking the figure
4 "111,084,000" and inserting the following:
5 "111,234,000".
6 2. Page 50, by striking lines 11 through 17 and
7 inserting the following:
8 "____. Notwithstanding section 234.38, in the
9 fiscal year beginning July 1, 1997, the foster family
10 basic daily maintenance rates and the maximum adoption
11 subsidy rates shall be based on 75 percent of the
12 United States department of agriculture estimate of
13 the cost to raise a child. The reimbursement rate
14 authorized in this subsection shall be applied by
15 adjusting the reimbursement rates authorized in law
16 for the various age groupings for the fiscal year
17 beginning July 1, 1996."

By ROBERT E. DVORSKY

S-3588 FILED APRIL 17, 1997

LOST

(P.1256)

HOUSE FILE 715

S-3585

1 Amend House File 715, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 57, by inserting after line 22 the
4 following:

5 "Sec. ____ . NEW SECTION. 217.13A PHARMACEUTICAL
6 ASSISTANCE PROGRAM ESTABLISHED.

7 1. For the purposes of this section, unless the
8 context otherwise requires:

9 a. "Eligible person" means a person, sixty-five
10 years of age or older with an annual net income of not
11 more than one hundred fifty percent of the federal
12 poverty level, as defined by the most recent poverty
13 income guidelines published by the United States
14 department of health and human services, or a person
15 sixty-five years of age or older, who with the
16 person's spouse has an annual net income of not more
17 than one hundred fifty percent of the federal poverty
18 level, as defined by the most recent poverty income
19 guidelines published by the United States department
20 of health and human services. "Eligible person" does
21 not include a person who is eligible for financial
22 assistance for the purchase of prescription drugs
23 under another local, state, or federal program to the
24 extent that the other program provides financial
25 assistance for the purchase of prescription drugs.

26 b. "Prescription drug" means a prescription drug
27 as defined in section 155A.3.

28 c. "Program" means the pharmaceutical assistance
29 program established in this section.

30 d. "Reasonable cost" means a charge which is equal
31 to the average wholesale cost of the prescription drug
32 and the additional dispensing pharmacy's usual fee,
33 not to exceed the seventy-fifth percentile of usual
34 and customary fees in this state, as determined by the
35 Iowa department of public health.

36 2. A pharmaceutical assistance program is created
37 within the department to provide for subsidization of
38 the prescription drug costs of eligible persons in
39 rural and urban areas throughout the state. The
40 director shall appoint an advisory committee to make
41 recommendations to the council in the creation of the
42 program and in adoption of rules to implement the
43 program. The Iowa pharmaceutical association shall
44 assist the council in the creation and implementation
45 of the program.

46 3. The council shall adopt rules to implement this
47 section. The rules shall provide for all of the
48 following:

49 a. A means to determine the eligibility of a
50 person, including proof of the person's actual and

S-3585

S-3585

Page 2

1 anticipated annual net income, evidence of complete or
2 partial payment for the costs of prescription drugs
3 from a provider other than the program, and other
4 provisions consistent with this section.

5 b. Issuance by the department of a participation
6 card upon approval of an application. The annual fee
7 for participation in the program is eighty dollars.

8 An initial application shall be accompanied by proof
9 of the date of birth of the person.

10 c. A prescription copayment of twenty percent of
11 the reasonable cost of the prescription which shall be
12 collected from the person participating in the program
13 by the dispensing pharmacy not to exceed eight hundred
14 dollars in prescription costs for each calendar year.
15 Thereafter, a copayment of forty percent of the
16 reasonable cost of prescriptions in excess of eight
17 hundred dollars for the remainder of any calendar year
18 shall be collected. The balance of the reasonable
19 costs shall be paid by the department to the
20 dispensing pharmacy after submission of a claim to the
21 department.

22 d. A provision that if the cost of the
23 prescription drug exceeds the reasonable cost and the
24 prescription drug is available under a generic name,
25 the eligible person may obtain the trade name drug
26 rather than the generic drug by paying the difference
27 in the amounts of the trade name drug and generic name
28 drug. However, if the prescribing practitioner
29 indicates on the prescription that a substitution of
30 the trade name drug is prohibited, the eligible person
31 is subject only to payment of the copayment amount.

32 e. A reimbursement system which includes on-line
33 point of service claims transmission and adjudication,
34 with utilization review.

35 f. A form of identification for persons to use in
36 proving eligibility. The form of identification shall
37 include a conspicuous notation of the penalties for
38 violation of this section.

39 g. A requirement that prescriptions contain the
40 name, address, and identification number of the
41 eligible person.

42 h. A provision to ensure choice of pharmaceutical
43 services by the eligible person.

44 4. A person who supplies false information to
45 establish eligibility for the program or to obtain
46 reimbursement is guilty of a serious misdemeanor."

47 2. By renumbering as necessary.

By PATRICIA HARPER
STEVEN D. HANSEN
ROD HALVORSON

S-3585 FILED APRIL 17, 1997

LOST

(P. 1255)

HOUSE FILE 715

S-3583

- 1 Amend House File 715, as amended, passed, and
- 2 reprinted by the House, as follows:
- 3 1. By striking page 32, line 31, through page 33,
- 4 line 1, and inserting the following: "services for
- 5 pregnant or parenting adolescents. Funds may also be
- 6 used for".

By ELAINE SZYMONIAK

S-3583 FILED APRIL 17, 1997

LOST

(P.1253)

HOUSE FILE 715

S-3584

- 1 Amend House File 715, as amended, passed, and
- 2 reprinted by the House, as follows:
- 3 1. Page 1, by striking line 14 and inserting the
- 4 following:
- 5 "..... \$ 13,060,000"
- 6 2. Page 1, line 33, by striking the figure
- 7 "6,832,592" and inserting the following:
- 8 "10,832,592".
- 9 3. Page 1, line 34, by inserting after the word
- 10 "program." the following: "Of the funds allocated in
- 11 this subsection, \$4,000,000 is designated to remove
- 12 1,600 persons from the JOBS program waiting list for
- 13 education and training assistance."

By MARY NEUHAUSER

S-3584 FILED APRIL 17, 1997

LOST

(P.1255)

HOUSE FILE 715

S-3595

1 Amend House File 715, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 37, by inserting after line 34 the
4 following:
5 "The department shall develop a plan for
6 implementing a dual diagnosis program at the state
7 mental institute at Mount Pleasant to commence July 1,
8 1998. The department shall submit the plan to the
9 governor and the general assembly on or before January
10 2, 1998."

By TOM VILSACK

S-3595 FILED APRIL 17, 1997

ADOPTED

P.1259

HOUSE FILE 715

S-3596

1 Amend House File 715, as amended, passed, and
2 reprinted by the House as follows:
3 1. Page 32, line 32, by striking the figure
4 "1998" and inserting the following: "1999".

By ELAINE SZYMONIAK

S-3596 FILED APRIL 17, 1997

ADOPTED (*P.1259*)

HOUSE FILE 715

S-3597

1 Amend House File 715, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 48, by inserting after line 7 the
4 following:
5 "If an expenditure reduction or other cost-saving
6 measure is deemed necessary to maintain expenditures
7 within the amount appropriated to the department in
8 this section, the department shall not implement the
9 reduction or other measure in a manner which reduces
10 service funding for disability rehabilitation
11 programs, including but not limited to, statewide
12 supported employment programs or reduces the drawdown
13 of federal funding."

By JOHNIE HAMMOND
ROBERT E. DVORSKY

S-3597 FILED APRIL 17, 1997

ADOPTED

(P.1259)

S-3590

1 Amend House File 715, as amended, passed, and
 2 reprinted, by the House, as follows:

DIV 3 1. Page 32, by inserting after line 5 the
 A 4 following:

5 " . If a community mental health center has
 6 performed an initial screening of a child and
 7 determined the child has a mental health need or other
 8 need which may be addressed by children's
 9 rehabilitation services under the medical assistance
 10 program or another appropriate service administered or
 11 funded by the department, the center may refer the
 12 child to the department. Upon referral, the
 13 department shall perform an assessment to determine
 14 whether a service administered or funded by the
 15 department is appropriate to address the child's
 16 mental health need or other need and the child's
 17 eligibility for the service. If a service
 18 administered or funded by the department is determined
 19 to be appropriate and the child is eligible for the
 20 service, the department shall provide the service to
 21 the child. If it is determined the services funded or
 22 administered by the department are not appropriate for
 23 the child or the child is not eligible for the
 24 services, the department may refer the child to
 25 another source of services or funding. The department
 26 shall report to the general assembly in January 1998
 27 with findings and recommendations concerning
 28 implementation of the provisions of this subsection."

