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SENATE FILE 2410  
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SSB 2208)

Passed Senate, <sup>(P. 955)</sup> Date 3/30/98 Passed House, Date 4-9-98 <sup>(P. 1468)</sup>  
Vote: Ayes 46 Nays 2 Vote: Ayes 95 Nays 2  
Approved 5/19/98

*John  
McLaren*

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 effective dates and an  
5 applicability provision.

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

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S.F. 2410

1 DIVISION I -- APPROPRIATIONS

2 Section 1. SOCIAL SERVICES BLOCK GRANT SUPPLEMENTATION.

3 There is appropriated from the fund created in section 8.41 to  
4 the department of human services for the fiscal year beginning  
5 July 1, 1997, and ending June 30, 1998, from moneys received  
6 under the federal temporary assistance for needy families  
7 block grant, the following amount, or so much thereof as is  
8 necessary, to be used for the purposes designated:

9 For supplementation of the federal social services block  
10 grant appropriation in 1997 Iowa Acts, chapter 202, section  
11 12, due to the federal reduction in this block grant and the  
12 corresponding decrease pursuant to 1997 Iowa Acts, chapter  
13 202, section 16:

14 ..... \$ 682,194

15 The moneys appropriated in this section are allocated for  
16 the indicated programs and functions within the department as  
17 follows:

18 1. General administration:

19 ..... \$ 43,379

20 2. Field operations:

21 ..... \$ 259,455

22 3. Child and family services:

23 ..... \$ 38,808

24 4. Local administrative costs and other local services:

25 ..... \$ 27,517

26 5. Volunteers:

27 ..... \$ 3,007

28 6. Community-based services:

29 ..... \$ 3,458

30 7. MH/MR/DD/BI community services (local purchase):

31 ..... \$ 306,570

32 Sec. 2. EARLY CHILDHOOD. There is appropriated from the  
33 fund created in section 8.41 to the department of human  
34 services for the fiscal year beginning July 1, 1998, and  
35 ending June 30, 1999, the fiscal year beginning July 1, 1999,

1 and ending June 30, 2000, the fiscal year beginning July 1,  
2 2000, and ending June 30, 2001, and the fiscal year beginning  
3 July 1, 2001, and ending June 30, 2002, from moneys received  
4 under the federal temporary assistance for needy families  
5 block grant, the following amount, or so much thereof as is  
6 necessary in each of the indicated fiscal years, to be used  
7 for the purpose designated:

8 For funding of community-based programs targeted to  
9 children from birth through five years of age, developed by  
10 community empowerment areas:

11 ..... \$ 3,800,000

12 1. The department may transfer federal temporary  
13 assistance for needy families block grant funding allocated in  
14 this section to the child care and development block grant in  
15 accordance with federal law as necessary to comply with the  
16 provisions of this section. The funding shall then be  
17 provided to communities as provided in state law.

18 2. Moneys appropriated in this section shall be used by  
19 communities for the purposes of enhancing quality child day  
20 care capacity in support of parent capability to obtain or  
21 retain employment. The moneys shall be used with a primary  
22 emphasis on low-income families and children from birth to  
23 five years of age. Moneys shall be provided in a flexible  
24 manner to communities, and shall be used to implement  
25 strategies identified by the communities to achieve such  
26 purposes. The strategies may include but are not limited to  
27 developing capacity for regular child day care, sick child  
28 care, night shifts child care, and emergency child care;  
29 enhancing linkages between the head start and early head start  
30 programs, early childhood development programs, and child day  
31 care assistance programs; and implementing other strategies to  
32 enhance access to child day care. The moneys may be used to  
33 either build capacity or for support of ongoing efforts. The  
34 department may use up to \$50,000 for provision of technical  
35 assistance and other support to communities developing and

1 implementing strategies with moneys appropriated in this  
2 section.

3 Sec. 3. FAMILY INVESTMENT PROGRAM GENERAL FUND. 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, 1996, and ending June 30, 1999, 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 family investment program assistance under chapter  
11 239B:

12 ..... \$ 31,420,000

13 1. The department of workforce development, in  
14 consultation with the department of human services, shall  
15 continue to utilize recruitment and employment practices to  
16 include former and current family investment program  
17 recipients. The department of workforce development shall  
18 submit a report of the practices utilized and the results of  
19 the utilization to the general assembly by January 1, 1999.

20 2. It is the intent of the general assembly that the  
21 department of human services shall continue to work with the  
22 department of workforce development and local community  
23 collaborative efforts to provide support services for family  
24 investment program participants. The support services shall  
25 be directed to those participant families who would benefit  
26 from the support services and are likely to have success in  
27 achieving economic independence.

28 3. Of the funds appropriated in this section, \$9,564,300  
29 is allocated for the JOBS program.

30 4. The department shall continue to work with religious  
31 organizations and other charitable institutions to increase  
32 the availability of host homes, referred to as second chance  
33 homes or other living arrangements under the federal Personal  
34 Responsibility and Work Opportunity Reconciliation Act of  
35 1996, Pub. L. No. 104-193, § 103. The purpose of the homes or

1 arrangements is to provide a supportive and supervised living  
2 arrangement for minor parents receiving assistance under the  
3 family investment program who, under chapter 239B, may receive  
4 assistance while living in an alternative setting other than  
5 with their parent or legal guardian.

6     Sec. 4. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK  
7 GRANT. There is appropriated from the fund created in section  
8 8.41 to the department of human services for the fiscal year  
9 beginning July 1, 1998, and ending June 30, 1999, from moneys  
10 received under the federal temporary assistance for needy  
11 families block grant pursuant to the federal Personal  
12 Responsibility and Work Opportunity Reconciliation Act of  
13 1996, Pub. L. No. 104-193, which are federally appropriated  
14 for the federal fiscal years beginning October 1, 1996, and  
15 ending September 30, 1997, beginning October 1, 1997, and  
16 ending September 30, 1998, and beginning October 1, 1998, and  
17 ending September 30, 1999, the following amounts, or so much  
18 thereof as is necessary, to be used for the purposes  
19 designated:

20     Moneys appropriated in this section shall be used in  
21 accordance with the federal law making the funds available,  
22 applicable Iowa law, appropriations made from the general fund  
23 of the state in this Act for the purpose designated, and  
24 administrative rules adopted to implement the federal and Iowa  
25 law. If actual federal revenues credited to the fund created  
26 in section 8.41 through June 30, 1999, are less than the  
27 amounts appropriated in this section, the amounts appropriated  
28 shall be reduced proportionately and the department may reduce  
29 expenditures as deemed necessary by the department to meet the  
30 reduced funding level:

31     1. To be credited to the family investment program account  
32 and used for assistance under the family investment program  
33 under chapter 239B:

34 ..... \$ 65,125,688

35     2. To be credited to the family investment program account

1 and used for the job opportunities and basic skills (JOBS)  
2 program, and implementing family investment agreements, in  
3 accordance with chapter 239B:  
4 ..... \$ 19,480,113  
5 3. For field operations:  
6 ..... \$ 10,579,210  
7 4. For general administration:  
8 ..... \$ 2,844,612  
9 5. For local administrative costs:  
10 ..... \$ 1,904,371  
11 6. For state child care assistance:  
12 ..... \$ 7,214,089  
13 7. For emergency assistance:  
14 ..... \$ 2,557,000  
15 8. For mental health and developmental disabilities  
16 community services:  
17 ..... \$ 1,913,592  
18 9. For child and family services:  
19 ..... \$ 22,587,871  
20 10. For pregnancy prevention grants on the condition that  
21 family planning services are funded:  
22 ..... \$ 1,538,938  
23 11. For technology needs and other resources necessary to  
24 meet federal welfare reform reporting, tracking, and case  
25 management requirements:  
26 ..... \$ 1,000,000  
27 12. For supervised community treatment under child and  
28 family services:  
29 ..... \$ 300,000  
30 13. For volunteers:  
31 ..... \$ 18,771  
32 The department shall report quarterly, any changes in  
33 allocations of temporary assistance for needy families money,  
34 to the legislative fiscal bureau and to the chairpersons and  
35 ranking members of the joint appropriations subcommittee on

1 human services.

2 Sec. 5. FAMILY INVESTMENT PROGRAM ACCOUNT.

3 1. Moneys credited to the family investment program (FIP)  
4 account for the fiscal year beginning July 1, 1998, and ending  
5 June 30, 1999, shall be used in accordance with the following  
6 requirements:

7 a. The department shall provide assistance in accordance  
8 with chapter 239B.

9 b. The department shall continue the special needs program  
10 under the family investment program.

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

14 d. The department shall continue expansion of the  
15 electronic benefit transfer program as necessary to comply  
16 with federal requirements. The target date for statewide  
17 implementation of the program is July 1, 1999. The department  
18 shall establish a cost-sharing policy with participants that  
19 guarantees at least four free transactions per month for  
20 participants' FIP account, unlimited free transactions for the  
21 participants' food stamp account as required by federal law,  
22 and at least one free electronic benefit transfer card  
23 replacement per six month period if a replacement is  
24 necessary. The department shall submit a progress report of  
25 the program to the general assembly by January 1, 1999.

26 e. The department shall continue to conduct an evaluation  
27 of the welfare reform program and child well-being provisions  
28 to measure the program's effectiveness, impacts on children  
29 and families, and impacts across programs, and to identify  
30 effective strategies.

31 f. The department shall continue to contract for services  
32 in developing and monitoring an entrepreneurial training  
33 program to provide technical assistance to families which  
34 receive assistance under the family investment program.

35 g. For family investment agreements entered into on or

1 after July 1, 1996, the maximum allowable time period for  
2 supported postsecondary education is limited to a total of  
3 twenty-four months. The twenty-four-month allowance shall  
4 only be available for a period of forty-eight consecutive  
5 months.

6 2. The department may transfer funds in accordance with  
7 section 8.39, either federal or state, to or from the child  
8 day care appropriations made for the fiscal year beginning  
9 July 1, 1998, if the department deems this would be a more  
10 effective method of paying for JOBS program child care, to  
11 maximize federal funding, or to meet federal maintenance of  
12 effort requirements.

13 3. Moneys appropriated in this Act and credited to the  
14 family investment program account for the fiscal year  
15 beginning July 1, 1998, and ending June 30, 1999, are  
16 allocated as follows:

17 a. For the food stamp employment and training program:  
18 ..... \$ 129,985

19 b. For the family development and self-sufficiency grant  
20 program as provided under section 217.12:  
21 ..... \$ 5,197,825

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

26 (2) Based upon the annual evaluation report concerning  
27 each grantee funded by previously appropriated funds and  
28 through the solicitation of additional grant proposals, the  
29 family development and self-sufficiency council may use the  
30 allocated funds to renew or expand existing grants or award  
31 new grants. In utilizing the increased funding to expand the  
32 program, the council shall give consideration, in addition to  
33 other criteria established by the council, to a grant  
34 proposal's intended use of local funds with a grant and to  
35 whether a grant proposal would expand the availability of the



1 program's services to a wider geographic area.

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

5 (4) The department and the family development and self-  
6 sufficiency council shall identify a limited number of  
7 consistent performance measures to be tracked at both the  
8 grantee and the statewide levels. These performance measures  
9 shall be incorporated into grantee contracts awarded on or  
10 after July 1, 1998, and shall include at least two measures  
11 relating to FIP usage, at least two measures relating to  
12 family stability or family structure, at least two measures  
13 relating to participant employment, and other measures deemed  
14 appropriate by the department and the council. A grantee may  
15 also identify additional measures if the grantee believes  
16 additional measures will provide important information for  
17 public policy decisions. The council may also establish and  
18 track other measures that the council determines are necessary  
19 for making public policy decisions. Any performance measures  
20 established pursuant to this paragraph shall be reported to  
21 the general assembly for purposes of determining the  
22 effectiveness of the grant program.

23 (5) The family development and self-sufficiency grant  
24 program shall be implemented statewide during FY 1998-1999.

- 25 c. For income maintenance reengineering:
- 26 ..... \$ 200,000
- 27 d. For an employer verification pilot project:
- 28 ..... \$ 50,000.

29 The department may streamline and simplify the employer  
30 verification process for applicants, participants, and  
31 employers in the administration of the department's programs.  
32 The department may contract with companies collecting data  
33 from employers when the information is needed in the  
34 administration of these programs. The department may limit  
35 the availability of the initiative on the basis of geographic

1 area or number of individuals. The department shall submit a  
2 report by January 15, 1999, regarding the potential benefits  
3 of expanding the initiative.

4 e. For the diversion program and incentive grants as  
5 follows:

6 (1) For the diversion subaccount of the family investment  
7 program account:

8 ..... \$ 2,700,000

9 Moneys allocated to the diversion subaccount shall be used  
10 to continue the pilot initiative of providing incentives to  
11 assist families who meet income eligibility requirements for  
12 the family investment program in obtaining or retaining  
13 employment, to assist participant families in overcoming  
14 barriers to obtaining employment, and to assist families in  
15 stabilizing employment and in reducing the likelihood of the  
16 family returning to the family investment program. Incentives  
17 may be provided in the form of payment or services. The  
18 department may limit the availability of the pilot initiative  
19 on the basis of geographic area or numbers of individuals  
20 provided with incentives. The department shall attempt to  
21 assess and screen individuals who would most likely benefit  
22 from the services. The department shall expand the diversion  
23 initiative beginning in the fiscal year 1998-1999. The  
24 department may use up to \$50,000 to facilitate community  
25 investment in welfare reform and to support expansion of the  
26 diversion program. The department may grant diversion moneys  
27 to the level of the entity operating an initiative. The  
28 department may adopt additional eligibility criteria as  
29 necessary for compliance with federal law and for screening  
30 those families who would be most likely to become eligible for  
31 the family investment program if diversion incentives would  
32 not be provided.

33 (2) For implementation of innovative strategies on a  
34 statewide or pilot project basis for supporting job retention,  
35 family structure, or both, including services to noncustodial

1 parents and young parents. The department shall consult with  
2 members of the joint appropriations subcommittee on human  
3 services, designated by the subcommittee co-chairpersons and  
4 ranking members, concerning development of the strategies in  
5 advance of implementation:

6 ..... \$ 500,000

7 (3) Of the moneys allocated in subparagraph (2), not more  
8 than \$50,000 shall be used to develop at least one community-  
9 level parental obligation pilot project. A pilot project  
10 shall be operated with the goal of assisting parents who are  
11 living apart in meeting their parental obligations and in  
12 supporting their children. Any pilot project shall maximize  
13 the use of existing community resources for family counseling,  
14 legal services, job training and job skills development,  
15 substance abuse treatment and prevention, health maintenance,  
16 and personal mentoring. Local communities shall also be  
17 encouraged to provide financial resources.

18 (a) Notwithstanding any other provision of law to the  
19 contrary, the department shall develop procedures for the  
20 pilot projects to expedite all of the following:

21 (i) The establishment and adjustment of support  
22 obligations, with the consent of both parents, in a manner  
23 which may deviate from the child support guidelines.

24 (ii) Changes in income withholding orders based on  
25 individual case circumstances.

26 (iii) Satisfaction of a portion of support amounts owed to  
27 the state based on cooperation and compliance by the  
28 noncustodial parent with project requirements.

29 (iv) Adjustment of visitation and shared custody  
30 arrangements in a manner which enhances the ability of each  
31 parent to meet parental obligations.

32 (b) The department shall adopt rules for the development,  
33 operation, and monitoring of a project; to establish the  
34 minimum required amount of community support; to establish  
35 expedited procedures; and to establish other criteria and

1 procedures as appropriate.

2 (c) The department shall use the funds authorized in this  
3 subparagraph to employ one full-time equivalent position to  
4 manage the pilot project or projects. The department shall  
5 also use the authorized funds to employ other full-time  
6 equivalent positions, as necessary, to assist in the  
7 coordination, development, and operation of community-level  
8 pilot projects and to achieve the expedited procedures  
9 established. Any full-time equivalent positions authorized in  
10 this subparagraph subdivision are in addition to any other  
11 full-time equivalent positions authorized by law.

12 (4) Of the moneys allocated in subparagraph (2), not more  
13 than \$200,000 shall be used to conduct a study of the impact  
14 that moving unemployed family investment program parents into  
15 employment has on the well-being of the children, the parent,  
16 and the family. The department shall include in this well-  
17 being study a method of actual contact with the families and  
18 children, and shall consider broad-based impacts, such as  
19 educational achievement, health status, housing stability,  
20 family stability, and use of supportive social services. The  
21 department shall also seek funding through foundations and the  
22 federal government in order to supplement the funding for this  
23 study. The results of the study shall be submitted to the  
24 persons required by this Act to receive reports.

25 (5) Of the moneys allocated in subsection (2), not more  
26 than \$100,000 shall be used for providing additional incentive  
27 payments to contracted agencies who demonstrate success at  
28 completing well-being visits for families terminated from the  
29 family investment program under a limited benefit plan. The  
30 department shall use these funds to increase payments to  
31 agencies who complete a higher percentage of well-being  
32 visits, who achieve a significant percentage of visits in a  
33 face-to-face format, or who are able to observe and interact  
34 with the children during a significant percentage of visits.

35 f. For implementation of the domestic violence option in

1 accordance with the provisions of the division of this Act  
2 providing for that purpose and for awareness training:

3 ..... \$ 25,000

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 credited to 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 credited  
10 to the family investment program account.

11 5. Effective July 1, 1998, the department shall  
12 discontinue payment of the first \$50 of the assigned child  
13 support collected by the department. A participant shall be  
14 entitled to any rebate of assigned support that should have  
15 been paid for June 1998 or earlier even though the rebate  
16 payment may not be authorized or paid until July 1, 1998, or  
17 after. The department may adopt emergency rules to implement  
18 this subsection.

19 6. The department may adopt emergency administrative rules  
20 for the family investment, food stamp, and medical assistance  
21 programs, if necessary, to comply with federal requirements.  
22 Prior to adoption of the rules, the department shall consult  
23 with the welfare reform council and the chairpersons and  
24 ranking members of the joint appropriations subcommittee on  
25 human services.

26 7. Notwithstanding 1997 Iowa Acts, chapter 208, section 3,  
27 subsection 9, moneys appropriated to the department of human  
28 services in 1995 Iowa Acts, chapter 220, section 11, for  
29 purposes of costs associated with the development of the X-  
30 PERT computer system shall not revert at the close of the  
31 fiscal year beginning July 1, 1997, but shall remain available  
32 for the purpose designated, including but not limited to case  
33 conversion activities, until the close of the fiscal year  
34 beginning July 1, 1998.

35 Sec. 6. EMERGENCY ASSISTANCE. There is appropriated from

1 the general fund of the state to the department of human  
2 services for the fiscal year beginning July 1, 1998, and  
3 ending June 30, 1999, the following amount, or so much thereof  
4 as is necessary, to be used for the purpose designated:

5 For emergency assistance to families with dependent  
6 children for homeless prevention programs:

7 ..... \$ 10,000

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

28 2. For the fiscal year beginning July 1, 1998, the  
29 department shall continue the process for the state to receive  
30 refunds of rent deposits for emergency assistance recipients  
31 which were paid by persons other than the state. The refunds  
32 received by the department under this subsection shall be  
33 deposited with the moneys of the appropriation made in this  
34 section and used as additional funds for the emergency  
35 assistance program. Notwithstanding section 8.33, moneys

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

8 3. Of the funds appropriated in this section, \$10,000 is  
9 allocated to the community voice mail program to continue the  
10 existing program. The funds shall be made available beginning  
11 July 1, 1998.

12 Sec. 7. MEDICAL ASSISTANCE. There is appropriated from  
13 the general fund of the state to the department of human  
14 services for the fiscal year beginning July 1, 1998, and  
15 ending June 30, 1999, the following amount, or so much thereof  
16 as is necessary, to be used for the purpose designated:

17 For medical assistance, including reimbursement for  
18 abortion services, which shall be available under the medical  
19 assistance program only for those abortions which are  
20 medically necessary:

21 ..... \$386,013,305

22 1. Medically necessary abortions are those performed under  
23 any of the following conditions:

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

26 b. The attending physician certifies that the fetus is  
27 physically deformed, mentally deficient, or afflicted with a  
28 congenital illness.

29 c. The pregnancy is the result of a rape which is reported  
30 within 45 days of the incident to a law enforcement agency or  
31 public or private health agency which may include a family  
32 physician.

33 d. The pregnancy is the result of incest which is reported  
34 within 150 days of the incident to a law enforcement agency or  
35 public or private health agency which may include a family

1 physician.

2 e. Any spontaneous abortion, commonly known as a  
3 miscarriage, if not all of the products of conception are  
4 expelled.

5 2. Notwithstanding section 8.39, the department may  
6 transfer funds appropriated in this section to a separate  
7 account established in the department's case management unit  
8 for expenditures required to provide case management services  
9 for mental health, mental retardation, and developmental  
10 disabilities services under medical assistance which are  
11 jointly funded by the state and county, pending final  
12 settlement of the expenditures. Funds received by the case  
13 management unit in settlement of the expenditures shall be  
14 used to replace the transferred funds and are available for  
15 the purposes for which the funds were appropriated in this  
16 section.

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



1 are provided outside of a managed care contract.

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

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

14 d. When paying the necessary and legal expenses of  
15 intermediate care facilities for persons with mental  
16 retardation (ICFMR), the cost payment requirements of section  
17 222.60 shall be considered fulfilled when payment is made in  
18 accordance with the medical assistance payment rates  
19 established for ICFMRs by the department and the state or a  
20 county of legal settlement is not obligated for any amount in  
21 excess of the rates.

22 4. a. The department shall proceed with a request for  
23 proposals for managed behavioral health care, including  
24 substance abuse care, without inclusion of rehabilitative  
25 treatment and support (RTS) services for medical assistance-  
26 eligible children, psychiatric medical institutions for  
27 children (PMICs) for mental health, or the preauthorization  
28 process of clinical assessment and consultation teams (CACT)  
29 for RTS services and the Iowa foundation for medical care for  
30 PMICs. In addition, the request for proposals may include  
31 coverage of persons with mental illness for whom payment for  
32 services is the responsibility of the state, known as "state  
33 cases". The state cases coverage shall include all services  
34 for persons with mental illness included in the county  
35 management plans approved under section 331.439. The

1 financial criteria used to determine eligibility for the state  
2 cases coverage shall not be more stringent than the financial  
3 criteria used by the county of residence of the person with  
4 mental illness. The contractor's denial of payment for  
5 services provided to a person with mental illness for whom  
6 payment for the services is a state responsibility does not  
7 create a payment responsibility for a county. The department  
8 shall consult with the chairpersons and ranking members of the  
9 joint appropriations subcommittee on human services in  
10 developing the request for proposals and in evaluating the  
11 responses. Notwithstanding the provisions of this Act and  
12 section 249A.26, requiring counties to pay all or part of the  
13 nonfederal share of certain services provided to persons with  
14 disabilities under the medical assistance program, the state  
15 shall pay 100 percent of the nonfederal share of any services  
16 included in the plan implemented pursuant to this subsection.

17 b. If authorized by the legislative council, the child  
18 welfare services work group created by the legislative council  
19 in November 1997 shall continue meeting to develop capitation  
20 alternatives and consider accountability from a managed system  
21 of care, and shall submit recommendations to the general  
22 assembly and to the co-chairpersons and ranking members of the  
23 joint appropriations subcommittee on human services by January  
24 1, 1999.

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 public health for substance abuse grants, \$950,000 for the  
34 fiscal year beginning July 1, 1998, shall be transferred to  
35 the department of human services for an integrated substance

1 abuse managed care system.

2 7. The department shall aggressively implement the medical  
3 assistance home and community-based waiver for persons with  
4 physical disabilities as a means to further develop the  
5 personal assistance services program under section 225C.46. A  
6 minimum of \$556,750 is allocated under this section to  
7 increase the number of slots for persons with physical  
8 disabilities under the waiver. The waiver shall not be  
9 implemented in a manner which would require additional county  
10 or state funding for assistance provided to an individual  
11 served under the waiver. The waiver shall be limited in  
12 application to persons with physical disabilities who reside  
13 in a medical institution at the time of applying for  
14 assistance and who have been residents of a medical  
15 institution for a minimum of thirty consecutive days.

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

26 9. The department shall continue the case study for  
27 outcome-based performance standards for programs serving  
28 persons with mental retardation or other developmental  
29 disabilities proposed pursuant to 1994 Iowa Acts, chapter  
30 1170, section 56. The department shall adopt rules applicable  
31 to the programs included in the case study, request a waiver  
32 of applicable federal requirements, and take other actions  
33 deemed necessary by the department to continue the case study.

34 10. Contingent upon receiving federal approval, the  
35 department shall develop and implement a medical assistance

1 home and community-based services waiver to allow children  
2 with mental retardation, who would otherwise require ICF/MR  
3 care, to be served in out-of-home settings of up to eight beds  
4 which meet standards established by the department. Initially  
5 the waiver shall be designed to provide 100 service slots.

6 11. Contingent upon receiving federal approval, the  
7 department shall expand access to supported employment and  
8 other services, currently funded by counties, to adults with  
9 mental retardation, through the use of the medical assistance  
10 home and community-based services waiver for persons with  
11 mental retardation. The department shall implement these  
12 changes in a manner which is supported by a majority of Iowa  
13 counties.

14 12. The department may establish up to 30 psychiatric  
15 medical institution for children (PMIC) beds at the state  
16 mental health institute at Independence.

17 Sec. 8. HEALTH INSURANCE PREMIUM PAYMENT PROGRAM. There  
18 is appropriated from the general fund of the state to the  
19 department of human services for the fiscal year beginning  
20 July 1, 1998, and ending June 30, 1999, the following amount,  
21 or so much thereof as is necessary, to be used for the purpose  
22 designated:

23 For administration of the health insurance premium payment  
24 program, including salaries, support, maintenance, and  
25 miscellaneous purposes:

26 .....	\$	300,000
27 .....	FTEs	17.00

28 Sec. 9. CHILD HEALTH CARE PROGRAM. 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, 1998, and  
31 ending June 30, 1999, the following amount, or so much thereof  
32 as is necessary, to be used for the purpose designated:

33 For maintenance of the child health care program as  
34 authorized by state law for receipt of federal financial  
35 participation under Title XXI of the federal Social Security

1 Act, which creates the state children's health insurance  
2 program, including salaries, support benefits, outreach,  
3 maintenance, and miscellaneous purposes:

4 ..... \$ 7,000,000

5 The department may transfer funds appropriated in this Act  
6 for medical assistance to be used for the purpose of expanding  
7 health care coverage to children. Notwithstanding section  
8 8.33, moneys appropriated in this section of this Act which  
9 remain unobligated at the close of the fiscal year shall not  
10 revert but shall remain available for allocation in the  
11 succeeding fiscal year. The department shall provide periodic  
12 updates of expenditures of funds appropriated under this  
13 section to the general assembly. The department may adopt  
14 emergency rules to implement the provisions of this section.

15 Sec. 10. MEDICAL CONTRACTS. 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, 1998, and  
18 ending June 30, 1999, the following amount, or so much thereof  
19 as is necessary, to be used for the purpose designated:

20 For medical contracts:

21 ..... \$ 7,357,150

22 1. Notwithstanding 1997 Iowa Acts, chapter 208, section 7,  
23 subsection 1, the department shall establish a task force to  
24 conduct a review of the prior authorization and prospective  
25 drug utilization review systems. The task force shall submit  
26 a report, including any recommendations for modifications of  
27 these systems, to the general assembly by January 1, 1999.  
28 Members of the task force shall include one representative of  
29 the department of human services, one representative of the  
30 drug utilization review commission, two pharmacists, two  
31 physicians, two representatives of academia, and two  
32 representatives of the pharmaceutical industry.

33 2. The department shall not expand the requirement of drug  
34 prior authorization without prior approval of the general  
35 assembly except to require prior authorization of an

1 equivalent of a prescription drug which is subject to prior  
2 authorization as of June 30, 1998.

3 3. a. Of the funds appropriated in this section, up to  
4 \$130,000 may be used by the department to fund a pilot project  
5 to provide additional training and support for nurse aides,  
6 employed by nursing facilities, as a means of reducing staff  
7 turnover.

8 b. The department shall contract with an agency or  
9 organization whose primary purpose is the improvement of the  
10 nurse aide profession, in partnership with community colleges  
11 and other professional providers, to provide continuing  
12 education, support and empowerment programs, and career  
13 opportunities within the field of nurse assisting, to further  
14 stabilize the workforce and reduce turnover.

15 c. The department shall also contract with one or more  
16 public institutions of higher education to evaluate the pilot  
17 project's effectiveness.

18 d. The department shall establish an advisory council to  
19 direct the project, which shall include representatives of the  
20 Iowa caregivers association, the Iowa nurses association, the  
21 department of inspections and appeals, the department of elder  
22 affairs, the Iowa association of homes and services for the  
23 aging, the Iowa health care association, the Iowa council of  
24 health care centers, long-term care coordinators appointed by  
25 the consortium of community colleges, and other interested  
26 parties.

27 4. The department shall enter into a contract with the  
28 university of Iowa college of medicine to conduct a study to  
29 determine the benefits to the state of the provision of  
30 pharmaceutical services by pharmacists. The study shall be  
31 conducted at no cost to the state.

32 Sec. 11. STATE SUPPLEMENTARY ASSISTANCE. There is  
33 appropriated from the general fund of the state to the  
34 department of human services for the fiscal year beginning  
35 July 1, 1998, and ending June 30, 1999, the following amount,

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

3 For state supplementary assistance, funeral assistance, and  
4 the medical assistance waiver for persons with mental  
5 retardation rent subsidy program:

6 ..... \$ 19,537,200

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

14 2. a. If during the fiscal year beginning July 1, 1998,  
15 the department projects that state supplementary assistance  
16 expenditures for a calendar year will not meet the federal  
17 pass-along requirement specified in Title XVI of the federal  
18 Social Security Act, section 1618, as codified in 42 U.S.C. §  
19 1382g, the department may take actions including but not  
20 limited to increasing the personal needs allowance for  
21 residential care facility residents and making programmatic  
22 adjustments or upward adjustments of the residential care  
23 facility or in-home health-related care reimbursement rates  
24 prescribed in this Act to ensure that federal requirements are  
25 met. The department may adopt emergency rules to implement  
26 the provisions of this subsection.

27 b. If during the fiscal year beginning July 1, 1998, the  
28 department projects that state supplementary assistance  
29 expenditures will exceed the amount appropriated, the  
30 department may transfer funds appropriated in this Act for  
31 medical assistance for the purposes of the state supplementary  
32 assistance program. However, funds shall only be transferred  
33 from the medical assistance appropriation if the funds  
34 transferred are projected to be in excess of the funds  
35 necessary for the medical assistance program.

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

4 a. Are receiving assistance under a medical assistance  
5 home and community-based services waiver.

6 b. Were discharged from a medical institution in which  
7 they have resided for at least 30 consecutive days immediately  
8 prior to discharge. Within available funding and demonstrated  
9 need, the department may make subsidy funds available to HCBS  
10 waiver-eligible adults meeting criteria in paragraph "a" and  
11 this paragraph at any time on or after July 1, 1995.

12 c. In lieu of meeting the criteria in paragraph "b", rent  
13 subsidy funds may also be provided to persons able to leave a  
14 medical institution by use of services provided under an HCBS  
15 waiver who turn 18 years of age during the last year of their  
16 institutional stay.

17 The goal of the subsidy program shall be to encourage and  
18 assist in enabling persons who currently reside in a medical  
19 institution to move to a community living arrangement. An  
20 eligible person may receive assistance in meeting their rental  
21 expense and, in the initial two months of eligibility, in  
22 purchasing necessary household furnishings and supplies. The  
23 program shall be implemented so that it does not meet the  
24 federal definition of state supplementary assistance and will  
25 not impact the federal pass-along requirement specified in  
26 Title XVI of the federal Social Security Act, section 1613, as  
27 codified in 42 U.S.C. § 1382g.

28 Sec. 12. CHILD DAY CARE ASSISTANCE. 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, 1998, and  
31 ending June 30, 1999, the following amount, or so much thereof  
32 as is necessary, to be used for the purposes designated:

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

35 ..... \$ 8,740,000



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

3 2. Of the funds appropriated in this section, \$4,407,073  
4 shall be used for state child care assistance.

5 3. Beginning July 1, 1998, the income eligibility  
6 requirement for state child care assistance shall be 140  
7 percent of the federal poverty level for those families  
8 qualifying for basic child care assistance and 175 percent of  
9 the federal poverty level for those families with a child with  
10 special needs. The department may adopt emergency rules to  
11 implement the provisions of this subsection.

12 4. For the purposes of this subsection, the term "poverty  
13 level" means the poverty level defined by the poverty income  
14 guidelines published by the United States department of health  
15 and human services. Based upon the availability of the  
16 funding provided in subsection 2 and other funding  
17 appropriated for state child care assistance, the department  
18 shall establish waiting lists for state child care assistance  
19 in 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 28  
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 140 percent of the federal poverty level whose  
32 members are employed at least 28 hours per week.

33 d. Families with an income at or below 175 percent of the  
34 federal poverty level whose members are employed at least 28  
35 hours per week with a special needs child as a member of the

1 family.

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

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

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

26 8. During the 1998-1999 fiscal year, the department shall  
27 utilize the moneys deposited in the child day care credit fund  
28 created in section 237A.28 for state child care assistance, in  
29 addition to the moneys allocated for that purpose in this  
30 section.

31 9. The administrators of the state child care assistance  
32 program and the family investment program shall develop a  
33 proposal for implementing a single point of access for  
34 publicly supported child day care assistance. The provisions  
35 included in the single point of access shall include but is

1 not limited to JOBS program child care assistance, the child  
2 care disregard under the family investment program, and state  
3 child care assistance. The single point of access provisions  
4 shall be designed in a manner so as to provide a single  
5 application form, a single integrated set of eligibility  
6 requirements, a uniform provider rate and reimbursement  
7 system, and a uniform sliding fee scale for all participants  
8 regardless of the basis for eligibility. The proposal shall  
9 be submitted on or before January 1, 1999, to the persons  
10 designated under this Act to receive reports submitted by the  
11 department.

12 Sec. 13. CHILD SUPPORT RECOVERY. There is appropriated  
13 from the general fund of the state to the department of human  
14 services for the fiscal year beginning July 1, 1998, and  
15 ending June 30, 1999, the following amount, or so much thereof  
16 as is necessary, to be used for the purposes designated:

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

20 .....	\$	9,360,000
21 .....	FTEs	233.22

22 1. The director of human services, within the limitations  
23 of the moneys appropriated in this section, or moneys  
24 transferred from the family investment program account for  
25 this purpose, shall establish new positions and add employees  
26 to the child support recovery unit if the director determines  
27 that both the current and additional employees together can  
28 reasonably be expected to maintain or increase net state  
29 revenue at or beyond the budgeted level. If the director adds  
30 employees, the department shall demonstrate the cost-  
31 effectiveness of the current and additional employees by  
32 reporting to the joint appropriations subcommittee on human  
33 services the ratio of the total amount of administrative costs  
34 for child support recoveries to the total amount of the child  
35 support recovered.

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

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

16 4. The director of human services may establish new  
17 positions and add state employees to the child support  
18 recovery unit or contract for delivery of services if the  
19 director determines the employees are necessary to replace  
20 county-funded positions eliminated due to termination,  
21 reduction, or nonrenewal of a chapter 28E contract. However,  
22 the director must also determine that the resulting increase  
23 in the state share of child support recovery incentives  
24 exceeds the cost of the positions or contract, the positions  
25 or contract are necessary to ensure continued federal funding  
26 of the program, or the new positions or contract can  
27 reasonably be expected to recover at least twice the amount of  
28 money necessary to pay the salaries and support for the new  
29 positions or the contract will generate at least 200 percent  
30 of the cost of the contract.

31 5. If initiated by the judicial department, the child  
32 support recovery unit shall continue to work with the judicial  
33 department to determine the feasibility of implementing a  
34 pilot project utilizing a court-appointed referee for judicial  
35 determinations on child support matters. The extent and

1 location of any pilot project shall be jointly developed by  
2 the judicial department and the child support recovery unit.

3 6. The department shall expend up to \$50,000, including  
4 federal financial participation, for the fiscal year beginning  
5 July 1, 1998, for a child support public awareness campaign.  
6 The department and the office of the attorney general shall  
7 cooperate in continuation of the campaign. The public  
8 awareness campaign shall emphasize, through a variety of media  
9 activities, the importance of maximum involvement of both  
10 parents in the lives of their children as well as the  
11 importance of payment of child support obligations.

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

16 8. Surcharges paid by obligors and received by the unit as  
17 a result of the referral of support delinquency by the child  
18 support recovery unit to any private collection agency are  
19 appropriated to the department and shall be used to pay the  
20 costs of any contracts with the collection agencies.

21 Sec. 14. JUVENILE INSTITUTIONS. 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, 1998, and  
24 ending June 30, 1999, the following amount, or so much thereof  
25 as is necessary, to be used for the purposes designated:

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

30 For the state juvenile institutions:  
31 ..... \$ 15,405,000  
32 ..... FTEs 349.72

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

1 ..... \$ 5,990,000  
2 ..... FTEs 136.04

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

6 ..... \$ 9,407,808  
7 ..... FTEs 213.68

8 3. During the fiscal year beginning July 1, 1998, the  
9 population levels at the state juvenile institutions shall not  
10 exceed the population guidelines established under 1990 Iowa  
11 Acts, chapter 1239, section 21, as adjusted for additional  
12 beds developed at the institutions.

13 4. A portion of the moneys appropriated in this section  
14 shall be used by the state training school and by the Iowa  
15 juvenile home for grants for adolescent pregnancy prevention  
16 activities at the institutions in the fiscal year beginning  
17 July 1, 1998.

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

22 Sec. 15. CHILD AND FAMILY SERVICES. There is appropriated  
23 from the general fund of the state to the department of human  
24 services for the fiscal year beginning July 1, 1998, and  
25 ending June 30, 1999, the following amount, or so much thereof  
26 as is necessary, to be used for the purpose designated:

27 For child and family services:

28 ..... \$ 96,744,904

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

1 and for field operations for resources necessary to implement  
2 and operate the services funded in this section.

3 2. a. Of the funds appropriated in this section, up to  
4 \$30,923,872 is allocated as the statewide expenditure target  
5 under section 232.143 for group foster care maintenance and  
6 services.

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

12 c. (1) Of the funds appropriated in this section, not  
13 more than \$5,998,227 is allocated as the state match funding  
14 for psychiatric medical institutions for children.

