

FILED FEB 18 1998

HUMAN RESOURCES

SENATE FILE 2255

BY REHBERG

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

A BILL FOR

1 An Act relating to county and state payment responsibilities for
 2 services provided to persons with mental retardation including
 3 state payment of the nonfederal share of medical assistance
 4 costs for certain services provided to children requiring
 5 special education.

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

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S.F. 2255

1 Section 1. Section 222.60, Code 1997, is amended by adding
2 the following new unnumbered paragraph:

3 NEW UNNUMBERED PARAGRAPH. The expenses described under
4 this section for minors and for children requiring special
5 education, as defined in section 256B.2, admitted or committed
6 to a state hospital-school or to a special unit shall be paid
7 by the state and are not chargeable to a county.

8 Sec. 2. Section 249A.12, subsection 4, Code 1997, is
9 amended to read as follows:

10 4. a. Effective July 1, ~~1995~~ 1998, the state shall be
11 responsible for all of the nonfederal share of the costs of
12 intermediate care facility for persons with mental retardation
13 services provided under medical assistance to minors and to
14 children requiring special education, as defined in section
15 256B.2, including but not limited to such minors and children
16 placed at a state hospital-school. Notwithstanding subsection
17 2 and contrary provisions of section 222.73, effective July 1,
18 ~~1995~~ 1998, a county is not required to reimburse the
19 department and shall not be billed for the nonfederal share of
20 the costs of such services provided to such minors and to such
21 children.

22 b. Effective July 1, ~~1995~~ 1998, the state shall be
23 responsible for all of the nonfederal share of medical
24 assistance home and community-based waivers for persons with
25 mental retardation services provided under medical assistance
26 to minors and to children requiring special education, as
27 defined in section 256B.2, and a county is not required to
28 reimburse the department and shall not be billed for the
29 nonfederal share of the costs of the services.

30 Sec. 3. Section 426B.1, subsection 3, Code Supplement
31 1997, is amended to read as follows:

32 3. There is annually appropriated from the property-tax
33 relief general fund of the state to the department of human
34 services to supplement the medical assistance appropriation
35 for the fiscal year beginning July 1, ~~1997~~ 1998, and for

1 succeeding fiscal years, six million six hundred thousand
2 dollars to be used for the nonfederal share of the costs of
3 services provided to minors with mental retardation, including
4 but not limited to minors placed at a state hospital-school
5 and to children requiring special education under the medical
6 assistance program to meet the requirements of section
7 249A.12, subsection 4. ~~The appropriation in this subsection~~
8 ~~shall be charged to the property tax relief fund prior to the~~
9 ~~distribution of moneys from the fund under section 426B.2 and~~
10 ~~the amount of moneys available for distribution shall be~~
11 ~~reduced accordingly. -- However, the~~ The appropriation in this
12 subsection shall be considered to be a property tax relief
13 payment for purposes of calculating the combined amount of
14 state payments required to achieve fifty percent of the
15 counties' base year expenditures as provided in section
16 426B.2, subsection 2.

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EXPLANATION

18 This bill provides for state payment of the nonfederal
19 share of medical assistance costs for intermediate care
20 facility and home and community-based waivers for persons with
21 mental retardation services provided under medical assistance
22 to minors and to children requiring special education,
23 including such minors and children placed at a state hospital-
24 school. Under Code section 256B.2, "children requiring
25 special education" means persons under age 21 who have a
26 disability in obtaining education because of various types of
27 disabilities. The bill provides that a county is not to be
28 billed for such costs and the state payment requirement is
29 effective July 1, 1998.

30 Code section 222.60, relating to costs paid by counties and
31 the state for persons placed at a state hospital-school,
32 special mental retardation unit at a state mental health
33 institute, or other facility, is amended. The amendment
34 provides that the expenses described in this section for
35 minors or children requiring special education admitted or

1 committed to a state hospital-school or to a special unit
2 shall be paid by the state and are not chargeable to a county.

3 The bill amends Code section 426B.1 to make the general
4 fund of the state the source of an appropriation for costs
5 addressed by the bill in lieu of the property tax relief fund.

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SENATE FILE 2255

FISCAL NOTE

REQ. BY SENATOR REHBERG

A fiscal note for Senate File 2255 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 2255 extends State coverage for Intermediate Care Facilities for the Mentally Retarded (ICF/MR) and Home and Community Based Services (HCBS) to individuals between 18 and 20 years of age. The Bill specifies that the State is responsible for the nonfederal share of these costs. Currently, ICF/MR and HCBS services paid by the State are terminated at age 18. The Bill also amends Code of Iowa Section 426B.1 to specify that the standing limited appropriation of \$6.6 million for ICF/MR and HCBS costs is appropriated from the State General Fund rather than from the Property Tax Relief Fund.

ASSUMPTIONS

1. Costs for an ICF/MR are \$234.00 per day.
2. Costs for HCBS services are \$80.15 per day.
3. The additional number of 18 to 20 year old individuals receiving State coverage in an ICF/MR would be 110 annually.
4. The additional number of 18 to 20 year old individuals receiving State coverage in a HCBS setting would be 122 annually.
5. An estimated 75.0% of 18 to 20 year olds in either an ICF/MR or an HCBS setting fit the definition of those receiving coverage under SF 2255.
6. The federal government provides 63.45% of total cost of services based upon the federal financial participation rate for the Medical Assistance Program.
7. The Bill does not deappropriate \$6.6 million for ICF/MR and HCBS costs from the Property Tax Relief Fund standing limited appropriation of \$95.0 million. Counties will receive a \$95.0 million appropriation rather than the \$88.8 million they currently receive. An additional \$6.6 million will be appropriated from the State General Fund to the Department of Human Services (DHS) for ICF/MR and HCBS costs.

FISCAL IMPACT

The fiscal impact of SF 2255 is a net General Fund cost of \$10.2 million annually.

The General Fund cost of the ICF/MR portion of the legislation is estimated as follows: 110 individuals x \$234 cost per day x 365 days x 75.0% (estimate of those receiving care under the definition) x the State match rate (36.55%) equals \$2,575,000.

The General Fund cost of the HCBS portion of the legislation is estimated as follows: 122 individuals x \$80.15 cost per day x 365 days x 75.0% (estimate of those receiving care under the definition) x the State match rate (36.55%) equals \$978,000.

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The total General Fund cost is the total of the ICF/MR and HCBS portions (\$2,575,000 + \$978,900) plus the \$6.6 million appropriation to the DHS. The total cost equals \$10.2 million.

SOURCE

Department of Human Services

(LSB 3450SS, DAA)

FILED FEBRUARY 25, 1998

BY DENNIS PROUTY, FISCAL DIRECTOR