DIV 29 2. Page 55, line 18, by inserting after the word
 B 30 "coordination" the following: ", financing,".

31 3. By renumbering as necessary.

By JOHNIE HAMMOND

S-3590 FILED APRIL 17, 1997
 DIV A - LOST, DIV B - ADOPTED

(P.1258)

HOUSE FILE 715

S-3592

1 Amend House File 715, as amended, passed, and
 2 reprinted by the House as follows:

3 1. Page 32, 32, by striking the figure "1998" and
 4 inserting the following: "1999".

By ELAINE SZYMONIAK

S-3592 FILED APRIL 17, 1997
 WITHDRAWN

(P.1258)

SENATE AMENDMENT TO HOUSE FILE 715

H-1813

1 Amend House File 715, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 32, line 32, by striking the figure
4 "1998" and inserting the following: "1999".

5 2. Page 37, by inserting after line 34 the
6 following:

7 "The department shall develop a plan for
8 implementing a dual diagnosis program at the state
9 mental institute at Mount Pleasant to commence July 1,
10 1998. The department shall submit the plan to the
11 governor and the general assembly on or before January
12 2, 1998."

13 3. Page 41, line 2, by inserting after the word
14 "funds." the following: "Programs or areas which have
15 previously received funding shall be eligible for
16 additional funding under this appropriation."

17 4. Page 48, by inserting after line 7 the
18 following:

19 "If an expenditure reduction or other cost-saving
20 measure is deemed necessary to maintain expenditures
21 within the amount appropriated to the department in
22 this section, the department shall not implement the
23 reduction or other measure in a manner which reduces
24 service funding for disability rehabilitation
25 programs, including but not limited to, statewide
26 supported employment programs or reduces the drawdown
27 of federal funding."

28 5. Page 53, line 15, by inserting after the word
29 "system" the following: "without use of county
30 funds".

31 6. Page 55, line 6, by inserting after the word
32 "support," the following: "state hospital-schools,".

33 7. Page 55, line 18, by inserting after the word
34 "coordination" the following: ", financing,".

35 8. By renumbering, relettering, or redesignating
36 and correcting internal references as necessary.

RECEIVED FROM THE SENATE

H-1813 FILED APRIL 17, 1997

House Continued 4-21-97 (P. 1389)



OFFICE OF THE GOVERNOR

STATE CAPITOL
DES MOINES, IOWA 50319
515 281-5211

TERRY E. BRANSTAD
GOVERNOR

MAY 20 1997

May 19, 1997

The Honorable Paul Pate
Secretary of State
State Capitol Building
LOCAL

Dear Mr. Secretary:

I hereby transmit House File 715, 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.

House File 715 is, therefore, approved on this date with the following exceptions, which I hereby disapprove.

I am unable to approve the designated portion of section 1, subsection 1. This item would limit the Department of Human Services in selecting only existing community collaboratives to provide support services to participants in the Family Investment program. The criteria proposed in the bill would be useful in making decisions relating to existing collaboratives, however, it should not be used to preclude the selection of a new collaborative.

I am unable to approve the item designated as section 12, subsection 2, paragraph d, subparagraph 2, in its entirety. This item may prohibit the inclusion of psychiatric medical institutions for children (PMICs) in the managed mental health care contract. I have been assured that the department will not amend the existing managed mental health contract to include PMICs. Future decisions to include PMICs in the mental health contract should not be prohibited but should be considered in the context of what will provide the best quality of care for children covered by the Medicaid program, in a manner that is

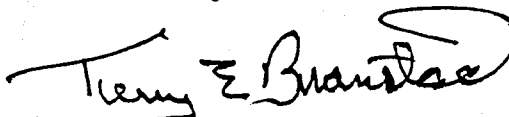
The Honorable Paul Pate
May 19, 1997
Page 2

cost effective for Iowa taxpayers. The department will be working with the provider community, including PMIC providers, in the development of the new request for proposals (RFP) for the managed mental health contract to be implemented in July of 1998.

I am unable to approve the designated portion of section 29, subsection 2. This item would prohibit a state institution with excess capacity from entering into a contract to provide services to a county under an approved county management plan. The opportunity to contract with a state institution should remain as an option available to counties operating as their own managed care providers.

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 House File 715 are hereby approved as of this date.

Sincerely,



Terry E. Branstad
Governor

TEB/ps

cc: Secretary of the Senate
Chief Clerk of the House

Item Veto

HOUSE FILE 715

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:

DIVISION I
APPROPRIATIONS

Section 1. FAMILY INVESTMENT PROGRAM GENERAL FUND. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

To be credited to the family investment program account and used for assistance under the family investment program under chapter 239 or the JOBS program under chapter 249C, or under chapter 239B, as created in Senate File 516, if enacted by the Seventy-seventh General Assembly, 1997 Session:

..... \$ 9,060,000

1. The department of workforce development, in consultation with the department of human services, shall implement recruitment and employment practices to include former and current family investment program recipients. The

department of workforce development shall submit a report of the practices implemented and the results of the implementation to the general assembly by January 1, 1998.

It is the intent of the general assembly that the department of human services shall work with the department of workforce development and local community collaborative efforts to provide support services for family investment program participants. The support services shall be directed to those participant families who would benefit from the support services and are likely to have success in achieving economic independence. Community collaborative efforts selected to provide support services shall have an existing program providing support services with a significant local match and a measurable record of success.

VETO

2. Of the funds appropriated in this section, \$6,832,592 is allocated for the JOBS program.

3. The department shall work with religious organizations and other charitable institutions to increase the availability of host homes, referred to as second chance homes or other living arrangements under the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, § 103. The purpose of the homes or arrangements is to provide a supportive and supervised living arrangement for minor parents receiving assistance under the family investment program who, under 1995 Iowa Acts, chapter 53, section 1, subsection 3, paragraph "a", or under chapter 239B, as created in Senate File 516, if enacted by the Seventy-seventh General Assembly, 1997 Session, may receive assistance while living in an alternative setting other than with their parent or legal guardian.

Sec. 2. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT. There is appropriated from the fund created in section 8.41 to the department of human services for the fiscal year beginning July 1, 1997, and ending June 30, 1998, from moneys received under the federal temporary assistance for needy families block grant pursuant to the federal Personal

Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, which are appropriated for the federal fiscal years beginning October 1, 1996, and ending September 30, 1997, and beginning October 1, 1997, and ending September 30, 1998, the following amounts to be used for the purposes designated:

Moneys appropriated in this section shall be used in accordance with the federal law making the funds available, applicable Iowa law, appropriations made from the general fund of the state in this Act for the purpose designated, and administrative rules adopted to implement the federal and Iowa law. If actual federal revenues credited to the fund created in section 8.41 through June 30, 1998, are less than the amounts appropriated in this section, the amounts appropriated shall be reduced proportionately and the department may reduce expenditures as deemed necessary by the department to meet the reduced funding level:

- 1. To be credited to the family investment program account and used for assistance under the family investment program under chapter 239 or chapter 239B, as created in Senate File 516, if enacted by the Seventy-seventh General Assembly, 1997 Session:
 - \$ 97,288,698
- 2. For the job opportunities and basic skills (JOBS) program, and implementing family investment agreements, in accordance with chapter 249C, or chapter 239B, as created in Senate File 516, if enacted by the Seventy-seventh General Assembly, 1997 Session:
 - \$ 18,038,404
- 3. For field operations:
 - \$ 5,756,227
- 4. For general administration:
 - \$ 2,573,844
- 5. For local administrative costs:
 - \$ 1,732,617

- 6. For replacement of reductions in the federal social services block grant with federal TANF block grant funds, except for the allocation to child care:
 - \$ 4,546,031
- 7. For state child care assistance:
 - \$ 1,214,089
- 8. For emergency assistance:
 - \$ 375,049

Notwithstanding section 8.33, moneys appropriated in this section of this Act which remain unencumbered or unobligated at the close of the fiscal year shall not revert from the fund from which appropriated but shall remain available for allocation under law in the succeeding fiscal year.