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

20 d. Of the funds allocated in this subsection, \$1,392,457  
21 is allocated as the state match funding for 50 highly  
22 structured juvenile program beds. If the number of beds  
23 provided for in this paragraph is not utilized, the remaining  
24 funds allocated may be used for group foster care.

25 e. For the fiscal years beginning July 1, 1997, and July  
26 1, 1998, the requirements of section 232.143 applicable to the  
27 juvenile court and to representatives of the juvenile court  
28 shall be applicable instead to juvenile court services and to  
29 representatives of juvenile court services. The  
30 representatives appointed by the department of human services  
31 and by juvenile court services to establish the plan to  
32 contain expenditures for children placed in group foster care  
33 ordered by the court within the budget target allocated to the  
34 region shall establish the plan in a manner so as to ensure  
35 the moneys allocated to the region under section 232.141 shall

1 last the entire fiscal year. Funds for a child placed in  
2 group foster care shall be considered encumbered for the  
3 duration of the child's projected or actual length of stay,  
4 whichever is applicable. The department, in cooperation with  
5 the juvenile court services representatives, shall develop and  
6 implement utilization management criteria for group foster  
7 care placements to be used by the department of human services  
8 and juvenile court services staff in developing a  
9 dispositional recommendation to the juvenile court. The  
10 department shall submit a report on the utilization management  
11 criteria to the general assembly on or before January 1, 1999.

12 f. If the medical assistance waiver request for children  
13 with mental retardation in out-of-home settings is approved,  
14 the department may transfer all or a portion of the funding  
15 allocated in this subsection, which is attributable to group  
16 foster care ordered for a child with mental retardation or  
17 other developmental disability under section 232.182 or  
18 232.183, to the appropriation in this Act for medical  
19 assistance.

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

24 4. In accordance with the provisions of section 232.188,  
25 the department shall continue the program to decategorize  
26 child welfare services in additional counties or clusters of  
27 counties.

28 5. The amount of the appropriation made in this section  
29 available for foster care is based upon expansion of the  
30 number of children in foster care who are eligible for federal  
31 supplemental security income (SSI). The department may use up  
32 to \$275,000 of those funds to enter into a performance-based  
33 contract to secure SSI benefits for children placed in foster  
34 care. The contract shall include provisions for training of  
35 department of human services and juvenile court staff,



1 completion of applications, tracking of application results,  
2 and representation during the appeals process whenever an  
3 appeal is necessary to secure SSI benefits. The department  
4 may extend the contract for an additional two years.  
5 Notwithstanding section 217.30 and section 232.2, subsection  
6 11, and any other provision of law to the contrary, the  
7 director or the director's designee on behalf of a child in  
8 foster care may release medical, mental health, substance  
9 abuse, or any other information necessary only to determine  
10 the child's eligibility for SSI benefits, and may sign  
11 releases for the information. In the case of a child in the  
12 custody of juvenile court services, the state court  
13 administrator or administrator's designee acting on behalf of  
14 a child in foster care may release medical, mental health,  
15 substance abuse, or any other information necessary only to  
16 determine the child's eligibility for SSI benefits, and may  
17 sign releases for the information. In any release of  
18 information made pursuant to this subsection, confidentiality  
19 shall be maintained to the maximum extent possible.

20 6. A portion of the funds appropriated in this section may  
21 be used for emergency family assistance to provide other  
22 resources required for a family participating in a family  
23 preservation or reunification project to stay together or to  
24 be reunified.

25 7. Notwithstanding section 234.35, subsection 1, for the  
26 fiscal year beginning July 1, 1998, state funding for shelter  
27 care paid pursuant to section 234.35, subsection 1, paragraph  
28 "h", shall be limited to \$7,553,641. The department shall  
29 develop a formula, in consultation with the shelter care  
30 committee and the judicial department, to allocate shelter  
31 care funds to the department's regions. The department may  
32 adopt emergency rules to implement this subsection.

33 8. Of the funds appropriated in this section, not more  
34 than \$550,696 may be used to develop and maintain the state's  
35 implementation of the national adoption and foster care

1 information system pursuant to the requirements of Pub. L.  
2 No. 99-509. The department may transfer funds as necessary  
3 from the appropriations in this Act for field operations and  
4 general administration to implement this subsection. Moneys  
5 allocated in accordance with this subsection shall be  
6 considered encumbered for the purposes of section 8.33.

7 9. Of the funds appropriated in this section, up to  
8 \$662,955 may be used as determined by the department for any  
9 of the following purposes:

10 a. For general administration of the department to improve  
11 staff training efforts.

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

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

17 d. For specialized permanency planning field operations  
18 staff.

19 10. The department may adopt administrative rules  
20 following consultation with child welfare services providers  
21 to implement outcome-based child welfare services pilot  
22 projects. The rules may include, but are not limited to, the  
23 development of program descriptions, provider licensing and  
24 certification standards, reimbursement and payment amounts,  
25 contract requirements, assessment and service necessity  
26 requirements, eligibility criteria, claims submission  
27 procedures, and accountability standards.

28 11. Of the funds appropriated in this section, up to  
29 \$123,000 may be used to develop, in cooperation with providers  
30 of children and family services, juvenile court, and other  
31 interested parties, an outcomes-based approach for family-  
32 centered, family preservation, family-community-based support,  
33 and wrap-around services to evaluate and improve outcomes for  
34 children and families. The department shall submit an  
35 outcomes-based budget for these programs and shall submit the

1 budget with other budget documents required pursuant to  
2 section 8.23. The department may adopt administrative rules  
3 to implement this subsection.

4 12. The department shall continue to make adoption  
5 presubsidy and adoption subsidy payments to adoptive parents  
6 at the beginning of the month for the current month.

7 13. Federal funds received by the state during the fiscal  
8 year beginning July 1, 1998, as the result of the expenditure  
9 of state funds appropriated during a previous state fiscal  
10 year for a service or activity funded under this section,  
11 shall be used as additional funding for services provided  
12 under this section. Moneys received by the department in  
13 accordance with the provisions of this subsection shall remain  
14 available for the purposes designated until June 30, 2000.

15 14. In addition to the report for group foster care  
16 placements, the department shall report quarterly to the  
17 legislative fiscal bureau concerning the status of each  
18 region's funding expenditures compared with allocations in the  
19 regional plan for services provided under this section.

20 15. The department and juvenile court services shall  
21 develop criteria for the department regional administrator and  
22 chief juvenile court officer to grant exceptions to extend  
23 eligibility, within the funds allocated, for intensive  
24 tracking and supervision and for supervised community  
25 treatment to delinquent youth beyond age 18 who are subject to  
26 release from the state training school, a highly structured  
27 juvenile program, or group care. The department shall report  
28 the number of such exceptions granted and the related  
29 expenditures to the joint appropriations subcommittee on human  
30 services on or before January 1, 1999.

31 16. Of the moneys appropriated in this section, not more  
32 than \$731,238 is allocated to provide clinical assessment  
33 services as necessary to continue funding of children's  
34 rehabilitation services under medical assistance in accordance  
35 with federal law and requirements. The funding allocated is

1 the amount projected to be necessary for providing the  
2 clinical assessment services.

3 17. Notwithstanding 1997 Iowa Acts, chapter 208, section  
4 12, subsection 18, the department may extend the existence of  
5 the current clinical assessment and consultation teams until  
6 October 31, 1998. The department shall develop and implement  
7 a new rehabilitative treatment and supportive services  
8 authorization model, including a toll-free telephone number  
9 for preauthorization on or before November 1, 1998. The new  
10 model shall be developed and implemented in a manner so as to  
11 streamline the authorization process, to reduce paperwork and  
12 other information requirements to the minimum level necessary  
13 for compliance with federal requirements, and to ensure timely  
14 response to authorization requests. The department may adopt  
15 emergency rules to implement the provisions of this  
16 subsection.

17 Sec. 16. CONNER DECREE. There is appropriated from the  
18 general fund of the state to the department of human services  
19 for the fiscal year beginning July 1, 1998, and ending June  
20 30, 1999, the following amount, or so much thereof as is  
21 necessary, to be used for the purpose designated:

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

25 ..... \$ 46,000

26 Sec. 17. COMMUNITY-BASED PROGRAMS -- ADOLESCENT PREGNANCY  
27 PREVENTION. There is appropriated from the general fund of  
28 the state to the department of human services for the fiscal  
29 year beginning July 1, 1998, and ending June 30, 1999, the  
30 following amount, or so much thereof as is necessary, to be  
31 used for the purpose designated:

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

1 ..... \$ 1,008,000  
2 ..... FTE 1.00

3 1. Funds appropriated in this section shall be used to  
4 provide adolescent pregnancy prevention grants which comply  
5 with the requirements provided in 1997 Iowa Acts, chapter 208,  
6 section 14, subsections 1 and 2, and shall emphasize programs  
7 which target the middle school level.

8 2. It is the intent of the general assembly that the  
9 department of human services and the Iowa department of public  
10 health shall continue to identify existing abstinence  
11 education or community-based programs which comply with the  
12 requirements established in section 912, subchapter V, of the  
13 federal Social Security Act, as codified in 42 U.S.C. § 701 et  
14 seq. for the matching of federal funds.

15 3. Funds appropriated in this section, shall also be used  
16 by the department to provide child abuse prevention grants.

17 Sec. 18. COURT-ORDERED SERVICES PROVIDED TO JUVENILES.

18 There is appropriated from the general fund of the state to  
19 the department of human services for the fiscal year beginning  
20 July 1, 1998, and ending June 30, 1999, the following amount,  
21 or so much thereof as is necessary, to be used for the purpose  
22 designated:

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

26 ..... \$ 3,290,000

27 1. Notwithstanding section 232.141 or any other provision  
28 of law, the funds appropriated in this section shall be  
29 allocated to the judicial districts as determined by the state  
30 court administrator. The state court administrator shall make  
31 the determination on the allocations on or before June 15,  
32 1998.

33 2. a. Each judicial district shall continue the planning  
34 group for the court-ordered services for juveniles provided in  
35 that district which was established pursuant to 1991 Iowa

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

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

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

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

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

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

33 4. The department of human services, in consultation with  
34 the state court administrator and the judicial district  
35 planning groups, shall compile a report detailing the

1 expenditure categories for the spending in the judicial  
2 districts for court-ordered services for juveniles in fiscal  
3 year 1997-1998. The report shall include utilization of  
4 medical assistance funding. The report shall be submitted on  
5 or before October 15, 1998, to the persons designated by this  
6 Act to receive reports.

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

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

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

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

1     Sec. 19. MENTAL HEALTH INSTITUTES. 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, 1998, and  
4 ending June 30, 1999, the following amount, or so much thereof  
5 as is necessary, to be used for the purposes designated:

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

9 ..... \$ 42,655,500  
10 ..... FTEs       863.77

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

13     a. State mental health institute at Cherokee:

14 ..... \$ 13,018,054  
15 ..... FTEs       256.62

16     b. State mental health institute at Clarinda:

17 ..... \$ 6,852,309  
18 ..... FTEs       138.59

19     c. State mental health institute at Independence:

20 ..... \$ 17,384,500  
21 ..... FTEs       358.73

22     (1) The state mental health institute at Independence  
23 shall continue the pilot project accounting test of managing  
24 revenues and expenditures attributable to the mental health  
25 institute in a manner that permits the net state expenditure  
26 amount to be determined. The mental health institute shall  
27 submit an interim report in January 1999, and a final report  
28 in October 1999, to the governor and the joint appropriations  
29 subcommittee on human services concerning the pilot project.  
30 The report shall identify advantages and disadvantages of  
31 utilizing the pilot project approach and any changes in policy  
32 or statute identified to improve implementation of the pilot  
33 project approach.

34     (2) The state mental health institute at Independence  
35 shall establish the 30 psychiatric medical institution for



1 children (PMIC) beds authorized in section 135H.6, as amended  
2 by this Act, in a manner which results in no net state  
3 expenditure amount in excess of the amount allocated in this  
4 lettered paragraph. Subject to the approval of the  
5 department, with the exception of revenues required under  
6 section 249A.11 to be deposited in the appropriation in this  
7 Act for medical assistance, revenues attributable to the PMIC  
8 beds established under this subparagraph for the fiscal year  
9 beginning July 1, 1998, and ending June 30, 1999, shall be  
10 deposited in the institute's account, including but not  
11 limited to any of the following revenues:

12 (a) The federal share of medical assistance revenue  
13 received under chapter 249A.

14 (b) Moneys received through client participation.

15 (c) Any other revenues directly attributable to the PMIC  
16 beds.

17 d. State mental health institute at Mount Pleasant:

18 ..... \$ 5,304,756

19 ..... FTEs 109.83

20 (1) Funding is provided in this paragraph for the mental  
21 health institute at Mount Pleasant to implement a dual  
22 diagnosis mental health and substance abuse program on a net  
23 budgeting basis in which 50 percent of the actual per diem  
24 cost is chargeable to the patient's county of legal settlement  
25 or as a state case, as appropriate. Subject to the approval  
26 of the department, revenues attributable to the dual diagnosis  
27 program for the fiscal year beginning July 1, 1998, and ending  
28 June 30, 1999, shall be deposited in the institute's account,  
29 including but not limited to all of the following revenues:

30 (a) Moneys received by the state from billings to counties  
31 under section 230.20.

32 (b) Moneys received from billings to the Medicare program.

33 (c) Moneys received from a managed care contractor  
34 providing services under contract with the department or any  
35 private third party payer.

1 (d) Moneys received through client participation.

2 (e) Any other revenues directly attributable to the dual  
3 diagnosis program.

4 (2) The following additional provisions are applicable in  
5 regard to the dual diagnosis program:

6 (a) A county may split the charges between the county's  
7 mental health, mental retardation, and developmental  
8 disabilities services fund and the county's budget for  
9 substance abuse expenditures.

10 (b) If an individual is in the custody of the department  
11 of corrections, on parole, or receiving dual diagnosis  
12 treatment as a condition of criminal sentencing for evaluation  
13 or treatment, a county is not chargeable for the costs of the  
14 treatment.

15 (c) Prior to an individual's voluntary admission for dual  
16 diagnosis treatment, the individual shall have been screened  
17 through a county's single entry point process to determine the  
18 appropriateness of the treatment.

19 (d) A county shall not be chargeable for the costs of  
20 treatment for an individual enrolled in a managed behavioral  
21 care plan under the medical assistance program.

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

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

32 Sec. 20. HOSPITAL-SCHOOLS. There is appropriated from the  
33 general fund of the state to the department of human services  
34 for the fiscal year beginning July 1, 1998, and ending June  
35 30, 1999, the following amount, or so much thereof as is

1 necessary, to be used for the purposes designated:

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

5 ..... \$ 4,083,644

6 ..... FTEs 1,514.51

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

9 a. State hospital-school at Glenwood:

10 ..... \$ 2,399,644

11 ..... FTEs 852.75

12 b. State hospital school at Woodward:

13 ..... \$ 1,563,279

14 ..... FTEs 661.76

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

1 b. For purposes of calculating the hospital-schools'  
2 August 31, 1999, year-end balance at the close of the 1998-  
3 1999 fiscal year, the department shall include county  
4 receivables billed but not yet received. However, only  
5 receipts received within 90 days of being billed for fiscal  
6 year 1998-1999 services shall be included. The state  
7 hospital-school at Woodward may draw upon the general fund of  
8 the state in an amount equal to the receivables amount which  
9 is not received.

10 c. Subject to the approval of the department, except for  
11 revenues under section 249A.11, revenues attributable to the  
12 state hospital-schools for the fiscal year beginning July 1,  
13 1998, shall be deposited into each hospital-school's account,  
14 including but not limited to all of the following:

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

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

19 (3) Federal Medicare program payments.

20 (4) Moneys received from client financial participation.

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

24 d. In the 1998-1999 fiscal year of the project, the  
25 institution's report shall include a listing detailing the  
26 items for which depreciation reimbursement funds would have  
27 been utilized if the depreciation reimbursement had been  
28 retained by the institution. This listing shall be included  
29 with the report submitted pursuant to this subsection.

30 e. For the purposes of allocating the salary adjustment  
31 fund moneys appropriated in another Act, the state hospital-  
32 schools shall be considered to be funded entirely with state  
33 moneys.

34 f. Each state hospital-school and the department shall  
35 submit a preliminary report in January 1999, and a status

1 report in October 1999, to the governor and the joint  
2 appropriations subcommittee on human services concerning the  
3 project.

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

8 4. The department may implement a pilot project to bill  
9 for state hospital-school services utilizing a scope of  
10 services approach used for private providers of ICFMR  
11 services, in a manner which does not shift costs between the  
12 medical assistance program, counties, or other sources of  
13 funding for the state hospital-schools.

14 5. The state hospital-schools may expand the time limited  
15 assessment and respite services during the fiscal year.

16 Sec. 21. MENTAL ILLNESS SPECIAL SERVICES. There is  
17 appropriated from the general fund of the state to the  
18 department of human services for the fiscal year beginning  
19 July 1, 1998, and ending June 30, 1999, the following amount,  
20 or so much thereof as is necessary, to be used for the purpose  
21 designated:

22 For mental illness special services:

23 ..... \$ 121,220

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

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

35 Sec. 22. FAMILY SUPPORT SUBSIDY PROGRAM. 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, 1998, and ending June 30, 1999, the following amount,  
4 or so much thereof as is necessary, to be used by the division  
5 of children and family services for the purpose designated:

6 For the family support subsidy program:  
7 ..... \$ 1,710,000

8 The department may use up to \$200,000 of the moneys  
9 appropriated in this section to continue the children-at-home  
10 program, of which not more than \$20,000 shall be used for  
11 administrative costs.

12 Sec. 23. SPECIAL NEEDS GRANTS. There is appropriated from  
13 the general fund of the state to the department of human  
14 services for the fiscal year beginning July 1, 1998, and  
15 ending June 30, 1999, the following amount, or so much thereof  
16 as is necessary, to be used for the purpose designated:

17 To provide special needs grants to families with a family  
18 member at home who has a developmental disability or to a  
19 person with a developmental disability:  
20 ..... \$ 53,212

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

31 Sec. 24. MI/MR/DD STATE CASES. There is appropriated from  
32 the general fund of the state to the department of human  
33 services for the fiscal year beginning July 1, 1998, and  
34 ending June 30, 1999, the following amount, or so much thereof  
35 as is necessary, to be used for the purpose designated:

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

5 ..... \$ 8,594,500

6 1. If a county has a county management plan which is  
7 approved by the director of human services pursuant to section  
8 331.439, the services paid for under this section are exempt  
9 from the department's purchase of service system requirements.  
10 The department shall adopt rules to implement the provisions  
11 of this paragraph.

12 2. Of the moneys appropriated in this section, up to  
13 \$174,000 is allocated for the costs of the reimbursement  
14 increase provided in the reimbursement section of this Act for  
15 sheltered work, work activity, supported employment, supported  
16 work training, and adult residential services paid by the  
17 state under a state purchase of social services contract.

18 Sec. 25. MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES --  
19 COMMUNITY SERVICES FUND. There is appropriated from the  
20 general fund of the state to the mental health and  
21 developmental disabilities community services fund created in  
22 section 225C.7 for the fiscal year beginning July 1, 1998, and  
23 ending June 30, 1999, the following amount, or so much thereof  
24 as is necessary, to be used for the purpose designated:

25 For mental health and developmental disabilities community  
26 services in accordance with this Act:  
27 ..... \$ 17,560,000

28 1. Of the funds appropriated in this section, \$17,281,138  
29 shall be allocated to counties for funding of community-based  
30 mental health and developmental disabilities services. The  
31 moneys shall be allocated to a county as follows:

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

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

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

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

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

16 4. Of the funds appropriated in this section, not more  
17 than \$248,862 shall be provided to those counties having  
18 supplemental per diem contracts in effect on June 30, 1994,  
19 which were originally initiated under 1993 Iowa Acts, chapter  
20 172, section 16, subsection 2. The amount provided to each  
21 county shall be equal to the amount the county would be  
22 eligible to receive under the supplemental per diem contracts  
23 in effect on June 30, 1994, if the contracts were continued in  
24 effect for the entire fiscal year beginning July 1, 1998.

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

30 b. The funds allocated in this subsection shall be  
31 expended by counties in accordance with the county's approved  
32 county management plan. A county without an approved county  
33 management plan shall not receive allocated funds until the  
34 county's management plan is approved.

35 c. The funds provided by this subsection shall be



1 allocated to each county as follows:

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

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

9 6. A county is eligible for funds under this section if  
10 the county qualifies for a state payment as described in  
11 section 331.439.

12 Sec. 26. COUNTY MENTAL HEALTH, MENTAL RETARDATION, AND  
13 DEVELOPMENTAL DISABILITIES ALLOWED GROWTH FACTOR ADJUSTMENT.  
14 There is appropriated from the general fund of the state to  
15 the department of human services for the fiscal year beginning  
16 July 1, 1999, and ending June 30, 2000, the following amount,  
17 or so much thereof as is necessary, to be used for the purpose  
18 designated:

19 For distribution to counties of the county mental health,  
20 mental retardation, and developmental disabilities allowed  
21 growth factor adjustment, in accordance with section 331.438,  
22 subsection 2, and section 331.439, subsection 3:

23 ..... \$ 18,126,362

24 For the fiscal year beginning July 1, 1999, the county  
25 mental health, mental retardation, and developmental  
26 disabilities allowed growth factor adjustment shall be 2.48  
27 percent.

28 Sec. 27. PERSONAL ASSISTANCE. There is appropriated from  
29 the general fund of the state to the department of human  
30 services for the fiscal year beginning July 1, 1998, and  
31 ending June 30, 1999, the following amount, or so much thereof  
32 as is necessary, to be used for the purpose designated:

33 For continuation of a pilot project for the personal  
34 assistance services program in accordance with this section:

35 ..... \$ 364,000

1 1. The funds appropriated in this section shall be used to  
2 continue the pilot project for the personal assistance  
3 services program under section 225C.46 in an urban and a rural  
4 area. Not more than \$36,400 shall be used for administrative  
5 costs. The pilot project and any federal home and community-  
6 based waiver developed under the medical assistance program  
7 shall not be implemented in a manner which would require  
8 additional county or state costs for assistance provided to an  
9 individual served under the pilot project or the waiver.

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

19 3. Notwithstanding section 8.33, any funds remaining  
20 unexpended on June 30 of any fiscal year shall not revert to  
21 the general fund of the state but shall remain available to  
22 provide personal assistance payments in the succeeding fiscal  
23 year.

24 Sec. 28. FIELD OPERATIONS. There is appropriated from the  
25 general fund of the state to the department of human services  
26 for the fiscal year beginning July 1, 1998, and ending June  
27 30, 1999, the following amount, or so much thereof as is  
28 necessary, to be used for the purpose designated:

29 For field operations, including salaries, support,  
30 maintenance, and miscellaneous purposes and for not more than  
31 the following full-time equivalent positions:  
32 ..... \$ 49,600,000  
33 ..... FTEs 2,084.00

34 Sec. 29. GENERAL ADMINISTRATION. There is appropriated  
35 from the general fund of the state to the department of human

1 services for the fiscal year beginning July 1, 1998, and  
2 ending June 30, 1999, the following amount, or so much thereof  
3 as is necessary, to be used for the purpose designated:

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

7 .....	\$ 15,271,693
8 .....	FTEs 388.00

9 1. Of the funds appropriated in this section, \$57,000 is  
10 allocated for the prevention of disabilities policy council  
11 established in section 225B.3.

12 2. Of the funds appropriated in this section, \$129,971 for  
13 the fiscal year beginning July 1, 1998, shall be transferred  
14 directly to the state university of Iowa for the university-  
15 affiliated program for the support of Iowa creative employment  
16 options (CEO).

17 3. If an expenditure reduction or other cost-saving  
18 measure is deemed necessary to maintain expenditures within  
19 the amount appropriated to the department in this section, the  
20 department shall not implement the reduction or other measure  
21 in a manner which reduces service funding for disability  
22 rehabilitation programs, including but not limited to,  
23 statewide supported employment programs or reduces the  
24 drawdown of federal funding.

25 Sec. 30. VOLUNTEERS. There is appropriated from the  
26 general fund of the state to the department of human services  
27 for the fiscal year beginning July 1, 1998, and ending June  
28 30, 1999, the following amount, or so much thereof as is  
29 necessary, to be used for the purpose designated:

30 For development and coordination of volunteer services:

31 .....	\$ 118,500
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32 Sec. 31. MEDICAL ASSISTANCE, STATE SUPPLEMENTARY  
33 ASSISTANCE, AND SOCIAL SERVICE PROVIDERS REIMBURSED UNDER THE  
34 DEPARTMENT OF HUMAN SERVICES.

35 1. a. For the fiscal year beginning July 1, 1998, the

1 rate for skilled nursing facilities shall be increased by 2  
2 percent over the rates in effect on June 30, 1998.

3 b. Beginning January 1, 1999, the rate for pharmacist  
4 services shall be increased by two percent over the rate in  
5 effect on June 30, 1998. The reimbursement policy for drug  
6 product costs shall be in accordance with federal  
7 requirements.

8 c. For the fiscal year beginning July 1, 1998,  
9 reimbursement rates for inpatient and outpatient hospital  
10 services shall remain the same as the rates in effect on June  
11 30, 1998. The department shall continue the outpatient  
12 hospital reimbursement system based upon ambulatory patient  
13 groups implemented pursuant to 1994 Iowa Acts, chapter 1186,  
14 section 25, subsection 1, paragraph "f". In addition, the  
15 department shall continue the revised medical assistance  
16 payment policy implemented pursuant to that paragraph to  
17 provide reimbursement for costs of screening and treatment  
18 provided in the hospital emergency room if made pursuant to  
19 the prospective payment methodology developed by the  
20 department for the payment of outpatient services provided  
21 under the medical assistance program.

22 d. Reimbursement rates for rural health clinics, hospices,  
23 and acute mental hospitals shall be increased in accordance  
24 with increases under the federal Medicare program or as  
25 supported by their Medicare audited costs.

26 e. Reimbursement rates for home health agencies shall be  
27 limited to a two percent increase over the rate in effect on  
28 June 30, 1998. The department shall, in consultation with  
29 provider representatives, develop a new reimbursement  
30 methodology in applying this increase.

31 f. The basis for establishing the maximum medical  
32 assistance reimbursement rate for nursing facilities shall be  
33 the 70th percentile of facility costs as calculated from the  
34 June 30, 1998, unaudited compilation of cost and statistical  
35 data. However, to the extent funds are available within the

1 amount projected for reimbursement of nursing facilities  
2 within the appropriation for medical assistance in this Act  
3 for the fiscal year beginning July 1, 1998, and within the  
4 appropriation for medical assistance as a whole for the fiscal  
5 year beginning July 1, 1998, the department shall adjust the  
6 maximum medical assistance reimbursement for nursing  
7 facilities to the 70th percentile, as calculated on December  
8 31, 1998, unaudited compilation of cost and statistical data  
9 and the adjustment shall take effect January 1, 1999.

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

13 h. Beginning July 1, 1998, the reimbursement for dental  
14 services shall be increased by two percent over the rates in  
15 effect on June 30, 1998. Beginning January 1, 1999, the  
16 reimbursement for dental services shall be increased by an  
17 additional two percent over the rates in effect on December  
18 31, 1998.

19 i. For the fiscal year beginning July 1, 1998, unless  
20 otherwise specified in this Act, all noninstitutional medical  
21 assistance provider reimbursements shall be increased by 2  
22 percent over the rates in effect on June 30, 1998. In  
23 addition, \$39,157 of the moneys appropriated in this Act for  
24 medical assistance shall be used to increase rates paid to  
25 community mental health centers to a level equal to the level  
26 paid by other payers.

27 2. For the fiscal year beginning July 1, 1998, the maximum  
28 cost reimbursement rate for residential care facilities  
29 reimbursed by the department shall not be less than \$23.26 per  
30 day for the time period of July 1, 1998, through December 31,  
31 1998, and shall not be less than \$23.83 per day for the time  
32 period of January 1, 1999, through June 30, 1999. The flat  
33 reimbursement rate for facilities electing not to file  
34 semiannual cost reports shall not be less than \$16.64 per day  
35 for the time period of July 1, 1998, through December 31,

1 1998, and shall not be less than \$17.05 per day for the time  
2 period of January 1, 1999, through June 30, 1999. For the  
3 fiscal year beginning July 1, 1998, the maximum reimbursement  
4 rate for providers reimbursed under the in-home health-related  
5 care program shall not be less than \$447.16 per month for the  
6 time period of July 1, 1998, through December 31, 1998, and  
7 shall not be less than \$458.20 per month for the time period  
8 of January 1, 1999, through June 30, 1999.

9 3. Unless otherwise directed in this section, when the  
10 department's reimbursement methodology for any provider  
11 reimbursed in accordance with this section includes an  
12 inflation factor, this factor shall not exceed the amount by  
13 which the consumer price index for all urban consumers  
14 increased during the calendar year ending December 31, 1997.

15 4. Notwithstanding section 234.38, in the fiscal year  
16 beginning July 1, 1998, the foster family basic daily  
17 maintenance rate and the maximum adoption subsidy rate for  
18 children ages 0 through 5 years shall be \$13.45, the rate for  
19 children ages 6 through 11 years shall be \$14.25, the rate for  
20 children ages 12 through 15 years shall be \$15.96, and the  
21 rate for children ages 16 and older shall be \$15.96.

22 5. For the fiscal year beginning July 1, 1998, the maximum  
23 reimbursement rates for adoption and independent living  
24 services shall be increased by two percent over the rates in  
25 effect on June 30, 1998. The maximum reimbursement rates for  
26 other social service providers shall be the same as the rates  
27 in effect on June 30, 1998. However, the rates may be  
28 adjusted under any of the following circumstances:

29 a. If a new service was added after June 30, 1998, the  
30 initial reimbursement rate for the service shall be based upon  
31 actual and allowable costs.

32 b. If a social service provider loses a source of income  
33 used to determine the reimbursement rate for the provider, the  
34 provider's reimbursement rate may be adjusted to reflect the  
35 loss of income, provided that the lost income was used to

1 support actual and allowable costs of a service purchased  
2 under a purchase of service contract.

3 c. The department revises the reimbursement rates as part  
4 of the changes in the mental health and developmental  
5 disabilities services system initiated pursuant to 1995 Iowa  
6 Acts, chapter 206, and associated legislation.

7 d. For the fiscal year beginning July 1, 1998, the  
8 reimbursement rates for sheltered work, work activity,  
9 supported employment, supported work training, and adult  
10 residential services paid by the state under a state purchase  
11 of social services contract shall be increased by two percent  
12 over the rates in effect on June 30, 1998.

13 6. Of the moneys appropriated in this Act for child and  
14 family services, \$1,261,875 is allocated to provide for a  
15 reimbursement increase to rehabilitative treatment and support  
16 services providers. The department shall distribute the  
17 increase as negotiated. However, if a provider previously  
18 elected to not negotiate the provider's reimbursement, the  
19 department shall allow that provider to negotiate for  
20 reimbursement.

21 7. The group foster care reimbursement rates paid for  
22 placement of children out-of-state shall be calculated  
23 according to the same rate-setting principles as those used  
24 for in-state providers unless the director determines that  
25 appropriate care cannot be provided within the state. The  
26 payment of the daily rate shall be based on the number of days  
27 in the calendar month in which service is provided.

28 8. For the fiscal year beginning July 1, 1998, the  
29 combined service and maintenance components of the  
30 reimbursement rate paid to a shelter care provider shall be  
31 based on the cost report submitted to the department. The  
32 maximum reimbursement rate shall be \$78.14 per day. If the  
33 department would reimburse the provider at less than the  
34 maximum rate but the provider's cost report justifies a rate  
35 of at least \$78.14, the department shall readjust the

1 provider's reimbursement rate to the maximum reimbursement  
2 rate.

3 9. For the fiscal year beginning July 1, 1998, the  
4 department shall calculate reimbursement rates for  
5 intermediate care facilities for persons with mental  
6 retardation at the 80th percentile.

7 10. For the fiscal year beginning July 1, 1998, for child  
8 day care providers, the department shall set provider  
9 reimbursement rates based on the rate reimbursement survey  
10 completed in December 1996. The department shall set rates in  
11 a manner so as to provide incentives for a nonregistered  
12 provider to become registered.

13 11. For the fiscal year beginning July 1, 1998, the  
14 reimbursement rate for psychiatric medical institutions for  
15 children (PMICs) shall be increased by 2 percent over the  
16 rates in effect on June 30, 1998.

17 12. If the Iowa empowerment board is established, the  
18 board shall develop and implement a plan, in cooperation with  
19 maternal child health clinics, school nurses, and other  
20 affected providers, to ensure attendance of health care  
21 appointments, with an emphasis on attendance of dental  
22 appointments, by medical assistance recipients.

23 13. The department shall review the appropriateness of the  
24 reimbursement provided for home infusion therapy under the  
25 medical assistance program and shall submit a report of the  
26 findings of the review to the general assembly by January 1,  
27 1999.

28 14. The department may adopt emergency rules to implement  
29 the provisions of this section.

30 Sec. 32. MOTOR VEHICLE LICENSE REINSTATEMENT PENALTY --  
31 DEPOSIT AND APPROPRIATION. Notwithstanding the deposit  
32 provisions of sections 321.218A and 321A.32A, moneys collected  
33 during the fiscal year beginning July 1, 1998, and ending June  
34 30, 1999, by the state department of transportation pursuant  
35 to those sections shall be deposited to the credit of the



1 department of human services for the fiscal year beginning  
2 July 1, 1998, and ending June 30, 1999, and are appropriated  
3 as follows:

4 1. The first \$1,000,000 is appropriated and shall be used  
5 for the establishment, improvement, operation, and maintenance  
6 of county or multicounty juvenile detention homes. Moneys  
7 appropriated in this subsection shall be allocated among  
8 eligible detention homes, prorated on the basis of an eligible  
9 detention home's proportion of the costs of all eligible  
10 detention homes in the previous fiscal year. Notwithstanding  
11 section 232.142, subsection 3, the financial aid payable by  
12 the state under that provision for the fiscal year beginning  
13 July 1, 1998, shall be limited to the amount appropriated in  
14 this subsection.

15 2. Moneys in excess of \$1,000,000 are appropriated to the  
16 judicial districts and allocated as determined by the state  
17 court administrator to be used by the judicial districts  
18 pursuant to recommendations of the planning group for court-  
19 ordered services for juveniles provided in each judicial  
20 district which were established pursuant to 1991 Iowa Acts,  
21 chapter 267, section 119. Moneys allocated pursuant to this  
22 subsection shall be used for the improvement, expansion,  
23 construction, and operation of runaway assessment facilities,  
24 runaway assessment services, and juvenile delinquency  
25 prevention and intervention services.

26 Sec. 33. FULL-TIME EQUIVALENT POSITIONS. Of the full-time  
27 equivalent positions (FTEs) appropriated for in this Act,  
28 19.61 FTEs represent the transition of personnel services  
29 contractors to full-time equivalent position status. The  
30 merit system provisions of chapter 19A, collective bargaining  
31 agreement provisions of chapter 20, and the state and union  
32 collective bargaining agreements, as these relate to the  
33 filling of positions, shall not govern movement of these 19.61  
34 FTEs into the full-time equivalent position status during the  
35 period beginning July 1, 1998, and ending August 31, 1998.

1     Sec. 34. STATE INSTITUTIONS -- CLOSINGS AND REDUCTIONS.

2     1. If a state institution administered by the department  
3 of human services is to be closed or reduced in size, prior to  
4 the closing or reduction the department shall initiate and  
5 coordinate efforts in cooperation with the Iowa department of  
6 economic development to develop new jobs in the area in which  
7 the state institution is located. In addition, the department  
8 may take other actions to utilize any closed unit or other  
9 facilities and services of an institution, including but not  
10 limited to assisting public or private organizations in  
11 utilizing the services and facilities. The actions may also  
12 include assisting an organization with remodeling and lease  
13 costs by forgiving future rental or lease payments to the  
14 extent necessary for a period not to exceed five years. The  
15 department of human services and the department of economic  
16 development shall submit a joint report to the chairpersons  
17 and ranking members of the joint appropriations subcommittee  
18 on human services on or before January 2, 1999, regarding any  
19 efforts made pursuant to this subsection.

20     2. For purposes of this section, "state institution" means  
21 a state mental health institute, a state hospital-school, the  
22 state training school, and the Iowa juvenile home under the  
23 authority of the department of human services listed in  
24 section 218.1.

25     Sec. 35. TRANSFER AUTHORITY. Subject to the provisions of  
26 section 8.39, for the fiscal year beginning July 1, 1998, if  
27 necessary to meet federal maintenance of effort requirements  
28 or to transfer federal temporary assistance for needy families  
29 block grant funding to be used for purposes of the federal  
30 social services block grant, the department of human services  
31 may transfer between any of the appropriations made in this  
32 Act and appropriations in law for the federal social services  
33 block grant to the department for the following purposes,  
34 provided that the combined amount of state and federal  
35 temporary assistance for needy families block grant funding

1 for each appropriation remains the same before and after the  
2 transfer:

- 3 1. For the family investment program.
- 4 2. For emergency assistance.
- 5 3. For child day care assistance.
- 6 4. For child and family services.
- 7 5. For field operations.
- 8 6. For general administration.
- 9 7. MH/MR/DD/BI community services (local purchase).

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

12 Sec. 36. CONFIDENTIALITY. The department of human  
13 services, in cooperation with other state agencies, shall  
14 develop recommendations to improve the sharing of information,  
15 including confidential information, relative to individuals  
16 receiving services or assistance from the department or  
17 another state agency, to improve coordination of services and  
18 assistance. The department shall submit a report of the  
19 recommendations to the general assembly on or before December  
20 15, 1998.

21 Sec. 37. CHILD ABUSE ASSESSMENT IMPLEMENTATION.  
22 Notwithstanding the requirements of 1997 Iowa Acts, chapter  
23 35, section 232.71A, Code Supplement 1997, sections 232.71B  
24 and 232.71C, Code 1997, and the repeal of section 232.71, Code  
25 Supplement 1997, for the period beginning July 1, 1998, and  
26 ending September 1, 1998, the department shall continue to  
27 respond to a report of child abuse in Polk county in  
28 accordance with the provisions of section 232.71, Code  
29 Supplement 1997. For this period, in Polk county the  
30 department shall continue to apply the rules adopted for  
31 responding to a report of child abuse under section 232.71,  
32 Code Supplement 1997.