Sec. 3. FAMILY INVESTMENT PROGRAM ACCOUNT.

1. Moneys credited to the family investment program account for the fiscal year beginning July 1, 1997, and ending June 30, 1998, shall be used in accordance with the following requirements:

- a. The department shall provide assistance in accordance with chapters 239 and 249C or in accordance with chapter 239B, as created in Senate File 516, if enacted by the Seventy-seventh General Assembly, 1997 Session.
- b. The department shall continue the special needs program under the family investment program.
- c. The department shall implement federal welfare reform data requirements pursuant to the appropriations made for that purpose.
- d. The department shall continue expansion of the electronic benefit transfer program as necessary to comply with federal requirements. The target date for statewide implementation of the program is July 1, 1999.
- e. The department shall conduct an evaluation of the welfare reform program and child well-being provisions to measure the program's effectiveness, impacts on children and families, and impacts across programs, and to identify effective strategies.

f. The department shall continue to contract for services in developing and monitoring an entrepreneurial training program to provide technical assistance to families which receive assistance under the family investment program.

g. For family investment agreements developed beginning July 1, 1997, the maximum allowable time period for postsecondary education is limited to twenty-four months.

2. The department may transfer funds in accordance with section 8.39, either federal or state, to or from the child day care appropriations made for the fiscal year beginning July 1, 1997, if the department deems this would be a more effective method of paying for JOBS program child care, to maximize federal funding, or to meet federal maintenance of effort requirements.

3. Moneys appropriated in this Act and credited to the family investment program account for the fiscal year beginning July 1, 1997, and ending June 30, 1998, are allocated as follows:

a. For the food stamp employment and training program: \$ 129,985

b. For the family development and self-sufficiency grant program as provided under section 217.12: \$ 2,328,805

(1) Of the funds allocated for the family development and self-sufficiency grant program in this lettered paragraph, not more than 5 percent of the funds shall be used for the administration of the grant program.

(2) Based upon the annual evaluation report concerning each grantee funded by previously appropriated funds and through the solicitation of additional grant proposals, the family development and self-sufficiency council may use the allocated funds to renew or expand existing grants or award new grants. In utilizing the increased funding to expand the program, the council shall give consideration, in addition to other criteria established by the council, to a grant proposal's intended use of local funds with a grant and to

whether a grant proposal would expand the availability of the program's services to a wider geographic area.

(3) Family development and self-sufficiency grantees shall not supplant previous local funding with state or federal funds.

c. For increasing participation in vocational and postsecondary training which lasts not more than twelve months:

..... \$ 998,400

d. For replacing reductions in the federal social services block grant with federal TANF block grant funds, except for the allocation to child care:

..... \$ 4,546,031

e. For child day care in place of funds previously allocated from the federal social services block grant to child care:

..... \$ 1,214,089

The department may transfer the allocation made in this paragraph directly into the appropriation made in this Act for child day care.

f. If an enactment of the Seventy-seventh General Assembly, 1997 Session, establishes a new Code chapter 239B, as created in Senate File 516, and provides for the elimination of the work transition period under the family investment program, the following allocations shall apply:

(1) For the diversion subaccount of the family investment program account: \$ 500,000

Moneys allocated to the diversion subaccount shall be used for a pilot initiative of providing incentives to assist families who would otherwise be eligible for the family investment program in obtaining or retaining employment and to assist participant families in overcoming barriers to obtaining employment. Incentives may be provided in the form of payment or services. The department may limit the availability of the pilot initiative on the basis of

geographic area or numbers of individuals provided with incentives. The department shall make recommendations on or before January 15, 1998, regarding the potential benefits of expanding the initiative. The department may adopt emergency administrative rules in order to implement the provisions of this subparagraph.

(2) For incentive grants of not more than \$5,000 per grant to community organizations serving as an operating organization for administration of individual development accounts in accordance with chapter 541A:

..... \$ 50,000

(3) For assistance associated with elimination of the employment earnings disregard period when determining the effective date of assistance for unemployed parent families:

..... \$ 150,000

4. Of the child support collections assigned under the family investment program, an amount equal to the federal share of support collections shall be deposited in the child support recovery appropriation. The remainder of the assigned child support collections and the state share of incentives received by the child support recovery unit shall be deposited in the family investment program account.

5. The department shall discontinue payment of the first \$50 of the assigned child support collected by the department in any given month to an applicant for family investment program assistance approved for assistance on or after the effective date of this Act. A recipient who is approved to receive assistance prior to the effective date of this Act shall continue to be eligible to receive the payment until the recipient is no longer eligible for the family investment program, but shall not be eligible to receive the payment upon reapplication and subsequent receipt of family investment program assistance. The department may adopt emergency rules to implement this subsection.

6. The department may adopt emergency administrative rules for the family investment, food stamp, and medical assistance

programs, if necessary, to comply with federal requirements. Prior to adoption of the rules, the department shall consult with the welfare reform council, members of the public involved in development of welfare reform policy established in the 1993 legislative session, and the chairpersons and ranking members of the joint appropriations subcommittee on human services.

7. Moneys appropriated for the job opportunities and basic skills (JOBS) program in 1996 Iowa Acts, chapter 1213, section 7, which remain unobligated or unexpended at the close of the fiscal year beginning July 1, 1996, as provided in that Act, shall be used for the JOBS program in the fiscal year beginning July 1, 1997.

8. Not more than the following amounts of the moneys received under the temporary assistance for needy families block grant and appropriated to the department pursuant to 1997 Iowa Acts, House File 125, section 1, which remain unobligated or unexpended at the close of the fiscal year beginning July 1, 1996, as provided in that Act, shall be used for the following purposes in the fiscal year beginning July 1, 1997, in the order designated:

- a. For emergency assistance: \$ 224,951
- b. For the JOBS program: \$ 300,000
- c. For family support community-based grants: \$ 200,000
- d. For pregnancy prevention grants: \$ 250,000
- e. For technology needs and other resources necessary to meet federal welfare reform reporting, tracking, and case management requirements: \$ 2,950,000

9. Notwithstanding 1995 Iowa Acts, chapter 220, section 11, moneys appropriated to the department of human services for purposes of costs associated with the development of the

X-pert computer system shall not revert on August 31, 1997, but shall remain available for the purpose designated until the close of the fiscal year beginning July 1, 1997.

Sec. 4. 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, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

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

..... \$ 1,967,000

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, 1997, the department shall continue the process for the state to receive refunds of rent deposits for emergency assistance recipients which were paid by persons other than the state. The refunds received by the department under this subsection shall be deposited with the moneys of the appropriation made in this

section and used as additional funds for the emergency assistance program. Notwithstanding section 8.33, moneys received by the department under this subsection which remain after the emergency assistance program is terminated and state moneys in the emergency assistance account which remain unobligated or unexpended at the close of the fiscal year shall not revert to the general fund of the state but shall remain available for expenditure when the program resumes operation on October 1 in the succeeding fiscal year.

3. Of the funds appropriated in this section, \$10,000 is allocated to the community voice mail program to continue the existing program. The funds shall be made available beginning July 1, 1997.

Sec. 5. 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, 1997, and ending June 30, 1998, 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:

..... \$381,789,000

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. 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 persons with mental retardation, provided under the medical assistance program. The state shall have responsibility for the remaining 50 percent of the nonfederal share of the cost of case management provided for adults, day treatment, and partial hospitalization. For persons without a county of legal settlement, the state shall have responsibility for 100 percent of the nonfederal share of the costs of case management provided for adults, day treatment, partial hospitalization, and the home and community-based waiver services. The case management services specified in this subsection shall be billed to a county only if the services are provided outside of a managed care contract.

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

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

d. When paying the necessary and legal expenses of intermediate care facilities for persons with mental retardation (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.

4. 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 3, 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.

5. The department shall utilize not more than \$60,000 of the funds appropriated in this section to continue the AIDS/HIV health insurance premium payment program as established in 1992 Iowa Acts, Second Extraordinary Session, Chapter 1001, section 409, subsection 6. Of the funds

allocated in this subsection, not more than \$5,000 may be expended for administrative purposes.

6. Of the funds appropriated to the Iowa department of health for substance abuse grants, \$950,000 for the fiscal year beginning July 1, 1997, shall be transferred to the department of human services for an integrated substance abuse managed care system.

7. The department of human services, in cooperation with the Iowa department of public health and in consultation with county representatives and affected providers, shall review potential funding streams, treatment methods, and provider options for expansion of dual diagnosis services, providing both mental health and substance abuse services, and shall report the findings of the review and recommendations to the joint appropriations subcommittee on human services on or before January 1, 1998.

8. The department shall continue the medical assistance home and community-based waiver for persons with physical disabilities as a means to further develop the personal assistance services program under section 225C.46. The waiver shall not be implemented in a manner which would require additional county or state funding for assistance provided to an individual served under the waiver. The waiver shall be limited in application to persons with physical disabilities who reside in a medical institution at the time of applying for assistance and who have been residents of a medical institution for a minimum of thirty consecutive days.

9. The department shall not expand the requirement of drug prior authorization without prior approval of the general assembly except to require prior authorization of an equivalent of a prescription drug which is subject to prior authorization as of June 30, 1997. The department shall adopt administrative rules to implement this provision.

10. The department of human services, in consultation with the Iowa department of public health and the department of education, shall continue the program to utilize the early and

periodic screening, diagnosis, and treatment (EPSDT) funding under medical assistance, to the extent possible, to implement the screening component of the EPSDT program through the school system. The department may enter into contracts to utilize maternal and child health centers, the public health nursing program, or school nurses in implementing this provision.

11. The department shall continue the case study for outcome-based performance standards for programs serving persons with mental retardation or other developmental disabilities proposed pursuant to 1994 Iowa Acts, chapter 1170, section 56. The department shall adopt rules applicable to the programs included in the case study, request a waiver of applicable federal requirements, and take other actions deemed necessary by the department to continue the case study.

12. The department shall develop methodologies to directly reimburse hospitals with medical assistance-approved graduate medical education programs for the direct and indirect costs of medical education programs at those hospitals and for a disproportionate share payment as allowed by the federal cap at those hospitals with qualifying programs. The level of this reimbursement shall be equal to the amount of managed care capitation payments attributable to direct medical education plus indirect medical education add-on components included as part of the capitated rate setting methodology and to the amounts paid through the fee-for-service inpatient diagnostic-related groups and outpatient ambulatory patient groups hospital reimbursement systems for state fiscal year 1994-1995, with an adjustment, if the federal upper limits test has not been exceeded, to allow an increase for state fiscal year 1996-1997 costs. This subsection shall only apply to any capitated payment contracts entered into after June 30, 1997. The department may adopt emergency rules to implement this subsection.

13. The department, in consultation with the Iowa department of public health, the department of elder affairs,

home and community-based service providers, consumers, and members of the joint appropriations subcommittee on human services, shall evaluate the feasibility of improving access and delivery of services to consumers and of improving cost-effectiveness by incorporating the personal care services option into the medical assistance program.

Sec. 6. HEALTH INSURANCE PREMIUM PAYMENT PROGRAM. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For administration of the health insurance premium payment program, including salaries, support, maintenance, and miscellaneous purposes:	
.....	\$ 390,000
..... FTEs	17.00

Sec. 7. 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, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For medical contracts:	
.....	\$ 7,700,000

1. a. The department shall continue prospective drug utilization review and may establish drug surveillance prior authorization under the medical assistance program.
- b. The department shall develop and implement an individual patient tracking system to assess the effectiveness of the drug prior authorization program. The system shall include patient specific elements including, at a minimum, the drug prescribed or requested, the alternative drug dispensed, the quantity requested, the quantity dispensed, and the drugs dispensed during required trials.
- c. The department shall conduct a prior authorization cost-effectiveness study, at no cost to the state, and shall

not use any entity or individual currently or previously utilized by the department to perform the study.

d. The prospective drug utilization review and prior authorization cost-effectiveness studies shall include, but are not limited to, all of the following:

- (1) The net cost of the substitution of brand name drugs for which alternatives are required, including the drug rebates, if applicable, under the Iowa prior authorization regimen.
- (2) The costs attributable to the ambulatory treatment of iatrogenic, unexpected conditions which result when the prescribed drug is not authorized and a substitution is made under the Iowa prior authorization regimen, when it is possible to determine that the conditions resulted from the substitution of the alternative medication for the prescribed medication.
- (3) The costs attributable to institutionalization and treatment for iatrogenic, unexpected conditions which result when the prescribed drug is not authorized and a substitution is made under the Iowa prior authorization regimen when it is possible to determine that the condition resulted from the substitution of the alternative medication for the prescribed medication.

(4) The costs of prescribing mandates, such as requiring two failures of generic drug treatment before allowing the prescribing of a brand name alternative.

(5) The measurement of the cost-effectiveness of patient outcomes under prior authorization compared to the patient outcomes under prospective drug utilization review.

(6) The comparison of administrative costs for prior authorization review and prospective drug utilization review.

The department shall review the methodology for calculating and projecting costs savings and shall update the methodology, if necessary.

The costs identified under the studies performed shall be netted against the cost savings projected by the department to

accurately determine and report cost savings for the drug prior authorization program.

The department shall submit a report of the studies to the general assembly on or before March 1, 1998, for review. Subsequent to that date, the general assembly may direct the department to remove from the categories of prescription drugs for which prior authorization is currently required, all of the drugs for which the comparative studies establish that prospective drug utilization review is at least as cost-effective in patient outcomes as prior authorization.

2. a. In any managed care contract for mental health or substance abuse services entered into by the department on or after July 1, 1997, the request for proposals shall allow for coverage by the contractor on a regional or statewide basis. The department shall consult with the chairpersons and ranking members of the joint appropriations subcommittee on human services in developing the request for proposals and in evaluating the responses. In determining whether a contract shall be entered into to provide regional or statewide coverage, the department shall consider the most effective means of providing access to and delivery of services to recipients of services and shall consider the cost-effectiveness of the particular proposal.

b. The department, in consultation with the Iowa department of public health, shall evaluate the feasibility of combining coverage for mental health and substance abuse services in any managed care contract entered into for these services.

3. The department shall implement the plan, as submitted to the general assembly on or before January 1, 1996, to administratively pursue reimbursement for pharmacy services for which a recipient of medical assistance also has third-party coverage. The department may use increased collections of pharmaceutical rebates or existing funds to implement this subsection.

Sec. 8. 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, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For state supplementary assistance, funeral assistance, and the medical assistance waiver for persons with mental retardation rent subsidy program:

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

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

2. a. If during the fiscal year beginning July 1, 1997, 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, 1997, the department projects that state supplementary assistance expenditures will exceed the amount appropriated, the department may transfer funds appropriated in this Act for medical assistance for the purposes of the state supplementary assistance program. However, funds shall only be transferred

from the medical assistance appropriation if the funds transferred are projected to be in excess of the funds necessary for the medical assistance program.

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

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

b. Were discharged from an intermediate care facility for persons with mental retardation (ICFMR) immediately prior to receiving HCBS/MR services.

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

Sec. 9. 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, 1997, and ending June 30, 1998, 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:
..... \$ 13,740,000

1. Of the funds appropriated in this section, \$3,696,286 shall be used for protective child day care assistance.

2. Of the funds appropriated in this section, \$8,215,889 shall be used for state child care assistance.

3. For the purposes of this subsection, the term "poverty level" means the poverty level defined by the poverty income guidelines published by the United States department of health and human services. Effective October 1, 1997, the department shall increase to 125 percent the maximum federal poverty level used to determine eligibility for state child care assistance. Based upon the availability of the funding provided in subsection 2 the department shall establish waiting lists for state child care assistance in descending order of prioritization as follows:

a. Families with an income at or below 100 percent of the federal poverty level whose members are employed at least 30 hours per week, and parents with a family income at or below 100 percent of the federal poverty level who are under the age of 21 and are participating in an educational program leading to a high school diploma or equivalent.

b. Parents with a family income at or below 100 percent of the federal poverty level who are under the age of 21 and are participating, at a satisfactory level, in an approved training program or in an educational program.

c. Families with an income of more than 100 percent but not more than 125 percent of the federal poverty level whose members are employed at least 30 hours per week. Assistance provided to families pursuant to this paragraph shall be provided in accordance with a sliding fee scale developed by the department.

d. Families with an income at or below 155 percent of the federal poverty level with a special needs child as a member of the family.

e. Families with an income at or below 100 percent of the federal poverty level whose members are employed part-time at least 20 hours per week.