33 Sec. 38. SUPPORTING FAMILIES OF CHILDREN WITH A  
34 DEVELOPMENTAL DISABILITY.

35 1. The department of human services shall develop a

1 program supporting families of children with mental  
2 retardation or other developmental disability. The program  
3 shall provide medical assistance case management for those who  
4 are eligible, or case management by the department's field  
5 services staff for those who are not eligible for medical  
6 assistance. The program shall be designed for administrative  
7 simplicity with a minimal amount of paperwork required for  
8 program participants and service providers.

9 2. The program shall be directed to children who are  
10 eligible for any of the following:

11 a. Intermediate care facility for persons with mental  
12 retardation services.

13 b. Medical assistance home and community-based waiver for  
14 persons or children with mental retardation services.

15 c. Voluntary foster care placement under section 232.182  
16 or 232.183.

17 d. Family support subsidy under section 225C.38.

18 3. Subject to applicable federal requirements,  
19 restrictions in this section, and the amount of state funding  
20 appropriated, the department may decategorize and transfer for  
21 purposes of the program created pursuant to this section any  
22 of the state funding appropriated for a program, service, or  
23 placement listed in subsection 2. The decategorized state  
24 funding may be used to provide any of the services listed in  
25 subsection 2 which will best meet the needs of both the child  
26 and the child's family.

27 4. The department may adopt emergency rules to implement  
28 the provisions of this section. The rules adopted by the  
29 department for the program shall not require a family or a  
30 family member receiving a family support subsidy payment or  
31 medical assistance home and community-based waiver services,  
32 at the time of the program's implementation, to reapply, lose  
33 a waiver slot, or otherwise change eligibility requirements  
34 applicable to the family or a family member, except as  
35 otherwise provided by law.

1 5. The program shall be implemented on or before June 30,  
2 1999. The department shall make an initial report concerning  
3 the program's implementation during the 1999 legislative  
4 session and a final report prior to implementation of the  
5 program. The department shall submit proposed legislation for  
6 codification of the program in accordance with section 2.16  
7 for consideration by the general assembly during the 2000  
8 legislative session.

9 Sec. 39. JUVENILE DETENTION HOMES. If during the fiscal  
10 year beginning July 1, 1998, and ending June 30, 1999, the  
11 moneys collected by the state department of transportation  
12 pursuant to sections 321.218A and 321A.32A, to be distributed  
13 under law for use in the establishment, improvement,  
14 operation, and maintenance of county or multicounty juvenile  
15 detention homes, are projected to be less than \$1,000,000, the  
16 department of human services shall transfer, in accordance  
17 with the requirements of section 8.39, an amount sufficient to  
18 ensure \$1,000,000 is actually distributed to such homes during  
19 the fiscal year.

20 Sec. 40. NET STATE BUDGETING REVENUES. Notwithstanding  
21 section 8.33, revenues generated by and moneys appropriated to  
22 the state hospital-school at Glenwood pursuant to 1997 Iowa  
23 Acts, chapter 208, section 17, and the provisions of this Act,  
24 which are unexpended or unobligated, shall not revert to any  
25 fund at the close of a fiscal year but shall remain available  
26 for expenditure by the state hospital-school in the succeeding  
27 fiscal year. Notwithstanding section 8.33, revenues generated  
28 by and moneys appropriated to the state hospital-school at  
29 Woodward pursuant to the provisions of this Act shall not  
30 revert to any fund at the close of a fiscal year but shall  
31 remain available for expenditure by the state hospital-school  
32 in the succeeding fiscal year.

33 Sec. 41. CONTRACTS -- PENALTIES. For the fiscal year  
34 beginning July 1, 1998, and ending June 30, 1999, any contract  
35 with a value which exceeds \$150,000 entered into by the

1 department of human services shall include a provision to  
2 assess a penalty for failure to meet performance expectations,  
3 noncompliance, or any other breach of contract, in addition to  
4 any other remedy under law.

5 Sec. 42. FINANCIAL ASSISTANCE SERVICES.

6 1. For purposes of this section, "financial assistance  
7 services" means services or other assistance provided under  
8 one or more of the following programs administered by the  
9 department of human services: family investment program,  
10 PROMISE JOBS program, medical assistance program, food stamp  
11 program, state child care assistance program, refugee cash  
12 assistance program, emergency assistance program, and child  
13 support recovery program.

14 2. During the period beginning May 1, 1998, and ending  
15 June 30, 1999, the department of human services may conduct a  
16 pilot program or pilot programs for provisions of financial  
17 assistance services.

18 3. Any pilot program conducted in accordance with this  
19 section shall be designed to meet one or more of the following  
20 financial assistance services goals:

21 a. A reduction in paperwork for applicants and recipients  
22 of services, or staff, or both.

23 b. Streamlining or expediting the eligibility  
24 determination process, to decrease the length of time it takes  
25 to inform applicants for financial assistance services as to  
26 the disposition of their request for the services.

27 c. Streamlining or expediting the referral process for  
28 family investment program applicants and recipients to other  
29 financial assistance services such as PROMISE JOBS or child  
30 support recovery, so that referrals can be initiated in a more  
31 timely manner in order to help move applicants and recipients  
32 more quickly to economic self-sufficiency or toward reduced  
33 reliance on government assistance.

34 d. Improved coordination of the management of financial  
35 assistance services as applicants for and recipients of the

1 services work toward economic self-sufficiency.

2 e. Identification of policies, procedures, and practices  
3 that could be altered or eliminated without materially  
4 affecting the desired results for the family assistance  
5 services.

6 4. Any pilot program conducted in accordance with this  
7 section is subject to the following limitations and  
8 parameters:

9 a. Notwithstanding any administrative rule, that is not  
10 based in federal law, the department may alter policies,  
11 procedures, and practices to waive the administrative rule,  
12 that are based in state law, provided that the alterations do  
13 not decrease an applicant's or recipient's choice of, or  
14 ability to obtain, financial assistance services from the  
15 department in comparison with the financial assistance  
16 services that would otherwise be available. The department  
17 may operate one or more pilot projects under this paragraph,  
18 in not more than eight counties.

19 b. If the department obtains a waiver of federal law or  
20 regulation, the department may alter policies, procedures, and  
21 practices that are based in federal law, provided that the  
22 alterations do not decrease an applicant's or recipient's  
23 choice of, or ability to obtain, financial assistance services  
24 from the department in comparison with the financial  
25 assistance services that would otherwise be available. The  
26 department may operate one or more projects under this  
27 paragraph, in not more than eight counties.

28 c. In order to facilitate rapid implementation, except as  
29 provided in paragraph "d", any pilot program authorized under  
30 this section is exempt from the rulemaking procedures and  
31 rulemaking requirements of chapter 17A. However, following  
32 development of the pilot program, the department shall provide  
33 a list of the laws or rules being waived to the chairpersons  
34 and ranking members of the joint appropriations subcommittee  
35 on human services, the administrative rules review committee,

1 the administrative rules coordinator, the legislative fiscal  
2 bureau, and the legislative service bureau. In implementing a  
3 pilot program under this section, the department shall take  
4 steps to make applicants and recipients of services aware of  
5 their choices, expectations, rights, and responsibilities.

6 d. The department shall adopt emergency rules establishing  
7 a framework for the pilot projects implemented under this  
8 section. The rules shall identify the participating counties,  
9 the maximum duration of each pilot project, and generally  
10 describe the scope and nature of each pilot project. Within  
11 this framework, the department retains broad discretion to  
12 revise a pilot project without further rulemaking describing  
13 the revision.

14 DIVISION II -- DOMESTIC VIOLENCE OPTION

15 Sec. 43. DOMESTIC VIOLENCE OPTION. The provisions of this  
16 Division relating to domestic violence provide for the state  
17 of Iowa's implementation of the domestic violence option under  
18 42 U.S.C. § 602(a)(7)

19 Sec. 44. Section 239B.2, subsection 6, Code Supplement  
20 1997, is amended to read as follows:

21 6. COOPERATION WITH CHILD SUPPORT REQUIREMENTS. The  
22 department shall provide for prompt notification of the  
23 department's child support recovery unit if assistance is  
24 provided to a child whose parent is absent from the home. An  
25 applicant or participant shall cooperate with the child  
26 support recovery unit and the department as provided in 42  
27 U.S.C. § 608(a)(2) unless the applicant or participant  
28 qualifies for good cause or other exception as determined by  
29 the department in accordance with the best interest of the  
30 child, parent, or specified relative, and with standards  
31 prescribed by rule. The authorized good cause or other  
32 exceptions shall include participation in a family investment  
33 agreement safety plan option to address or prevent family or  
34 domestic violence and other consideration given to the  
35 presence of family or domestic violence. If a specified



1 relative with whom a child is residing fails to comply with  
2 these cooperation requirements, a sanction shall be imposed as  
3 defined by rule in accordance with state and federal law.

4 Sec. 45. Section 239B.4, Code Supplement 1997, is amended  
5 by adding the following new subsection:

6 NEW SUBSECTION. 2A. The department shall develop and use  
7 a screening tool for determining the likely presence of family  
8 and domestic violence affecting applicant and participant  
9 families. The department shall require the use of the  
10 screening tool by trained employees.

11 Sec. 46. Section 239B.8, subsection 2, Code Supplement  
12 1997, is amended by adding the following new paragraph:

13 NEW PARAGRAPH. i. Participation in a safety plan to  
14 address or prevent family or domestic violence. The safety  
15 plan may include a temporary waiver period from required  
16 participation in the JOBS program or other employment-related  
17 activities, as appropriate for the situation of the applicant  
18 or participant. All applicants and participants shall be  
19 informed regarding the existence of this option. Participation  
20 in this option shall be subject to review in accordance with  
21 administrative rule.

22 Sec. 47. ELIGIBILITY FOR IMMIGRANTS SUBJECTED TO EXTREME  
23 CRUELTY. The department shall include in the temporary  
24 assistance for needy families state plan a provision of family  
25 investment program eligibility for immigrants who are  
26 qualified aliens under the provisions of 8 U.S.C. § 1641(c)  
27 regarding immigrants who have been battered or subjected to  
28 extreme cruelty. The department shall adopt administrative  
29 rules as necessary to implement the provisions of this  
30 section.

31 Sec. 48. APPLICABILITY. The department of human services  
32 shall field test the screening tool requirements of section  
33 239B.4, subsection 2A, as enacted by this Division, in both  
34 urban and rural areas during the fiscal year beginning July 1,  
35 1998, and shall apply the requirements statewide beginning

1 July 1, 1999.

2 DIVISION III -- FIP LIMITED BENEFIT PLANS

3 Sec. 49. Section 239B.9, subsection 1, Code Supplement  
4 1997, is amended to read as follows:

5 1. GENERAL PROVISIONS.

6 a. If a participant responsible for signing and fulfilling  
7 the terms of a family investment agreement, as defined by the  
8 director of human services in accordance with section 239B.8,  
9 chooses not to sign or fulfill the terms of the agreement, the  
10 participant's family, or the individual participant shall  
11 enter into a limited benefit plan. A limited benefit plan  
12 shall apply for the period of time specified in this section.  
13 The first month of the limited benefit plan is the first month  
14 after the month in which timely and adequate notice of the  
15 limited benefit plan is given to the participant as defined by  
16 the director of human services. A participant who is exempt  
17 from the JOBS program but who volunteers for the program is  
18 not subject to imposition of a limited benefit plan. The  
19 elements of a limited benefit plan shall be specified in the  
20 department's rules.

21 b. For purposes of this lettered paragraph, "significant  
22 contact with or action in regard to the JOBS program" means  
23 the individual participant communicates to the JOBS program  
24 worker the desire to engage in JOBS program activities, signs  
25 a new or updated family investment agreement, and takes any  
26 other action required by the department in accordance with  
27 rules adopted for this purpose. A limited benefit plan  
28 applied in error shall not be considered to have been applied.  
29 A limited benefit plan is applicable to the individual  
30 participant choosing the limited benefit plan and to the  
31 individual participant's family members to which the plan is  
32 applicable under subsection 2. A limited benefit plan shall  
33 either be a first limited benefit plan or a subsequent limited  
34 benefit plan. A limited benefit plan shall be applied as  
35 follows:

1 (1) A first limited benefit plan shall provide for  
2 continuing ineligibility for assistance until the individual  
3 participant completes significant contact with or action in  
4 regard to the JOBS program.

5 (2) A limited benefit plan subsequent to a first limited  
6 benefit plan chosen by the same individual participant shall  
7 provide for a six-month period of ineligibility beginning with  
8 the effective date of the limited benefit plan and continuing  
9 indefinitely following the six-month period until the  
10 individual participant completes significant contact with or  
11 action in regard to the JOBS program.

12 (3) For a two-parent family in which both parents are  
13 responsible for a family investment agreement, a first or  
14 subsequent limited benefit plan shall remain applicable until  
15 both parents complete significant contact with or action in  
16 regard to the JOBS program. A limited benefit plan applied to  
17 the same two-parent family shall be a subsequent limited  
18 benefit plan.

19 Sec. 50. Section 239B.9, subsection 2, paragraphs a and b,  
20 Code Supplement 1997, are amended to read as follows:

21 a. PARENT. If the participant responsible for the family  
22 investment agreement is a parent or a specified relative, for  
23 ~~a first limited benefit plan, the participant's family is~~  
24 ~~eligible for up to three months of reduced assistance based on~~  
25 ~~the needs of the children only~~ the limited benefit plan is  
26 applicable to the entire participant family. At the end of  
27 ~~the three month period of reduced assistance, the family~~  
28 ~~becomes ineligible for assistance for a six month period. -- For~~  
29 ~~a second or subsequent limited benefit plan chosen by the same~~  
30 ~~participant, a six month period of ineligibility applies~~  
31 ~~beginning with the effective date of the limited benefit plan.~~  
32 If the family reapplies for assistance after a six month an  
33 ineligibility period, eligibility shall be established in the  
34 same manner as for any other new applicant. ~~A limited benefit~~  
35 ~~plan imposed in error shall not be considered a first limited~~

1 benefit-plan:

2 b. NEEDY RELATIVE PAYEE. If the participant choosing a  
3 limited benefit plan is a needy relative who acts as payee,  
4 when the parent is in the home but is unable to act as payee,  
5 or is a dependent child's stepparent whose needs are included  
6 in the assistance because of incapacity or caregiving, the  
7 limited benefit plan shall apply only to the individual  
8 participant choosing the plan. ~~The individual participant~~  
9 ~~choosing the limited benefit plan is ineligible for nine~~  
10 ~~months from the effective date of the limited benefit plan.~~  
11 ~~For a second or subsequent limited benefit plan chosen by the~~  
12 ~~same individual participant, a six-month period of~~  
13 ~~ineligibility applies beginning with the effective date of the~~  
14 ~~limited benefit plan.~~

15 Sec. 51. Section 239B.9, subsection 2, paragraph e,  
16 subparagraph (1), Code Supplement 1997, is amended to read as  
17 follows:

18 (1) If the parent or specified relative responsible for a  
19 family investment agreement meets the responsibilities of the  
20 family investment agreement but a child who is a mandatory  
21 JOBS program participant chooses an individual limited benefit  
22 plan, the family is eligible for reduced assistance during the  
23 child's limited benefit plan. ~~However, the child, as part of~~  
24 ~~the family, is ineligible for nine months for a first limited~~  
25 ~~benefit plan and six months for a second or subsequent limited~~  
26 ~~benefit plan.~~

27 Sec. 52. Section 239B.9, subsection 2, paragraph g, Code  
28 Supplement 1997, is amended to read as follows:

29 g. TWO PARENTS. If the participant family includes two  
30 parents, a limited benefit plan shall be applied as follows:

31 (1) If only one parent of a child in the family is  
32 responsible for a family investment agreement and that parent  
33 chooses the limited benefit plan, the limited benefit plan  
34 cannot be ended by the voluntary participation in a family  
35 investment agreement by the exempt parent. ~~However, the~~

1 exempt-parent-may-continue-to-be-included-in-the-participant  
2 family's-grant-during-the-three-month-reduced-assistance  
3 period-by-volunteering-to-participate-in-the-JOBS-family  
4 investment-program-unemployed-parent-work-program.--If-a  
5 second-or-subsequent-limited-benefit-plan-is-chosen-by-either  
6 parent,-the-family-becomes-ineligible-for-a-six-month-period  
7 beginning-with-the-effective-date-of-the-limited-benefit-plan.  
8 If the parent responsible for the family investment agreement  
9 chooses a limited benefit plan, the limited benefit plan  
10 applies to the entire family.

11 (2) If both parents of a child in the family are  
12 responsible for a family investment agreement, both parents  
13 shall sign the agreement. If either parent chooses the  
14 limited benefit plan, the limited benefit plan cannot be ended  
15 by the participation of the other parent in a family  
16 investment agreement. However,-the-other-parent-may-continue  
17 to-be-included-in-the-family's-grant-during-the-three-month  
18 reduced-assistance-period-by-participating-in-the-JOBS-family  
19 investment-program-unemployed-parent-work-program.--If-a  
20 second-or-subsequent-limited-benefit-plan-is-chosen-by-either  
21 parent,-the-family-becomes-ineligible-for-a-six-month-period  
22 beginning-with-the-effective-date-of-the-limited-benefit-plan.

23 (3) If the parents from a two-parent family in a limited  
24 benefit plan separate, the limited benefit plan shall follow  
25 only the parent who chose the limited benefit plan and any  
26 children in the home of that parent.

27 Sec. 53. Section 239B.9, subsection 3, paragraph a, Code  
28 Supplement 1997, is amended to read as follows:

29 a. A participant who does not establish an orientation  
30 appointment with the JOBS program or who fails to keep or  
31 reschedule an orientation appointment shall receive a reminder  
32 letter which informs the participant that those who do not  
33 attend orientation have elected to choose a limited benefit  
34 plan. A participant who chooses not to respond to the  
35 reminder letter within ten calendar days from the mailing date

1 shall receive notice establishing the effective date of the  
2 limited benefit plan, ~~the beginning date of the period of~~  
3 ~~reduced assistance, and the beginning and ending dates of the~~  
4 ~~six-month period of ineligibility.~~ If a participant is deemed  
5 to have chosen a limited benefit plan, timely and adequate  
6 notice provisions, as determined by the director of human  
7 services, shall apply.

8 Sec. 54. Section 239B.9, subsections 4, 5, and 6, Code  
9 Supplement 1997, are amended to read as follows:

10 4. RECONSIDERATION. A participant who chooses a limited  
11 benefit plan may reconsider that choice as follows:

12 a. A participant who chooses a first limited benefit plan  
13 ~~rather than sign a family investment agreement shall have the~~  
14 ~~entire three-month period of reduced assistance~~ may reconsider  
15 at any time following the effective date of the limited  
16 ~~benefit plan to reconsider and begin development of the family~~  
17 ~~investment agreement.~~ The participant may contact the  
18 department or the appropriate JOBS program office any time  
19 ~~during the first three months of the limited benefit plan to~~  
20 begin the reconsideration process. ~~Although family investment~~  
21 ~~program assistance shall not begin until the participant signs~~  
22 ~~a family investment agreement during the JOBS program~~  
23 ~~orientation and assessment process, retroactive assistance~~  
24 ~~shall be issued as defined by the director of human services.~~  
25 ~~A limited benefit plan imposed in error shall not be~~  
26 ~~considered a first limited benefit plan.~~

27 b. ~~A participant who signs a family investment agreement~~  
28 ~~but does not carry out the family investment agreement~~  
29 ~~responsibilities shall be deemed to have chosen a limited~~  
30 ~~benefit plan and shall not be allowed to reconsider that~~  
31 ~~choice.~~

32 c. b. A participant who chooses a second or subsequent  
33 limited benefit plan ~~shall not be allowed to~~ may reconsider  
34 that choice at any time following the required period of  
35 ineligibility.

1 5. WELL-BEING VISIT. If a participant has chosen a  
2 subsequent limited benefit plan, a qualified social-services  
3 professional shall attempt to visit with the participant to  
4 inquire-into-the-family's family with a focus upon the  
5 children's well-being. The visit shall be performed during or  
6 within four weeks of the second month of the start of the  
7 subsequent limited benefit plan. The visit shall serve as an  
8 extension of the family investment program and the family  
9 investment agreement philosophy of supporting families as they  
10 move toward self-sufficiency. The department may contract for  
11 these-services the visit. The-visit-shall-be-made-in  
12 accordance-with-the-following:

13 a.--~~For a participant in a first limited benefit plan who~~  
14 ~~has the reconsideration option, a qualified social-services~~  
15 ~~professional, as defined by the director of human services,~~  
16 ~~shall inquire into the well-being of the family during month~~  
17 ~~two of the period of reduced assistance.--if the participant~~  
18 ~~who is responsible for a family investment agreement indicates~~  
19 ~~a desire to develop a family investment agreement, the~~  
20 ~~qualified social-services professional shall assist the~~  
21 ~~participant in establishing an appointment with the~~  
22 ~~appropriate JOBS program office.~~

23 b.--~~For a participant in a first limited benefit plan who~~  
24 ~~does not enter into the family investment agreement process~~  
25 ~~during the three month reconsideration period, a qualified~~  
26 ~~social-services professional shall make another inquiry as to~~  
27 ~~the well-being of the family during month four of the limited~~  
28 ~~benefit plan.~~

29 c.--~~A participant who signs the family investment agreement~~  
30 ~~but does not carry out family investment agreement~~  
31 ~~responsibilities and, consequently, has chosen a first limited~~  
32 ~~benefit plan shall not be allowed to reconsider that choice.~~  
33 ~~However, a social-services professional shall inquire as to~~  
34 ~~the well-being of the family during month four of the limited~~  
35 ~~benefit plan.~~

1 ~~d.--A participant who has chosen a second or subsequent~~  
2 ~~limited benefit plan shall not be allowed to reconsider that~~  
3 ~~choice.--However, a qualified social services professional~~  
4 ~~shall make inquiry into the well-being of the family during~~  
5 ~~month two of the limited benefit plan.~~

6 6. APPEAL. A participant has the right to appeal the  
7 establishment of the limited benefit plan only once, except  
8 ~~for a first limited benefit plan two opportunities to appeal~~  
9 ~~shall be available.--A participant in a first limited benefit~~  
10 ~~plan has the right to appeal the limited benefit plan at the~~  
11 ~~time the department issues timely and adequate notice~~  
12 ~~establishing the limited benefit plan, or at the time the~~  
13 ~~department issues the subsequent notice that establishes the~~  
14 ~~six-month period of ineligibility.--A participant who has~~  
15 ~~chosen a second or subsequent limited benefit plan has the~~  
16 ~~right to appeal only at the time the department issues the~~  
17 ~~timely and adequate notice that establishes the six-month~~  
18 ~~period of ineligibility~~ limited benefit plan. However, if the  
19 reason for the appeal is based on an incorrect grant  
20 computation, an error in determining the composition of the  
21 family, or another worker error, a hearing shall be granted,  
22 regardless of the person's limited benefit plan status.

23 Sec. 55. APPLICABILITY -- RULES.

24 1. The department of human services shall adopt  
25 administrative rules to implement the provisions of this  
26 division of this Act and the provisions shall apply beginning  
27 with the effective date specified in those rules. However,  
28 the effective date specified in the administrative rules shall  
29 be no earlier than January 1, 1999.

30 2. If a limited benefit plan was chosen by a participant  
31 prior to the effective date of the administrative rules, a  
32 limited benefit plan chosen by that participant on or after  
33 the effective date shall be considered a subsequent benefit  
34 plan.

35 3. A limited benefit plan in effect on the effective date



1 of the administrative rules shall remain subject to the law  
2 and rules applicable to that limited benefit plan at the time  
3 the plan was imposed until that limited benefit plan's period  
4 has ended.

5                   DIVISION IV -- PRIVATE AGENCY CONTRACTS

6       Sec. 56. PRIVATE AGENCY CONTRACTS. The auditor of state  
7 and the director of human services shall jointly develop a  
8 process for exempting a private agency awarded a grant,  
9 contract, or purchase of service contract through the  
10 department of human services for the fiscal year beginning  
11 July 1, 1998, and ending June 30, 1999, from the requirement  
12 to obtain a certification from the auditor of state pursuant  
13 to section 11.36. The process shall apply a monetary  
14 threshold, provide for acceptance of existing audits, or  
15 utilize other methods to determine the adequacy of a private  
16 agency's accounting practices in a manner which is not  
17 burdensome to the private agency or the state. The auditor of  
18 state and the director of human services shall submit a report  
19 of the process developed to the general assembly on or before  
20 January 1, 1999.

21       Sec. 57. Section 217.41, Code 1997, is repealed.

22                   DIVISION V -- STATUTORY REVISIONS

23       Sec. 58. 1997 Iowa Acts, chapter 208, section 2,  
24 unnumbered paragraph 3, is amended by striking the unnumbered  
25 paragraph.

26       Sec. 59. 1997 Iowa Acts, chapter 208, section 17,  
27 subsection 1, paragraph a, subparagraph (1), is amended to  
28 read as follows:

29       (1) The department shall implement a pilot project of  
30 operating the hospital-school with a net general fund  
31 appropriation. The amount allocated in this paragraph is the  
32 net state appropriation amount projected to be needed for the  
33 state hospital-school at Glenwood. Purposes of the pilot  
34 project are to encourage the hospital-school to operate with  
35 increased self-sufficiency, to improve quality and efficiency,

1 and to support collaborative efforts between the hospital-  
2 school and counties and other funders of services available  
3 from the hospital-school. The pilot project shall not be  
4 implemented in a manner which results in a cost increase to  
5 the state or cost shifting between the state, the medical  
6 assistance program, counties, or other sources of funding for  
7 the state hospital-school. Moneys allocated in this paragraph  
8 may be used throughout the fiscal year in the manner necessary  
9 for purposes of cash flow management, and for purposes of cash  
10 flow management the hospital-school may temporarily draw more  
11 than the amount allocated, provided the amount allocated is  
12 not exceeded at the close of the fiscal year. For the  
13 purposes of calculating the August 31, 1998, fiscal year 1997-  
14 1998 ending balance under this subsection, the department  
15 shall include county receivables billed but not yet received.  
16 However, only receipts received within 90 days of being billed  
17 for fiscal year 1997-1998 services shall be included. The  
18 state hospital-school at Glenwood may draw upon the general  
19 fund of the state in an amount equal to the amount of the  
20 receipts not yet received.

21 Sec. 60. Section 135H.6, subsection 5, Code 1997, is  
22 amended to read as follows:

23 5. The department of human services has submitted written  
24 approval of the application based on the department of human  
25 services' determination of need. The department of human  
26 services shall identify the location and number of children in  
27 the state who require the services of a psychiatric medical  
28 institution for children. Approval of an application shall be  
29 based upon the location of the proposed psychiatric  
30 institution relative to the need for services identified by  
31 the department of human services and an analysis of the  
32 applicant's ability to provide services and support consistent  
33 with requirements under chapter 232, particularly regarding  
34 community-based treatment. If the proposed psychiatric  
35 institution is not freestanding from a facility licensed under

1 chapter 135B or 135C, approval under this subsection shall not  
2 be given unless the department of human services certifies  
3 that the proposed psychiatric institution is capable of  
4 providing a resident with a living environment similar to the  
5 living environment provided by a licensee which is  
6 freestanding from a facility licensed under chapter 135B or  
7 135C. Unless a psychiatric institution was accredited to  
8 provide psychiatric services by the joint commission on the  
9 accreditation of health care organizations under the  
10 commission's consolidated standards for residential settings  
11 prior to June 1, 1989, the department of human services shall  
12 not approve an application for a license under this chapter  
13 until the federal health care financing administration has  
14 approved a state Title XIX plan amendment to include coverage  
15 of services in a psychiatric medical institution for children.  
16 In addition, either of the following conditions must be met:

17 a. The department of human services shall not give  
18 approval to an application which would cause the total number  
19 of beds licensed under this chapter to exceed three hundred  
20 sixty beds, except as provided in paragraph "b" and paragraph  
21 "c", with not more than three hundred of the beds licensed  
22 under chapter 237 before January 1, 1989, and not more than  
23 sixty of the beds licensed under chapter 237 on or after  
24 January 1, 1989.

25 b. The department of human services shall not give  
26 approval to an application which would cause the total number  
27 of beds licensed under this chapter after June 30, 1990, which  
28 specialize in providing substance abuse treatment to children  
29 to exceed seventy beds.

30 c. The department of human services may establish not more  
31 than thirty beds licensed under this chapter at the state  
32 mental health institute at Independence. The beds shall be  
33 exempt from the certificate of need requirement under  
34 subsection 4.

35 Sec. 61. Section 217.12, subsection 3, Code 1997, is

1 amended by adding the following new paragraph:

2 NEW PARAGRAPH. 5. Designation of agreement provisions for  
3 tracking and reporting performance measures developed pursuant  
4 to subsection 4.

5 Sec. 62. Section 222.68, Code 1997, is amended to read as  
6 follows:

7 222.68 COSTS PAID IN FIRST INSTANCE.

8 All necessary and legal expenses for the cost of admission  
9 or commitment of a person to a hospital-school or a special  
10 unit when the person's legal settlement is found to be in  
11 another county of this state shall in the first instance be  
12 paid by the county from which the person was admitted or  
13 committed. The county of legal settlement shall reimburse the  
14 county ~~so-paying~~ which pays for all such expenses. Where any  
15 county fails to make such reimbursement within sixty forty-  
16 five days following submission of a properly itemized bill to  
17 the county of legal settlement, a penalty of not greater than  
18 one percent per month on and after sixty forty-five days from  
19 submission of the bill may be added to the amount due.

20 Sec. 63. Section 222.75, Code 1997, is amended to read as  
21 follows:

22 222.75 DELINQUENT PAYMENTS -- PENALTY.

23 Should any county fail to pay the bills within sixty forty-  
24 five days from the date of certificate from the  
25 superintendent, the director of revenue and finance may charge  
26 the delinquent county a penalty of not greater than one  
27 percent per month on and after sixty forty-five days from date  
28 of certificate until paid.

29 Sec. 64. Section 222.78, Code 1997, is amended to read as  
30 follows:

31 222.78 PARENTS AND OTHERS LIABLE FOR SUPPORT.

32 The father and mother of any person patient admitted or  
33 committed to a hospital-school or to a special unit, as either  
34 an inpatient or an outpatient, and any person, firm, or  
35 corporation bound by contract hereafter made for support of

1 the ~~person shall be and remain~~ patient is liable for the  
2 support of the person patient. The person patient and those  
3 legally bound for the support of the person patient shall be  
4 liable to the county for all sums advanced by the county to  
5 the state under the provisions of sections 222.60 and 222.77.  
6 The liability of any person, other than the patient, who is  
7 legally bound for the support of any a patient who is under  
8 eighteen years of age in a hospital-school or a special unit  
9 shall ~~in no instance~~ not exceed the average minimum cost of  
10 the care of a normally intelligent, ~~nonhandicapped~~ minor  
11 without a disability of the same age and sex as the minor  
12 patient. The administrator shall establish the scale for this  
13 purpose but the scale shall not exceed the standards for  
14 personal allowances established by the state division under  
15 the family investment program. ~~Provided further that the~~  
16 ~~father or mother of the person shall not be liable for the~~  
17 ~~support of the person after the person attains the age of~~  
18 ~~eighteen years and that the~~ The father or mother shall incur  
19 liability only during any period when the father or mother  
20 either individually or jointly receive a net income from  
21 whatever source, commensurate with that upon which they would  
22 be liable to make an income tax payment to this state. The  
23 father or mother of a patient shall not be liable for the  
24 support of the patient upon the patient attaining eighteen  
25 years of age. Nothing in this section shall be construed to  
26 prevent a relative or other person from voluntarily paying the  
27 full actual cost as established by the administrator for  
28 caring for the person patient with mental retardation.

29 Sec. 65. Section 225C.38, subsection 1, paragraph c, Code  
30 1997, is amended to read as follows:

31 c. Except as provided in section 225C.41, a family support  
32 subsidy for a fiscal year shall be in an amount equivalent to  
33 the monthly maximum supplemental security income payment  
34 available in Iowa on July 1 of that fiscal year for an adult  
35 recipient living in the household of another, as formulated

1 under federal regulations. In addition, the parent or legal  
2 guardian of a family member who is in an out-of-home placement  
3 at the time of application may receive a one-time lump-sum  
4 advance payment of twice the monthly family support subsidy  
5 amount for the purpose of meeting the special needs of the  
6 family in preparing for in-home care. The parent or legal  
7 guardian receiving a family support subsidy may elect to  
8 receive a payment amount which is less than the amount  
9 determined in accordance with this paragraph.

10 Sec. 66. Section 225C.48, subsection 5, Code 1997, is  
11 amended by striking the subsection.

12 Sec. 67. Section 229.42, unnumbered paragraph 4, Code  
13 Supplement 1997, is amended to read as follows:

14 Should any county fail to pay these bills within sixty  
15 forty-five days from the date of certificate from  
16 superintendent, the director of revenue and finance shall  
17 charge the delinquent county the penalty of one percent per  
18 month on and after sixty forty-five days from date of  
19 certificate until paid. Such penalties shall be credited to  
20 the general fund of the state.

21 Sec. 68. Section 230.22, Code 1997, is amended to read as  
22 follows:

23 230.22 PENALTY.

24 Should any county fail to pay the amount billed by a  
25 statement submitted pursuant to section 230.20 within sixty  
26 forty-five days from the date the statement is certified by  
27 the superintendent, the director of revenue and finance shall  
28 charge the delinquent county the penalty of one percent per  
29 month on and after sixty forty-five days from the date the  
30 statement is certified until paid. Provided, however, that  
31 the penalty shall not be imposed if the county has notified  
32 the director of revenue and finance of error or questionable  
33 items in the billing, in which event, the director of revenue  
34 and finance may shall suspend the penalty only during the  
35 period of negotiation.

1     Sec. 69. Section 239B.11, subsection 2, Code Supplement  
2 1997, is amended to read as follows:

3     2. A diversion program subaccount is created within the  
4 family investment program account. The subaccount may be used  
5 to provide incentives to divert applicants' participation in  
6 the family investment program if the applicants would  
7 ~~otherwise-be-eligible~~ meet income eligibility requirements for  
8 assistance. Incentives may be provided in the form of payment  
9 or services with a focus on helping applicants to obtain or  
10 retain employment. The diversion program subaccount may also  
11 be used for payments to participants as necessary to cover the  
12 expenses of removing barriers to employment.

13     Sec. 70. Section 249A.3, subsection 1, paragraph g,  
14 subparagraph (2), Code Supplement 1997, is amended to read as  
15 follows:

16     (2) Is a child ~~born-after-September-30, 1983~~ who has  
17 attained six years of age but has not attained nineteen years  
18 of age ~~as-prescribed-by-the-federal-Omnibus-Budget~~  
19 ~~Reconciliation-Act-of-1990, Pub. L. No. 101-508, §-4601~~, whose  
20 income is not more than one hundred thirty-three percent of  
21 the federal poverty level, as defined by the most recently  
22 revised poverty income guidelines published by the United  
23 States department of health and human services.

24     Sec. 71. Section 541A.3, subsection 5, Code 1997, is  
25 amended to read as follows:

26     5. The administrator shall coordinate the filing of claims  
27 for savings refunds authorized under subsection 1, between  
28 account holders, operating organizations, and the department  
29 of revenue and finance. Claims approved by the administrator  
30 may be paid by the department of revenue and finance to each  
31 account or for an aggregate amount for distribution to the  
32 accounts in a particular financial institution, depending on  
33 the efficiency for issuing the refunds. Claims shall be  
34 initially filed with the administrator on or before a date  
35 established by the administrator. Claims approved by the

1 administrator shall be paid from the general fund of the state  
2 in the manner specified in section 422.74.

3 Sec. 72. IMPLEMENTATION -- STATE MANDATE. Section 25B.2,  
4 subsection 3, shall not apply to the provisions of this  
5 Division amending sections 222.68, 222.75, 229.42, and 230.22.

6 Sec. 73. EMERGENCY RULES. If specifically authorized by a  
7 provision of this Act, the department of human services or the  
8 mental health and mental retardation commission may adopt  
9 administrative rules under section 17A.4, subsection 2, and  
10 section 17A.5, subsection 2, paragraph "b", to implement the  
11 provisions and the rules shall become effective immediately  
12 upon filing, unless the effective date is delayed by the  
13 administrative rules review committee, notwithstanding section  
14 17A.4, subsection 5, and section 17A.8, subsection 9, or a  
15 later effective date is specified in the rules. Any rules  
16 adopted in accordance with this section shall not take effect  
17 before the rules are reviewed by the administrative rules  
18 review committee. Any rules adopted in accordance with the  
19 provisions of this section shall also be published as notice  
20 of intended action as provided in section 17A.4.

21 Sec. 74. REPORTS. Any reports or information required to  
22 be compiled and submitted under this Act shall be submitted to  
23 the chairpersons and ranking members of the joint  
24 appropriations subcommittee on human services, the legislative  
25 fiscal bureau, the legislative service bureau, and to the  
26 caucus staffs on or before the dates specified for submission  
27 of the reports or information.

28 Sec. 75. Section 239B.23, Code Supplement 1997, is  
29 repealed.

30 Sec. 76. EFFECTIVE DATE. The following provisions of this  
31 Act, being deemed of immediate importance, take effect upon  
32 enactment:

33 1. Section 1, supplementing an appropriation made in 1997  
34 Iowa Acts, chapter 202.

35 2. Section 5, subsection 7, relating to X-pert computer



1 system funding.

2 3. Section 7, subsection 4, relating to a request for  
3 proposals for managed behavioral health and substance abuse  
4 care.

5 4. Section 15, subsection 2, paragraph "e", relating to  
6 requirements of section 232.143, for the 1997-1998 and 1998-  
7 1999 fiscal years.

8 5. Section 15, subsection 17, relating to continuation of  
9 clinical assessment and consultation teams.

10 6. Section 18, subsection 1, relating to determining  
11 allocation of court-ordered services funding.

12 7. Section 40, relating to net state budgeting at the  
13 state hospital-schools.

14 8. Section 42, relating to financial assistance services.

15 9. Section 56, relating to private agency contracts.

16 10. Sections 58 and 59, amending 1997 Iowa Acts, chapter  
17 208.

18 11. Section 66, striking a provision of Code section  
19 225C.48.

20 Sec. 77. EFFECTIVE DATE -- APPLICABILITY. Section 71 of  
21 this Act, amending Code section 541A.3, being deemed of  
22 immediate importance, takes effect upon enactment and is  
23 retroactively applicable to January 1, 1998.

24 EXPLANATION

25 This bill relates to and makes appropriations to the  
26 department of human services FY 1998-1999.

27 The bill directs the department to develop a program  
28 supporting families of children with mental retardation or  
29 other developmental disabilities. The department is  
30 authorized to decategorize funding designated for various  
31 services and to use the moneys among those services to best  
32 meet needs. The department is authorized to adopt emergency  
33 rules to implement the program by June 30, 1999. The rules  
34 are not to require a family to comply in a manner which would  
35 cause various adverse effects.