The department may adopt emergency rules to implement the provisions of this subsection.

4. Migrant seasonal farm worker families whose family income is equal to or less than 110 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.

5. 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.

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. For the purpose of expenditures of state and federal child day care funding, funds shall be considered obligated at the time expenditures are projected or are allocated to the department's regions. Projections shall be based on current and projected caseload growth, current and projected provider rates, staffing requirements for eligibility determination and management of program requirements including data systems management, staffing requirements for administration of the program, contractual and grant obligations and any transfers to other state agencies, and obligations for decategorization or innovation projects.

8. Of the funds appropriated in this section, \$1,191,184 is allocated for transitional child care assistance.

9. During the 1997-1998 fiscal year, the department shall utilize the moneys deposited in the child day care credit fund created in section 237A.28 for state child care assistance, in addition to the moneys allocated for that purpose in this section.

10. The department shall assist the Hispanic educational resource center in Des Moines in identifying or providing replacement funding if the elimination of previous allocations made to the center under this section results in a negative impact to the center in providing child day care services. If replacement funding is not identified, the department shall replace the funding with federal child care and development block grant moneys.

11. The department shall consult with service providers in evaluating the practice of requiring recipients of state child care assistance to make a co-payment to service providers. The evaluation shall consider the impact on system administration, service providers, and others. The department shall report the evaluation results to the governor and general assembly on or before December 15, 1997.

Sec. 10. 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, 1997, and ending June 30, 1998, 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:

.....	\$	6,605,000
.....	FTEs	226.22

1. The director of human services, within the limitations of the moneys appropriated in this section, or moneys transferred from the family investment program appropriation for this purpose, shall establish new positions and add employees to the child support recovery unit if the director determines that both the current and additional employees together can reasonably be expected to maintain or increase net state revenue at or beyond the budgeted level. If the director adds employees, the department shall demonstrate the cost-effectiveness of the current and additional employees by reporting to the joint appropriations subcommittee on human

services the ratio of the total amount of administrative costs for child support recoveries to the total amount of the child support recovered.

2. Nonpublic assistance application fees, federal tax refund offset fees, and other user fees received by the child support recovery unit are appropriated and shall be used for the purposes of the child support recovery program. The director of human services may add positions within the limitations of the amount appropriated for salaries and support for the positions. The director shall report any positions added pursuant to this subsection to the chairpersons and ranking members of the joint appropriations subcommittee on human services and the legislative fiscal bureau.

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

4. The director of human services may establish new positions and add state employees to the child support recovery unit or contract for delivery of services 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 or contract, the positions or contract are necessary to ensure continued federal funding of the program, or the new positions or contract can reasonably be expected to recover at least twice the amount of money necessary to pay the salaries and support for the new positions or the contract will generate at least 200 percent of the cost of the contract.

5. If initiated by the judicial department, the child support recovery unit shall continue to work with the judicial

department to determine the feasibility of implementing a pilot project utilizing a court-appointed referee for judicial determinations on child support matters. The extent and location of any pilot project shall be jointly developed by the judicial department and the child support recovery unit.

6. The department shall expend up to \$50,000, including federal financial participation, for the fiscal year beginning July 1, 1997, for a child support public awareness campaign. The department and the office of the attorney general shall cooperate in continuation of the campaign. The public awareness campaign shall emphasize, through a variety of media activities, the importance of maximum involvement of both parents in the lives of their children as well as the importance of payment of child support obligations.

7. The department shall continue the 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. Surcharges paid by obligors and received by the unit as a result of the referral of support delinquency by the child support recovery unit to any private collection agency are appropriated to the department and shall be used to pay the costs of any contracts with the collection agencies.

10. The child support recovery unit shall initiate a process to evaluate the satisfaction of consumers, including both obligors and obligees, with the child support recovery unit. The unit shall submit a report of the findings of the

evaluation to the joint appropriations subcommittee on human services on or before December 15, 1997.

Sec. 11. 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, 1997, and ending June 30, 1998, 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:

..... \$ 13,869,000
..... 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:

..... \$ 5,147,000
..... 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:

..... \$ 8,722,000
..... FTEs 202.23

3. During the fiscal year beginning July 1, 1997, the population levels at the state juvenile institutions shall not exceed the population guidelines established under 1990 Iowa Acts, chapter 1239, section 21.

4. Of the funds appropriated in this section, \$10,000 shall be used by the state training school and \$8,000 by the Iowa juvenile home for grants for adolescent pregnancy prevention activities at the institutions in the fiscal year beginning July 1, 1997.

5. Within the amount 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. 12. 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, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For child and family services:

..... \$111,084,000

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 \$29,153,146 is allocated as the statewide expenditure target under section 232.143 for group foster care maintenance and services.

b. The department shall report quarterly to the legislative fiscal bureau concerning the status of each region's efforts to contain expenditures for group foster care placements in accordance with the regional plan established pursuant to section 232.143.

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

d. (1) Of the funds appropriated in this section, not more than \$5,690,600 is allocated as the state match funding for psychiatric medical institutions for children.

(2) The department may transfer all or a portion of the funds allocated in this paragraph for psychiatric medical institutions for children (PMICs) to the appropriation in this

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Act for medical assistance and shall not amend the managed mental health care contract to include PMICs.

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e. Of the funds allocated in this subsection, \$1,419,005 is allocated as the state match funding for 50 highly structured juvenile program beds. If the number of beds provided for in this paragraph is not utilized, the remaining funds allocated may be used for group foster care.

f. It is the intent of the general assembly that of the statewide expenditure target established in this subsection, the moneys allocated in accordance with section 232.143 as the budget target to each of the department's regions shall constitute the region's annual budget for group foster care. The representatives appointed by the department of human services and the juvenile court to establish the plan to contain expenditures for children placed in group foster care ordered by the court within the budget target allocated to the region shall establish the plan in a manner so as to ensure the moneys allocated to the region under section 232.141 shall last the entire fiscal year.

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. The provisions of section 232.142, subsection 3, requiring financial aid to be paid by the state for the establishment, improvements, operation, and maintenance of county or multicounty juvenile detention homes shall not apply for the fiscal year beginning July 1, 1997. Section 25B.2, subsection 3, shall not apply to this subsection.

6. 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 \$200,000 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. The department may extend the contract for an additional two years. 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 the case of a child in the custody of juvenile court services, the state court administrator or administrator's designee acting 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.

7. 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.

8. Notwithstanding section 234.35, subsection 1, for the fiscal year beginning July 1, 1997, state funding for shelter care paid pursuant to section 234.35, subsection 1, paragraph "h", shall be limited to \$7,403,905. The department shall develop a formula, in consultation with the shelter care committee and the judicial department, to allocate shelter care funds to the department's regions. The department may adopt emergency rules to implement this subsection.

9. Of the funds appropriated in this section, not more than \$577,128 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.

10. Of the funds appropriated in this section, up to \$777,632 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.

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

12. Of the funds appropriated in this section, up to \$200,000 may be used to develop, in cooperation with providers of children and family services, juvenile court, and other interested parties, an outcomes-based approach for family-centered, family preservation, family-community-based support, and wrap-around services to evaluate and improve outcomes for

children and families. The department shall submit an outcomes-based budget for these programs and shall submit the budget with other budget documents required pursuant to section 8.23. The department may adopt administrative rules to implement this subsection.

13. 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.

14. Federal funds received by the state during the fiscal year beginning July 1, 1997, as the result of the expenditure of state funds appropriated during a previous state fiscal year for a service or activity funded under this section, shall be used as additional funding for services provided under this section. Moneys received by the department in accordance with the provisions of this subsection shall remain available for the purposes designated until June 30, 1999.

15. In each fiscal year, if the department determines that sufficient funds are available under the appropriation in this section, the department may transfer up to \$135,136 to the appropriation in this Act for field operations to fund up to an additional 5.00 FTEs beyond the authorized limit to respond to increased applications resulting from recruitment efforts in order to increase the number of adoptions of children with special needs.