1 The bill includes a provision directing the department to  
2 continue utilizing the investigation approach for responding  
3 to a report of child abuse in Polk county for the period  
4 beginning July 1, 1998, through September 1, 1998. Under  
5 current law, the investigation approach is to incrementally be  
6 replaced by the assessment approach with implementation  
7 complete by June 30, 1998. The bill directs the department to  
8 continue to apply the investigation approach and rules adopted  
9 for this approach in Polk county for the above period.

10 The bill directs that the motor vehicle license  
11 reinstatement civil penalties collected under Code sections  
12 321.218A and 321A.32A to be deposited to the credit of the  
13 department of human services rather than be deposited in the  
14 general fund of the state. These moneys are then appropriated  
15 to the department for costs of county and multicounty juvenile  
16 detention homes and other juvenile justice services. The bill  
17 provides that Code section 232.141 requiring the state to pay  
18 from 10 to 50 percent of the costs of the detention homes is  
19 not applicable for fiscal year 1998-1999.

20 The bill directs that excess revenues generated under net  
21 budgeting procedures at the state hospital-school do not  
22 revert at the close of the fiscal year but remain available  
23 for expenditure in the succeeding fiscal year. This provision  
24 is applicable to fiscal years 1997-1998 and 1998-1999 for the  
25 hospital-school at Glenwood and for fiscal year 1998-1999 for  
26 the hospital-school at Woodward. This provision takes effect  
27 upon enactment.

28 The bill requires department of human services contracts  
29 with a value in excess of \$150,000 to assess a penalty for  
30 failure to meet performance standards. This applies for  
31 fiscal year 1998-1999.

32 The bill authorizes the department of human services to  
33 develop pilot projects in up to eight counties for purposes of  
34 reducing paperwork and streamlining eligibility and other  
35 processes in financial assistance programs. The department is

1 authorized to suspend its rules and any federal law or  
2 regulation waived by the federal government in implementing  
3 the pilot projects. The department is exempt from specific  
4 rulemaking requirements in suspending the rules or law but  
5 must adopt emergency rules outlining the projects.

6 Division II of the bill includes provisions relating to  
7 Iowa's implementation of the domestic violence option in the  
8 family investment program authorized under the federal welfare  
9 reform law.

10 Division II amends Code section 239B.2, subsection 6,  
11 relating to required cooperation with child support  
12 requirements under FIP, to provide for an exception for those  
13 participating in a family investment agreement safety plan  
14 option authorized in the bill and other consideration given to  
15 the presence of family or domestic violence.

16 Division II includes new subsection 2A of Code section  
17 239B.4, relating to the departmental role in FIP and requires  
18 the department to develop a screening tool for use by  
19 department employees in determining the likely presence of  
20 family and domestic violence in FIP applicant and participant  
21 families.

22 Division II includes a provision requiring the department  
23 to amend the state plan for the federal temporary assistance  
24 for needy families block grant program to allow for family  
25 investment program assistance to immigrants who have been  
26 battered or subjected to extreme cruelty.

27 Division II includes a temporary provision requiring the  
28 department to test the screening provisions during the fiscal  
29 year beginning July 1, 1998, in urban and rural areas. The  
30 screening requirement is to be applied statewide beginning  
31 July 1, 1999.

32 Division II amends 1997 Iowa Acts, chapter 208, section 2,  
33 to repeal a provision in the fiscal year 1997-1998  
34 appropriation of federal temporary assistance for needy  
35 families (TANF) block grant moneys which provided that the

1 appropriated moneys would not revert at the close of the  
2 fiscal year but would remain available for allocation by law  
3 in FY 1998-1999. This repeal takes effect upon enactment.

4 Division II amends Code section 239B.8, relating to family  
5 investment agreements. The bill provides a new option so that  
6 a family investment agreement may include an option for a  
7 program participant to participate in a family safety plan.  
8 This option may include a temporary waiver for participation  
9 in the JOBS program or other employment-related activities.

10 Division III amends Code section 239B.9, involving limited  
11 benefit plans under the family investment program (FIP). In  
12 general under current law, if a required FIP participant does  
13 not comply with family investment agreement or other  
14 requirements, the participant and designated family members  
15 are subject to a limited benefit plan. Under current law, a  
16 first limited benefit plan provides for three months of  
17 reduced cash assistance followed by six months of  
18 ineligibility for cash assistance. Subsequent limited benefit  
19 plans provide for six months of ineligibility for cash  
20 assistance. Under the bill, a first limited benefit plan  
21 provides for ineligibility for cash assistance for an  
22 indeterminate period which may be ended by compliance with  
23 requirements. A subsequent limited benefit plan is at least  
24 six months in duration followed by an indeterminate period  
25 which may be ended by compliance with requirements. The  
26 department is to adopt rules implementing the new limited  
27 benefit plan requirements on or after January 1, 1999.

28 Division IV of the bill relates to requirements for private  
29 agency contracts with the department. The auditor of state  
30 and the director of human services are to jointly develop a  
31 process to exempt private agencies from obtaining a  
32 certification from the auditor of state if there is an  
33 existing means of determining the adequacy of the private  
34 agency's accounting practices. This provision takes effect  
35 upon enactment. The division also repeals an exemption from

1 the requirement to obtain the certification from the auditor  
2 of state for those agencies contracting with the department.

3 Division V contains various statutory revisions, emergency  
4 rule provisions, and effective dates.

5 Division V amends 1997 Iowa Acts, chapter 208, section 17,  
6 relating to a net budgeting pilot project at the state  
7 hospital-school at Glenwood. The bill allows county  
8 receivables billed but not yet received to be counted for  
9 fiscal year 1997-1998, so long as the billings are received  
10 within 90 days of being billed. The hospital-school may draw  
11 upon the general fund of the state for the receivables.

12 Division V amends Code section 135H.6, relating to  
13 psychiatric medical institutions for children (PMICs). The  
14 amendment allows the department to establish up to 30 PMIC  
15 beds at the state mental health institute at Independence.  
16 Corresponding language is included in the appropriation for  
17 Independence MHI. The beds are exempt from certificate of  
18 need requirements.

19 Division V amends Code section 217.12 by directing the  
20 family development and self-sufficiency council to develop  
21 provisions for tracking and reporting performance measures for  
22 grantee effectiveness.

23 Division V amends Code sections 222.68, 222.75, 229.42, and  
24 230.22, relating to county payments to the state for state  
25 hospital-school and mental health institute care. The  
26 amendments reduce the time period after which a late payment  
27 penalty is applicable from 60 days to 45 days. The bill voids  
28 the state mandate provision which may otherwise render these  
29 amendments inapplicable.

30 Division V amends Code section 222.78, relating to  
31 liability of parents and others for the support of a patient  
32 with mental retardation admitted for inpatient or outpatient  
33 treatment. The amendment specifies that the father or mother  
34 of the patient is not liable for support upon the patient  
35 attaining age 18.

1 The bill includes an amendment to Code section 225C.38,  
2 relating to payments under the family support subsidy program,  
3 to allow for the person receiving the subsidy to elect to  
4 receive less than the regular amount.

5 The bill strikes a provision in Code section 225C.48 which  
6 would otherwise repeal the personal assistance and family  
7 support council effective July 1, 1998. This provision takes  
8 effect upon enactment.

9 Division V amends Code section 239B.11, relating to a  
10 diversion program subaccount within the family investment  
11 program account. The amendment specifies that an applicant is  
12 eligible for diversion assistance if the applicant meets  
13 income eligibility requirements for the family investment  
14 program.

15 Division V amends Code section 249A.3, relating to medical  
16 assistance eligibility. The amendment provides that children  
17 who are between six and 19 years of age whose income is not  
18 more than 133 percent of the federal poverty level are  
19 eligible under the medical assistance program. Previously  
20 eligibility was limited to children between six and 14 years  
21 of age whose income did not exceed 100 percent of the federal  
22 poverty level.

23 Division V amends Code section 541A.3, relating to  
24 individual development account savings incentive payments.  
25 The amendment provides that the source of the payments is the  
26 general fund of the state and the payment is to be made to the  
27 individual in the manner used for tax refunds. This provision  
28 takes effect upon enactment and is retroactively applicable to  
29 January 1, 1998.

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SENATE FILE 2410

S-5401

Amend Senate File 2410 as follows:

1. Page 39, by striking line 9 and inserting the following:

"..... \$ 43,155,500"

2. Page 41, by inserting after line 21 the following:

"e. A secure state mental health facility at Oakdale, if created in law by the Seventy-seventh General Assembly, 1998 Session:

..... \$ 500,000"

By ROBERT E. DVORSKY

S-5401 FILED MARCH 30, 1998

LOST (p. 947)

SENATE FILE 2410

S-5402

Amend Senate File 2410 as follows:

DIV 2 1. Page 52, by inserting after line 26 the following:

A 3 following:  
4 "j. For the fiscal year beginning July 1, 1998,  
5 the reimbursement rates for durable medical equipment  
6 and supplies shall be increased by two percent over  
7 the rates in effect on June 30, 1998."

2. Page 52, by inserting before line 27 the following:

10 "k. The department of human services may allocate  
11 increases among items and implement procedures for  
12 durable medical equipment and supplies as deemed  
13 appropriate to reimburse those providers who are being  
14 reimbursed below the actual cost of the equipment or  
15 supplies."

DIV 16 3. Page 55, line 24, by inserting after the word

B 17 "therapy" the following: "and shall determine the  
18 number of providers who are being reimbursed below the  
19 actual cost of durable medical equipment and  
20 supplies".

21 4. By renumbering as necessary.

By DENNIS H. BLACK

S-5402 FILED MARCH 30, 1998

DIV A - LOST, DIV B - ADOPTED

p. 948

(p. 949)

SENATE FILE 2410

S-5399

1 Amend Senate File 2410 as follows:

2 1. Page 51, line 33, by striking the figure  
3 "70th" and inserting the following: "67th".

4 2. Page 52, line 7, by inserting after the word  
5 "facilities" the following: "which provide a salary  
6 increase of one dollar per hour to certified nurse  
7 aides, as documented by the facilities' cost  
8 reports,".

By JOHNE HAMMOND  
PATRICIA HARPER

S-5399 FILED MARCH 30, 1998

WITHDRAWN

(p. 948)



SENATE FILE 2410

S-5405

Amend Senate File 2410 as follows:

1. Page 50, by striking lines 7 and 8 and inserting the following:

"..... \$ 15,431,693  
..... FTES 392.00"

2. Page 50, by inserting after line 24 the following:

" . Of the moneys appropriated in this section, \$160,000 is allocated for four full-time equivalent positions and support to respond to requests for correction or expungement of child abuse records."

By PATRICK J. DELUHERY

S-5405 FILED MARCH 30, 1998

LOST (P. 948)

SENATE FILE 2410

S-5406

Amend Senate File 2410 as follows:

1. Page 18, line 6, by striking the figure "556,750" and inserting the following: "806,750".

By PATRICK J. DELUHERY

S-5406 FILED MARCH 30, 1998

LOST (P. 944)

SENATE FILE 2410

S-5407

Amend Senate File 2410 as follows:

1. Page 23, lines 7 and 8 by striking the words "for at least 30 consecutive days immediately prior to 4 discharge".

By TOM VILSACK

S-5407 FILED MARCH 30, 1998

LOST  
(P. 945)

SENATE FILE 2410

S-5403

1 Amend Senate File 2410 as follows:

2 1. Page 19, by inserting after line 16 the  
3 following:

4 "13. The department shall reinstate the employment  
5 earnings disregard eliminated by 1997 Iowa Acts,  
6 chapter 41, section 35, only if the disregard must be  
7 reinstated for the medical assistance program to  
8 assure federal funding under Title XIX or Title XXI of  
9 the federal Social Security Act. In reinstating the  
10 disregard, the department may simplify policies if the  
11 simplification can be accomplished within the existing  
12 department budget. The department may adopt emergency  
13 rules in order to implement the provisions of this  
14 subsection. If the disregard is reinstated, the  
15 department shall submit for consideration during the  
16 1999 legislative session, proposed legislation under  
17 section 2.16 for codification of the disregard."

18 2. Page 28, by striking line 31 and inserting the  
19 following:

20 "..... \$ 15,397,808"

21 3. Page 39, by striking line 9 and inserting the  
22 following:

23 "..... \$ 42,559,619"

24 4. Page 42, by striking line 5 and inserting the  
25 following:

26 "..... \$ 3,962,923"

27 5. Page 51, by striking lines 29 and 30 and  
28 inserting the following: "provider representatives,  
29 study alternative reimbursement methodologies."

30 6. Page 52, by inserting after line 26 the  
31 following:

32 "j. When applying the reimbursement rate increases  
33 for physician and dental services under this  
34 subsection, the department shall, in consultation with  
35 provider representatives, place a priority on primary  
36 and preventive care. The department shall, in  
37 consultation with provider representatives review the  
38 existing reimbursement methodology including the  
39 issues of access, utilization, and sufficiency of the  
40 current reimbursement rates. A report of the findings  
41 of the review and any recommendations shall be  
42 submitted to the general assembly by January 1, 1999."

43 7. Page 80, by inserting after line 4 the  
44 following:

45 "\_\_\_\_. Section 7, subsection 13, relating to  
46 reinstatement of the employment earnings disregard."

47 8. By renumbering as necessary.

By MAGGIE TINSMAN

S-5403 FILED MARCH 30, 1998

ADOPTED

(p. 944)

## SENATE FILE 2410

5408

Amend Senate File 2410 as follows:

1. Page 78, by inserting after line 23 the following:
  - "Sec. 100. NEW SECTION. 249A.50 STATE RECOVERY OF TOBACCO-RELATED MEDICAL ASSISTANCE PAYMENTS.
    1. For purposes of this section:
      - a. "Manufacturer" means any person engaged in the process of designing, fabricating, assembling, producing, constructing, or otherwise preparing a product containing tobacco, including any packaging or labeling or repackaging or relabeling of such a product, with the intention of selling the product for gain or profit. "Manufacturer" does not include persons whose activity is limited to growing natural leaf tobacco or to selling tobacco products at wholesale or retail to consumers.
      - b. "Tobacco" means any tobacco product, including but not limited to loose tobacco suitable for smoking, snuff, snuff flour, cavendish, plug and twist tobacco, fine cuts and other chewing tobaccos, shorts, refuse scraps, clippings, cuttings, and sweepings of tobacco, and other kinds and forms of tobacco suitable for chewing and smoking, including cigars and cigarettes.
    2. The department of human services may coordinate with the Iowa department of public health with regard to the existence of, prevalence of, and causal linkage between injury, disease, or disability and the use of tobacco by recipients of medical assistance.
    3. The state and the department shall be entitled to bring an action against and recover in full from any manufacturer which caused in fact any injury, disease, or disability arising from or connected with the use of tobacco by recipients of medical assistance, for the full amount of medical assistance paid under this chapter on behalf of such recipients, and for other relief, including legal and administrative fees and expenses. The attorney general may institute a civil action to enforce the rights conferred by this section. The right of recovery of the state and the department under this section is independent from and not derivative of any right or claim of the individual recipients of medical assistance.
      - a. The court shall do all of the following:
        - (1) Shall permit evidence, proof, and argument as to causation and amount of damages by and through statistical analysis or other methods of scientific or statistical proof.
        - (2) Shall not require proof of causation and damages as to individual recipients.

S-5408

-1-

S-5408

Page 2

1 b. The state or department may recover damages  
 2 against manufacturers based upon an aggregation of or  
 3 a reasonable estimation of payments made on behalf of  
 4 recipients of medical assistance. Apportionment of  
 5 damages among defendants shall be according to a  
 6 manufacturer's respective share of the market for  
 7 tobacco within the state.

8 c. Trial shall be by jury, if either party demands  
 9 a jury."

10 2. Page 80, by inserting after line 19 the  
 11 following:

12 "\_\_\_\_. Section 100 of this Act. Section 100  
 13 applies to medical assistance paid on or after section  
 14 100's effective date. Section 100 shall not affect  
 15 the common law rights of the state or the department,  
 16 if any."

17 3. By renumbering as necessary.

By TOM VILSACK  
 JOHNIE HAMMOND  
 ELAINE SZYMONIAK

S-5408 FILED MARCH 30, 1998  
 RULED OUT OF ORDER (p. 951)

SENATE FILE 2410

S-5409

1 Amend Senate file 2410 as follows:

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

4 ..... \$ 1,010,000"

By MATT McCOY

S-5409 FILED MARCH 30, 1998

LOST

(p. 943)

SENATE FILE 2410

S-5414

1 Amend Senate File 2410 as follows:

2 1. Page 35, by inserting after line 25 the  
3 following:

4 "In addition to the moneys appropriated in this  
5 section, the department may use other 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."

By ROBERT E. DVORSKY

S-5414 FILED MARCH 30, 1998

LOST (p. 947)

SENATE FILE 2410

S-5415

1 Amend Senate File 2410 as follows:

2 1. Page 25, by striking lines 34 and 35 and  
3 inserting the following: "clients of publicly  
4 supported child day care assistance, by April 1, 1999.  
5 The provisions included in the single point of access  
6 shall include but are".

7 2. Page 26, lines 6 and 7, by striking the  
8 following: "a uniform provider rate and reimbursement  
9 system,".

10 3. Page 26, line 11, by inserting after the word  
11 "department." the following: "Implementation of the  
12 single point of access program by April 1, 1999, is  
13 contingent upon the receipt of additional federal  
14 funding for child care."

By MAGGIE TINSMAN  
JOHNIE HAMMOND

S-5415 FILED MARCH 30, 1998

ADOPTED

(p. 945)

## SENATE FILE 2410

S-5410

1 Amend Senate File 2410 as follows:

2 1. Page 72, by inserting after line 20 the  
3 following:

4 "DIVISION -- STATE POISON CENTER  
5 Sec. \_\_\_\_ . NEW SECTION. 135.29A STATE POISON  
6 CENTER.

7 The director shall designate a state poison center,  
8 as directed by the general assembly, to provide poison  
9 information, telephone management advice and  
10 consultation, conduct hazard surveillance to achieve  
11 hazard elimination, and provide professional and  
12 public education in poison prevention, diagnosis, and  
13 treatment, and to provide any other services or  
14 functions necessary to be classified as a certified  
15 poison center. The poison center shall not  
16 subcontract with a poison center outside of the state  
17 to provide the necessary services or functions. The  
18 director shall provide the necessary documentation of  
19 the state poison center designation to the poison  
20 center for certification by the American association  
21 of poison control centers or other certifying  
22 organization.

23 Sec. \_\_\_\_ . DESIGNATION OF STATE POISON CENTER. The  
24 general assembly designates as the poison center for  
25 the state of Iowa the medical center which is  
26 operating a poison center on or before July 1, 1998,  
27 in the state. The poison center shall meet all  
28 requirements necessary to be certified as a poison  
29 center by the American association of poison control  
30 centers and shall not subcontract with a poison center  
31 outside of the state to provide the required services  
32 or functions. The director of public health shall  
33 provide any documentation necessary to the poison  
34 center for certification."

35 2. By renumbering as necessary.

By STEVEN D. HANSEN

S-5410 FILED MARCH 30, 1998

WITHDRAWN (p. 951)

## SENATE FILE 2410

S-5411

1 Amend Senate File 2410 as follows:

2 1. Page 54, line 11, by striking the word "two"  
3 and inserting the following: "three".

By STEVEN D. HANSEN  
JOHN P. KIBBIE

S-5411 FILED MARCH 30, 1998

LOST

(p. 950)

## SENATE FILE 2410

5416

1 Amend Senate File 2410 as follows:

2 1. Page 35, by inserting after line 16 the  
3 following:

4 "18. a. It is the intent of the general assembly  
5 that the department of human services work with the  
6 child welfare services work group created by the  
7 legislative council in November 1997 to pursue  
8 initiatives to increase receipt of funding under Title  
9 IV-E of the federal Social Security Act. For the  
10 fiscal year beginning July 1, 1998, the department may  
11 expend moneys, not to exceed \$20,000, within the  
12 department's budget to contract for consultant  
13 services to increase this funding.

14 b. If additional funding is received under Title  
15 IV-E of the federal Social Security Act as a result of  
16 administrative activities performed by juvenile court  
17 services or community providers, the funding shall be  
18 expended as follows:

19 (1) A portion shall be used by the department to  
20 provide technical assistance and to monitor claims  
21 submitted by juvenile court services and community  
22 providers to ensure that the claims meet federal  
23 requirements.

24 (2) A portion shall be distributed to providers  
25 with increased costs incurred from activities to draw  
26 the additional funding.

27 (3) A portion shall be made available to  
28 decategorization projects in which additional funding  
29 is drawn to be used to pay for activities based on  
30 local needs, as determined by the decategorization  
31 projects.

32 c. Any additional funding received under Title IV-  
33 E of the federal Social Security Act for field  
34 operations or general administration that is not used  
35 for field operations or general administration  
36 expenditures, shall be transferred for funding of  
37 activities under the appropriations in this Act in  
38 this section and for court-ordered services provided  
39 to juveniles."

40 2. Page 38, by inserting after line 35 the  
41 following:

42 " . Federal funding received by the state during

S-5416

Page 2

1 2000."

2 3. Page 41, by striking lines 10 through 14 and  
3 inserting the following:

4 "(b) If an individual is committed to the custody  
5 of the department of corrections at the time the  
6 individual is referred for dual diagnosis treatment,  
7 the department of corrections shall be charged for the  
8 costs of treatment."

9 4. Page 41, line 20, by inserting after the word  
10 "in" the following: "and authorized by or decertified  
11 by".

12 5. Page 63, by inserting after line 13 the  
13 following:

14 "Sec. \_\_\_\_ . SEXUALLY VIOLENT PREDATORS. The  
15 department of human services and the department of  
16 corrections shall work with the office of the attorney  
17 general in jointly establishing a task force for  
18 identifying the population of persons deemed to be  
19 sexually violent predators and to develop options  
20 appropriate for addressing public safety concerns  
21 associated with this population. The task force may  
22 consult with qualified mental health professionals,  
23 corrections professionals, prosecutors, and others  
24 experienced in the assessment and treatment of this  
25 population. The task force shall consider currently  
26 available treatment options, the prevalence of  
27 subpopulations which present a high risk of  
28 reoffending upon release, and the percentage of the  
29 existing criminal sex offender population which is not  
30 amenable to treatment under currently known methods.  
31 The task force shall identify any treatment methods  
32 known to have success in treating this population and  
33 subpopulations as well as the costs associated with  
34 those methods, develop a proposal for state-of-the-art  
35 treatment of sexually violent predators, and develop a  
36 plan describing possible use of treatment resources  
37 together with options for intensive monitoring upon  
38 release. The task force report shall be submitted on  
39 or before January 1, 1999, to the members of the joint  
40 appropriations subcommittees on human services and on  
41 the justice system."

42 6. By renumbering as necessary.

By MAGGIE TINSMAN

S-5416 FILED MARCH 30, 1998

ADOPTED

(p. 946)



SENATE FILE 2410

5424

Amend Senate File 2410 as follows:

1. Page 79, by inserting after line 5 the following:

"Sec. \_\_\_\_ . ACCREDITATION OR CERTIFICATION OF SERVICE PROVIDERS. Effective July 1, 1998, the department of human services shall include persons with Prader-Willi syndrome in the definition of "persons with developmental disabilities" used in the department's rules for accreditation or certification of providers of services to persons with mental illness, mental retardation, and developmental disabilities, in 441 IAC 24."

2. By renumbering as necessary.

By ELAINE SZYMONIAK

S-5424 FILED MARCH 30, 1998

WITHDRAWN (p.951)

SENATE FILE 2410

S-5425

Amend Senate File 2410 as follows:

1. Page 20, by striking line 4 and inserting the following:

"..... \$ 11,000,000"

By JOHNIE HAMMOND  
PATRICIA HARPER  
ROD HALVORSON  
TOM FLYNN  
BILL FINK  
MARY NEUHAUSER  
ROBERT E. DVORSKY  
DICK L. DEARDEN  
MIKE CONNOLLY  
STEVEN D. HANSEN  
TOM VILSACK

MICHAEL E. GRONSTAL  
PATTY JUDGE  
DENNIS H. BLACK  
MATT McCOY  
WALLY E. HORN  
DON GETTINGS  
ELAINE SZYMONIAK  
JOHN P. KIBBIE  
EUGENE S. FRAISE  
PATRICK J. DELUHERY  
WILLIAM D. PALMER

S-5425 FILED MARCH 30, 1998

LOST

(p.945)

SENATE FILE 2410

S-5422

1 Amend Senate File 2410 as follows:  
 2 1. Page 6, line 17, by striking the figure "1999"  
 3 and inserting the following: "2000".  
 4 2. Page 6, line 25, by inserting after the figure  
 5 "1999." the following: "The report shall include a  
 6 summary of the implementation plan for mandatory  
 7 statewide usage of the electronic benefit transfer  
 8 program, including timelines and projected costs. If  
 9 legislation is enacted by the Seventy-seventh General  
 10 Assembly, 1998 Session, establishing fee payments to  
 11 any retailers who participate in the electronic  
 12 benefit transfer program, the report shall  
 13 specifically include a projection of the costs of the  
 14 fee payments in each of the state fiscal years  
 15 beginning July 1, 1999, 2000, 2001, and 2002, and an  
 16 updated comparison of fees being paid in other  
 17 states."

By MAGGIE TINSMAN

S-5422 FILED MARCH 30, 1998

WITHDRAWN (p. 952)

SENATE FILE 2410

S-5423

1 Amend Senate File 2410 as follows:  
 2 1. Page 63, by inserting after line 13 the  
 3 following:  
 4 "Sec. \_\_\_\_ . DEPENDENT ADULT ABUSE ASSESSMENT. The  
 5 department of human services, in consultation with the  
 6 department of elder affairs and the governor's  
 7 planning council for development disabilities, shall  
 8 develop and begin implementing an assessment-based  
 9 approach to respond to dependent adult abuse reports  
 10 made pursuant to section 235B.3. The approach shall  
 11 be developed and implemented in the fiscal year  
 12 beginning July 1, 1998, to the extent possible within  
 13 the department's budget."  
 14 2. By renumbering as necessary.

By ELAINE SZYMONIAK

S-5423 FILED MARCH 30, 1998

WITHDRAWN

(p. 950)

SENATE FILE 2410

S-5429

Amend Senate File 2410 as follows:

1. Page 79, by inserting after line 5 the following:

"Sec. . . . ACCREDITATION OF CERTIFICATION OF SERVICE PROVIDERS. Effective July 1, 1998, the department of human services shall include persons with Prader-Willi syndrome, who, due to their disability, experience limitations in three or more of the major life activities as defined in the federal Developmental Disability Assistance and Bill of Rights Act, Pub. L. No. 101-496, in the definition of "persons with disabilities" used in the department's rules for accreditation or certification of providers of services to persons with mental illness, mental retardation, and developmental disabilities, in 441 IAC 24."

2. By renumbering as necessary.

By ELAINE SZYMONIAK  
JOHN REDWINE

S-5429 FILED MARCH 30, 1998  
WITHDRAWN (P. 951)

SENATE FILE 2410

S-5430

Amend Senate File 2410 as follows:

1. Page 30, line 22, by inserting after the word "beds." the following: "Of the moneys allocated in this paragraph, \$50,000 shall be used for an independent evaluation of the existing programs providing highly structured juvenile program beds. The evaluation shall include but is not limited to a review of the curriculum used by the programs, the recidivism rate of juveniles who have completed the programs, and a comparison with the curriculum and recidivism rates in the state training schools, Iowa juvenile home, private group foster care providers, and other comparable providers. A report of the evaluation shall be submitted to the general assembly by January 1, 1999."

By MARY NEUHAUSER

S-5430 FILED MARCH 30, 1998  
LOST (P. 953)

## SENATE FILE 2410

S-5426

1 Amend Senate File 2410 as follows:  
 2 1. Page 6, line 17, by striking the figure "1999"  
 3 and inserting the following: "2000".  
 4 2. Page 6, line 25, by inserting after the figure  
 5 "1999." the following: "The report shall include a  
 6 summary of the implementation plan for mandatory  
 7 statewide usage of the electronic benefit transfer  
 8 program, including timelines, projected costs and  
 9 projected savings. If legislation is enacted by the  
 10 Seventy-seventh General Assembly, 1998 Session,  
 11 establishing fee payments to any retailers who  
 12 participate in the electronic benefit transfer  
 13 program, the report shall include a projection of the  
 14 costs of the fee payments and a projection of savings  
 15 to the department in each of the state fiscal years  
 16 beginning July 1, 1999, 2000, 2001, and 2002, and an  
 17 updated comparison of fees being paid in other  
 18 states."

By MAGGIE TINSMAN

S-5426 FILED MARCH 30, 1998

ADOPTED (p.953)

## SENATE FILE 2410

S-5427

1 Amend Senate file 2410 as follows:  
 2 1. Page 29, line 28, by striking the figure  
 3 "96,744,904" and inserting the following:  
 4 "96,934,500".  
 5 2. Page 30, line 4, by striking the figure  
 6 "30,923,872" and inserting the following:  
 7 "31,113,468".

By JOHNIE HAMMOND  
 PATRICIA HARPER  
 ROD HALVORSON  
 TOM FLYNN  
 MARY NEUHAUSER  
 ROBERT E. DVORSKY  
 DICK L. DEARDEN  
 MIKE CONNOLLY  
 TOM VILSACK  
 PATRICK J. DELUHERY  
 DENNIS H. BLACK

PATTY JUDGE  
 MICHAEL E. GRONSTAL  
 EUGENE S. FRAISE  
 ELAINE SZYMONIAK  
 STEVEN D. HANSEN  
 MATT MCCOY  
 WALLY E. HORN  
 DON GETTINGS  
 JOHN P. KIBBIE  
 WILLIAM D. PALMER

S-5427 FILED MARCH 30, 1998

LOST

(p.946)

SENATE FILE 2410

S-5433

1 Amend Senate File 2410 as follows:

2 1. Page 79, by inserting after line 5 the  
3 following:

4 "Sec. \_\_\_\_ . ACCREDITATION OF CERTIFICATION OF  
5 SERVICE PROVIDERS. Effective July 1, 1998, the  
6 department of human services shall include persons  
7 with Prader-Willi syndrome, who, due to their  
8 disability, experience limitations in three or more of  
9 the major life activities as defined in the federal  
10 Developmental Disability Assistance and Bill of Rights  
11 Act, Pub. L. No. 101-496, in the definition of  
12 "persons with disabilities" used in the department's  
13 rules for accreditation or certification of providers  
14 of services to persons with mental illness, mental  
15 retardation, and developmental disabilities, in 441  
16 IAC 24."

17 2. By renumbering as necessary.

By ELAINE SZYMONIAK

S-5433 FILED MARCH 30, 1998

LOST (P. 952)

SENATE FILE 2410

S-5434

1 Amend Senate File 2410 as follows:

2 1. Page 19, by inserting after line 16 the  
3 following:

4 " \_\_\_\_ . Effective July 1, 1998, the department shall  
5 revise the home and community-based services waiver  
6 provision which requires that an individual must have  
7 previously resided in an intermediate care facility  
8 for persons with mental retardation in order to  
9 receive supported employment under the waiver. The  
10 revision shall allow a person with mental retardation  
11 to receive supported employment under the waiver if  
12 this option is cost effective as compared to other  
13 service options available to that person. The  
14 department shall adopt emergency rules to implement  
15 the provisions of this subsection."

16 2. By renumbering as necessary.

By JOHNIE HAMMOND  
ELAINE SZYMONIAK

S-5434 FILED MARCH 30, 1998

ADOPTED

(P. 955)

SENATE FILE 2410

S-5431

- 1 Amend Senate File 2410 as follows:
- 2 1. Page 63, by inserting after line 13 the
- 3 following:
- 4 "Sec. \_\_\_\_ . DEPENDENT ADULT ABUSE ASSESSMENT. The
- 5 department of human services, in consultation with the
- 6 department of elder affairs and the governor's
- 7 planning council for development disabilities, shall
- 8 develop an assessment-based approach to respond to
- 9 dependent adult abuse reports made pursuant to section
- 10 235B.3. The approach shall be developed in the fiscal
- 11 year beginning July 1, 1998."
- 12 2. By renumbering as necessary.

By ELAINE SZYMONIAK

S-5431 FILED MARCH 30, 1998

ADOPTED

(P.951)

SENATE FILE 2410

S-5432

- 1 Amend Senate File 2410 as follows:
- 2 1. Page 14, by striking line 21, and inserting
- 3 the following:
- 4 "..... \$391,013,305"
- 5 2. Page 52, by inserting after line 9, the
- 6 following:
- 7 "Of the moneys appropriated in this Act for medical
- 8 assistance, \$5,000,000 shall be used to reimburse
- 9 nursing facilities for providing wage increases to
- 10 direct care staff and for increased direct care staff
- 11 development as documented in the cost reports of the
- 12 facilities for the fiscal year beginning July 1, 1998,
- 13 and ending June 30, 1999."

By TOM VILSACK

S-5432 FILED MARCH 30, 1998

LOST

(P.953)

H. 4/03/98 approp.  
H. 4/7/98 Do Pass

SENATE FILE 2410  
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SSB 2208)

(AS AMENDED AND PASSED BY THE SENATE MARCH 30, 1998)

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

\* - Language Stricken by the Senate (P.1468)

Passed Senate, Date 4-14-98 (P.1251) Passed House, Date 4-9-98

Vote: Ayes 48 Nays 0 Vote: Ayes 95 Nays 2

Approved 5/19/98  
*Victor*

(P.1653) Passed 4-15-98  
Vote 98-2

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 effective dates and an  
5 applicability provision.

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

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S.F. 2410

1 DIVISION I -- APPROPRIATIONS

2 Section 1. SOCIAL SERVICES BLOCK GRANT SUPPLEMENTATION.

3 There is appropriated from the fund created in section 8.41 to  
4 the department of human services for the fiscal year beginning  
5 July 1, 1997, and ending June 30, 1998, from moneys received  
6 under the federal temporary assistance for needy families  
7 block grant, the following amount, or so much thereof as is  
8 necessary, to be used for the purposes designated:

9 For supplementation of the federal social services block  
10 grant appropriation in 1997 Iowa Acts, chapter 202, section  
11 12, due to the federal reduction in this block grant and the  
12 corresponding decrease pursuant to 1997 Iowa Acts, chapter  
13 202, section 16:

14 ..... \$ 682,194

15 The moneys appropriated in this section are allocated for  
16 the indicated programs and functions within the department as  
17 follows:

18 1. General administration:

19 ..... \$ 43,379

20 2. Field operations:

21 ..... \$ 259,455

22 3. Child and family services:

23 ..... \$ 38,808

24 4. Local administrative costs and other local services:

25 ..... \$ 27,517

26 5. Volunteers: /

27 ..... \$ 3,007

28 6. Community-based services:

29 ..... \$ 3,458

30 7. MH/MR/DD/BI community services (local purchase):

31 ..... \$ 306,570

32 Sec. 2. EARLY CHILDHOOD. There is appropriated from the  
33 fund created in section 8.41 to the department of human  
34 services for the fiscal year beginning July 1, 1998, and  
35 ending June 30, 1999, the fiscal year beginning July 1, 1999,



1 and ending June 30, 2000, the fiscal year beginning July 1,  
2 2000, and ending June 30, 2001, and the fiscal year beginning  
3 July 1, 2001, and ending June 30, 2002, from moneys received  
4 under the federal temporary assistance for needy families  
5 block grant, the following amount, or so much thereof as is  
6 necessary in each of the indicated fiscal years, to be used  
7 for the purpose designated:

8 For funding of community-based programs targeted to  
9 children from birth through five years of age, developed by  
10 community empowerment areas:

11 ..... \$ 3,800,000

12 1. The department may transfer federal temporary  
13 assistance for needy families block grant funding allocated in  
14 this section to the child care and development block grant in  
15 accordance with federal law as necessary to comply with the  
16 provisions of this section. The funding shall then be  
17 provided to communities as provided in state law.

18 2. Moneys appropriated in this section shall be used by  
19 communities for the purposes of enhancing quality child day  
20 care capacity in support of parent capability to obtain or  
21 retain employment. The moneys shall be used with a primary  
22 emphasis on low-income families and children from birth to  
23 five years of age. Moneys shall be provided in a flexible  
24 manner to communities, and shall be used to implement  
25 strategies identified by the communities to achieve such  
26 purposes. The strategies may include but are not limited to  
27 developing capacity for regular child day care, sick child  
28 care, night shifts child care, and emergency child care;  
29 enhancing linkages between the head start and early head start  
30 programs, early childhood development programs, and child day  
31 care assistance programs; and implementing other strategies to  
32 enhance access to child day care. The moneys may be used to  
33 either build capacity or for support of ongoing efforts. The  
34 department may use up to \$50,000 for provision of technical  
35 assistance and other support to communities developing and

1 implementing strategies with moneys appropriated in this  
2 section.

3     Sec. 3. FAMILY INVESTMENT PROGRAM GENERAL FUND. 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, 1998, and ending June 30, 1999, 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 family investment program assistance under chapter  
11 239B:

12 ..... \$ 31,420,000

13     1. The department of workforce development, in  
14 consultation with the department of human services, shall  
15 continue to utilize recruitment and employment practices to  
16 include former and current family investment program  
17 recipients. The department of workforce development shall  
18 submit a report of the practices utilized and the results of  
19 the utilization to the general assembly by January 1, 1999.

20     2. It is the intent of the general assembly that the  
21 department of human services shall continue to work with the  
22 department of workforce development and local community  
23 collaborative efforts to provide support services for family  
24 investment program participants. The support services shall  
25 be directed to those participant families who would benefit  
26 from the support services and are likely to have success in  
27 achieving economic independence.

28     3. Of the funds appropriated in this section, \$9,564,352  
29 is allocated for the JOBS program.

30     4. The department shall continue to work with religious  
31 organizations and other charitable institutions to increase  
32 the availability of host homes, referred to as second chance  
33 homes or other living arrangements under the federal Personal  
34 Responsibility and Work Opportunity Reconciliation Act of  
35 1996, Pub. L. No. 104-193, § 103. The purpose of the homes or

1 arrangements is to provide a supportive and supervised living  
2 arrangement for minor parents receiving assistance under the  
3 family investment program who, under chapter 239B, may receive  
4 assistance while living in an alternative setting other than  
5 with their parent or legal guardian.

6 Sec. 4. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK  
7 GRANT. There is appropriated from the fund created in section  
8 8.41 to the department of human services for the fiscal year  
9 beginning July 1, 1998, and ending June 30, 1999, from moneys  
10 received under the federal temporary assistance for needy  
11 families block grant pursuant to the federal Personal  
12 Responsibility and Work Opportunity Reconciliation Act of  
13 1996, Pub. L. No. 104-193, which are federally appropriated  
14 for the federal fiscal years beginning October 1, 1996, and  
15 ending September 30, 1997, beginning October 1, 1997, and  
16 ending September 30, 1998, and beginning October 1, 1998, and  
17 ending September 30, 1999, the following amounts, or so much  
18 thereof as is necessary, to be used for the purposes  
19 designated:

20 Moneys appropriated in this section shall be used in  
21 accordance with the federal law making the funds available,  
22 applicable Iowa law, appropriations made from the general fund  
23 of the state in this Act for the purpose designated, and  
24 administrative rules adopted to implement the federal and Iowa  
25 law. If actual federal revenues credited to the fund created  
26 in section 8.41 through June 30, 1999, are less than the  
27 amounts appropriated in this section, the amounts appropriated  
28 shall be reduced proportionately and the department may reduce  
29 expenditures as deemed necessary by the department to meet the  
30 reduced funding level:

31 1. To be credited to the family investment program account  
32 and used for assistance under the family investment program  
33 under chapter 239B:

34 ..... \$ 65,125,688

35 2. To be credited to the family investment program account

1 and used for the job opportunities and basic skills (JOBS)  
2 program, and implementing family investment agreements, in  
3 accordance with chapter 239B:  
4 ..... \$ 19,480,113  
5 3. For field operations:  
6 ..... \$ 10,579,210  
7 4. For general administration:  
8 ..... \$ 2,844,612  
9 5. For local administrative costs:  
10 ..... \$ 1,904,371  
11 6. For state child care assistance:  
12 ..... \$ 7,214,089  
13 7. For emergency assistance:  
14 ..... \$ 2,557,000  
15 8. For mental health and developmental disabilities  
16 community services:  
17 ..... \$ 1,913,592  
18 9. For child and family services:  
19 ..... \$ 22,587,871  
20 10. For pregnancy prevention grants on the condition that  
21 family planning services are funded:  
22 ..... \$ 1,536,938  
23 11. For technology needs and other resources necessary to  
24 meet federal welfare reform reporting, tracking, and case  
25 management requirements:  
26 ..... \$ 1,000,000  
27 12. For supervised community treatment under child and  
28 family services:  
29 ..... \$ 300,000  
30 13. For volunteers:  
31 ..... \$ 18,771  
32 The department shall report quarterly, any changes in  
33 allocations of temporary assistance for needy families moneys,  
34 to the legislative fiscal bureau and to the chairpersons and  
35 ranking members of the joint appropriations subcommittee on

1 human services.

2 Sec. 5. FAMILY INVESTMENT PROGRAM ACCOUNT.

3 1. Moneys credited to the family investment program (FIP)  
4 account for the fiscal year beginning July 1, 1998, and ending  
5 June 30, 1999, shall be used in accordance with the following  
6 requirements:

7 a. The department shall provide assistance in accordance  
8 with chapter 239B.

9 b. The department shall continue the special needs program  
10 under the family investment program.

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

14 d. The department shall continue expansion of the  
15 electronic benefit transfer program as necessary to comply  
16 with federal requirements. The target date for statewide  
17 implementation of the program is July 1, 2000. The department  
18 shall establish a cost-sharing policy with participants that  
19 guarantees at least four free transactions per month for  
20 participants' FIP account, unlimited free transactions for the  
21 participants' food stamp account as required by federal law,  
22 and at least one free electronic benefit transfer card  
23 replacement per six month period if a replacement is  
24 necessary. The department shall submit a progress report of  
25 the program to the general assembly by January 1, 1999. The  
26 report shall include a summary of the implementation plan for  
27 mandatory statewide usage of the electronic benefit transfer  
28 program, including timelines, projected costs and projected  
29 savings. If legislation is enacted by the Seventy-seventh  
30 General Assembly, 1998 Session, establishing fee payments to  
31 any retailers who participate in the electronic benefit  
32 transfer program, the report shall include a projection of the  
33 costs of the fee payments and a projection of savings to the  
34 department in each of the state fiscal years beginning July 1,  
35 1999, 2000, 2001, and 2002, and an updated comparison of fees

1 being paid in other states.

2 e. The department shall continue to conduct an evaluation  
3 of the welfare reform program and child well-being provisions  
4 to measure the program's effectiveness, impacts on children  
5 and families, and impacts across programs, and to identify  
6 effective strategies.

7 f. The department shall continue to contract for services  
8 in developing and monitoring an entrepreneurial training  
9 program to provide technical assistance to families which  
10 receive assistance under the family investment program.

11 g. For family investment agreements entered into on or  
12 after July 1, 1996, the maximum allowable time period for  
13 supported postsecondary education is limited to a total of  
14 twenty-four months. The twenty-four-month allowance shall  
15 only be available for a period of forty-eight consecutive  
16 months.

17 2. The department may transfer funds in accordance with  
18 section 8.39, either federal or state, to or from the child  
19 day care appropriations made for the fiscal year beginning  
20 July 1, 1998, if the department deems this would be a more  
21 effective method of paying for JOBS program child care, to  
22 maximize federal funding, or to meet federal maintenance of  
23 effort requirements.

24 3. Moneys appropriated in this Act and credited to the  
25 family investment program account for the fiscal year  
26 beginning July 1, 1998, and ending June 30, 1999, are  
27 allocated as follows:

28 a. For the food stamp employment and training program:  
29 ..... \$ 129,985

30 b. For the family development and self-sufficiency grant  
31 program as provided under section 217.12:  
32 ..... \$ 5,197,825

33 (1) Of the funds allocated for the family development and  
34 self-sufficiency grant program in this lettered paragraph, not  
35 more than 5 percent of the funds shall be used for the

1 administration of the grant program.

2 (2) Based upon the annual evaluation report concerning  
3 each grantee funded by previously appropriated funds and  
4 through the solicitation of additional grant proposals, the  
5 family development and self-sufficiency council may use the  
6 allocated funds to renew or expand existing grants or award  
7 new grants. In utilizing the increased funding to expand the  
8 program, the council shall give consideration, in addition to  
9 other criteria established by the council, to a grant  
10 proposal's intended use of local funds with a grant and to  
11 whether a grant proposal would expand the availability of the  
12 program's services to a wider geographic area.

13 (3) Family development and self-sufficiency grantees shall  
14 not supplant previous local funding with state or federal  
15 funds.

16 (4) The department and the family development and self-  
17 sufficiency council shall identify a limited number of  
18 consistent performance measures to be tracked at both the  
19 grantee and the statewide levels. These performance measures  
20 shall be incorporated into grantee contracts awarded on or  
21 after July 1, 1998, and shall include at least two measures  
22 relating to FIP usage, at least two measures relating to  
23 family stability or family structure, at least two measures  
24 relating to participant employment, and other measures deemed  
25 appropriate by the department and the council. A grantee may  
26 also identify additional measures if the grantee believes  
27 additional measures will provide important information for  
28 public policy decisions. The council may also establish and  
29 track other measures that the council determines are necessary  
30 for making public policy decisions. Any performance measures  
31 established pursuant to this paragraph shall be reported to  
32 the general assembly for purposes of determining the  
33 effectiveness of the grant program.

34 (5) The family development and self-sufficiency grant  
35 program shall be implemented statewide during FY 1998-1999.

1 c. For income maintenance reengineering:  
2 ..... \$ 200,000

3 d. For an employer verification pilot project:  
4 ..... \$ 50,000

5 The department may streamline and simplify the employer  
6 verification process for applicants, participants, and  
7 employers in the administration of the department's programs.  
8 The department may contract with companies collecting data  
9 from employers when the information is needed in the  
10 administration of these programs. The department may limit  
11 the availability of the initiative on the basis of geographic  
12 area or number of individuals. The department shall submit a  
13 report by January 15, 1999, regarding the potential benefits  
14 of expanding the initiative.

15 e. For the diversion program and incentive grants as  
16 follows:

17 (1) For the diversion subaccount of the family investment  
18 program account:

19 ..... \$ 2,700,000

20 Moneys allocated to the diversion subaccount shall be used  
21 to continue the pilot initiative of providing incentives to  
22 assist families who meet income eligibility requirements for  
23 the family investment program in obtaining or retaining  
24 employment, to assist participant families in overcoming  
25 barriers to obtaining employment, and to assist families in  
26 stabilizing employment and in reducing the likelihood of the  
27 family returning to the family investment program. Incentives  
28 may be provided in the form of payment or services. The  
29 department may limit the availability of the pilot initiative  
30 on the basis of geographic area or numbers of individuals  
31 provided with incentives. The department shall attempt to  
32 assess and screen individuals who would most likely benefit  
33 from the services. The department shall expand the diversion  
34 initiative beginning in the fiscal year 1998-1999. The  
35 department may use up to \$50,000 to facilitate community



1 investment in welfare reform and to support expansion of the  
2 diversion program. The department may grant diversion moneys  
3 to the level of the entity operating an initiative. The  
4 department may adopt additional eligibility criteria as  
5 necessary for compliance with federal law and for screening  
6 those families who would be most likely to become eligible for  
7 the family investment program if diversion incentives would  
8 not be provided.

9 (2) For implementation of innovative strategies on a  
10 statewide or pilot project basis for supporting job retention,  
11 family structure, or both, including services to noncustodial  
12 parents and young parents. The department shall consult with  
13 members of the joint appropriations subcommittee on human  
14 services, designated by the subcommittee co-chairpersons and  
15 ranking members, concerning development of the strategies in  
16 advance of implementation:

17 ..... \$ 500,000

18 (3) Of the moneys allocated in subparagraph (2), not more  
19 than \$50,000 shall be used to develop at least one community-  
20 level parental obligation pilot project. A pilot project  
21 shall be operated with the goal of assisting parents who are  
22 living apart in meeting their parental obligations and in  
23 supporting their children. Any pilot project shall maximize  
24 the use of existing community resources for family counseling,  
25 legal services, job training and job skills development,  
26 substance abuse treatment and prevention, health maintenance,  
27 and personal mentoring. Local communities shall also be  
28 encouraged to provide financial resources.

29 (a) Notwithstanding any other provision of law to the  
30 contrary, the department shall develop procedures for the  
31 pilot projects to expedite all of the following:

32 (i) The establishment and adjustment of support  
33 obligations, with the consent of both parents, in a manner  
34 which may deviate from the child support guidelines.

35 (ii) Changes in income withholding orders based on

1 individual case circumstances.

2 (iii) Satisfaction of a portion of support amounts owed to  
3 the state based on cooperation and compliance by the  
4 noncustodial parent with project requirements.

5 (iv) Adjustment of visitation and shared custody  
6 arrangements in a manner which enhances the ability of each  
7 parent to meet parental obligations.

8 (b) The department shall adopt rules for the development,  
9 operation, and monitoring of a project; to establish the  
10 minimum required amount of community support; to establish  
11 expedited procedures; and to establish other criteria and  
12 procedures as appropriate.

13 (c) The department shall use the funds authorized in this  
14 subparagraph to employ one full-time equivalent position to  
15 manage the pilot project or projects. The department shall  
16 also use the authorized funds to employ other full-time  
17 equivalent positions, as necessary, to assist in the  
18 coordination, development, and operation of community-level  
19 pilot projects and to achieve the expedited procedures  
20 established. Any full-time equivalent positions authorized in  
21 this subparagraph subdivision are in addition to any other  
22 full-time equivalent positions authorized by law.

23 (4) Of the moneys allocated in subparagraph (2), not more  
24 than \$200,000 shall be used to conduct a study of the impact  
25 that moving unemployed family investment program parents into  
26 employment has on the well-being of the children, the parent,  
27 and the family. The department shall include in this well-  
28 being study a method of actual contact with the families and  
29 children, and shall consider broad-based impacts, such as  
30 educational achievement, health status, housing stability,  
31 family stability, and use of supportive social services. The  
32 department shall also seek funding through foundations and the  
33 federal government in order to supplement the funding for this  
34 study. The results of the study shall be submitted to the  
35 persons required by this Act to receive reports.

1 (5) Of the moneys allocated in subsection (2), not more  
2 than \$100,000 shall be used for providing additional incentive  
3 payments to contracted agencies who demonstrate success at  
4 completing well-being visits for families terminated from the  
5 family investment program under a limited benefit plan. The  
6 department shall use these funds to increase payments to  
7 agencies who complete a higher percentage of well-being  
8 visits, who achieve a significant percentage of visits in a  
9 face-to-face format, or who are able to observe and interact  
10 with the children during a significant percentage of visits.

11 f. For implementation of the domestic violence option in  
12 accordance with the provisions of the division of this Act  
13 providing for that purpose and for awareness training:

14 ..... \$ 25,000

15 4. Of the child support collections assigned under the  
16 family investment program, an amount equal to the federal  
17 share of support collections shall be credited to the child  
18 support recovery appropriation. The remainder of the assigned  
19 child support collections and the state share of incentives  
20 received by the child support recovery unit shall be credited  
21 to the family investment program account.

22 5. Effective July 1, 1998, the department shall  
23 discontinue payment of the first \$50 of the assigned child  
24 support collected by the department. A participant shall be  
25 entitled to any rebate of assigned support that should have  
26 been paid for June 1998 or earlier even though the rebate  
27 payment may not be authorized or paid until July 1, 1998, or  
28 after. The department may adopt emergency rules to implement  
29 this subsection.

30 6. The department may adopt emergency administrative rules  
31 for the family investment, food stamp, and medical assistance  
32 programs, if necessary, to comply with federal requirements.  
33 Prior to adoption of the rules, the department shall consult  
34 with the welfare reform council and the chairpersons and  
35 ranking members of the joint appropriations subcommittee on

1 human services.

2 7. Notwithstanding 1997 Iowa Acts, chapter 208, section 3,  
3 subsection 9, moneys appropriated to the department of human  
4 services in 1995 Iowa Acts, chapter 220, section 11, for  
5 purposes of costs associated with the development of the X-  
6 PERT computer system shall not revert at the close of the  
7 fiscal year beginning July 1, 1997, but shall remain available  
8 for the purpose designated, including but not limited to case  
9 conversion activities, until the close of the fiscal year  
10 beginning July 1, 1998.

11 Sec. 6. EMERGENCY ASSISTANCE. There is appropriated from  
12 the general fund of the state to the department of human  
13 services for the fiscal year beginning July 1, 1998, and  
14 ending June 30, 1999, the following amount, or so much thereof  
15 as is necessary, to be used for the purpose designated:

16 For emergency assistance to families with dependent  
17 children for homeless prevention programs:

18 ..... \$ 10,000

19 1. The emergency assistance provided for in this section  
20 and federal moneys appropriated for this purpose in this Act  
21 shall be available beginning October 1 of the fiscal year and  
22 shall be provided only if all other publicly funded resources  
23 have been exhausted. Specifically, emergency assistance is  
24 the program of last resort and shall not supplant assistance  
25 provided by the low-income home energy assistance program  
26 (LIHEAP), county general relief, and veterans affairs  
27 programs. The department shall establish a \$500 maximum  
28 payment, per family, in a twelve-month period. The emergency  
29 assistance includes, but is not limited to, assisting people  
30 who face eviction, potential eviction, or foreclosure, utility  
31 shutoff or fuel shortage, loss of heating energy supply or  
32 equipment, homelessness, utility or rental deposits, or other  
33 specified crisis which threatens family or living  
34 arrangements. The emergency assistance shall be available to  
35 migrant families who would otherwise meet eligibility

1 criteria. The department may contract for the administration  
2 and delivery of the program. The program shall be terminated  
3 when funds are exhausted.

4 2. For the fiscal year beginning July 1, 1998, the  
5 department shall continue the process for the state to receive  
6 refunds of rent deposits for emergency assistance recipients  
7 which were paid by persons other than the state. The refunds  
8 received by the department under this subsection shall be  
9 deposited with the moneys of the appropriation made in this  
10 section and used as additional funds for the emergency  
11 assistance program. Notwithstanding section 8.33, moneys  
12 received by the department under this subsection which remain  
13 after the emergency assistance program is terminated and state  
14 moneys in the emergency assistance account which remain  
15 unobligated or unexpended at the close of the fiscal year  
16 shall not revert to the general fund of the state but shall  
17 remain available for expenditure when the program resumes  
18 operation on October 1 in the succeeding fiscal year.

19 3. Of the funds appropriated in this section, \$10,000 is  
20 allocated to the community voice mail program to continue the  
21 existing program. The funds shall be made available beginning  
22 July 1, 1998.

23 Sec. 7. MEDICAL ASSISTANCE. There is appropriated from  
24 the general fund of the state to the department of human  
25 services for the fiscal year beginning July 1, 1998, and  
26 ending June 30, 1999, the following amount, or so much thereof  
27 as is necessary, to be used for the purpose designated:

28 For medical assistance, including reimbursement for  
29 abortion services, which shall be available under the medical  
30 assistance program only for those abortions which are  
31 medically necessary:  
32 ..... \$386,013,305

33 1. Medically necessary abortions are those performed under  
34 any of the following conditions:

35 a. The attending physician certifies that continuing the

1 pregnancy would endanger the life of the pregnant woman.

2 b. The attending physician certifies that the fetus is  
3 physically deformed, mentally deficient, or afflicted with a  
4 congenital illness.

5 c. The pregnancy is the result of a rape which is reported  
6 within 45 days of the incident to a law enforcement agency or  
7 public or private health agency which may include a family  
8 physician.

9 d. The pregnancy is the result of incest which is reported  
10 within 150 days of the incident to a law enforcement agency or  
11 public or private health agency which may include a family  
12 physician.

13 e. Any spontaneous abortion, commonly known as a  
14 miscarriage, if not all of the products of conception are  
15 expelled.

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

28 3. a. The county of legal settlement shall be billed for  
29 50 percent of the nonfederal share of the cost of case  
30 management provided for adults, day treatment, and partial  
31 hospitalization in accordance with sections 249A.26 and  
32 249A.27, and 100 percent of the nonfederal share of the cost  
33 of care for adults which is reimbursed under a federally  
34 approved home and community-based waiver that would otherwise  
35 be approved for provision in an intermediate care facility for

1 persons with mental retardation, provided under the medical  
2 assistance program. The state shall have responsibility for  
3 the remaining 50 percent of the nonfederal share of the cost  
4 of case management provided for adults, day treatment, and  
5 partial hospitalization. For persons without a county of  
6 legal settlement, the state shall have responsibility for 100  
7 percent of the nonfederal share of the costs of case  
8 management provided for adults, day treatment, partial  
9 hospitalization, and the home and community-based waiver  
10 services. The case management services specified in this  
11 subsection shall be billed to a county only if the services  
12 are provided outside of a managed care contract.

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

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

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

33 4. a. The department shall proceed with a request for  
34 proposals for managed behavioral health care, including  
35 substance abuse care, without inclusion of rehabilitative

1 treatment and support (RTS) services for medical assistance-  
2 eligible children, psychiatric medical institutions for  
3 children (PMICs) for mental health, or the preauthorization  
4 process of clinical assessment and consultation teams (CACT)  
5 for RTS services and the Iowa foundation for medical care for  
6 PMICs. In addition, the request for proposals may include  
7 coverage of persons with mental illness for whom payment for  
8 services is the responsibility of the state, known as "state  
9 cases". The state cases coverage shall include all services  
10 for persons with mental illness included in the county  
11 management plans approved under section 331.439. The  
12 financial criteria used to determine eligibility for the state  
13 cases coverage shall not be more stringent than the financial  
14 criteria used by the county of residence of the person with  
15 mental illness. The contractor's denial of payment for  
16 services provided to a person with mental illness for whom  
17 payment for the services is a state responsibility does not  
18 create a payment responsibility for a county. The department  
19 shall consult with the chairpersons and ranking members of the  
20 joint appropriations subcommittee on human services in  
21 developing the request for proposals and in evaluating the  
22 responses. Notwithstanding the provisions of this Act and  
23 section 249A.26, requiring counties to pay all or part of the  
24 nonfederal share of certain services provided to persons with  
25 disabilities under the medical assistance program, the state  
26 shall pay 100 percent of the nonfederal share of any services  
27 included in the plan implemented pursuant to this subsection.

28     b. If authorized by the legislative council, the child  
29 welfare services work group created by the legislative council  
30 in November 1997 shall continue meeting to develop capitation  
31 alternatives and consider accountability from a managed system  
32 of care, and shall submit recommendations to the general  
33 assembly and to the co-chairpersons and ranking members of the  
34 joint appropriations subcommittee on human services by January  
35 1, 1999.



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

8 6. Of the funds appropriated to the Iowa department of  
9 public health for substance abuse grants, \$950,000 for the  
10 fiscal year beginning July 1, 1998, shall be transferred to  
11 the department of human services for an integrated substance  
12 abuse managed care system.

13 7. The department shall aggressively implement the medical  
14 assistance home and community-based waiver for persons with  
15 physical disabilities as a means to further develop the  
16 personal assistance services program under section 225C.46. A  
17 minimum of \$556,750 is allocated under this section to  
18 increase the number of slots for persons with physical  
19 disabilities under the waiver. The waiver shall not be  
20 implemented in a manner which would require additional county  
21 or state funding for assistance provided to an individual  
22 served under the waiver. The waiver shall be limited in  
23 application to persons with physical disabilities who reside  
24 in a medical institution at the time of applying for  
25 assistance and who have been residents of a medical  
26 institution for a minimum of thirty consecutive days.

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

1 provision.

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

10 10. Contingent upon receiving federal approval, the  
11 department shall develop and implement a medical assistance  
12 home and community-based services waiver to allow children  
13 with mental retardation, who would otherwise require ICF/MR  
14 care, to be served in out-of-home settings of up to eight beds  
15 which meet standards established by the department. Initially  
16 the waiver shall be designed to provide 100 service slots.

17 11. Contingent upon receiving federal approval, the  
18 department shall expand access to supported employment and  
19 other services, currently funded by counties, to adults with  
20 mental retardation, through the use of the medical assistance  
21 home and community-based services waiver for persons with  
22 mental retardation. The department shall implement these  
23 changes in a manner which is supported by a majority of Iowa  
24 counties.

25 12. The department may establish up to 30 psychiatric  
26 medical institution for children (PMIC) beds at the state  
27 mental health institute at Independence.

28 13. The department shall reinstate the employment earnings  
29 disregard eliminated by 1997 Iowa Acts, chapter 41, section  
30 35, only if the disregard must be reinstated for the medical  
31 assistance program to assure federal funding under Title XIX  
32 or Title XXI of the federal Social Security Act. In  
33 reinstating the disregard, the department may simplify  
34 policies if the simplification can be accomplished within the  
35 existing department budget. The department may adopt

1 emergency rules in order to implement the provisions of this  
2 subsection. If the disregard is reinstated, the department  
3 shall submit for consideration during the 1999 legislative  
4 session, proposed legislation under section 2.16 for  
5 codification of the disregard.

6 14. Effective July 1, 1998, the department shall revise  
7 the home and community-based services waiver provision which  
8 requires that an individual must have previously resided in an  
9 intermediate care facility for persons with mental retardation  
10 in order to receive supported employment under the waiver.  
11 The revision shall allow a person with mental retardation to  
12 receive supported employment under the waiver if this option  
13 is cost effective as compared to other service options  
14 available to that person. The department shall adopt  
15 emergency rules to implement the provisions of this  
16 subsection.

17 Sec. 8. HEALTH INSURANCE PREMIUM PAYMENT PROGRAM. There  
18 is appropriated from the general fund of the state to the  
19 department of human services for the fiscal year beginning  
20 July 1, 1998, and ending June 30, 1999, the following amount,  
21 or so much thereof as is necessary, to be used for the purpose  
22 designated:

23 For administration of the health insurance premium payment  
24 program, including salaries, support, maintenance, and  
25 miscellaneous purposes:

26 .....	\$	392,000
27 .....	FTEs	17.00

28 Sec. 9. CHILD HEALTH CARE PROGRAM. 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, 1998, and  
31 ending June 30, 1999, the following amount, or so much thereof  
32 as is necessary, to be used for the purpose designated:

33 For maintenance of the child health care program as  
34 authorized by state law for receipt of federal financial  
35 participation under Title XXI of the federal Social Security

1 Act, which creates the state children's health insurance  
2 program, including salaries, support benefits, outreach,  
3 maintenance, and miscellaneous purposes:

4 ..... \$ 7,000,000

5 The department may transfer funds appropriated in this Act  
6 for medical assistance to be used for the purpose of expanding  
7 health care coverage to children. Notwithstanding section  
8 8.33, moneys appropriated in this section of this Act which  
9 remain unobligated at the close of the fiscal year shall not  
10 revert but shall remain available for allocation in the  
11 succeeding fiscal year. The department shall provide periodic  
12 updates of expenditures of funds appropriated under this  
13 section to the general assembly. The department may adopt  
14 emergency rules to implement the provisions of this section.

15 Sec. 10. MEDICAL CONTRACTS. 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, 1998, and  
18 ending June 30, 1999, the following amount, or so much thereof  
19 as is necessary, to be used for the purpose designated:

20 For medical contracts:

21 ..... \$ 7,357,150

22 1. Notwithstanding 1997 Iowa Acts, chapter 208, section 7,  
23 subsection 1, the department shall establish a task force to  
24 conduct a review of the prior authorization and prospective  
25 drug utilization review systems. The task force shall submit  
26 a report, including any recommendations for modifications of  
27 these systems, to the general assembly by January 1, 1999.  
28 Members of the task force shall include one representative of  
29 the department of human services, one representative of the  
30 drug utilization review commission, two pharmacists, two  
31 physicians, two representatives of academia, and two  
32 representatives of the pharmaceutical industry.

33 2. The department shall not expand the requirement of drug  
34 prior authorization without prior approval of the general  
35 assembly except to require prior authorization of an

1 equivalent of a prescription drug which is subject to prior  
2 authorization as of June 30, 1998.

3 3. a. Of the funds appropriated in this section, up to  
4 \$130,000 may be used by the department to fund a pilot project  
5 to provide additional training and support for nurse aides,  
6 employed by nursing facilities, as a means of reducing staff  
7 turnover.

8 b. The department shall contract with an agency or  
9 organization whose primary purpose is the improvement of the  
10 nurse aide profession, in partnership with community colleges  
11 and other professional providers, to provide continuing  
12 education, support and empowerment programs, and career  
13 opportunities within the field of nurse assisting, to further  
14 stabilize the workforce and reduce turnover.

15 c. The department shall also contract with one or more  
16 public institutions of higher education to evaluate the pilot  
17 project's effectiveness.

18 d. The department shall establish an advisory council to  
19 direct the project, which shall include representatives of the  
20 Iowa caregivers association, the Iowa nurses association, the  
21 department of inspections and appeals, the department of elder  
22 affairs, the Iowa association of homes and services for the  
23 aging, the Iowa health care association, the Iowa council of  
24 health care centers, long-term care coordinators appointed by  
25 the consortium of community colleges, and other interested  
26 parties.

27 4. The department shall enter into a contract with the  
28 university of Iowa college of medicine to conduct a study to  
29 determine the benefits to the state of the provision of  
30 pharmaceutical services by pharmacists. The study shall be  
31 conducted at no cost to the state.

32 Sec. 11. STATE SUPPLEMENTARY ASSISTANCE. There is  
33 appropriated from the general fund of the state to the  
34 department of human services for the fiscal year beginning  
35 July 1, 1998, and ending June 30, 1999, the following amount,

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

3 For state supplementary assistance, funeral assistance, and  
4 the medical assistance waiver for persons with mental  
5 retardation rent subsidy program:

6 ..... \$ 19,537,200

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

14 2. a. If during the fiscal year beginning July 1, 1998,  
15 the department projects that state supplementary assistance  
16 expenditures for a calendar year will not meet the federal  
17 pass-along requirement specified in Title XVI of the federal  
18 Social Security Act, section 1618, as codified in 42 U.S.C. §  
19 1382g, the department may take actions including but not  
20 limited to increasing the personal needs allowance for  
21 residential care facility residents and making programmatic  
22 adjustments or upward adjustments of the residential care  
23 facility or in-home health-related care reimbursement rates  
24 prescribed in this Act to ensure that federal requirements are  
25 met. The department may adopt emergency rules to implement  
26 the provisions of this subsection.

27 b. If during the fiscal year beginning July 1, 1998, the  
28 department projects that state supplementary assistance  
29 expenditures will exceed the amount appropriated, the  
30 department may transfer funds appropriated in this Act for  
31 medical assistance for the purposes of the state supplementary  
32 assistance program. However, funds shall only be transferred  
33 from the medical assistance appropriation if the funds  
34 transferred are projected to be in excess of the funds  
35 necessary for the medical assistance program.

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

4 a. Are receiving assistance under a medical assistance  
5 home and community-based services waiver.

6 b. Were discharged from a medical institution in which  
7 they have resided for at least 30 consecutive days immediately  
8 prior to discharge. Within available funding and demonstrated  
9 need, the department may make subsidy funds available to HCBS  
10 waiver-eligible adults meeting criteria in paragraph "a" and  
11 this paragraph at any time on or after July 1, 1995.

12 c. In lieu of meeting the criteria in paragraph "b", rent  
13 subsidy funds may also be provided to persons able to leave a  
14 medical institution by use of services provided under an HCBS  
15 waiver who turn 18 years of age during the last year of their  
16 institutional stay.

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

28 Sec. 12. CHILD DAY CARE ASSISTANCE. 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, 1998, and  
31 ending June 30, 1999, the following amount, or so much thereof  
32 as is necessary, to be used for the purposes designated:

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

35 ..... \$ 8,740,000

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

3 2. Of the funds appropriated in this section, \$4,407,073  
4 shall be used for state child care assistance.

5 3. Beginning July 1, 1998, the income eligibility  
6 requirement for state child care assistance shall be 140  
7 percent of the federal poverty level for those families  
8 qualifying for basic child care assistance and 175 percent of  
9 the federal poverty level for those families with a child with  
10 special needs. The department may adopt emergency rules to  
11 implement the provisions of this subsection.

12 4. For the purposes of this subsection, the term "poverty  
13 level" means the poverty level defined by the poverty income  
14 guidelines published by the United States department of health  
15 and human services. Based upon the availability of the  
16 funding provided in subsection 2 and other funding  
17 appropriated for state child care assistance, the department  
18 shall establish waiting lists for state child care assistance  
19 in 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 28  
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 140 percent of the federal poverty level whose  
32 members are employed at least 28 hours per week.

33 d. Families with an income at or below 175 percent of the  
34 federal poverty level whose members are employed at least 28  
35 hours per week with a special needs child as a member of the



1 family.

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

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

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

26 8. During the 1998-1999 fiscal year, the department shall  
27 utilize the moneys deposited in the child day care credit fund  
28 created in section 237A.28 for state child care assistance, in  
29 addition to the moneys allocated for that purpose in this  
30 section.

31 9. The administrators of the state child care assistance  
32 program and the family investment program shall develop a  
33 proposal for implementing a single point of access for clients  
34 of publicly supported child day care assistance, by April 1,  
35 1999. The provisions included in the single point of access

1 shall include but are not limited to JOBS program child care  
2 assistance, the child care disregard under the family  
3 investment program, and state child care assistance. The  
4 single point of access provisions shall be designed in a  
5 manner so as to provide a single application form, a single  
\*6 integrated set of eligibility requirements, and a uniform  
7 sliding fee scale for all participants regardless of the basis  
8 for eligibility. The proposal shall be submitted on or before  
9 January 1, 1999, to the persons designated under this Act to  
10 receive reports submitted by the department. Implementation  
11 of the single point of access program by April 1, 1999, is  
12 contingent upon the receipt of additional federal funding for  
13 child care.

14 Sec. 13. CHILD SUPPORT RECOVERY. There is appropriated  
15 from the general fund of the state to the department of human  
16 services for the fiscal year beginning July 1, 1998, and  
17 ending June 30, 1999, the following amount, or so much thereof  
18 as is necessary, to be used for the purposes designated:

19 For child support recovery, including salaries, support,  
20 maintenance, and miscellaneous purposes and for not more than  
21 the following full-time equivalent positions:

22 .....	\$	9,360,000
23 .....	FTEs	233.22

24 1. The director of human services, within the limitations  
25 of the moneys appropriated in this section, or moneys  
26 transferred from the family investment program account for  
27 this purpose, shall establish new positions and add employees  
28 to the child support recovery unit if the director determines  
29 that both the current and additional employees together can  
30 reasonably be expected to maintain or increase net state  
31 revenue at or beyond the budgeted level. If the director adds  
32 employees, the department shall demonstrate the cost-  
33 effectiveness of the current and additional employees by  
34 reporting to the joint appropriations subcommittee on human  
35 services the ratio of the total amount of administrative costs

1 for child support recoveries to the total amount of the child  
2 support recovered.

3 2. Nonpublic assistance application fees and other user  
4 fees received by the child support recovery unit are  
5 appropriated and shall be used for the purposes of the child  
6 support recovery program. The director of human services may  
7 add positions within the limitations of the amount  
8 appropriated for salaries and support for the positions. The  
9 director shall report any positions added pursuant to this  
10 subsection to the chairpersons and ranking members of the  
11 joint appropriations subcommittee on human services and the  
12 legislative fiscal bureau.

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

18 4. The director of human services may establish new  
19 positions and add state employees to the child support  
20 recovery unit or contract for delivery of services if the  
21 director determines the employees are necessary to replace  
22 county-funded positions eliminated due to termination,  
23 reduction, or nonrenewal of a chapter 28E contract. However,  
24 the director must also determine that the resulting increase  
25 in the state share of child support recovery incentives  
26 exceeds the cost of the positions or contract, the positions  
27 or contract are necessary to ensure continued federal funding  
28 of the program, or the new positions or contract can  
29 reasonably be expected to recover at least twice the amount of  
30 money necessary to pay the salaries and support for the new  
31 positions or the contract will generate at least 200 percent  
32 of the cost of the contract.

33 5. If initiated by the judicial department, the child  
34 support recovery unit shall continue to work with the judicial  
35 department to determine the feasibility of implementing a

1 pilot project utilizing a court-appointed referee for judicial  
2 determinations on child support matters. The extent and  
3 location of any pilot project shall be jointly developed by  
4 the judicial department and the child support recovery unit.

5 6. The department shall expend up to \$50,000, including  
6 federal financial participation, for the fiscal year beginning  
7 July 1, 1998, for a child support public awareness campaign.  
8 The department and the office of the attorney general shall  
9 cooperate in continuation of the campaign. The public  
10 awareness campaign shall emphasize, through a variety of media  
11 activities, the importance of maximum involvement of both  
12 parents in the lives of their children as well as the  
13 importance of payment of child support obligations.

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

18 8. Surcharges paid by obligors and received by the unit as  
19 a result of the referral of support delinquency by the child  
20 support recovery unit to any private collection agency are  
21 appropriated to the department and shall be used to pay the  
22 costs of any contracts with the collection agencies.

23 Sec. 14. JUVENILE INSTITUTIONS. There is appropriated  
24 from the general fund of the state to the department of human  
25 services for the fiscal year beginning July 1, 1998, and  
26 ending June 30, 1999, the following amount, or so much thereof  
27 as is necessary, to be used for the purposes designated:

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

32	For the state juvenile institutions:	
33	.....	\$ 15,397,808
34	.....	FTEs 349.72

35 1. The following amounts of the funds appropriated and

1 full-time equivalent positions authorized in this section are  
2 allocated for the Iowa juvenile home at Toledo:

3 ..... \$ 5,990,000  
4 ..... FTEs 136.04

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

8 ..... \$ 9,407,808  
9 ..... FTEs 213.68

10 3. During the fiscal year beginning July 1, 1998, the  
11 population levels at the state juvenile institutions shall not  
12 exceed the population guidelines established under 1990 Iowa  
13 Acts, chapter 1239, section 21, as adjusted for additional  
14 beds developed at the institutions.

15 4. A portion of the moneys appropriated in this section  
16 shall be used by the state training school and by the Iowa  
17 juvenile home for grants for adolescent pregnancy prevention  
18 activities at the institutions in the fiscal year beginning  
19 July 1, 1998.

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

24 Sec. 15. CHILD AND FAMILY SERVICES. There is appropriated  
25 from the general fund of the state to the department of human  
26 services for the fiscal year beginning July 1, 1998, and  
27 ending June 30, 1999, the following amount, or so much thereof  
28 as is necessary, to be used for the purpose designated:

29 For child and family services:  
30 ..... \$ 96,744,904

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

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

5 2. a. Of the funds appropriated in this section, up to  
6 \$30,923,872 is allocated as the statewide expenditure target  
7 under section 232.143 for group foster care maintenance and  
8 services.

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

14 c. (1) Of the funds appropriated in this section, not  
15 more than \$5,998,227 is allocated as the state match funding  
16 for psychiatric medical institutions for children.

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

22 d. Of the funds allocated in this subsection, \$1,392,457  
23 is allocated as the state match funding for 50 highly  
24 structured juvenile program beds. If the number of beds  
25 provided for in this paragraph is not utilized, the remaining  
26 funds allocated may be used for group foster care.

27 e. For the fiscal years beginning July 1, 1997, and July  
28 1, 1998, the requirements of section 232.143 applicable to the  
29 juvenile court and to representatives of the juvenile court  
30 shall be applicable instead to juvenile court services and to  
31 representatives of juvenile court services. The  
32 representatives appointed by the department of human services  
33 and by juvenile court services to establish the plan to  
34 contain expenditures for children placed in group foster care  
35 ordered by the court within the budget target allocated to the

1 region shall establish the plan in a manner so as to ensure  
2 the moneys allocated to the region under section 232.141 shall  
3 last the entire fiscal year. Funds for a child placed in  
4 group foster care shall be considered encumbered for the  
5 duration of the child's projected or actual length of stay,  
6 whichever is applicable. The department, in cooperation with  
7 the juvenile court services representatives, shall develop and  
8 implement utilization management criteria for group foster  
9 care placements to be used by the department of human services  
10 and juvenile court services staff in developing a  
11 dispositional recommendation to the juvenile court. The  
12 department shall submit a report on the utilization management  
13 criteria to the general assembly on or before January 1, 1999.

14 f. If the medical assistance waiver request for children  
15 with mental retardation in out-of-home settings is approved,  
16 the department may transfer all or a portion of the funding  
17 allocated in this subsection, which is attributable to group  
18 foster care ordered for a child with mental retardation or  
19 other developmental disability under section 232.182 or  
20 232.183, to the appropriation in this Act for medical  
21 assistance.