16. In addition to the report for group foster care placements, the department shall report quarterly to the legislative fiscal bureau concerning the status of each region's funding expenditures compared with allocations in the regional plan for services provided under this section.

17. The department and juvenile court services shall develop criteria for the department regional administrator and chief juvenile court officer to grant exceptions to extend eligibility, within the funds allocated, for intensive tracking and supervision and for supervised community treatment to delinquent youth beyond age 18 who are subject to release from the state training school, a highly structured

juvenile program, or group care. The department shall report the number of such exceptions granted and the related expenditures to the joint appropriations subcommittee on human services on or before January 1, 1998. The department may adopt emergency administrative rules to implement this subsection.

18. Of the moneys appropriated in this section, not more than \$900,000 is allocated to provide clinical assessment services as necessary to continue funding of children's rehabilitation services under medical assistance in accordance with federal law and requirements. The funding allocated is the amount projected to be necessary for providing the clinical assessment services. The department shall submit a report to the general assembly on or before January 1, 1998, regarding the development of a new model for determining rehabilitative needs in place of clinical assessment and treatment teams. The department shall implement the new model on or before June 30, 1998, in a manner so as to reduce paperwork and other information requirements to the minimum level necessary for compliance with the federal requirements for the clinical assessment services.

19. The department shall adopt and implement emergency rules to provide for user fees for international and private adoptions. The fees collected shall be deposited in the adoption administrative fund and shall be used to provide these services.

Sec. 13. CONNER DECREE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For providing training in accordance with the consent decree of Conner v. Branstad, No. 4-86-CU-30871(S.D. Iowa, July 14, 1994):
..... \$ 46,000

Sec. 14. COMMUNITY-BASED PROGRAMS -- ADOLESCENT PREGNANCY PREVENTION. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1997, and ending June 30, 1998, 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:

..... \$ 2,270,000
..... FTEs 1.00

1. Of the funds appropriated in this section, \$486,146 shall be used for adolescent pregnancy prevention grants, including not more than \$156,048 for programs to prevent pregnancies during the adolescent years and to provide support services for pregnant or parenting adolescents. It is the intent of the general assembly that by July 1, 1999, grants awarded under this subsection be required to meet the criteria under subsection 2 including the provision of community-wide services within the proximity of a community or region. In addition to the awarding of grants, funds may also be used for grant evaluation and for a statewide media campaign.

2. Of the funds appropriated in this section, \$298,000 shall be used for grants to community or regional groups which demonstrate broad-based representation from community representatives including but not limited to schools, churches, human service-related organizations, and businesses. Priority in the awarding of grants shall be given to groups which provide services to both urban and rural areas within the proximity of the community or region and which provide age-appropriate programs adapted for both male and female youth at the elementary, middle, and high school levels. A program shall focus on the prevention of initial pregnancies during the adolescent years by emphasizing sexual abstinence as the only completely safe and effective means of avoiding

pregnancy and sexually transmitted diseases and by providing information regarding the comparative failure rates of contraceptives, and by emphasizing responsible decision making in relationships, managing of peer and social pressures, development of self-esteem, the costs and responsibilities of parenting, and information regarding the alternative of adoption for placement of a child. The program shall also include an evaluation and assessment component which includes evaluation of and recommendations for improvement of the program by the youth and parents involved. Evaluation and assessment reports shall be provided to the department of human services, at a time determined by the department in the grant award. Community or regional groups interested in applying for a grant under this subsection may be issued a planning grant or may utilize grant moneys for the costs of technical assistance to analyze community needs, match service providers to needs, negotiate service provision strategies, or other assistance to focus grant services provided under this subsection. The technical assistance may be provided by organizations affiliated with institutions under the authority of the state board of regents or other organizations experienced in providing technical assistance concerning similar services.

3. It is the intent of the general assembly that the department of human services and the Iowa department of public health shall identify existing abstinence education or community-based programs which comply with the requirements established in section 912, subchapter V, of the federal Social Security Act, as codified in 42 U.S.C. § 701 et seq. for matching of federal funds to be received on or after October 1, 1997.

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

Sec. 15. 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, 1997, and ending June 30, 1998, 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:

..... \$ 3,290,000

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

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

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

3. The department of human services shall develop policies and procedures to ensure that the funds appropriated in this section are spent only after all other reasonable actions have been taken to utilize other funding sources and community-based services. The policies and procedures shall be designed

to achieve the following objectives relating to services provided under chapter 232:

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

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

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

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

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

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

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

8. Of the funds appropriated in this section, not more than \$580,000 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. 16. 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, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For the state mental health institutes for salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent positions:
..... \$ 41,480,900
..... FTEs 888.10

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

- a. State mental health institute at Cherokee:
..... \$ 13,199,400
..... FTEs 296.98
- b. State mental health institute at Clarinda:
..... \$ 6,324,400
..... FTEs 136.82
- c. State mental health institute at Independence:
..... \$ 17,133,200
..... FTEs 366.82

For the fiscal year beginning July 1, 1997, the state mental health institute at Independence shall implement a pilot project accounting test of managing revenues and expenditures attributable to the mental health institute in a manner that permits the net state expenditure amount to be determined. The mental health institute shall submit a preliminary report in January 1998, and a status report in October 1998, to the governor and the joint appropriations subcommittee on human services concerning the pilot project. The reports shall identify advantages and disadvantages of utilizing the pilot project approach and any changes in policy or statute identified to improve an implementation of the pilot project approach.

d. State mental health institute at Mount Pleasant:
..... \$ 4,823,900
..... FTEs 87.48

The department shall develop a plan for implementing a dual diagnosis program at the state mental institute at Mount Pleasant to commence July 1, 1998. The department shall submit the plan to the governor and the general assembly on or before January 2, 1998.

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. 17. 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, 1997, and ending June 30, 1998, 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:

..... \$ 28,613,376
..... FTEs 1508.00

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

a. State hospital-school at Glenwood:

..... \$ 2,108,276
..... FTEs 872.50

(1) The department shall implement a pilot project of operating the hospital-school with a net general fund appropriation. The amount allocated in this paragraph is the net state appropriation amount projected to be needed for the state hospital-school at Glenwood. Purposes of the pilot project are to encourage the hospital-school to operate with increased self-sufficiency, to improve quality and efficiency, and to support collaborative efforts between the hospital-school and counties and other funders of services available from the hospital-school. The pilot project shall not be implemented in a manner which results in a cost increase to the state or cost shifting between the state, the medical assistance program, counties, or other sources of funding for the state hospital-school. Moneys allocated in this paragraph may be used throughout the fiscal year in the manner necessary for purposes of cash flow management, and for purposes of cash flow management the hospital-school may temporarily draw more than the amount allocated, provided the amount allocated is not exceeded at the close of the fiscal year.

(2) In implementing the pilot project, subject to the approval of the department, except for revenues under section 249A.11, revenues attributable to the state hospital-school for the fiscal year beginning July 1, 1997, shall be deposited into the hospital-school's account, including but not limited to all of the following:

(a) Moneys received by the state from billings to counties under section 222.73.

(b) The federal share of medical assistance revenue received under chapter 249A.

(c) Federal Medicare program payments.

(d) Moneys received from client financial participation.

(e) Other revenues generated from current, new, or expanded services which the state hospital-school is authorized to provide.

(3) For the initial year of the pilot project, the institution shall develop a report detailing the items for which depreciation reimbursement funds would have been utilized if the depreciation reimbursement had been retained by the institution. This report shall be included with the preliminary report submitted pursuant to subparagraph (5) in January 1998.

(4) For the purposes of allocating the salary adjustment fund moneys appropriated in another Act, the state hospital-school at Glenwood shall be considered to be funded entirely with state moneys.

(5) The state hospital-school and the department shall submit a preliminary report in January 1998, and a status report in October 1998, to the governor and the joint appropriations subcommittee on human services concerning the pilot project.

b. State hospital-school at Woodward:

..... \$ 26,505,100
..... FTES 635.50

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

3. The department may implement a pilot project to bill for state hospital-school services utilizing a scope of services used for private providers of intermediate care facilities for persons with mental retardation services in a

manner which does not shift costs between the medical assistance program, counties, or other sources of funding for the state-hospital schools.

Sec. 18. 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, 1997, and ending June 30, 1998, 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. Programs or areas which have previously received funding shall be eligible for additional funding under this appropriation.