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

26 4. In accordance with the provisions of section 232.188,  
27 the department shall continue the program to decategorize  
28 child welfare services in additional counties or clusters of  
29 counties.

30 5. The amount of the appropriation made in this section  
31 available for foster care is based upon expansion of the  
32 number of children in foster care who are eligible for federal  
33 supplemental security income (SSI). The department may use up  
34 to \$275,000 of those funds to enter into a performance-based  
35 contract to secure SSI benefits for children placed in foster

1 care. The contract shall include provisions for training of  
2 department of human services and juvenile court staff,  
3 completion of applications, tracking of application results,  
4 and representation during the appeals process whenever an  
5 appeal is necessary to secure SSI benefits. The department  
6 may extend the contract for an additional two years.

7 Notwithstanding section 217.30 and section 232.2, subsection  
8 11, and any other provision of law to the contrary, the  
9 director or the director's designee on behalf of a child in  
10 foster care may release medical, mental health, substance  
11 abuse, or any other information necessary only to determine  
12 the child's eligibility for SSI benefits, and may sign  
13 releases for the information. In the case of a child in the  
14 custody of juvenile court services, the state court  
15 administrator or administrator's designee acting on behalf of  
16 a child in foster care may release medical, mental health,  
17 substance abuse, or any other information necessary only to  
18 determine the child's eligibility for SSI benefits, and may  
19 sign releases for the information. In any release of  
20 information made pursuant to this subsection, confidentiality  
21 shall be maintained to the maximum extent possible.

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

27 7. Notwithstanding section 234.35, subsection 1, for the  
28 fiscal year beginning July 1, 1998, state funding for shelter  
29 care paid pursuant to section 234.35, subsection 1, paragraph  
30 "h", shall be limited to \$7,553,641. The department shall  
31 develop a formula, in consultation with the shelter care  
32 committee and the judicial department, to allocate shelter  
33 care funds to the department's regions. The department may  
34 adopt emergency rules to implement this subsection.

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



1 than \$550,696 may be used to develop and maintain the state's  
2 implementation of the national adoption and foster care  
3 information system pursuant to the requirements of Pub. L.  
4 No. 99-509. The department may transfer funds as necessary  
5 from the appropriations in this Act for field operations and  
6 general administration to implement this subsection. Moneys  
7 allocated in accordance with this subsection shall be  
8 considered encumbered for the purposes of section 8.33.

9 9. Of the funds appropriated in this section, up to  
10 \$662,955 may be used as determined by the department for any  
11 of the following purposes:

12 a. For general administration of the department to improve  
13 staff training efforts.

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

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

19 d. For specialized permanency planning field operations  
20 staff.

21 10. The department may adopt administrative rules  
22 following consultation with child welfare services providers  
23 to implement outcome-based child welfare services pilot  
24 projects. The rules may include, but are not limited to, the  
25 development of program descriptions, provider licensing and  
26 certification standards, reimbursement and payment amounts,  
27 contract requirements, assessment and service necessity  
28 requirements, eligibility criteria, claims submission  
29 procedures, and accountability standards.

30 11. Of the funds appropriated in this section, up to  
31 \$123,000 may be used to develop, in cooperation with providers  
32 of children and family services, juvenile court, and other  
33 interested parties, an outcomes-based approach for family-  
34 centered, family preservation, family-community-based support,  
35 and wrap-around services to evaluate and improve outcomes for

1 children and families. The department shall submit an  
2 outcomes-based budget for these programs and shall submit the  
3 budget with other budget documents required pursuant to  
4 section 8.23. The department may adopt administrative rules  
5 to implement this subsection.

6 12. The department shall continue to make adoption  
7 presubsidy and adoption subsidy payments to adoptive parents  
8 at the beginning of the month for the current month.

9 13. Federal funds received by the state during the fiscal  
10 year beginning July 1, 1998, as the result of the expenditure  
11 of state funds appropriated during a previous state fiscal  
12 year for a service or activity funded under this section,  
13 shall be used as additional funding for services provided  
14 under this section. Moneys received by the department in  
15 accordance with the provisions of this subsection shall remain  
16 available for the purposes designated until June 30, 2000.

17 14. In addition to the report for group foster care  
18 placements, the department shall report quarterly to the  
19 legislative fiscal bureau concerning the status of each  
20 region's funding expenditures compared with allocations in the  
21 regional plan for services provided under this section.

22 15. The department and juvenile court services shall  
23 develop criteria for the department regional administrator and  
24 chief juvenile court officer to grant exceptions to extend  
25 eligibility, within the funds allocated, for intensive  
26 tracking and supervision and for supervised community  
27 treatment to delinquent youth beyond age 18 who are subject to  
28 release from the state training school, a highly structured  
29 juvenile program, or group care. The department shall report  
30 the number of such exceptions granted and the related  
31 expenditures to the joint appropriations subcommittee on human  
32 services on or before January 1, 1999.

33 16. Of the moneys appropriated in this section, not more  
34 than \$731,238 is allocated to provide clinical assessment  
35 services as necessary to continue funding of children's

1 rehabilitation services under medical assistance in accordance  
2 with federal law and requirements. The funding allocated is  
3 the amount projected to be necessary for providing the  
4 clinical assessment services.

5 17. Notwithstanding 1997 Iowa Acts, chapter 208, section  
6 12, subsection 18, the department may extend the existence of  
7 the current clinical assessment and consultation teams until  
8 October 31, 1998. The department shall develop and implement  
9 a new rehabilitative treatment and supportive services  
10 authorization model, including a toll-free telephone number  
11 for preauthorization on or before November 1, 1998. The new  
12 model shall be developed and implemented in a manner so as to  
13 streamline the authorization process, to reduce paperwork and  
14 other information requirements to the minimum level necessary  
15 for compliance with federal requirements, and to ensure timely  
16 response to authorization requests. The department may adopt  
17 emergency rules to implement the provisions of this  
18 subsection.

19 18. a. It is the intent of the general assembly that the  
20 department of human services work with the child welfare  
21 services work group created by the legislative council in  
22 November 1997 to pursue initiatives to increase receipt of  
23 funding under Title IV-E of the federal Social Security Act.  
24 For the fiscal year beginning July 1, 1998, the department may  
25 expend moneys, not to exceed \$20,000, within the department's  
26 budget to contract for consultant services to increase this  
27 funding.

28 b. If additional funding is received under Title IV-E of  
29 the federal Social Security Act as a result of administrative  
30 activities performed by juvenile court services or community  
31 providers, the funding shall be expended as follows:

32 (1) A portion shall be used by the department to provide  
33 technical assistance and to monitor claims submitted by  
34 juvenile court services and community providers to ensure that  
35 the claims meet federal requirements.

1     (2) A portion shall be distributed to providers with  
2 increased costs incurred from activities to draw the  
3 additional funding.

4     (3) A portion shall be made available to decategorization  
5 projects in which additional funding is drawn to be used to  
6 pay for activities based on local needs, as determined by the  
7 decategorization projects.

8     c. Any additional funding received under Title IV-E of the  
9 federal Social Security Act for field operations or general  
10 administration that is not used for field operations or  
11 general administration expenditures, shall be transferred for  
12 funding of activities under the appropriations in this Act in  
13 this section and for court-ordered services provided to  
14 juveniles.

15     Sec. 16. CONNER DECREE. 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, 1998, and ending June  
18 30, 1999, the following amount, or so much thereof as is  
19 necessary, to be used for the purpose designated:

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

23 ..... \$           46,000

24     Sec. 17. COMMUNITY-BASED PROGRAMS -- ADOLESCENT PREGNANCY  
25 PREVENTION. There is appropriated from the general fund of  
26 the state to the department of human services for the fiscal  
27 year beginning July 1, 1998, and ending June 30, 1999, the  
28 following amount, or so much thereof as is necessary, to be  
29 used for the purpose designated:

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

34 ..... \$   1,008,000  
35 ..... FTE           1.00

1 1. Funds appropriated in this section shall be used to  
2 provide adolescent pregnancy prevention grants which comply  
3 with the requirements provided in 1997 Iowa Acts, chapter 208,  
4 section 14, subsections 1 and 2, and shall emphasize programs  
5 which target the middle school level.

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

13 3. Funds appropriated in this section, shall also be used  
14 by the department to provide child abuse prevention grants.

15 Sec. 18. 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, 1998, and ending June 30, 1999, 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 1998.

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

1 Reimbursement rates for providers of court-ordered evaluation  
2 and treatment services paid under section 232.141, subsection  
3 4, shall be negotiated with providers by each judicial  
4 district's planning group.

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

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

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

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

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

31 4. The department of human services, in consultation with  
32 the state court administrator and the judicial district  
33 planning groups, shall compile a report detailing the  
34 expenditure categories for the spending in the judicial  
35 districts for court-ordered services for juveniles in fiscal

1 year 1997-1998. The report shall include utilization of  
2 medical assistance funding. The report shall be submitted on  
3 or before October 15, 1998, to the persons designated by this  
4 Act to receive reports.

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

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

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

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

34 9. Federal funding received by the state during the fiscal  
35 year beginning July 1, 1998, as the result of the expenditure

1 of state funds appropriated during a previous state fiscal  
2 year for a service or activity funded under this section,  
3 shall be used as additional funding for services provided  
4 under this section. Moneys received by the department in  
5 accordance with the provisions of this subsection shall remain  
6 available for the purposes designated until June 30, 2000.

7 Sec. 19. MENTAL HEALTH INSTITUTES. There is appropriated  
8 from the general fund of the state to the department of human  
9 services for the fiscal year beginning July 1, 1998, and  
10 ending June 30, 1999, the following amount, or so much thereof  
11 as is necessary, to be used for the purposes designated:

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

15 ..... \$ 42,559,619  
16 ..... FTEs 863.77

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

19 a. State mental health institute at Cherokee:  
20 ..... \$ 13,018,054  
21 ..... FTEs 256.62

22 b. State mental health institute at Clarinda:  
23 ..... \$ 6,852,309  
24 ..... FTEs 138.59

25 c. State mental health institute at Independence:  
26 ..... \$ 17,384,500  
27 ..... FTEs 358.73

28 (1) The state mental health institute at Independence  
29 shall continue the pilot project accounting test of managing  
30 revenues and expenditures attributable to the mental health  
31 institute in a manner that permits the net state expenditure  
32 amount to be determined. The mental health institute shall  
33 submit an interim report in January 1999, and a final report  
34 in October 1999, to the governor and the joint appropriations  
35 subcommittee on human services concerning the pilot project.



1 The report shall identify advantages and disadvantages of  
2 utilizing the pilot project approach and any changes in policy  
3 or statute identified to improve implementation of the pilot  
4 project approach.

5 (2) The state mental health institute at Independence  
6 shall establish the 30 psychiatric medical institution for  
7 children (PMIC) beds authorized in section 135H.6, as amended  
8 by this Act, in a manner which results in no net state  
9 expenditure amount in excess of the amount allocated in this  
10 lettered paragraph. Subject to the approval of the  
11 department, with the exception of revenues required under  
12 section 249A.11 to be deposited in the appropriation in this  
13 Act for medical assistance, revenues attributable to the PMIC  
14 beds established under this subparagraph for the fiscal year  
15 beginning July 1, 1998, and ending June 30, 1999, shall be  
16 deposited in the institute's account, including but not  
17 limited to any of the following revenues:

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

20 (b) Moneys received through client participation.

21 (c) Any other revenues directly attributable to the PMIC  
22 beds.

23 d. State mental health institute at Mount Pleasant:  
24 ..... \$ 5,304,756  
25 ..... FTEs 109.83

26 (1) Funding is provided in this paragraph for the mental  
27 health institute at Mount Pleasant to implement a dual  
28 diagnosis mental health and substance abuse program on a net  
29 budgeting basis in which 50 percent of the actual per diem  
30 cost is chargeable to the patient's county of legal settlement  
31 or as a state case, as appropriate. Subject to the approval  
32 of the department, revenues attributable to the dual diagnosis  
33 program for the fiscal year beginning July 1, 1998, and ending  
34 June 30, 1999, shall be deposited in the institute's account,  
35 including but not limited to all of the following revenues:

1 (a) Moneys received by the state from billings to counties  
2 under section 230.20.

3 (b) Moneys received from billings to the Medicare program.

4 (c) Moneys received from a managed care contractor  
5 providing services under contract with the department or any  
6 private third party payer.

7 (d) Moneys received through client participation.

8 (e) Any other revenues directly attributable to the dual  
9 diagnosis program.

10 (2) The following additional provisions are applicable in  
11 regard to the dual diagnosis program:

12 (a) A county may split the charges between the county's  
13 mental health, mental retardation, and developmental  
14 disabilities services fund and the county's budget for  
15 substance abuse expenditures.

16 (b) If an individual is committed to the custody of the  
17 department of corrections at the time the individual is  
18 referred for dual diagnosis treatment, the department of  
19 corrections shall be charged for the costs of treatment.

20 (c) Prior to an individual's voluntary admission for dual  
21 diagnosis treatment, the individual shall have been screened  
22 through a county's single entry point process to determine the  
23 appropriateness of the treatment.

24 (d) A county shall not be chargeable for the costs of  
25 treatment for an individual enrolled in and authorized by or  
26 decertified by a managed behavioral care plan under the  
27 medical assistance program.

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

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

1 state mental health institute is the financial responsibility  
2 of the state.

3 Sec. 20. HOSPITAL-SCHOOLS. There is appropriated from the  
4 general fund of the state to the department of human services  
5 for the fiscal year beginning July 1, 1998, and ending June  
6 30, 1999, the following amount, or so much thereof as is  
7 necessary, to be used for the purposes designated:

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

11	.....	\$	3,962,923
12	.....	FTEs	1,514.51

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

15 a. State hospital-school at Glenwood:

16	.....	\$	2,399,644
17	.....	FTEs	852.75

18 b. State hospital school at Woodward:

19	.....	\$	1,563,279
20	.....	FTEs	661.76

21 2. a. The department shall continue the pilot project of  
22 operating the hospital-school at Glenwood with a net general  
23 fund appropriation and shall implement the project at the  
24 state hospital-school at Woodward. The amounts allocated in  
25 this paragraph are the net amounts of state moneys projected  
26 to be needed for the state hospital-schools. The purposes of  
27 the pilot project are to encourage the hospital-schools to  
28 operate with increased self-sufficiency, to improve quality  
29 and efficiency, and to support collaborative efforts between  
30 the hospital-schools and counties and other funders of  
31 services available from the hospital-schools. The project  
32 shall not be implemented in a manner which results in a cost  
33 increase to the state or cost shifting between the state, the  
34 medical assistance program, counties, or other sources of  
35 funding for the state hospital-schools. Moneys allocated in

1 subsection 1 may be used throughout the fiscal year in the  
2 manner necessary for purposes of cash flow management, and for  
3 purposes of cash flow management the hospital-schools may  
4 temporarily draw more than the amount allocated, provided the  
5 amount allocated is not exceeded at the close of the fiscal  
6 year.

7 b. For purposes of calculating the hospital-schools'  
8 August 31, 1999, year-end balance at the close of the 1998-  
9 1999 fiscal year, the department shall include county  
10 receivables billed but not yet received. However, only  
11 receipts received within 90 days of being billed for fiscal  
12 year 1998-1999 services shall be included. The state  
13 hospital-school at Woodward may draw upon the general fund of  
14 the state in an amount equal to the receivables amount which  
15 is not received.

16 c. Subject to the approval of the department, except for  
17 revenues under section 249A.11, revenues attributable to the  
18 state hospital-schools for the fiscal year beginning July 1,  
19 1998, shall be deposited into each hospital-school's account,  
20 including but not limited to all of the following:

21 (1) Moneys received by the state from billings to counties  
22 under section 222.73.

23 (2) The federal share of medical assistance revenue  
24 received under chapter 249A.

25 (3) Federal Medicare program payments.

26 (4) Moneys received from client financial participation.

27 (5) Other revenues generated from current, new, or  
28 expanded services which the state hospital-school is  
29 authorized to provide.

30 d. In the 1998-1999 fiscal year of the project, the  
31 institution's report shall include a listing detailing the  
32 items for which depreciation reimbursement funds would have  
33 been utilized if the depreciation reimbursement had been  
34 retained by the institution. This listing shall be included  
35 with the report submitted pursuant to this subsection.

1 e. For the purposes of allocating the salary adjustment  
2 fund moneys appropriated in another Act, the state hospital-  
3 schools shall be considered to be funded entirely with state  
4 moneys.

5 f. Each state hospital-school and the department shall  
6 submit a preliminary report in January 1999, and a status  
7 report in October 1999, to the governor and the joint  
8 appropriations subcommittee on human services concerning the  
9 project.

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

14 4. The department may implement a pilot project to bill  
15 for state hospital-school services utilizing a scope of  
16 services approach used for private providers of ICFMR  
17 services, in a manner which does not shift costs between the  
18 medical assistance program, counties, or other sources of  
19 funding for the state hospital-schools.

20 5. The state hospital-schools may expand the time limited  
21 assessment and respite services during the fiscal year.

22 Sec. 21. MENTAL ILLNESS SPECIAL SERVICES. There is  
23 appropriated from the general fund of the state to the  
24 department of human services for the fiscal year beginning  
25 July 1, 1998, and ending June 30, 1999, the following amount,  
26 or so much thereof as is necessary, to be used for the purpose  
27 designated:

28 For mental illness special services:  
29 ..... \$ 121,220

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

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

6 Sec. 22. FAMILY SUPPORT SUBSIDY PROGRAM. There is  
7 appropriated from the general fund of the state to the  
8 department of human services for the fiscal year beginning  
9 July 1, 1998, and ending June 30, 1999, the following amount,  
10 or so much thereof as is necessary, to be used by the division  
11 of children and family services for the purpose designated:

12 For the family support subsidy program:  
13 ..... \$ 1,710,000

14 The department may use up to \$200,000 of the moneys  
15 appropriated in this section to continue the children-at-home  
16 program, of which not more than \$20,000 shall be used for  
17 administrative costs.

18 Sec. 23. SPECIAL NEEDS GRANTS. There is appropriated from  
19 the general fund of the state to the department of human  
20 services for the fiscal year beginning July 1, 1998, and  
21 ending June 30, 1999, the following amount, or so much thereof  
22 as is necessary, to be used for the purpose designated:

23 To provide special needs grants to families with a family  
24 member at home who has a developmental disability or to a  
25 person with a developmental disability:  
26 ..... \$ 53,212

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

1 legislative fiscal bureau.

2 Sec. 24. MI/MR/DD STATE CASES. There is appropriated from  
3 the general fund of the state to the department of human  
4 services for the fiscal year beginning July 1, 1998, and  
5 ending June 30, 1999, the following amount, or so much thereof  
6 as is necessary, to be used for the purpose designated:

7 For purchase of local services for persons with mental  
8 illness, mental retardation, and developmental disabilities  
9 where the client has no established county of legal  
10 settlement:  
11 ..... \$ 8,594,500

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

18 2. Of the moneys appropriated in this section, up to  
19 \$174,000 is allocated for the costs of the reimbursement  
20 increase provided in the reimbursement section of this Act for  
21 sheltered work, work activity, supported employment, supported  
22 work training, and adult residential services paid by the  
23 state under a state purchase of social services contract.

24 Sec. 25. MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES --  
25 COMMUNITY SERVICES FUND. There is appropriated from the  
26 general fund of the state to the mental health and  
27 developmental disabilities community services fund created in  
28 section 225C.7 for the fiscal year beginning July 1, 1998, and  
29 ending June 30, 1999, the following amount, or so much thereof  
30 as is necessary, to be used for the purpose designated:

31 For mental health and developmental disabilities community  
32 services in accordance with this Act:  
33 ..... \$ 17,560,000

34 1. Of the funds appropriated in this section, \$17,281,138  
35 shall be allocated to counties for funding of community-based

1 mental health and developmental disabilities services. The  
2 moneys shall be allocated to a county as follows:

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

7 b. Fifty percent based upon the county's proportion of the  
8 state's general population.

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

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

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

22 4. Of the funds appropriated in this section, not more  
23 than \$248,862 shall be provided to those counties having  
24 supplemental per diem contracts in effect on June 30, 1994,  
25 which were originally initiated under 1993 Iowa Acts, chapter  
26 172, section 16, subsection 2. The amount provided to each  
27 county shall be equal to the amount the county would be  
28 eligible to receive under the supplemental per diem contracts  
29 in effect on June 30, 1994, if the contracts were continued in  
30 effect for the entire fiscal year beginning July 1, 1998.

31 5. a. Funding appropriated for purposes of the federal  
32 social services block grant is allocated for distribution to  
33 counties for local purchase of services for persons with  
34 mental illness or mental retardation or other developmental  
35 disability.



1 b. The funds allocated in this subsection shall be  
2 expended by counties in accordance with the county's approved  
3 county management plan. A county without an approved county  
4 management plan shall not receive allocated funds until the  
5 county's management plan is approved.

6 c. The funds provided by this subsection shall be  
7 allocated to each county as follows:

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

12 (2) Fifty percent based upon the amount provided to the  
13 county for local purchase of services in the preceding fiscal  
14 year.

15 6. A county is eligible for funds under this section if  
16 the county qualifies for a state payment as described in  
17 section 331.439.

18 Sec. 26. COUNTY MENTAL HEALTH, MENTAL RETARDATION, AND  
19 DEVELOPMENTAL DISABILITIES ALLOWED GROWTH FACTOR ADJUSTMENT.  
20 There is appropriated from the general fund of the state to  
21 the department of human services for the fiscal year beginning  
22 July 1, 1999, and ending June 30, 2000, the following amount,  
23 or so much thereof as is necessary, to be used for the purpose  
24 designated:

25 For distribution to counties of the county mental health,  
26 mental retardation, and developmental disabilities allowed  
27 growth factor adjustment, in accordance with section 331.438,  
28 subsection 2, and section 331.439, subsection 3:  
29 ..... \$ 18,126,362

30 For the fiscal year beginning July 1, 1999, the county  
31 mental health, mental retardation, and developmental  
32 disabilities allowed growth factor adjustment shall be 2.48  
33 percent.

34 Sec. 27. PERSONAL ASSISTANCE. 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, 1998, and  
2 ending June 30, 1999, the following amount, or so much thereof  
3 as is necessary, to be used for the purpose designated:

4 For continuation of a pilot project for the personal  
5 assistance services program in accordance with this section:  
6 ..... \$ 364,000

7 1. The funds appropriated in this section shall be used to  
8 continue the pilot project for the personal assistance  
9 services program under section 225C.46 in an urban and a rural  
10 area. Not more than \$36,400 shall be used for administrative  
11 costs. The pilot project and any federal home and community-  
12 based waiver developed under the medical assistance program  
13 shall not be implemented in a manner which would require  
14 additional county or state costs for assistance provided to an  
15 individual served under the pilot project or the waiver.

16 2. It is the intent of the general assembly that for any  
17 new applicants for personal assistance, priority shall be  
18 given to providing assistance to individuals for education,  
19 job training, and other forms of employment support. It is  
20 also the intent of the general assembly that if other programs  
21 become available which provide similar services, current  
22 recipients of personal assistance for whom these similar  
23 services are appropriate shall be assisted in attaining  
24 eligibility for these programs.

25 3. Notwithstanding section 8.33, any funds remaining  
26 unexpended on June 30 of any fiscal year shall not revert to  
27 the general fund of the state but shall remain available to  
28 provide personal assistance payments in the succeeding fiscal  
29 year.

30 Sec. 28. FIELD OPERATIONS. There is appropriated from the  
31 general fund of the state to the department of human services  
32 for the fiscal year beginning July 1, 1998, and ending June  
33 30, 1999, the following amount, or so much thereof as is  
34 necessary, to be used for the purpose designated:

35 For field operations, including salaries, support,

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

3 ..... \$ 49,600,000  
4 ..... FTEs 2,084.00

5 Sec. 29. GENERAL ADMINISTRATION. There is appropriated  
6 from the general fund of the state to the department of human  
7 services for the fiscal year beginning July 1, 1998, and  
8 ending June 30, 1999, the following amount, or so much thereof  
9 as is necessary, to be used for the purpose designated:

10 For general administration, including salaries, support,  
11 maintenance, and miscellaneous purposes and for not more than  
12 the following full-time equivalent positions:

13 ..... \$ 15,271,693  
14 ..... FTEs 388.00

15 1. Of the funds appropriated in this section, \$57,000 is  
16 allocated for the prevention of disabilities policy council  
17 established in section 225B.3.

18 2. Of the funds appropriated in this section, \$129,971 for  
19 the fiscal year beginning July 1, 1998, shall be transferred  
20 directly to the state university of Iowa for the university-  
21 affiliated program for the support of Iowa creative employment  
22 options (CEO).

23 3. If an expenditure reduction or other cost-saving  
24 measure is deemed necessary to maintain expenditures within  
25 the amount appropriated to the department in this section, the  
26 department shall not implement the reduction or other measure  
27 in a manner which reduces service funding for disability  
28 rehabilitation programs, including but not limited to,  
29 statewide supported employment programs or reduces the  
30 drawdown of federal funding.

31 Sec. 30. VOLUNTEERS. There is appropriated from the  
32 general fund of the state to the department of human services  
33 for the fiscal year beginning July 1, 1998, and ending June  
34 30, 1999, the following amount, or so much thereof as is  
35 necessary, to be used for the purpose designated:

1 For development and coordination of volunteer services:  
2 ..... \$ 118,500

3 Sec. 31. MEDICAL ASSISTANCE, STATE SUPPLEMENTARY  
4 ASSISTANCE, AND SOCIAL SERVICE PROVIDERS REIMBURSED UNDER THE  
5 DEPARTMENT OF HUMAN SERVICES.

6 1. a. For the fiscal year beginning July 1, 1998, the  
7 rate for skilled nursing facilities shall be increased by 2  
8 percent over the rates in effect on June 30, 1998.

9 b. Beginning January 1, 1999, the rate for pharmacist  
10 services shall be increased by two percent over the rate in  
11 effect on June 30, 1998. The reimbursement policy for drug  
12 product costs shall be in accordance with federal  
13 requirements.

14 c. For the fiscal year beginning July 1, 1998,  
15 reimbursement rates for inpatient and outpatient hospital  
16 services shall remain the same as the rates in effect on June  
17 30, 1998. The department shall continue the outpatient  
18 hospital reimbursement system based upon ambulatory patient  
19 groups implemented pursuant to 1994 Iowa Acts, chapter 1186,  
20 section 25, subsection 1, paragraph "f". In addition, the  
21 department shall continue the revised medical assistance  
22 payment policy implemented pursuant to that paragraph to  
23 provide reimbursement for costs of screening and treatment  
24 provided in the hospital emergency room if made pursuant to  
25 the prospective payment methodology developed by the  
26 department for the payment of outpatient services provided  
27 under the medical assistance program.

28 d. Reimbursement rates for rural health clinics, hospices,  
29 and acute mental hospitals shall be increased in accordance  
30 with increases under the federal Medicare program or as  
31 supported by their Medicare audited costs.

32 e. Reimbursement rates for home health agencies shall be  
33 limited to a two percent increase over the rate in effect on  
34 June 30, 1998. The department shall, in consultation with  
35 provider representatives, study alternative reimbursement

1 methodologies.

2 f. The basis for establishing the maximum medical  
3 assistance reimbursement rate for nursing facilities shall be  
4 the 70th percentile of facility costs as calculated from the  
5 June 30, 1998, unaudited compilation of cost and statistical  
6 data. However, to the extent funds are available within the  
7 amount projected for reimbursement of nursing facilities  
8 within the appropriation for medical assistance in this Act  
9 for the fiscal year beginning July 1, 1998, and within the  
10 appropriation for medical assistance as a whole for the fiscal  
11 year beginning July 1, 1998, the department shall adjust the  
12 maximum medical assistance reimbursement for nursing  
13 facilities to the 70th percentile, as calculated on December  
14 31, 1998, unaudited compilation of cost and statistical data  
15 and the adjustment shall take effect January 1, 1999.

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

19 h. Beginning July 1, 1998, the reimbursement for dental  
20 services shall be increased by two percent over the rates in  
21 effect on June 30, 1998. Beginning January 1, 1999, the  
22 reimbursement for dental services shall be increased by an  
23 additional two percent over the rates in effect on December  
24 31, 1998.

25 i. For the fiscal year beginning July 1, 1998, unless  
26 otherwise specified in this Act, all noninstitutional medical  
27 assistance provider reimbursements shall be increased by 2  
28 percent over the rates in effect on June 30, 1998. In  
29 addition, \$39,157 of the moneys appropriated in this Act for  
30 medical assistance shall be used to increase rates paid to  
31 community mental health centers to a level equal to the level  
32 paid by other payers.

33 j. When applying the reimbursement rate increases for  
34 physician and dental services under this subsection, the  
35 department shall, in consultation with provider

1 representatives, place a priority on primary and preventive  
2 care. The department shall, in consultation with provider  
3 representatives review the existing reimbursement methodology  
4 including the issues of access, utilization, and sufficiency  
5 of the current reimbursement rates. A report of the findings  
6 of the review and any recommendations shall be submitted to  
7 the general assembly by January 1, 1999.

8 2. For the fiscal year beginning July 1, 1998, the maximum  
9 cost reimbursement rate for residential care facilities  
10 reimbursed by the department shall not be less than \$23.26 per  
11 day for the time period of July 1, 1998, through December 31,  
12 1998, and shall not be less than \$23.83 per day for the time  
13 period of January 1, 1999, through June 30, 1999. The flat  
14 reimbursement rate for facilities electing not to file  
15 semiannual cost reports shall not be less than \$16.64 per day  
16 for the time period of July 1, 1998, through December 31,  
17 1998, and shall not be less than \$17.05 per day for the time  
18 period of January 1, 1999, through June 30, 1999. For the  
19 fiscal year beginning July 1, 1998, the maximum reimbursement  
20 rate for providers reimbursed under the in-home health-related  
21 care program shall not be less than \$447.16 per month for the  
22 time period of July 1, 1998, through December 31, 1998, and  
23 shall not be less than \$458.20 per month for the time period  
24 of January 1, 1999, through June 30, 1999.

25 3. Unless otherwise directed in this section, when the  
26 department's reimbursement methodology for any provider  
27 reimbursed in accordance with this section includes an  
28 inflation factor, this factor shall not exceed the amount by  
29 which the consumer price index for all urban consumers  
30 increased during the calendar year ending December 31, 1997.

31 4. Notwithstanding section 234.38, in the fiscal year  
32 beginning July 1, 1998, the foster family basic daily  
33 maintenance rate and the maximum adoption subsidy rate for  
34 children ages 0 through 5 years shall be \$13.45, the rate for  
35 children ages 6 through 11 years shall be \$14.25, the rate for

1 children ages 12 through 15 years shall be \$15.96, and the  
2 rate for children ages 16 and older shall be \$15.96.

3 5. For the fiscal year beginning July 1, 1998, the maximum  
4 reimbursement rates for adoption and independent living  
5 services shall be increased by two percent over the rates in  
6 effect on June 30, 1998. The maximum reimbursement rates for  
7 other social service providers shall be the same as the rates  
8 in effect on June 30, 1998. However, the rates may be  
9 adjusted under any of the following circumstances:

10 a. If a new service was added after June 30, 1998, the  
11 initial reimbursement rate for the service shall be based upon  
12 actual and allowable costs.

13 b. If a social service provider loses a source of income  
14 used to determine the reimbursement rate for the provider, the  
15 provider's reimbursement rate may be adjusted to reflect the  
16 loss of income, provided that the lost income was used to  
17 support actual and allowable costs of a service purchased  
18 under a purchase of service contract.

19 c. The department revises the reimbursement rates as part  
20 of the changes in the mental health and developmental  
21 disabilities services system initiated pursuant to 1995 Iowa  
22 Acts, chapter 206, and associated legislation.

23 d. For the fiscal year beginning July 1, 1998, the  
24 reimbursement rates for sheltered work, work activity,  
25 supported employment, supported work training, and adult  
26 residential services paid by the state under a state purchase  
27 of social services contract shall be increased by two percent  
28 over the rates in effect on June 30, 1998.

29 6. Of the moneys appropriated in this Act for child and  
30 family services, \$1,261,875 is allocated to provide for a  
31 reimbursement increase to rehabilitative treatment and support  
32 services providers. The department shall distribute the  
33 increase as negotiated. However, if a provider previously  
34 elected to not negotiate the provider's reimbursement, the  
35 department shall allow that provider to negotiate for

1 reimbursement.

2 7. 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 8. For the fiscal year beginning July 1, 1998, 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 \$78.14 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 \$78.14, the department shall readjust the  
17 provider's reimbursement rate to the maximum reimbursement  
18 rate.

19 9. For the fiscal year beginning July 1, 1998, the  
20 department shall calculate reimbursement rates for  
21 intermediate care facilities for persons with mental  
22 retardation at the 80th percentile.

23 10. For the fiscal year beginning July 1, 1998, 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 11. For the fiscal year beginning July 1, 1998, the  
30 reimbursement rate for psychiatric medical institutions for  
31 children (PMICs) shall be increased by 2 percent over the  
32 rates in effect on June 30, 1998.

33 12. If the Iowa empowerment board is established, the  
34 board shall develop and implement a plan, in cooperation with  
35 maternal child health clinics, school nurses, and other



1 affected providers, to ensure attendance of health care  
2 appointments, with an emphasis on attendance of dental  
3 appointments, by medical assistance recipients.

4 13. The department shall review the appropriateness of the  
5 reimbursement provided for home infusion therapy and shall  
6 determine the number of providers who are being reimbursed  
7 below the actual cost of durable medical equipment and  
8 supplies under the medical assistance program and shall submit  
9 a report of the findings of the review to the general assembly  
10 by January 1, 1999.

11 14. The department may adopt emergency rules to implement  
12 the provisions of this section.

13 Sec. 32. MOTOR VEHICLE LICENSE REINSTATEMENT PENALTY --  
14 DEPOSIT AND APPROPRIATION. Notwithstanding the deposit  
15 provisions of sections 321.218A and 321A.32A, moneys collected  
16 during the fiscal year beginning July 1, 1998, and ending June  
17 30, 1999, by the state department of transportation pursuant  
18 to those sections shall be deposited to the credit of the  
19 department of human services for the fiscal year beginning  
20 July 1, 1998, and ending June 30, 1999, and are appropriated  
21 as follows:

22 1. The first \$1,000,000 is appropriated and shall be used  
23 for the establishment, improvement, operation, and maintenance  
24 of county or multicounty juvenile detention homes. Moneys  
25 appropriated in this subsection shall be allocated among  
26 eligible detention homes, prorated on the basis of an eligible  
27 detention home's proportion of the costs of all eligible  
28 detention homes in the previous fiscal year. Notwithstanding  
29 section 232.142, subsection 3, the financial aid payable by  
30 the state under that provision for the fiscal year beginning  
31 July 1, 1998, shall be limited to the amount appropriated in  
32 this subsection.

33 2. Moneys in excess of \$1,000,000 are appropriated to the  
34 judicial districts and allocated as determined by the state  
35 court administrator to be used by the judicial districts

1 pursuant to recommendations of the planning group for court-  
2 ordered services for juveniles provided in each judicial  
3 district which were established pursuant to 1991 Iowa Acts,  
4 chapter 267, section 119. Moneys allocated pursuant to this  
5 subsection shall be used for the improvement, expansion,  
6 construction, and operation of runaway assessment facilities,  
7 runaway assessment services, and juvenile delinquency  
8 prevention and intervention services.

9     Sec. 33. FULL-TIME EQUIVALENT POSITIONS. Of the full-time  
10 equivalent positions (FTEs) appropriated for in this Act,  
11 19.61 FTEs represent the transition of personnel services  
12 contractors to full-time equivalent position status. The  
13 merit system provisions of chapter 19A, collective bargaining  
14 agreement provisions of chapter 20, and the state and union  
15 collective bargaining agreements, as these relate to the  
16 filling of positions, shall not govern movement of these 19.61  
17 FTEs into the full-time equivalent position status during the  
18 period beginning July 1, 1998, and ending August 31, 1998.

19     Sec. 34. STATE INSTITUTIONS -- CLOSINGS AND REDUCTIONS.

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

1 on human services on or before January 2, 1999, regarding any  
2 efforts made pursuant to this subsection.

3 2. For purposes of this section, "state institution" means  
4 a state mental health institute, a state hospital-school, the  
5 state training school, and the Iowa juvenile home under the  
6 authority of the department of human services listed in  
7 section 218.1.

8 Sec. 35. TRANSFER AUTHORITY. Subject to the provisions of  
9 section 8.39, for the fiscal year beginning July 1, 1998, if  
10 necessary to meet federal maintenance of effort requirements  
11 or to transfer federal temporary assistance for needy families  
12 block grant funding to be used for purposes of the federal  
13 social services block grant, the department of human services  
14 may transfer between any of the appropriations made in this  
15 Act and appropriations in law for the federal social services  
16 block grant to the department for the following purposes,  
17 provided that the combined amount of state and federal  
18 temporary assistance for needy families block grant funding  
19 for each appropriation remains the same before and after the  
20 transfer:

- 21 1. For the family investment program.
- 22 2. For emergency assistance.
- 23 3. For child day care assistance.
- 24 4. For child and family services.
- 25 5. For field operations.
- 26 6. For general administration.
- 27 7. MH/MR/DD/BI community services (local purchase).

28 This section shall not be construed to prohibit existing  
29 state transfer authority for other purposes.

30 Sec. 36. CONFIDENTIALITY. The department of human  
31 services, in cooperation with other state agencies, shall  
32 develop recommendations to improve the sharing of information,  
33 including confidential information, relative to individuals  
34 receiving services or assistance from the department or  
35 another state agency, to improve coordination of services and

1 assistance. The department shall submit a report of the  
2 recommendations to the general assembly on or before December  
3 15, 1998.

4 Sec. 37. CHILD ABUSE ASSESSMENT IMPLEMENTATION.

5 Notwithstanding the requirements of 1997 Iowa Acts, chapter  
6 35, section 232.71A, Code Supplement 1997, sections 232.71B  
7 and 232.71C, Code 1997, and the repeal of section 232.71, Code  
8 Supplement 1997, for the period beginning July 1, 1998, and  
9 ending September 1, 1998, the department shall continue to  
10 respond to a report of child abuse in Polk county in  
11 accordance with the provisions of section 232.71, Code  
12 Supplement 1997. For this period, in Polk county the  
13 department shall continue to apply the rules adopted for  
14 responding to a report of child abuse under section 232.71,  
15 Code Supplement 1997.