Sec. 19. 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, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used by the division of children and family services for the purpose designated:

For the family support subsidy program:

..... \$ 1,670,000

The department may use up to \$200,000 of the moneys appropriated in this section to continue the children-at-home program, of which not more than \$30,000 shall be used for administrative costs.

Sec. 20. 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, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

To provide special needs grants to families with a family member at home who has a developmental disability or to a person with a developmental disability:
..... \$ 53,212

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

Sec. 21. 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, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose 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:
..... \$ 6,910,000

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

Sec. 22. 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, 1997, and ending June 30, 1998, 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:
..... \$ 17,400,000

1. Of the funds appropriated in this section, \$17,121,138 shall be allocated to counties for funding of community-based mental health and developmental disabilities services. The moneys shall be allocated to a county as follows:

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

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

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

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

4. The department shall submit an annual report concerning each population served and each service funded in this section to the chairpersons and ranking members of the joint

appropriations subcommittee on human services and the legislative fiscal bureau.

5. Of the funds appropriated in this section, not more than \$248,862 shall be provided to those counties having supplemental per diem contracts in effect on June 30, 1994, which were originally initiated under 1993 Iowa Acts, chapter 172, section 16, subsection 2. The amount provided to each county shall be equal to the amount the county would be eligible to receive under the supplemental per diem contracts in effect on June 30, 1994, if the contracts were continued in effect for the entire fiscal year beginning July 1, 1997.

6. a. Funding appropriated for purposes of the federal social services block grant is allocated for distribution to counties for local purchase of services for persons with mental illness or mental retardation or other developmental disability.

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

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

department serving the individual's county of residence. The case plan shall be developed in accordance with the department's rules outlining general provisions for service administration.

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

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

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

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

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

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

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

i. The moneys provided under this subsection do not establish an entitlement to the services funded under this subsection.

7. If a county has a county management plan which is approved by the director of human services pursuant to section 331.439, the county shall be considered to have met the requirements of subsection 2, and subsection 6, paragraphs "b", "c", "d", "e", and "g". The department shall adopt rules to implement the provisions of this subsection.

8. It is the intent of the general assembly that to the extent possible, public funding for mental retardation and developmental disabilities services should be used in a flexible manner to reduce reliance on institutional-based services. To this end, a county may amend the county's service management plans for mental retardation and developmental disabilities services submitted for the fiscal year beginning July 1, 1997, under section 331.439, as necessary for the county to provide appropriate assistance in lieu of placement of an individual in an intermediate care facility for persons with mental retardation or other institutional placement. The appropriate assistance may be modeled on the personal assistance and family support subsidy programs under chapter 225C.

Sec. 23. PROVIDER REIMBURSEMENT -- SHELTERED WORKSHOPS -- WORK ACTIVITY SERVICES. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For payment of an increased provider reimbursement for sheltered workshops and work activity services:
..... \$ 160,000

The moneys appropriated in this section shall be allocated to counties in accordance with the methodology for distribution of local purchase of services moneys in section 22, subsection 6, paragraph "f", of this Act. The moneys

provided pursuant to this section shall be used to pay the increase in reimbursement rates by one percent over the reimbursement rate provided on June 30, 1997, for sheltered workshops and work activity services.

Sec. 24. PERSONAL ASSISTANCE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For continuation of a pilot project for the personal assistance services program in accordance with this section:
..... \$ 364,000

The funds appropriated in this section shall be used to continue the pilot project for the personal assistance services program under section 225C.46 in an urban and a rural area. Not more than \$36,400 shall be used for administrative costs. The pilot project and any federal home and community-based waiver developed under the medical assistance program shall not be implemented in a manner which would require additional county or state costs for assistance provided to an individual served under the pilot project or the waiver.

It is the intent of the general assembly that for any new applicants for personal assistance, priority shall be given to providing assistance to individuals for education, job training, and other forms of employment support. It is also the intent of the general assembly that if other programs become available which provide similar services, current recipients of personal assistance for whom these similar services are appropriate shall be assisted in attaining eligibility for these programs.

Sec. 25. 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, 1997, and ending June 30, 1998, 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:

..... \$ 47,500,000
..... FTEs 2,047.00

Of the full-time equivalent positions authorized in this section, there are additional positions in excess of the number authorized for the previous fiscal year. It is the intent of the general assembly that of the additional positions, up to 20 FTEs may be utilized for incremental expansion of the assessment-based approach for responding to reports of child abuse.

Sec. 26. 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, 1997, and ending June 30, 1998, 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:

..... \$ 14,100,000
..... FTEs 383.00

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

If an expenditure reduction or other cost-saving measure is deemed necessary to maintain expenditures within the amount appropriated to the department in this section, the department shall not implement the reduction or other measure in a manner which reduces service funding for disability rehabilitation programs, including but not limited to, statewide supported employment programs or reduces the drawdown of federal funding.

Sec. 27. VOLUNTEERS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1997, and ending June

30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

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

Sec. 28. 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, 1997, the rate for skilled nursing facilities shall be increased by 3.3 percent over the rates in effect on June 30, 1997.

b. For the fiscal year beginning July 1, 1997, the dispensing fee for pharmacists shall remain at the rate in effect on June 30, 1997. The reimbursement policy for drug product costs shall be in accordance with federal requirements.

c. For the fiscal year beginning July 1, 1997, reimbursement rates for inpatient and outpatient hospital services shall be increased by 2.8 percent over the rates in effect on June 30, 1997. 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 if made pursuant to the prospective payment methodology developed by the department for the payment of outpatient services provided under the medical assistance program.

d. Reimbursement rates for rural health clinics shall be increased in accordance with increases under the federal Medicare program.

e. 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.

f. 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, 1997, 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 for fiscal year beginning July 1, 1997, and within the appropriation for medical assistance as a whole for fiscal year beginning July 1, 1997, the department shall adjust the maximum medical assistance reimbursement for nursing facilities to the 70th percentile, as calculated on December 31, 1997, unaudited compilation of cost and statistical data and the adjustment shall take effect January 1, 1998.

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

h. The reimbursement for dental services shall remain at the rates in effect on June 30, 1997.

2. For the fiscal year beginning July 1, 1997, the maximum cost reimbursement rate for residential care facilities reimbursed by the department shall not be less than \$22.20 per day. The flat reimbursement rate for facilities electing not to file semiannual cost reports shall not be less than \$15.88 per day. For the fiscal year beginning July 1, 1997, the maximum reimbursement rate for providers reimbursed under the in-home health-related care program shall not be less than \$426.78 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, 1996.

4. Notwithstanding section 234.38, in the fiscal year beginning July 1, 1997, the foster family basic daily

maintenance rate and the maximum adoption subsidy rate for children ages 0 through 5 years shall be \$13.01, the rate for children ages 6 through 11 years shall be \$13.77, the rate for children ages 12 through 15 years shall be \$15.48, and the rate for children ages 16 and older shall be \$15.47.

5. For the fiscal year beginning July 1, 1997, the maximum reimbursement rates for nonrehabilitative treatment and supportive services and for social service providers shall be the same as the rates in effect on June 30, 1997, except under any of the following circumstances:

a. If a new service was added after June 30, 1997, the initial reimbursement rate for the service shall be based upon actual and allowable costs.

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

c. The department revises the reimbursement rates as part of the changes in the mental health and developmental disabilities services system initiated pursuant to 1995 Iowa Acts, chapter 206, and associated legislation.

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, 1997, 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.

8. For the fiscal year beginning July 1, 1997, the department shall calculate reimbursement rates for intermediate care facilities for persons with mental retardation at the 80th percentile.

9. For the fiscal year beginning July 1, 1997, for child day care providers, the department shall set provider reimbursement rates based on the rate reimbursement survey completed in December 1996. The department shall set rates in a manner so as to provide incentives for a nonregistered provider to become registered. The department shall review the effects of providing a rate reimbursement incentive on child day care availability including but not limited to any change in the number of providers who are registered and the effect on access to providers in rural and urban areas. The department shall report the findings of the review to the general assembly on or before January 2, 1998.

10. The department may, at no cost to the state, implement a pilot project to examine use of a payment system for pharmaceutical care services provided by pharmacists under the medical assistance program.