16 Sec. 38. SUPPORTING FAMILIES OF CHILDREN WITH A  
17 DEVELOPMENTAL DISABILITY.

18 1. The department of human services shall develop a  
19 program supporting families of children with mental  
20 retardation or other developmental disability. The program  
21 shall provide medical assistance case management for those who  
22 are eligible, or case management by the department's field  
23 services staff for those who are not eligible for medical  
24 assistance. The program shall be designed for administrative  
25 simplicity with a minimal amount of paperwork required for  
26 program participants and service providers.

27 2. The program shall be directed to children who are  
28 eligible for any of the following:

29 a. Intermediate care facility for persons with mental  
30 retardation services.

31 b. Medical assistance home and community-based waiver for  
32 persons or children with mental retardation services.

33 c. Voluntary foster care placement under section 232.182  
34 or 232.183.

35 d. Family support subsidy under section 225C.38.

1 3. Subject to applicable federal requirements,  
2 restrictions in this section, and the amount of state funding  
3 appropriated, the department may decategorize and transfer for  
4 purposes of the program created pursuant to this section any  
5 of the state funding appropriated for a program, service, or  
6 placement listed in subsection 2. The decategorized state  
7 funding may be used to provide any of the services listed in  
8 subsection 2 which will best meet the needs of both the child  
9 and the child's family.

10 4. The department may adopt emergency rules to implement  
11 the provisions of this section. The rules adopted by the  
12 department for the program shall not require a family or a  
13 family member receiving a family support subsidy payment or  
14 medical assistance home and community-based waiver services,  
15 at the time of the program's implementation, to reapply, lose  
16 a waiver slot, or otherwise change eligibility requirements  
17 applicable to the family or a family member, except as  
18 otherwise provided by law.

19 5. The program shall be implemented on or before June 30,  
20 1999. The department shall make an initial report concerning  
21 the program's implementation during the 1999 legislative  
22 session and a final report prior to implementation of the  
23 program. The department shall submit proposed legislation for  
24 codification of the program in accordance with section 2.16  
25 for consideration by the general assembly during the 2000  
26 legislative session.

27 Sec. 39. JUVENILE DETENTION HOMES. If during the fiscal  
28 year beginning July 1, 1998, and ending June 30, 1999, the  
29 moneys collected by the state department of transportation  
30 pursuant to sections 321.218A and 321A.32A, to be distributed  
31 under law for use in the establishment, improvement,  
32 operation, and maintenance of county or multicounty juvenile  
33 detention homes, are projected to be less than \$1,000,000, the  
34 department of human services shall transfer, in accordance  
35 with the requirements of section 8.39, an amount sufficient to

1 ensure \$1,000,000 is actually distributed to such homes during  
2 the fiscal year.

3     Sec. 40. NET STATE BUDGETING REVENUES. Notwithstanding  
4 section 8.33, revenues generated by and moneys appropriated to  
5 the state hospital-school at Glenwood pursuant to 1997 Iowa  
6 Acts, chapter 208, section 17, and the provisions of this Act,  
7 which are unexpended or unobligated, shall not revert to any  
8 fund at the close of a fiscal year but shall remain available  
9 for expenditure by the state hospital-school in the succeeding  
10 fiscal year. Notwithstanding section 8.33, revenues generated  
11 by and moneys appropriated to the state hospital-school at  
12 Woodward pursuant to the provisions of this Act shall not  
13 revert to any fund at the close of a fiscal year but shall  
14 remain available for expenditure by the state hospital-school  
15 in the succeeding fiscal year.

16     Sec. 41. CONTRACTS -- PENALTIES. For the fiscal year  
17 beginning July 1, 1998, and ending June 30, 1999, any contract  
18 with a value which exceeds \$150,000 entered into by the  
19 department of human services shall include a provision to  
20 assess a penalty for failure to meet performance expectations,  
21 noncompliance, or any other breach of contract, in addition to  
22 any other remedy under law.

23     Sec. 42. FINANCIAL ASSISTANCE SERVICES.

24     1. For purposes of this section, "financial assistance  
25 services" means services or other assistance provided under  
26 one or more of the following programs administered by the  
27 department of human services: family investment program,  
28 PROMISE JOBS program, medical assistance program, food stamp  
29 program, state child care assistance program, refugee cash  
30 assistance program, emergency assistance program, and child  
31 support recovery program.

32     2. During the period beginning May 1, 1998, and ending  
33 June 30, 1999, the department of human services may conduct a  
34 pilot program or pilot programs for provisions of financial  
35 assistance services.

1 3. Any pilot program conducted in accordance with this  
2 section shall be designed to meet one or more of the following  
3 financial assistance services goals:

4 a. A reduction in paperwork for applicants and recipients  
5 of services, or staff, or both.

6 b. Streamlining or expediting the eligibility  
7 determination process, to decrease the length of time it takes  
8 to inform applicants for financial assistance services as to  
9 the disposition of their request for the services.

10 c. Streamlining or expediting the referral process for  
11 family investment program applicants and recipients to other  
12 financial assistance services such as PROMISE JOBS or child  
13 support recovery, so that referrals can be initiated in a more  
14 timely manner in order to help move applicants and recipients  
15 more quickly to economic self-sufficiency or toward reduced  
16 reliance on government assistance.

17 d. Improved coordination of the management of financial  
18 assistance services as applicants for and recipients of the  
19 services work toward economic self-sufficiency.

20 e. Identification of policies, procedures, and practices  
21 that could be altered or eliminated without materially  
22 affecting the desired results for the family assistance  
23 services.

24 4. Any pilot program conducted in accordance with this  
25 section is subject to the following limitations and  
26 parameters:

27 a. Notwithstanding any administrative rule, that is not  
28 based in federal law, the department may alter policies,  
29 procedures, and practices to waive the administrative rule,  
30 that are based in state law, provided that the alterations do  
31 not decrease an applicant's or recipient's choice of, or  
32 ability to obtain, financial assistance services from the  
33 department in comparison with the financial assistance  
34 services that would otherwise be available. The department  
35 may operate one or more pilot projects under this paragraph,

1 in not more than eight counties.

2 b. If the department obtains a waiver of federal law or  
3 regulation, the department may alter policies, procedures, and  
4 practices that are based in federal law, provided that the  
5 alterations do not decrease an applicant's or recipient's  
6 choice of, or ability to obtain, financial assistance services  
7 from the department in comparison with the financial  
8 assistance services that would otherwise be available. The  
9 department may operate one or more projects under this  
10 paragraph, in not more than eight counties.

11 c. In order to facilitate rapid implementation, except as  
12 provided in paragraph "d", any pilot program authorized under  
13 this section is exempt from the rulemaking procedures and  
14 rulemaking requirements of chapter 17A. However, following  
15 development of the pilot program, the department shall provide  
16 a list of the laws or rules being waived to the chairpersons  
17 and ranking members of the joint appropriations subcommittee  
18 on human services, the administrative rules review committee,  
19 the administrative rules coordinator, the legislative fiscal  
20 bureau, and the legislative service bureau. In implementing a  
21 pilot program under this section, the department shall take  
22 steps to make applicants and recipients of services aware of  
23 their choices, expectations, rights, and responsibilities.

24 d. The department shall adopt emergency rules establishing  
25 a framework for the pilot projects implemented under this  
26 section. The rules shall identify the participating counties,  
27 the maximum duration of each pilot project, and generally  
28 describe the scope and nature of each pilot project. Within  
29 this framework, the department retains broad discretion to  
30 revise a pilot project without further rulemaking describing  
31 the revision.

32 Sec. 43. SEXUALLY VIOLENT PREDATORS. The department of  
33 human services and the department of corrections shall work  
34 with the office of the attorney general in jointly  
35 establishing a task force for identifying the population of



1 persons deemed to be sexually violent predators and to develop  
2 options appropriate for addressing public safety concerns  
3 associated with this population. The task force may consult  
4 with qualified mental health professionals, corrections  
5 professionals, prosecutors, and others experienced in the  
6 assessment and treatment of this population. The task force  
7 shall consider currently available treatment options, the  
8 prevalence of subpopulations which present a high risk of  
9 reoffending upon release, and the percentage of the existing  
10 criminal sex offender population which is not amenable to  
11 treatment under currently known methods. The task force shall  
12 identify any treatment methods known to have success in  
13 treating this population and subpopulations as well as the  
14 costs associated with those methods, develop a proposal for  
15 state-of-the-art treatment of sexually violent predators, and  
16 develop a plan describing possible use of treatment resources  
17 together with options for intensive monitoring upon release.  
18 The task force report shall be submitted on or before January  
19 1, 1999, to the members of the joint appropriations  
20 subcommittees on human services and on the justice system.

21 Sec. 44. DEPENDENT ADULT ABUSE ASSESSMENT. The department  
22 of human services, in consultation with the department of  
23 elder affairs and the governor's planning council for  
24 development disabilities, shall develop an assessment-based  
25 approach to respond to dependent adult abuse reports made  
26 pursuant to section 235B.3. The approach shall be developed  
27 in the fiscal year beginning July 1, 1998.

28 DIVISION II -- DOMESTIC VIOLENCE OPTION

29 Sec. 45. DOMESTIC VIOLENCE OPTION. The provisions of this  
30 Division relating to domestic violence provide for the state  
31 of Iowa's implementation of the domestic violence option under  
32 42 U.S.C. § 602(a)(7)

33 Sec. 46. Section 239B.2, subsection 6, Code Supplement  
34 1997, is amended to read as follows:

35 6. COOPERATION WITH CHILD SUPPORT REQUIREMENTS. The

1 department shall provide for prompt notification of the  
2 department's child support recovery unit if assistance is  
3 provided to a child whose parent is absent from the home. An  
4 applicant or participant shall cooperate with the child  
5 support recovery unit and the department as provided in 42  
6 U.S.C. § 608(a)(2) unless the applicant or participant  
7 qualifies for good cause or other exception as determined by  
8 the department in accordance with the best interest of the  
9 child, parent, or specified relative, and with standards  
10 prescribed by rule. The authorized good cause or other  
11 exceptions shall include participation in a family investment  
12 agreement safety plan option to address or prevent family or  
13 domestic violence and other consideration given to the  
14 presence of family or domestic violence. If a specified  
15 relative with whom a child is residing fails to comply with  
16 these cooperation requirements, a sanction shall be imposed as  
17 defined by rule in accordance with state and federal law.

18 Sec. 47. Section 239B.4, Code Supplement 1997, is amended  
19 by adding the following new subsection:

20 NEW SUBSECTION. 2A. The department shall develop and use  
21 a screening tool for determining the likely presence of family  
22 and domestic violence affecting applicant and participant  
23 families. The department shall require the use of the  
24 screening tool by trained employees.

25 Sec. 48. Section 239B.8, subsection 2, Code Supplement  
26 1997, is amended by adding the following new paragraph:

27 NEW PARAGRAPH. i. Participation in a safety plan to  
28 address or prevent family or domestic violence. The safety  
29 plan may include a temporary waiver period from required  
30 participation in the JOBS program or other employment-related  
31 activities, as appropriate for the situation of the applicant  
32 or participant. All applicants and participants shall be  
33 informed regarding the existence of this option. Participation  
34 in this option shall be subject to review in accordance with  
35 administrative rule.

1     Sec. 49. ELIGIBILITY FOR IMMIGRANTS SUBJECTED TO EXTREME  
2 CRUELTY. The department shall include in the temporary  
3 assistance for needy families state plan a provision of family  
4 investment program eligibility for immigrants who are  
5 qualified aliens under the provisions of 8 U.S.C. § 1641(c)  
6 regarding immigrants who have been battered or subjected to  
7 extreme cruelty. The department shall adopt administrative  
8 rules as necessary to implement the provisions of this  
9 section.

10    Sec. 50. APPLICABILITY. The department of human services  
11 shall field test the screening tool requirements of section  
12 239B.4, subsection 2A, as enacted by this Division, in both  
13 urban and rural areas during the fiscal year beginning July 1,  
14 1998, and shall apply the requirements statewide beginning  
15 July 1, 1999.

16                   DIVISION III -- FIP LIMITED BENEFIT PLANS

17    Sec. 51. Section 239B.9, subsection 1, Code Supplement  
18 1997, is amended to read as follows:

19     1. GENERAL PROVISIONS.

20     a. If a participant responsible for signing and fulfilling  
21 the terms of a family investment agreement, as defined by the  
22 director of human services in accordance with section 239B.8,  
23 chooses not to sign or fulfill the terms of the agreement, the  
24 participant's family, or the individual participant shall  
25 enter into a limited benefit plan. A limited benefit plan  
26 shall apply for the period of time specified in this section.  
27 The first month of the limited benefit plan is the first month  
28 after the month in which timely and adequate notice of the  
29 limited benefit plan is given to the participant as defined by  
30 the director of human services. A participant who is exempt  
31 from the JOBS program but who volunteers for the program is  
32 not subject to imposition of a limited benefit plan. The  
33 elements of a limited benefit plan shall be specified in the  
34 department's rules.

35     b. For purposes of this lettered paragraph, "significant

1 contact with or action in regard to the JOBS program" means  
2 the individual participant communicates to the JOBS program  
3 worker the desire to engage in JOBS program activities, signs  
4 a new or updated family investment agreement, and takes any  
5 other action required by the department in accordance with  
6 rules adopted for this purpose. A limited benefit plan  
7 applied in error shall not be considered to have been applied.  
8 A limited benefit plan is applicable to the individual  
9 participant choosing the limited benefit plan and to the  
10 individual participant's family members to which the plan is  
11 applicable under subsection 2. A limited benefit plan shall  
12 either be a first limited benefit plan or a subsequent limited  
13 benefit plan. A limited benefit plan shall be applied as  
14 follows:

15 (1) A first limited benefit plan shall provide for  
16 continuing ineligibility for assistance until the individual  
17 participant completes significant contact with or action in  
18 regard to the JOBS program.

19 (2) A limited benefit plan subsequent to a first limited  
20 benefit plan chosen by the same individual participant shall  
21 provide for a six-month period of ineligibility beginning with  
22 the effective date of the limited benefit plan and continuing  
23 indefinitely following the six-month period until the  
24 individual participant completes significant contact with or  
25 action in regard to the JOBS program.

26 (3) For a two-parent family in which both parents are  
27 responsible for a family investment agreement, a first or  
28 subsequent limited benefit plan shall remain applicable until  
29 both parents complete significant contact with or action in  
30 regard to the JOBS program. A limited benefit plan applied to  
31 the same two-parent family shall be a subsequent limited  
32 benefit plan.

33 Sec. 52. Section 239B.9, subsection 2, paragraphs a and b,  
34 Code Supplement 1997, are amended to read as follows:

35 a. PARENT. If the participant responsible for the family

1 investment agreement is a parent or a specified relative, for  
 2 ~~a first limited benefit plan, the participant's family is~~  
 3 ~~eligible for up to three months of reduced assistance based on~~  
 4 ~~the needs of the children only~~ the limited benefit plan is  
 5 applicable to the entire participant family. ~~At the end of~~  
 6 ~~the three month period of reduced assistance, the family~~  
 7 ~~becomes ineligible for assistance for a six month period.~~ ~~For~~  
 8 ~~a second or subsequent limited benefit plan chosen by the same~~  
 9 ~~participant, a six month period of ineligibility applies~~  
 10 ~~beginning with the effective date of the limited benefit plan.~~  
 11 If the family reapplies for assistance after a six month an  
 12 ineligibility period, eligibility shall be established in the  
 13 same manner as for any other new applicant. ~~A limited benefit~~  
 14 ~~plan imposed in error shall not be considered a first limited~~  
 15 ~~benefit plan.~~

16 b. NEEDY RELATIVE PAYEE. If the participant choosing a  
 17 limited benefit plan is a needy relative who acts as payee  
 18 when the parent is in the home but is unable to act as payee,  
 19 or is a dependent child's stepparent whose needs are included  
 20 in the assistance because of incapacity or caregiving, the  
 21 limited benefit plan shall apply only to the individual  
 22 participant choosing the plan. ~~The individual participant~~  
 23 ~~choosing the limited benefit plan is ineligible for nine~~  
 24 ~~months from the effective date of the limited benefit plan.~~  
 25 ~~For a second or subsequent limited benefit plan chosen by the~~  
 26 ~~same individual participant, a six month period of~~  
 27 ~~ineligibility applies beginning with the effective date of the~~  
 28 ~~limited benefit plan.~~

29 Sec. 53. Section 239B.9, subsection 2, paragraph e,  
 30 subparagraph (1), Code Supplement 1997, is amended to read as  
 31 follows:

32 (1) If the parent or specified relative responsible for a  
 33 family investment agreement meets the responsibilities of the  
 34 family investment agreement but a child who is a mandatory  
 35 JOBS program participant chooses an individual limited benefit

1 plan, the family is eligible for reduced assistance during the  
2 child's limited benefit plan. However, ~~the child, as part of~~  
3 ~~the family, is ineligible for nine months for a first limited~~  
4 ~~benefit plan and six months for a second or subsequent limited~~  
5 ~~benefit plan.~~

6 Sec. 54. Section 239B.9, subsection 2, paragraph g, Code  
7 Supplement 1997, is amended to read as follows:

8 g. TWO PARENTS. If the participant family includes two  
9 parents, a limited benefit plan shall be applied as follows:

10 (1) If only one parent of a child in the family is  
11 responsible for a family investment agreement and that parent  
12 chooses the limited benefit plan, the limited benefit plan  
13 cannot be ended by the voluntary participation in a family  
14 investment agreement by the exempt parent. However, ~~the~~  
15 ~~exempt parent may continue to be included in the participant~~  
16 ~~family's grant during the three-month reduced assistance~~  
17 ~~period by volunteering to participate in the JOBS family~~  
18 ~~investment program-unemployed-parent-work-program.--If a~~  
19 ~~second or subsequent limited benefit plan is chosen by either~~  
20 ~~parent, the family becomes ineligible for a six-month period~~  
21 ~~beginning with the effective date of the limited benefit plan.~~  
22 If the parent responsible for the family investment agreement  
23 chooses a limited benefit plan, the limited benefit plan  
24 applies to the entire family.

25 (2) If both parents of a child in the family are  
26 responsible for a family investment agreement, both parents  
27 shall sign the agreement. If either parent chooses the  
28 limited benefit plan, the limited benefit plan cannot be ended  
29 by the participation of the other parent in a family  
30 investment agreement. However, ~~the other parent may continue~~  
31 ~~to be included in the family's grant during the three-month~~  
32 ~~reduced assistance period by participating in the JOBS family~~  
33 ~~investment program-unemployed-parent-work-program.--If a~~  
34 ~~second or subsequent limited benefit plan is chosen by either~~  
35 ~~parent, the family becomes ineligible for a six-month period~~

1 ~~beginning-with-the-effective-date-of-the-limited-benefit-plan-~~

2 (3) If the parents from a two-parent family in a limited  
3 benefit plan separate, the limited benefit plan shall follow  
4 only the parent who chose the limited benefit plan and any  
5 children in the home of that parent.

6 Sec. 55. Section 239B.9, subsection 3, paragraph a, Code  
7 Supplement 1997, is amended to read as follows:

8 a. A participant who does not establish an orientation  
9 appointment with the JOBS program or who fails to keep or  
10 reschedule an orientation appointment shall receive a reminder  
11 letter which informs the participant that those who do not  
12 attend orientation have elected to choose a limited benefit  
13 plan. A participant who chooses not to respond to the  
14 reminder letter within ten calendar days from the mailing date  
15 shall receive notice establishing the effective date of the  
16 limited benefit plan, ~~the beginning date of the period of~~  
17 ~~reduced assistance, and the beginning and ending dates of the~~  
18 ~~six-month period of ineligibility.~~ If a participant is deemed  
19 to have chosen a limited benefit plan, timely and adequate  
20 notice provisions, as determined by the director of human  
21 services, shall apply.

22 Sec. 56. Section 239B.9, subsections 4, 5, and 6, Code  
23 Supplement 1997, are amended to read as follows:

24 4. RECONSIDERATION. A participant who chooses a limited  
25 benefit plan may reconsider that choice as follows:

26 a. A participant who chooses a first limited benefit plan  
27 ~~rather than sign a family investment agreement shall have the~~  
28 ~~entire three-month period of reduced assistance~~ may reconsider  
29 at any time following the effective date of the limited  
30 benefit plan ~~to reconsider and begin development of the family~~  
31 ~~investment agreement.~~ The participant may contact the  
32 department or the appropriate JOBS program office any time  
33 ~~during the first three months of the limited benefit plan to~~  
34 begin the reconsideration process. ~~Although family investment~~  
35 ~~program assistance shall not begin until the participant signs~~

1 a-family-investment-agreement-during-the-JOBS-program  
2 orientation-and-assessment-process, retroactive assistance  
3 shall-be-issued-as-defined-by-the-director-of-human-services.  
4 A-limited-benefit-plan-imposed-in-error-shall-not-be  
5 considered-a-first-limited-benefit-plan.

6 b.--A-participant-who-signs-a-family-investment-agreement  
7 but-does-not-carry-out-the-family-investment-agreement  
8 responsibilities-shall-be-deemed-to-have-chosen-a-limited  
9 benefit-plan-and-shall-not-be-allowed-to-reconsider-that  
10 choice.

11 c. b. A participant who chooses a second-or subsequent  
12 limited benefit plan shall-not-be-allowed-to may reconsider  
13 that choice at any time following the required period of  
14 ineligibility.

15 5. WELL-BEING VISIT. If a participant has chosen a  
16 subsequent limited benefit plan, a qualified ~~social-services~~  
17 professional shall attempt to visit with the participant to  
18 inquire-into-the-family's family with a focus upon the  
19 children's well-being. The visit shall be performed during or  
20 within four weeks of the second month of the start of the  
21 subsequent limited benefit plan. The visit shall serve as an  
22 extension of the family investment program and the family  
23 investment agreement philosophy of supporting families as they  
24 move toward self-sufficiency. The department may contract for  
25 ~~these-services~~ the visit. ~~The-visit-shall-be-made-in~~  
26 ~~accordance-with-the-following:~~

27 a.--For-a-participant-in-a-first-limited-benefit-plan-who  
28 has-the-reconsideration-option, a-qualified-social-services  
29 professional, as-defined-by-the-director-of-human-services,  
30 shall-inquire-into-the-well-being-of-the-family-during-month  
31 two-of-the-period-of-reduced-assistance.--If-the-participant  
32 who-is-responsible-for-a-family-investment-agreement-indicates  
33 a-desire-to-develop-a-family-investment-agreement, the  
34 qualified-social-services-professional-shall-assist-the  
35 participant-in-establishing-an-appointment-with-the



1 appropriate-JOBS-program-office.

2 b.--For-a-participant-in-a-first-limited-benefit-plan-who  
3 does-not-enter-into-the-family-investment-agreement-process  
4 during-the-three-month-reconsideration-period,-a-qualified  
5 social-services-professional-shall-make-another-inquiry-as-to  
6 the-well-being-of-the-family-during-month-four-of-the-limited  
7 benefit-plan.

8 c.--A-participant-who-signs-the-family-investment-agreement  
9 but-does-not-carry-out-family-investment-agreement  
10 responsibilities-and,-consequently,-has-chosen-a-first-limited  
11 benefit-plan-shall-not-be-allowed-to-reconsider-that-choice.  
12 However,-a-social-services-professional-shall-inquire-as-to  
13 the-well-being-of-the-family-during-month-four-of-the-limited  
14 benefit-plan.

15 d.--A-participant-who-has-chosen-a-second-or-subsequent  
16 limited-benefit-plan-shall-not-be-allowed-to-reconsider-that  
17 choice.--However,-a-qualified-social-services-professional  
18 shall-make-inquiry-into-the-well-being-of-the-family-during  
19 month-two-of-the-limited-benefit-plan.

20 6. APPEAL. A participant has the right to appeal the  
21 establishment of the limited benefit plan only once, except  
22 for-a-first-limited-benefit-plan-two-opportunities-to-appeal  
23 shall-be-available.--A-participant-in-a-first-limited-benefit  
24 plan-has-the-right-to-appeal-the-limited-benefit-plan-at-the  
25 time-the-department-issues-timely-and-adequate-notice  
26 establishing-the-limited-benefit-plan,-or-at-the-time-the  
27 department-issues-the-subsequent-notice-that-establishes-the  
28 six-month-period-of-ineligibility.--A-participant-who-has  
29 chosen-a-second-or-subsequent-limited-benefit-plan-has-the  
30 right-to-appeal-only at the time the department issues the  
31 timely and adequate notice that establishes the six-month  
32 period-of-ineligibility limited benefit plan. However, if the  
33 reason for the appeal is based on an incorrect grant  
34 computation, an error in determining the composition of the  
35 family, or another worker error, a hearing shall be granted,

1 regardless of the person's limited benefit plan status.

2 Sec. 57. APPLICABILITY -- RULES.

3 1. The department of human services shall adopt  
4 administrative rules to implement the provisions of this  
5 division of this Act and the provisions shall apply beginning  
6 with the effective date specified in those rules. However,  
7 the effective date specified in the administrative rules shall  
8 be no earlier than January 1, 1999.

9 2. If a limited benefit plan was chosen by a participant  
10 prior to the effective date of the administrative rules, a  
11 limited benefit plan chosen by that participant on or after  
12 the effective date shall be considered a subsequent benefit  
13 plan.

14 3. A limited benefit plan in effect on the effective date  
15 of the administrative rules shall remain subject to the law  
16 and rules applicable to that limited benefit plan at the time  
17 the plan was imposed until that limited benefit plan's period  
18 has ended.

19 DIVISION IV -- PRIVATE AGENCY CONTRACTS

20 Sec. 58. PRIVATE AGENCY CONTRACTS. The auditor of state  
21 and the director of human services shall jointly develop a  
22 process for exempting a private agency awarded a grant,  
23 contract, or purchase of service contract through the  
24 department of human services for the fiscal year beginning  
25 July 1, 1998, and ending June 30, 1999, from the requirement  
26 to obtain a certification from the auditor of state pursuant  
27 to section 11.36. The process shall apply a monetary  
28 threshold, provide for acceptance of existing audits, or  
29 utilize other methods to determine the adequacy of a private  
30 agency's accounting practices in a manner which is not  
31 burdensome to the private agency or the state. The auditor of  
32 state and the director of human services shall submit a report  
33 of the process developed to the general assembly on or before  
34 January 1, 1999.

35 Sec. 59. Section 217.41, Code 1997, is repealed.

## 1 DIVISION V -- STATUTORY REVISIONS

2 Sec. 60. 1997 Iowa Acts, chapter 208, section 2,  
3 unnumbered paragraph 3, is amended by striking the unnumbered  
4 paragraph.

5 Sec. 61. 1997 Iowa Acts, chapter 208, section 17,  
6 subsection 1, paragraph a, subparagraph (1), is amended to  
7 read as follows:

8 (1) The department shall implement a pilot project of  
9 operating the hospital-school with a net general fund  
10 appropriation. The amount allocated in this paragraph is the  
11 net state appropriation amount projected to be needed for the  
12 state hospital-school at Glenwood. Purposes of the pilot  
13 project are to encourage the hospital-school to operate with  
14 increased self-sufficiency, to improve quality and efficiency,  
15 and to support collaborative efforts between the hospital-  
16 school and counties and other funders of services available  
17 from the hospital-school. The pilot project shall not be  
18 implemented in a manner which results in a cost increase to  
19 the state or cost shifting between the state, the medical  
20 assistance program, counties, or other sources of funding for  
21 the state hospital-school. Moneys allocated in this paragraph  
22 may be used throughout the fiscal year in the manner necessary  
23 for purposes of cash flow management, and for purposes of cash  
24 flow management the hospital-school may temporarily draw more  
25 than the amount allocated, provided the amount allocated is  
26 not exceeded at the close of the fiscal year. For the  
27 purposes of calculating the August 31, 1998, fiscal year 1997-  
28 1998 ending balance under this subsection, the department  
29 shall include county receivables billed but not yet received.  
30 However, only receipts received within 90 days of being billed  
31 for fiscal year 1997-1998 services shall be included. The  
32 state hospital-school at Glenwood may draw upon the general  
33 fund of the state in an amount equal to the amount of the  
34 receipts not yet received.

35 Sec. 62. Section 135H.6, subsection 5, Code 1997, is

1 amended to read as follows:

2 5. The department of human services has submitted written  
3 approval of the application based on the department of human  
4 services' determination of need. The department of human  
5 services shall identify the location and number of children in  
6 the state who require the services of a psychiatric medical  
7 institution for children. Approval of an application shall be  
8 based upon the location of the proposed psychiatric  
9 institution relative to the need for services identified by  
10 the department of human services and an analysis of the  
11 applicant's ability to provide services and support consistent  
12 with requirements under chapter 232, particularly regarding  
13 community-based treatment. If the proposed psychiatric  
14 institution is not freestanding from a facility licensed under  
15 chapter 135B or 135C, approval under this subsection shall not  
16 be given unless the department of human services certifies  
17 that the proposed psychiatric institution is capable of  
18 providing a resident with a living environment similar to the  
19 living environment provided by a licensee which is  
20 freestanding from a facility licensed under chapter 135B or  
21 135C. Unless a psychiatric institution was accredited to  
22 provide psychiatric services by the joint commission on the  
23 accreditation of health care organizations under the  
24 commission's consolidated standards for residential settings  
25 prior to June 1, 1989, the department of human services shall  
26 not approve an application for a license under this chapter  
27 until the federal health care financing administration has  
28 approved a state Title XIX plan amendment to include coverage  
29 of services in a psychiatric medical institution for children.  
30 In addition, either of the following conditions must be met:  
31 a. The department of human services shall not give  
32 approval to an application which would cause the total number  
33 of beds licensed under this chapter to exceed three hundred  
34 sixty beds, except as provided in paragraph "b" and paragraph  
35 "c", with not more than three hundred of the beds licensed

1 under chapter 237 before January 1, 1989, and not more than  
2 sixty of the beds licensed under chapter 237 on or after  
3 January 1, 1989.

4 b. The department of human services shall not give  
5 approval to an application which would cause the total number  
6 of beds licensed under this chapter after June 30, 1990, which  
7 specialize in providing substance abuse treatment to children  
8 to exceed seventy beds.

9 c. The department of human services may establish not more  
10 than thirty beds licensed under this chapter at the state  
11 mental health institute at Independence. The beds shall be  
12 exempt from the certificate of need requirement under  
13 subsection 4.

14 Sec. 63. Section 217.12, subsection 3, Code 1997, is  
15 amended by adding the following new paragraph:

16 NEW PARAGRAPH. g. Designation of agreement provisions for  
17 tracking and reporting performance measures developed pursuant  
18 to subsection 4.

19 Sec. 64. Section 222.68, Code 1997, is amended to read as  
20 follows:

21 222.68 COSTS PAID IN FIRST INSTANCE.

22 All necessary and legal expenses for the cost of admission  
23 or commitment of a person to a hospital-school or a special  
24 unit when the person's legal settlement is found to be in  
25 another county of this state shall in the first instance be  
26 paid by the county from which the person was admitted or  
27 committed. The county of legal settlement shall reimburse the  
28 county ~~so-paying~~ which pays for all such expenses. Where any  
29 county fails to make such reimbursement within ~~sixty~~ forty-  
30 five days following submission of a properly itemized bill to  
31 the county of legal settlement, a penalty of not greater than  
32 one percent per month on and after ~~sixty~~ forty-five days from  
33 submission of the bill may be added to the amount due.

34 Sec. 65. Section 222.75, Code 1997, is amended to read as  
35 follows:

1 222.75 DELINQUENT PAYMENTS -- PENALTY.

2 Should any county fail to pay the bills within ~~sixty~~ forty-  
3 five days from the date of certificate from the  
4 superintendent, the director of revenue and finance may charge  
5 the delinquent county a penalty of not greater than one  
6 percent per month on and after ~~sixty~~ forty-five days from date  
7 of certificate until paid.

8 Sec. 66. Section 222.78, Code 1997, is amended to read as  
9 follows:

10 222.78 PARENTS AND OTHERS LIABLE FOR SUPPORT.

11 The father and mother of any person patient admitted or  
12 committed to a hospital-school or to a special unit, as either  
13 an inpatient or an outpatient, and any person, firm, or  
14 corporation bound by contract hereafter made for support of  
15 the ~~person-shall-be-and-remain~~ patient is liable for the  
16 support of the person patient. The person patient and those  
17 legally bound for the support of the person patient shall be  
18 liable to the county for all sums advanced by the county to  
19 the state under the provisions of sections 222.60 and 222.77.  
20 The liability of any person, other than the patient, who is  
21 legally bound for the support of any a patient who is under  
22 eighteen years of age in a hospital-school or a special unit  
23 shall ~~in-no-instance~~ not exceed the average minimum cost of  
24 the care of a normally intelligent, ~~nonhandicapped~~ minor  
25 without a disability of the same age and sex as the minor  
26 patient. The administrator shall establish the scale for this  
27 purpose but the scale shall not exceed the standards for  
28 personal allowances established by the state division under  
29 the family investment program. ~~Provided-further-that-the~~  
30 ~~father-or-mother-of-the-person-shall-not-be-liable-for-the~~  
31 ~~support-of-the-person-after-the-person-attains-the-age-of~~  
32 ~~eighteen-years-and-that-the~~ The father or mother shall incur  
33 liability only during any period when the father or mother  
34 either individually or jointly receive a net income from  
35 whatever source, commensurate with that upon which they would

1 be liable to make an income tax payment to this state. The  
2 father or mother of a patient shall not be liable for the  
3 support of the patient upon the patient attaining eighteen  
4 years of age. Nothing in this section shall be construed to  
5 prevent a relative or other person from voluntarily paying the  
6 full actual cost as established by the administrator for  
7 caring for the person patient with mental retardation.

8 Sec. 67. Section 225C.38, subsection 1, paragraph c, Code  
9 1997, is amended to read as follows:

10 c. Except as provided in section 225C.41, a family support  
11 subsidy for a fiscal year shall be in an amount equivalent to  
12 the monthly maximum supplemental security income payment  
13 available in Iowa on July 1 of that fiscal year for an adult  
14 recipient living in the household of another, as formulated  
15 under federal regulations. In addition, the parent or legal  
16 guardian of a family member who is in an out-of-home placement  
17 at the time of application may receive a one-time lump-sum  
18 advance payment of twice the monthly family support subsidy  
19 amount for the purpose of meeting the special needs of the  
20 family in preparing for in-home care. The parent or legal  
21 guardian receiving a family support subsidy may elect to  
22 receive a payment amount which is less than the amount  
23 determined in accordance with this paragraph.

24 Sec. 68. Section 225C.48, subsection 5, Code 1997, is  
25 amended by striking the subsection.

26 Sec. 69. Section 229.42, unnumbered paragraph 4, Code  
27 Supplement 1997, is amended to read as follows:

28 Should any county fail to pay these bills within ~~sixty~~  
29 forty-five days from the date of certificate from  
30 superintendent, the director of revenue and finance shall  
31 charge the delinquent county the penalty of one percent per  
32 month on and after ~~sixty~~ forty-five days from date of  
33 certificate until paid. Such penalties shall be credited to  
34 the general fund of the state.

35 Sec. 70. Section 230.22, Code 1997, is amended to read as

1 follows:

2 230.22 PENALTY.

3 Should any county fail to pay the amount billed by a  
4 statement submitted pursuant to section 230.20 within sixty  
5 forty-five days from the date the statement is certified by  
6 the superintendent, the director of revenue and finance shall  
7 charge the delinquent county the penalty of one percent per  
8 month on and after sixty forty-five days from the date the  
9 statement is certified until paid. Provided, however, that  
10 the penalty shall not be imposed if the county has notified  
11 the director of revenue and finance of error or questionable  
12 items in the billing, in which event, the director of revenue  
13 and finance may shall suspend the penalty only during the  
14 period of negotiation.

15 Sec. 71. Section 239B.11, subsection 2, Code Supplement  
16 1997, is amended to read as follows:

17 2. A diversion program subaccount is created within the  
18 family investment program account. The subaccount may be used  
19 to provide incentives to divert applicants' participation in  
20 the family investment program if the applicants ~~would~~  
21 ~~otherwise-be-eligible~~ meet income eligibility requirements for  
22 assistance. Incentives may be provided in the form of payment  
23 or services with a focus on helping applicants to obtain or  
24 retain employment. The diversion program subaccount may also  
25 be used for payments to participants as necessary to cover the  
26 expenses of removing barriers to employment.

27 Sec. 72. Section 249A.3, subsection 1, paragraph g,  
28 subparagraph (2), Code Supplement 1997, is amended to read as  
29 follows:

30 (2) Is a child ~~born-after-September-30, 1983,~~ who has  
31 attained six years of age but has not attained nineteen years  
32 of age ~~as-prescribed-by-the-federal-Omnibus-Budget~~  
33 ~~Reconciliation-Act-of-1990, Pub. L. No. 101-508, §-4601,~~ whose  
34 income is not more than one hundred thirty-three percent of  
35 the federal poverty level, as defined by the most recently



1 revised poverty income guidelines published by the United  
2 States department of health and human services.

3 Sec. 73. Section 541A.3, subsection 5, Code 1997, is  
4 amended to read as follows:

5 5. The administrator shall coordinate the filing of claims  
6 for savings refunds authorized under subsection 1, between  
7 account holders, operating organizations, and the department  
8 of revenue and finance. Claims approved by the administrator  
9 may be paid by the department of revenue and finance to each  
10 account or for an aggregate amount for distribution to the  
11 accounts in a particular financial institution, depending on  
12 the efficiency for issuing the refunds. Claims shall be  
13 initially filed with the administrator on or before a date  
14 established by the administrator. Claims approved by the  
15 administrator shall be paid from the general fund of the state  
16 in the manner specified in section 422.74.

17 Sec. 74. IMPLEMENTATION -- STATE MANDATE. Section 25B.2,  
18 subsection 3, shall not apply to the provisions of this  
19 Division amending sections 222.68, 222.75, 229.42, and 230.22.

20 Sec. 75. EMERGENCY RULES. If specifically authorized by a  
21 provision of this Act, the department of human services or the  
22 mental health and mental retardation commission may adopt  
23 administrative rules under section 17A.4, subsection 2, and  
24 section 17A.5, subsection 2, paragraph "b", to implement the  
25 provisions and the rules shall become effective immediately  
26 upon filing, unless the effective date is delayed by the  
27 administrative rules review committee, notwithstanding section  
28 17A.4, subsection 5, and section 17A.8, subsection 9, or a  
29 later effective date is specified in the rules. Any rules  
30 adopted in accordance with this section shall not take effect  
31 before the rules are reviewed by the administrative rules  
32 review committee. Any rules adopted in accordance with the  
33 provisions of this section shall also be published as notice  
34 of intended action as provided in section 17A.4.