11. The department of human services shall revise the financial and statistical report form applicable to nursing facilities to incorporate the recommendations made as the result of the directive relating to nursing facilities in accordance with 1996 Iowa Acts, chapter 1213, section 25, subsection 12. The revisions shall include, but are not limited to, the addition of a category labeled "Patient Care Services" which shall be subdivided into the subcategories of "Direct Patient Care Costs" and "Support Care Costs". Costs associated with food and dietary wages shall be included in the "Support Care Costs" subcategory. The department may adopt emergency rules to implement this subsection.

12. For the fiscal year beginning July 1, 1997, the reimbursement rate for psychiatric medical institutions for children shall be increased by 3 percent over the rates in effect on June 30, 1997.

13. The department may adopt emergency rules to implement the provisions of this section.

Sec. 29. STATE INSTITUTIONS -- CLOSINGS AND REDUCTIONS.

1. If a state institution administered by the department of human services is to be closed or reduced in size, prior to the closing or reduction the department shall initiate and coordinate efforts in cooperation with the Iowa department of economic development to develop new jobs in the area in which the state institution is located. In addition, the department may take other actions to utilize any closed unit or other facilities and services of an institution, including but not limited to assisting public or private organizations in utilizing the services and facilities. The actions may also include assisting an organization with remodeling and lease costs by forgiving future rental or lease payments to the extent necessary for a period not to exceed five years. The department of human services and the department of economic development shall submit a joint report to the chairpersons and ranking members of the joint appropriations subcommittee on human services on or before January 2, 1998, regarding any efforts made pursuant to this subsection.

2. For purposes of this section, "state institution" means a state mental health institute, a state hospital-school, the state training school, and the Iowa juvenile home under the authority of the department of human services listed in section 218.1. If excess capacity exists at a state institution beyond the capacity required for placements at the institution under law, the department of human services may enter into a contract with a managed care provider or an organized delivery system for health care, to provide services during the fiscal year beginning July 1, 1997, at the institution for the plan or system without use of county funds.

Veto

Sec. 30. PROGRAM SIMPLIFICATION -- PAPERWORK REDUCTION. The department of human services shall consult with providers of services relating to child and family services and personal assistance to review provider reporting requirements, applicant and recipient process and documentation requirements, and other paperwork and process requirements. Following the review and no later than January 1, 1999, the department shall implement a process which provides, at a minimum, for a simplified means of demonstrating compliance of providers, applicants, and recipients with document and process requirements which shall include consolidation of reports and forms and which may provide for submission of reports and forms in an electronic format.

Sec. 31. JUVENILE JUSTICE ISSUES. The legislative council is requested to establish a juvenile justice issues oversight task force. If established, the task force should be directed to consider the impact of juvenile problems, duplication in intervention services, and gaps in service provision. The membership of the task force should include interested members of the joint appropriations subcommittees on human services, health and human rights, justice system, and education and of the standing committees for these subject areas.

Sec. 32. SERVICES RESTRUCTURING TASK FORCE.

1. The legislative council is requested to continue the task force established for the 1996 interim of the general assembly in order to develop a comprehensive proposal to accomplish all of the following:
 - a. Devolution of the control of service delivery to the local level.
 - b. Elimination of program duplication within the department of human services and between the department of human services and other departments including but not limited to the Iowa department of public health, the department of education, and the judicial department.
 - c. Reduction of paperwork, red-tape, and bureaucracy to improve the quality of services delivery and consumer satisfaction.

d. Evaluation of the adherence of the department of human services to the department's mission statement.

2. In addition, the task force may address the following topics: granting local authority to deliver public services, use of public institutions and facilities, the possibility of creating an agency for disability and rehabilitation services, and development of a "seamless" system for referral of families to child day care resources and public financial assistance and collaborative programs.

Sec. 33. CHILDREN WITH MENTAL RETARDATION. It is the intent of the general assembly to appropriate funding of services to children with mental retardation in a manner so that beginning July 1, 1998, separate funding categories for the services will be pooled. The tentative name for the combined funding pool is "Mental Retardation -- Most Appropriate Groupcare Initiative for Children" or "MR -- MAGIC". The service funding streams to be considered for the funding pool shall include but are not limited to the following services or programs to support children with mental retardation and their families: family support subsidy, intermediate care facility for persons with mental retardation, medical assistance home and community-based waiver services, group foster care, in-home services and other support, state hospital-schools, and state cases. The department of human services shall convene a work group to make recommendations for implementation of the MR -- MAGIC funding pool. The work group shall include representatives of the department, the personal assistance and family support services council, service providers, families, and advocates. The recommendations shall be submitted to the governor and general assembly on or before October 15, 1997.

Sec. 34. MENTAL HEALTH -- CHILDREN. The mental health and developmental disabilities commission, the council on human services, and the state-county management committee, shall review mental health services for children with the goal of assuring coordination, financing, and provision of effective

services. The commission, council, and committee shall submit a report of findings and recommendations, which shall include recommendations for proposed legislation, to the general assembly on or before December 15, 1997.

Sec. 35. TRANSFER AUTHORITY. Subject to the provisions of section 8.39, for the fiscal year beginning July 1, 1997, if necessary to meet federal maintenance of effort requirements or to transfer federal temporary assistance for needy families block grant funding to be used for purposes of the federal social services block grant, the department of human services may transfer between any of the appropriations made in this Act to the department for the following purposes, provided that the combined amount of state and federal temporary assistance for needy families block grant funding for each appropriation remains the same before and after the transfer:

1. For the family investment program.
2. For emergency assistance.
3. For child day care assistance.
4. For child and family services.
5. For field operations.
6. For general administration.

This section shall not be construed to prohibit existing state transfer authority for other purposes.

Sec. 36. YOUTH SERVICES DEPARTMENT -- STUDY. The legislative council is requested to establish an interim study committee consisting of members of both political parties from both houses of the general assembly to consider whether a separate state department for youth services should be established. The study may include, but is not limited to, a review of existing programs and services provided to juveniles in this state and the funding mechanisms for those programs and services; identifying the various agencies currently involved in the delivery of those programs and services to juveniles; identifying areas in which programs and services overlap; reviewing the approaches used and experiences of other states in delivering juvenile services; and receiving

testimony from agency staff, service providers, and youth services advocates on issues deemed relevant to the delivery of juvenile services in this state. The committee may be authorized to hire a consultant to provide the background information requested by the committee. The committee should be directed to submit its findings, together with any recommendations, in a report to the general assembly session which convenes in January 1998.

Sec. 37. EMERGENCY RULES. If specifically authorized by a provision of this Act, the department of human services or the mental health and mental retardation commission may adopt administrative rules under section 17A.4, subsection 2, and section 17A.5, subsection 2, paragraph "b", to implement the provisions and the rules shall become effective immediately upon filing, unless the effective date is delayed by the administrative rules review committee, notwithstanding section 17A.4, subsection 5, and section 17A.8, subsection 9, or a later effective date is specified in the rules. Any rules adopted in accordance with this section shall not take effect before the rules are reviewed by the administrative rules review committee. Any rules adopted in accordance with the provisions of this section shall also be published as notice of intended action as provided in section 17A.4.

Sec. 38. REPORTS. Any reports or information required to be compiled and submitted under this Act shall be submitted to the chairpersons and ranking members of the joint appropriations subcommittee on human services, the legislative fiscal bureau, the legislative service bureau, and to the caucus staffs on or before the dates specified for submission of the reports or information.

Sec. 39. EFFECTIVE DATE. Section 15, subsection 1, of this division of this Act, relating to determining allocation of court-ordered services funding, and section 3, subsection 8, relating to remaining unobligated or unexpended funds for the JOBS program, being deemed of immediate importance, take effect upon enactment.

DIVISION II
CODIFIED PROVISIONS

Sec. 40. Section 232.52, subsection 2, paragraph e, subparagraph (4), Code 1997, is amended to read as follows:

(4) The child has previously been placed in a treatment facility outside the child's home or in a supervised community treatment program established pursuant to section 232.191, subsection 4, as a result of a prior delinquency adjudication.

RON J. CORBETT
Speaker of the House

MARY E. KRAMER
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 715, Seventy-seventh General Assembly.

ELIZABETH ISAACSON
Chief Clerk of the House

Item Veto
May 19
Approved May 19, 1997

TERRY E. BRANSTAD
Governor

HF 715