35 Sec. 76. REPORTS. Any reports or information required to

1 be compiled and submitted under this Act shall be submitted to  
2 the chairpersons and ranking members of the joint  
3 appropriations subcommittee on human services, the legislative  
4 fiscal bureau, the legislative service bureau, and to the  
5 caucus staffs on or before the dates specified for submission  
6 of the reports or information.

7 Sec. 77. Section 239B.23, Code Supplement 1997, is  
8 repealed.

9 Sec. 78. EFFECTIVE DATE. The following provisions of this  
10 Act, being deemed of immediate importance, take effect upon  
11 enactment:

12 1. Section 1, supplementing an appropriation made in 1997  
13 Iowa Acts, chapter 202.

14 2. Section 5, subsection 7, relating to X-pert computer  
15 system funding.

16 3. Section 7, subsection 4, relating to a request for  
17 proposals for managed behavioral health and substance abuse  
18 care.

19 4. Section 7, subsection 13, relating to reinstatement of  
20 the employment earnings disregard.

21 5. Section 15, subsection 2, paragraph "e", relating to  
22 requirements of section 232.143, for the 1997-1998 and 1998-  
23 1999 fiscal years.

24 6. Section 15, subsection 17, relating to continuation of  
25 clinical assessment and consultation teams.

26 7. Section 18, subsection 1, relating to determining  
27 allocation of court-ordered services funding.

28 8. Section 40, relating to net state budgeting at the  
29 state hospital-schools.

30 9. Section 42, relating to financial assistance services.

31 10. Section 56, relating to private agency contracts.

32 11. Sections 58 and 59, amending 1997 Iowa Acts, chapter  
33 208.

34 12. Section 66, striking a provision of Code section  
35 225C.48.

1     Sec. 79. EFFECTIVE DATE -- APPLICABILITY. Section 73 of  
2 this Act, amending Code section 541A.3, being deemed of  
3 immediate importance, takes effect upon enactment and is  
4 retroactively applicable to January 1, 1998.

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## SENATE FILE 2410

H-8923

1 Amend Senate File 2410 as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 82, by inserting after line 2 the  
4 following:

5 "Sec. \_\_\_\_ . NEW SECTION. 514J.1 TITLE.

6 This chapter shall be known and may be cited as  
7 "Third-party Payor Liability Act".

8 Sec. \_\_\_\_ . NEW SECTION. 514J.2 DEFINITIONS.

9 As used in this chapter, unless the context  
10 otherwise requires:

11 1. "Appropriate and medically necessary" means the  
12 standard for health care services as determined by a  
13 physician or health care provider consistent with  
14 accepted practices and standards of care provided by  
15 the medical profession in the community.

16 2. "Enrollee" means an individual who is enrolled  
17 in a health care plan, including covered dependents.

18 3. "Health care plan" means a plan under which a  
19 person undertakes to provide, arrange for, pay for, or  
20 reimburse any part of the cost of any health care  
21 services.

22 4. "Health care provider" means a person licensed  
23 or certified under chapter 147, 148, 148A, 148C, 149,  
24 150, 150A, 151, 152, 153, 154, 154B, or 155A to  
25 provide in this state professional health care service  
26 to an individual during that individual's medical  
27 care, treatment, or confinement.

28 5. "Health care treatment decision" means a  
29 determination made when medical services are actually  
30 provided by the health care plan and a decision which  
31 affects the quality of the diagnosis, care, or  
32 treatment provided to the plan's insureds or  
33 enrollees.

34 6. "Health insurance carrier" means an entity  
35 subject to the insurance laws and regulations of this  
36 state, or subject to the jurisdiction of the  
37 commissioner of insurance, that contracts or offers to  
38 contract, or that subcontracts or offers to  
39 subcontract, to provide, deliver, arrange for, pay  
40 for, or reimburse any of the costs of health care  
41 services, including an insurance company offering  
42 sickness and accident plans, a health maintenance  
43 organization, a nonprofit health service corporation,  
44 or any other entity providing a plan of health  
45 insurance, health benefits, or health services.

46 7. "Health maintenance organization" means a  
47 health maintenance organization as defined in section  
48 514B.1.

49 8. "Insured" means an individual who is covered by  
50 a health care plan provided by a health insurance

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1 carrier.

2 9. "Managed care entity" means an entity that  
3 provides a health care plan that selects and contracts  
4 with health care providers; manages and coordinates  
5 health care delivery; monitors necessity,  
6 appropriateness, and quality of health care delivered  
7 by health care providers; and performs utilization  
8 review and cost control.

9 10. "Ordinary care" means, in the case of a third-  
10 party payor, that degree of care that a third-party of  
11 ordinary prudence would provide under the same or  
12 similar circumstances. In the case of a person who is  
13 an employee, agent, or representative of a third-party  
14 payor, "ordinary care" means that degree of care that  
15 a person of ordinary prudence in the same profession,  
16 specialty, or area of practice as such person would  
17 use in the same or similar circumstances.

18 11. "Organized delivery system" means an organized  
19 delivery system as licensed by the director of public  
20 health.

21 12. "Physician" means an individual licensed under  
22 the provisions of chapter 148, 150, or 150A to  
23 practice medicine and surgery, osteopathy, or  
24 osteopathic medicine and surgery.

25 13. "Third-party payor" means a health insurance  
26 carrier, health maintenance organization, managed care  
27 entity, or organized delivery system.

28 Sec. \_\_\_\_ . NEW SECTION. 514J.3 THIRD-PARTY PAYOR  
29 LIABILITY.

30 1. A third-party payor has the duty to exercise  
31 ordinary care when making health care treatment  
32 decisions and is liable for damages for harm to an  
33 insured or enrollee proximately caused by the third-  
34 party payor's failure to exercise such ordinary care.

35 2. A third-party payor is also liable for damages  
36 for harm to an insured or enrollee proximately caused  
37 by the health care treatment decisions made by an  
38 employee, agent, or representative of the third-party  
39 payor who is acting on behalf of the third-party payor  
40 and over whom the third-party payor has the right to  
41 exercise influence or control or has actually  
42 exercised influence or control if such decision  
43 results in the failure to exercise ordinary care.

44 3. It is a defense in an action brought pursuant  
45 to this section against a third-party payor that  
46 neither the third-party payor, nor an employee, agent,  
47 or representative of the third-party payor controlled,  
48 influenced, or participated in the health care  
49 treatment decision; or that the third-party payor did  
50 not deny or delay payment for any treatment prescribed

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1 or recommended by a health care provider to the  
2 insured or enrollee.

3 4. Subsections 1 and 2 do not create an obligation  
4 on the part of the third-party payor to provide  
5 treatment to an insured or enrollee which is not  
6 covered by the health care plan offered by the third-  
7 party payor.

8 5. This chapter does not create any liability on  
9 the part of an employer, or an employer group  
10 purchasing organization that purchases coverage or  
11 assumes risk on behalf of its employees.

12 6. A third-party payor shall not remove a  
13 physician or health care provider from its plan or  
14 refuse to renew the physician or health care provider  
15 under its plan for advocating appropriate and  
16 medically necessary health care for the insured or  
17 enrollee.

18 7. A third-party payor shall not enter into a  
19 contract with a physician, hospital, or other health  
20 care provider or pharmaceutical company which includes  
21 an indemnification or hold harmless clause for the  
22 acts or conduct of the third-party payor. Any such  
23 indemnification or hold harmless clause in an existing  
24 contract is void.

25 8. A provision under state law prohibiting a  
26 third-party payor from practicing medicine or being  
27 licensed to practice medicine shall not be asserted as  
28 a defense by such third-party payor in an action  
29 brought against it pursuant to this section or any  
30 other applicable law.

31 9. In an action against a third-party payor, a  
32 finding that a physician or other health care provider  
33 is an employee, agent, or representative of such  
34 third-party payor shall not be based solely on proof  
35 that such person's name appears in a listing of  
36 approved physicians or health care providers made  
37 available to an insured or enrollee under a health  
38 care plan.

39 10. This chapter does not apply to workers'  
40 compensation coverage."

41 2. By renumbering as necessary.

By OSTERHAUS of Jackson  
JOCHUM of Dubuque

BURNETT of Story  
FOEGE of Linn

H-8923 FILED APRIL 3, 1998

*Withdrawn*  
*4-9-98*  
*(P.1465)*

## SENATE FILE 2410

H-8920

- 1 Amend Senate File 2410 as amended, passed, and  
2 reprinted by the Senate, as follows:  
3 1. Page 22, by inserting after line 31 the  
4 following:  
5 "\_\_\_\_\_. The department shall include payment for  
6 smoking cessation products under the medical  
7 assistance program. The department shall consult with  
8 the drug utilization review commission to establish  
9 and implement prior authorization criteria for these  
10 products. The department shall adopt emergency rules  
11 to implement this subsection."  
12 2. By renumbering as necessary.

By OSTERHAUS of Jackson

H-8920 FILED APRIL 3, 1998

W/D 4-9-98 (p. 1458)

## SENATE FILE 2410

H-8921

- 1 Amend Senate File 2410, as amended, passed, and  
2 reprinted by the Senate, as follows:  
3 1. Page 31, line 24, by inserting after the word  
4 "beds." the following: "Of the moneys allocated in  
5 this paragraph, \$50,000 shall be used for an  
6 independent evaluation of the existing programs  
7 providing highly structured juvenile program beds.  
8 The evaluation shall include but is not limited to a  
9 review of the curriculum used by the programs, the  
10 recidivism rate of juveniles who have completed the  
11 programs, and a comparison with the curriculum and  
12 recidivism rates in the state training schools, Iowa  
13 juvenile home, private group foster care providers,  
14 and other comparable providers. A report of the  
15 evaluation shall be submitted to the general assembly  
16 by January 1, 1999."

By FOEGE of Linn

H-8921 FILED APRIL 3, 1998

4-9-98 (p. 1462)

## SENATE FILE 2410

H-8922

- 1 Amend Senate File 2410, as amended, passed, and  
2 reprinted by the Senate, as follows:  
3 1. Page 30, line 30, by striking the figure  
4 "96,744,904" and inserting the following:  
5 "96,934,500".  
6 2. Page 31, line 6, by striking the figure  
7 "30,923,872" and inserting the following:  
8 "31,113,468".

By FOEGE of Linn

H-8922 FILED APRIL 3, 1998

W/D  
4-9-98 (p. 1460)

## SENATE FILE 2410

E-8931

1 Amend Senate File 2410, as amended, passed, and  
2 reprinted by the Senate, as follows:  
3 1. Page 24, lines 7 and 8 by striking the words  
4 "for at least 30 consecutive days immediately prior to  
5 discharge".

By JOCHUM of Dubuque

E-8931 FILED APRIL 6, 1998

*adopted 4-9-98*  
*(P. 1459)*

## SENATE FILE 2410

E-8948

1 Amend Senate File 2410, as amended, passed, and  
2 reprinted by the Senate, as follows:  
3 1. Page 31, line 26, by inserting after the word  
4 "care." the following: "The department shall provide  
5 for performance of an independent evaluation of the  
6 existing programs providing highly structured juvenile  
7 program beds. The evaluation shall include but is not  
8 limited to a review of the curriculum used by the  
9 programs, the recidivism rate of juveniles who have  
10 completed the programs, and a comparison with the  
11 curriculum and recidivism rates in the state training  
12 schools, Iowa juvenile home, private group foster care  
13 providers, and other comparable providers. A report  
14 of the evaluation shall be submitted to the general  
15 assembly by January 1, 1999."

By FOEGE of Linn

E-8948 FILED APRIL 6, 1998

*W/D 4/9/98*  
*(P. 1462)*

## SENATE FILE 2410

E-8957

1 Amend Senate File 2410 as amended, passed, and  
2 reprinted by the Senate, as follows:  
3 1. Page 21, line 28, by inserting after the word  
4 "include" the following: "three members of the senate  
5 and three members of the house of representatives,".

By BLODGETT of Cerro Gordo

E-8957 FILED APRIL 6, 1998

*W/D 4/9/98*  
*(P. 1458)*



SENATE FILE 2410

H-8930

1 Amend Senate File 2410 as amended, passed, and  
2 reprinted by the Senate, as follows:  
3 1. Page 21, line 34, by inserting after the word  
4 "authorization" the following: ", with the exception  
5 of smoking cessation products,".  
6 2. Page 22, by inserting after line 2 the  
7 following:  
8 " \_\_\_\_\_. The department shall include payment for  
9 smoking cessation products under the medical  
10 assistance program. The department shall consult with  
11 the drug utilization review commission in expanding  
12 the drug prior authorization program to include  
13 smoking cessation products. The department shall  
14 adopt emergency rules to implement this subsection."  
15 3. By renumbering as necessary.

By OSTERHAUS of Jackson

H-8930 FILED APRIL 6, 1996

W/10

4/9/98 (p.1458)

## SENATE FILE 2410

H-8967

1 Amend Senate File 2410, as amended, passed, and  
2 reprinted by the Senate, as follows:  
3 1. Page 20, by inserting after line 16 the  
4 following:  
5 " \_\_\_\_\_. If approved by the federal government, adult  
6 residential environments licensed as intermediate or  
7 residential care facilities for persons with mental  
8 retardation using a campus or village setting  
9 approach, in not more than three counties, may convert  
10 to a residential program under the provisions of a  
11 medical assistance home and community-based services  
12 waiver for persons with mental retardation, provided  
13 the adult residential environments meet all of the  
14 following requirements:  
15 a. The intermediate or residential care facility  
16 for persons with mental retardation license is  
17 surrendered.  
18 b. The environment's bed capacity is reduced by at  
19 least twenty-five percent to a maximum capacity of no  
20 more than twelve beds.  
21 c. The environment submits a five-year plan for  
22 further bed capacity reduction to the department of  
23 human services and the plan is acceptable to the  
24 department of human services.  
25 The director of human services may authorize  
26 reimbursement of the costs of environments converted  
27 in accordance with this subsection from moneys  
28 appropriated for state supplementary assistance at a  
29 rate which does not exceed the maximum allowed for a  
30 residential program under state supplementary  
31 assistance requirements. The departments of human  
32 services and inspections and appeals shall develop  
33 standards and a monitoring process for environments  
34 converted under this subsection. If the provisions of  
35 this subsection are implemented, the department of  
36 human services shall submit amendments to the general  
37 assembly in accordance with section 2.16 to codify the  
38 provisions."

By BLODGETT of Cerro Gordo

-8967 FILED APRIL 6, 1998

*Accepted*  
*9-98*  
*(p. 1457)*

SENATE FILE 2410

H-8964

1 Amend Senate File 2410 as amended, passed, and  
 2 reprinted by the Senate, as follows:  
 3 1. Page 30, by striking line 30, and inserting  
 4 the following:  
 5 "..... \$ 97,330,033"  
 6 2. Page 37, by inserting after line 14, the  
 7 following:  
 8 " . Of the moneys appropriated in this section,  
 9 \$585,129 shall be used for foster family basic daily  
 10 maintenance rate reimbursement as provided in this  
 11 Act. It is the intent of the General Assembly that  
 12 this rate be increased each year by 2.5 percent until  
 13 the rate reflects 75 percent of the United States  
 14 Department of Agriculture's estimated regional cost of  
 15 raising a child."  
 16 3. Page 55, line 34, by striking the figure  
 17 "13.45" and inserting the following: "13.93".  
 18 4. Page 55, line 35, by striking the figure  
 19 "14.25" and inserting the following: "14.76".  
 20 5. Page 56, line 1, by striking the figure  
 21 "15.96" and inserting the following: "16.53".  
 22 6. Page 56, line 2, by striking the figure  
 23 "15.96" and inserting the following: "16.53".

By BURNETT of Story

H-8964 FILED APRIL 6, 1998

*Lost 4/9/98 (p. 1460)*

SENATE FILE 2410

H-8965

1 Amend Senate File 2410 as amended, passed, and  
 2 reprinted by the Senate, as follows:  
 3 1. Page 21, by striking lines 23 through 32, and  
 4 inserting the following: "subsection 1, the  
 5 legislative council is requested to appoint an interim  
 6 committee to conduct a review of the medical  
 7 assistance prior authorization and prospective drug  
 8 utilization review systems. If created, the interim  
 9 committee shall submit a report, including any  
 10 recommendations for modifications of the systems, to  
 11 the general assembly in January 1999. The members of  
 12 the interim committee should include three members of  
 13 the senate and three members of the house of  
 14 representatives, and should include the participation  
 15 of one representative of the department of human  
 16 services, one representative of the drug utilization  
 17 review commission, two pharmacists, two physicians,  
 18 one consumer, one representative of the medical  
 19 assistance fiscal agent, and two representatives of  
 20 the pharmaceutical industry."

By BLODGETT of Cerro Gordo

H-8965 FILED APRIL 6, 1998

*W/D*

*4-9-98*

*(R 1458)*

## SENATE FILE 2410

H-8993

1 Amend Senate File 2410, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 2, line 33, by striking the word "The"  
4 and inserting the following: "In addition to the  
5 full-time equivalent positions authorized in this Act,  
6 1.0 FTE is authorized and the".

7 2. Page 7, line 1, by inserting after the word  
8 "states." the following: "Notwithstanding any other  
9 legislation enacted by the Seventy-seventh General  
10 Assembly, 1998 Session, any retailer fees established  
11 shall not apply to any electronic benefit transfer  
12 pilot project until such time as the department begins  
13 mandatory statewide implementation of the electronic  
14 benefit transfer program. An acquirer's fee for each  
15 transaction shall also not apply to any electronic  
16 benefit transfer pilot project until such time as the  
17 department begins mandatory statewide implementation  
18 of the electronic benefit transfer program."

19 3. Page 7, line 15, by striking the word "forty-  
20 eight" and inserting the following: "thirty-six".

21 4. Page 9, line 34, by striking the word "The"  
22 and inserting the following: "In addition to the  
23 full-time equivalent positions authorized in this Act,  
24 1.0 FTE is authorized and the".

25 5. Page 17, line 35, by inserting after the  
26 figure "1999." the following: "The department shall  
27 provide not more than \$50,000 in funding for  
28 administrative expenses, ongoing expenses,  
29 consultation costs, and other support of the work  
30 group."

31 6. Page 18, line 16, by striking the word "A".

32 7. Page 18, by striking lines 17 through 22 and  
33 inserting the following: "The waiver shall be limited  
34 in".

35 8. Page 18, line 26, by inserting after the word  
36 "days." the following: "The base number of persons to  
37 be served under this waiver at any one time is 35. In  
38 addition, a maximum of ten persons with physical  
39 disabilities who are at imminent risk of placement in  
40 a medical institution shall be approved for waiver  
41 services."

42 9. Page 19, by striking lines 17 through 24.

43 10. Page 20, line 6, by inserting after the  
44 figure "1998," the following: "contingent upon  
45 receiving federal approval,".

46 11. Page 20, line 10, by inserting after the word  
47 "employment" the following: "and other services".

48 12. Page 20, line 12, by inserting after the word  
49 "employment" the following: "and other services".

50 13. Page 21, line 32, by inserting after the word

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1 "industry." the following: "Prior to submission of  
2 the report, the task force shall receive input  
3 concerning the recommendations and findings from  
4 interested legislators convened by the co-chairpersons  
5 of the joint appropriations subcommittee on human  
6 services."

7 14. Page 36, line 24, by striking the figure  
8 "1998" and inserting the following: "1997".

9 15. Page 37, by inserting after line 23 the  
10 following:

11 "It is the intent of the general assembly that the  
12 admissions requirements of the consent decree shall  
13 also be applied to the state university of Iowa  
14 hospital-school for children with disabilities. The  
15 state board of regents shall submit to the general  
16 assembly proposed amendments to chapter 263 to codify  
17 the admissions requirements of the consent decree."

18 16. Page 54, by striking lines 33 and 34 and  
19 inserting the following:

20 "j. when applying the reimbursement increases  
21 authorized in this subsection, the".

22 17. Page 56, line 26, by striking the word "paid"  
23 and inserting the following: "established".

24 18. Page 58, line 4, by inserting after the word  
25 "appropriateness" the following: "and the level".

26 19. Page 66, by inserting after line 27 the  
27 following:

28 "Sec. \_\_\_\_\_. FRAUD AND RECOUPMENT ACTIVITIES.  
29 During the fiscal year beginning July 1, 1998,  
30 notwithstanding the restrictions in section 234B.11,  
31 the department of human services may expend recovered  
32 moneys generated through fraud and recoupment  
33 activities for additional fraud and recoupment  
34 activities performed by the department of human  
35 services or the department of inspections and appeals,  
36 subject to both of the following conditions:

37 1. The director of human services or the director  
38 of inspections and appeals determines that the  
39 investment can reasonably be expected to increase  
40 recovery of assistance paid in error, due to  
41 fraudulent or nonfraudulent actions, in excess of the  
42 amount recovered in the fiscal year beginning July 1,  
43 1997.

44 2. The amount expended for the additional fraud  
45 and recoupment activities shall not exceed the amount  
46 of the projected increase in assistance recovered."

47 20. Page 81, by inserting after line 14 the  
48 following:

49 "Sec. \_\_\_\_\_. Section 234.12A, if enacted by 1998  
50 Iowa Acts, House File 2468, is amended by adding the

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Page 3

1 following new subsection:  
 2 NEW SUBSECTION. 3. For the purposes of this  
 3 section, "retailer" means a business authorized by the  
 4 United States department of agriculture to accept food  
 5 stamp benefits."  
 6 21. Page 83, by inserting after line 25 the  
 7 following:  
 8 "\_\_\_\_. Section 15, subsection 18, paragraph "b",  
 9 relating to authority to use moneys for support of the  
 10 child welfare services work group."  
 11 22. By renumbering, relettering, or redesignating  
 12 and correcting internal references as necessary.

By HOUSER of Pottawattamie  
OSTERHAUS of Jackson

H-8993 FILED APRIL 7, 1998

*W/D 4/9/98 (p. 1449)*

SENATE FILE 2410

H-8969

1 Amend Senate File 2410, as amended, passed, and  
 2 reprinted by the Senate, as follows:  
 3 1. Page 48, line 11, by striking the figure  
 4 "8,594,500" and inserting the following: "8,681,500".  
 5 2. Page 56, line 26, by striking the word "paid"  
 6 and inserting the following: "established".  
 7 3. Page 56, line 27, by striking the word "two"  
 8 and inserting the following: "three".

By VEENSTRA of Sioux  
VANDE HOEF of Osceola

H-8969 FILED APRIL 7, 1998

*W/D 4-9-98  
(p. 1463)*

SENATE FILE 2410

H-8988

1 Amend Senate File 2410, as amended, passed, and  
 2 reprinted by the Senate, as follows:  
 3 1. Page 83, line 31, by striking the figure "56"  
 4 and inserting the following: "58".  
 5 2. Page 83, line 32, by striking the word and  
 6 figures "58 and 59" and inserting the following: "60  
 7 and 61".  
 8 3. Page 83, line 34, by striking the figure "66"  
 9 and inserting the following: "68".  
 10 4. Title page, lines 4 and 5, by striking the  
 11 words "an applicability provision" and inserting the  
 12 following: "a retroactive applicability provision".

By HOUSER of Pottawattamie

H-8988 FILED APRIL 7, 1998

*Adopted 4-9-98  
(p. 1466)*

SENATE FILE 2410

H-8989

1 Amend Senate File 2410, as amended, passed, and  
 2 reprinted by the Senate, as follows:  
 3 1. Page 17, line 22, by inserting after the word  
 4 "responses." the following: "The contract shall  
 5 include a requirement, as specified in rules adopted  
 6 for this purpose by the council on human services,  
 7 that the managed care contractor and the contractor's  
 8 agent shall exercise ordinary care when making  
 9 behavioral care treatment decisions and are liable for  
 10 damages for harm to a medical assistance recipient  
 11 proximately caused by the contractor's or contractor's  
 12 agent's failure to exercise the ordinary care in a  
 13 reasonable manner. As used in this paragraph,  
 14 "contractor's agent" means an employee, agent, or  
 15 representative of the managed care contractor selected  
 16 by the state to provide managed care coverage under  
 17 this paragraph who is acting on behalf of the  
 18 contractor and over whom the contractor has the right  
 19 to exercise influence or control."

By DOTZLER of Black Hawk  
 OSTERHAUS of Jackson  
 JOCHUM of Dubuque

BURNETT of Story  
 FOEGE of Linn

H-8989 FILED APRIL 7, 1998

*Loat*  
 4/9/98  
 (P.1456)

## SENATE FILE 2410

H-9013

1 Amend Senate File 2410, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 18, by striking lines 25 and 26 and  
4 inserting the following: "assistance."

By WITT of Black Hawk

H-9013 FILED APRIL 8, 1998

*adopted 4-9-98 (P. 1167)*

## SENATE FILE 2410

H-9014

1 Amend the amendment, H-8957, to Senate File 2410,  
2 as amended, passed, and reprinted by the Senate, as  
3 follows:

4 1. Page 1, by striking lines 4 and 5 and  
5 inserting the following: "'include" the following:  
6 "the chairpersons, vice-chairpersons, and ranking  
7 members of the joint appropriations subcommittee on  
8 human services,"."

By OSTERHAUS of Jackson

H-9014 FILED APRIL 8, 1998

*Order 4-9-98 (P. 1458)*

## SENATE FILE 2410

H-9015

1 Amend Senate File 2410, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 82, by inserting after line 2 the  
4 following:

5 "Sec. \_\_\_\_ . Section 331.439, Code Supplement 1997,  
6 is amended by adding the following new subsection:

7 NEW SUBSECTION. 9. A county management plan's  
8 income and resource eligibility standards shall not  
9 restrict eligibility for services under the plan for  
10 income or resources at or below the following levels:  
11 a. Income equal to one hundred fifty percent of  
12 the federal poverty level as defined by the most  
13 recently revised poverty income guidelines published  
14 by the United States department of health and human  
15 services.

16 b. Resources in the amount of two thousand dollars  
17 for an individual and three thousand dollars for a  
18 family."

19 2. Page 82, line 19, by striking the word and  
20 figure "and 230.22" and inserting the following:  
21 "230.22, and 331.439".

22 3. By renumbering as necessary.

By JOCHUM of Dubuque

H-9015 FILED APRIL 8, 1998

*W/O 4-9-98  
(P. 1465)*



SENATE FILE 2410

H-9004

1 Amend Senate File 2410, as amended, passed, and  
2 reprinted by the Senate, as follows:  
3 1. Page 27, line 8, by striking the words "The  
4 proposal" and inserting the following: "In developing  
5 the proposal, the administrators shall study a single  
6 provider rate and reimbursement system. The findings  
7 of the rate and reimbursement system study and the  
8 proposal".

By HUSER of Polk

H-9004 FILED APRIL 8, 1998

W/D 4-9-98 (p.1460)

SENATE FILE 2410

H-9005

1 Amend Senate File 2410, as amended, passed, and  
2 reprinted by the Senate, as follows:  
3 1. Page 8, line 30, by inserting after the word  
4 "decisions." the following: "The performance measures  
5 identified pursuant to this subparagraph shall be  
6 designed to reinforce the goal of supporting families  
7 in moving into employment and away from welfare  
8 dependency. The department and the family development  
9 and self-sufficiency council shall also identify  
10 existing performance measures reported by grantees  
11 that can be eliminated and shall take steps to  
12 simplify and streamline existing reporting  
13 requirements."

By HUSER of Polk

H-9005 FILED APRIL 8, 1998

*Adopted*

4-9-98 (p.1454)

SENATE FILE 2410

H-9016

1 Amend Senate File 2410, as amended, passed, and  
 2 reprinted by the Senate, as follows:  
 3 1. Page 9, line 28, by inserting after the word  
 4 "payment" the following: ", a loan,".  
 5 2. Page 9, line 31, by inserting after the word  
 6 "incentives." the following: "The department may  
 7 provide for a loan from the diversion subaccount to be  
 8 repaid with money or community service or with a  
 9 combination of the two."

By JOCHUM of Dubuque

H-9016 FILED APRIL 8, 1998

*Lost 4-9-98  
(P. 1455)*

SENATE FILE 2410

H-9017

1 Amend Senate File 2410, as amended, passed, and  
 2 reprinted by the Senate, as follows:  
 3 1. Page 27, line 6, by inserting after the word  
 4 "requirements," the following: "a single provider  
 5 rate and reimbursement system,".

By JOCHUM of Dubuque

H-9017 FILED APRIL 8, 1998

*W/D 4-9-98 (P. 1460)*

SENATE FILE 2410

H-9018

1 Amend the amendment, H-8965, to Senate File 2410,  
 2 as amended, passed, and reprinted by the Senate, as  
 3 follows:  
 4 1. Page 1, by striking lines 12 through 14 and  
 5 inserting the following: "the interim committee  
 6 should include the chairpersons, vice-chairpersons,  
 7 and ranking members of the joint appropriations  
 8 subcommittee on human services, and should include the  
 9 participation".

By OSTERHAUS of Jackson

H-9018 FILED APRIL 8, 1998

*O/Order  
4-9-98 (P. 1458)*

## SENATE FILE 2410

H-9023

1 Amend Senate File 2410, as amended, passed, and  
2 reprinted by the Senate, as follows:  
3 1. Page 37, by inserting after line 23 the  
4 following:  
5 "It is the intent of the general assembly that the  
6 admissions requirements of the consent decree shall  
7 also be applied to the state university of Iowa  
8 hospital-school for children with disabilities. The  
9 state board of regents shall submit to the general  
10 assembly proposed amendments to chapter 263 to codify  
11 the admissions requirements of the consent decree."

By HOUSER of Pottawattamie

H-9023 FILED APRIL 8, 1998

*W/A 4-9-98 (p. 1462)*

## SENATE FILE 2410

H-9024

1 Amend Senate File 2410, as amended, passed, and  
2 reprinted by the Senate, as follows:  
3 1. Page 66, by inserting after line 27 the  
4 following:  
5 "Sec. \_\_\_\_ . MEDICAL AND SURGICAL TREATMENT OF  
6 INDIGENT PERSONS -- STUDY. The legislative council is  
7 requested to establish a 1998 legislative interim  
8 committee to review the medical and surgical treatment  
9 of indigent persons in the state through the  
10 university of Iowa hospitals and clinics under chapter  
11 255 and 255A. The review should include but is not  
12 limited to the programs and services provided and the  
13 possibility of providing these programs and services  
14 at alternative locations throughout the state."  
15 2. By renumbering as necessary.

By HOUSER of Pottawattamie  
BARRY of Harrison

H-9024 FILED APRIL 8, 1998

*adopted 4-9-98 (p. 1465)*

## SENATE FILE 2410

H-9030

1 Amend Senate File 2410, as amended, passed, and  
2 reprinted by the Senate, as follows:  
3 1. Page 37, by inserting after line 23 the  
4 following:  
5 "It is the intent of the general assembly that the  
6 admissions requirements of the consent decree shall  
7 also be applied to the state university of Iowa  
8 hospital-school for children with disabilities. The  
9 state board of regents shall submit to the general  
10 assembly proposed amendments to chapter 263 to codify  
11 the admissions requirements of the consent decree."  
12 2. By renumbering as necessary.

By HOUSER of Pottawattamie

H-9030 FILED APRIL 8, 1998

*Adopted 4-9-98  
(p. 1462)*

## SENATE FILE 2410

H-9019

1 Amend Senate File 2410, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 32, by inserting after line 21 the  
4 following:

5 " . The department shall perform an evaluation  
6 of public and private residential treatment programs,  
7 including those programs providing highly structured  
8 juvenile program beds. The evaluation shall include  
9 but is not limited to a review of the curriculum and  
10 treatment approaches used by the programs, the  
11 recidivism rate of juveniles who have completed the  
12 programs, and other selected variables, subject to the  
13 availability of this information. A report of the  
14 evaluation shall be submitted to the general assembly  
15 by January 1, 1999."

16 2. By renumbering as necessary.

By FOEGE of Linn

H-9019 FILED APRIL 8, 1998

*W/D 4-9-98*  
(P. 1462)

## SENATE FILE 2410

H-9022

1 Amend Senate File 2410, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 52, by inserting after line 4 the  
4 following:

5 "If a resignation, retirement, or other change in  
6 staffing reducing the number of full-time equivalent  
7 positions responsible for mental health or mental  
8 retardation services in a local office of the  
9 department causes the county to which the local office  
10 is assigned to assume responsibilities previously  
11 performed by the department's positions, the  
12 department shall reimburse the county for the increase  
13 in costs connected with the responsibilities assumed."

By JOCHUM of Dubuque

RICHARDSON of Warren

H-9022 FILED APRIL 8, 1998

*Adopted 4-9-98*  
(P. 1464)

## SENATE FILE 2410

H-9034

1 Amend Senate File 2410, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 2, line 33, by striking the word "The"  
4 and inserting the following: "In addition to the  
5 full-time equivalent positions authorized in this Act,  
6 1.00 FTE is authorized and the".

7 2. Page 7, line 1, by inserting after the word  
8 "states." the following: "Notwithstanding any other  
9 legislation enacted by the Seventy-seventh General  
10 Assembly, 1998 Session, any retailer fees established  
11 shall not apply to any electronic benefit transfer  
12 pilot project until such time as the department begins  
13 implementation of the electronic benefit transfer  
14 program to counties in addition to the pilot project  
15 counties. An acquirer's fee for each transaction  
16 shall also not apply to any electronic benefit  
17 transfer pilot project until such time as the  
18 department begins implementation of the electronic  
19 benefit transfer program to counties in addition to  
20 the pilot project counties."

21 3. Page 7, line 15, by striking the word "forty-  
22 eight" and inserting the following: "thirty-six".

23 4. Page 9, line 34, by striking the word "The"  
24 and inserting the following: "In addition to the  
25 full-time equivalent positions authorized in this Act,  
26 1.00 FTE is authorized and the".

27 5. Page 17, line 35, by inserting after the  
28 figure "1999." the following: "The department shall  
29 provide not more than \$50,000 in funding for  
30 administrative expenses, ongoing expenses,  
31 consultation costs, and other support of the work  
32 group."

33 6. Page 18, line 16, by striking the word "A".

34 7. Page 18, by striking lines 17 through 22 and  
35 inserting the following: "The waiver shall be limited  
36 in".

37 8. Page 18, line 26, by inserting after the word  
38 "days." the following: "The base number of persons to  
39 be served under this waiver at any one time is 35. In  
40 addition, a maximum of ten persons with physical  
41 disabilities who are at imminent risk of placement in  
42 a medical institution shall be approved for waiver  
43 services."

44 9. Page 19, by striking lines 17 through 24.

45 10. Page 20, line 6, by inserting after the  
46 figure "1998," the following: "contingent upon  
47 receiving federal approval,".

48 11. Page 20, line 10, by inserting after the word  
49 "employment" the following: "and other services".

50 12. Page 20, line 12, by inserting after the word

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1 "employment" the following: "and other services".

2 13. Page 21, line 32, by inserting after the word  
3 "industry." the following: "Prior to submission of  
4 the report, the task force shall receive input  
5 concerning the recommendations and findings from  
6 interested legislators convened by the co-chairpersons  
7 of the joint appropriations subcommittee on human  
8 services."

9 14. Page 32, by inserting after line 21 the  
10 following:

11 "\_\_\_\_\_. The department shall perform an evaluation  
12 of public and private residential treatment programs,  
13 including those programs providing highly structured  
14 juvenile program beds. The evaluation shall include  
15 but is not limited to a review of the curriculum and  
16 treatment approaches used by the programs, the  
17 recidivism rate of juveniles who have completed the  
18 programs, and other selected variables, subject to the  
19 availability of this information. A report of the  
20 evaluation shall be submitted to the general assembly  
21 by January 1, 1999."

22 15. Page 36, line 24, by striking the figure  
23 "1998" and inserting the following: "1997".

24 16. Page 42, line 10, by inserting after the word  
25 "paragraph." the following: "Counties are not  
26 responsible for the costs of PMIC services established  
27 pursuant to this paragraph."

28 17. Page 44, by inserting after line 2 the  
29 following:

30 "4. For the fiscal year beginning July 1, 1998, in  
31 addition to the net budgeting requirements under this  
32 section, each state mental health institute shall  
33 implement a net budgeting accounting test of managing  
34 revenues and expenditures attributable to the mental  
35 health institute in a manner that permits the net  
36 state expenditure amount to be determined. Each  
37 mental health institute shall submit a preliminary  
38 report in January 1999, and a status report in October  
39 1999, to the governor and to the persons required to  
40 be submitted reports by this Act. The preliminary and  
41 status reports shall identify advantages and  
42 disadvantages of utilizing the net budgeting approach  
43 and any changes in policy or statute recommended to  
44 improve implementation of the approach."

45 18. Page 54, by striking lines 33 and 34 and  
46 inserting the following:

47 "j. When applying the reimbursement increases  
48 authorized in this subsection, the".

49 19. Page 58, line 4, by inserting after the word  
50 "appropriateness" the following: "and the level".

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Page 3

- 1 20. Page 66, by inserting after line 27 the  
2 following:  
3 "Sec. \_\_\_\_\_. FRAUD AND RECOUPMENT ACTIVITIES.  
4 During the fiscal year beginning July 1, 1998,  
5 notwithstanding the restrictions in section 279B.11,  
6 the department of human services may expend recovered  
7 moneys generated through fraud and recoupment  
8 activities for additional fraud and recoupment  
9 activities performed by the department of human  
10 services or the department of inspections and appeals,  
11 subject to both of the following conditions:  
12 1. The director of human services or the director  
13 of inspections and appeals determines that the  
14 investment can reasonably be expected to increase  
15 recovery of assistance paid in error, due to  
16 fraudulent or nonfraudulent actions, in excess of the  
17 amount recovered in the fiscal year beginning July 1,  
18 1997.  
19 2. The amount expended for the additional fraud  
20 and recoupment activities shall not exceed the amount  
21 of the projected increase in assistance recovered."  
22 21. Page 79, line 3, by striking the words "date  
23 of" and inserting the following: "date of the county  
24 received the".  
25 22. Page 79, lines 6 and 7, by striking the words  
26 "date of" and inserting the following: "date of the  
27 county received the".  
28 23. Page 80, line 29, by striking the words "date  
29 of" and inserting the following: "date of the county  
30 received the".  
31 24. Page 80, line 32, by striking the words "date  
32 of" and inserting the following: "date of the county  
33 received the".  
34 25. Page 81, lines 5 and 6, by striking the words  
35 "certified by the superintendent" and inserting the  
36 following: "certified received by the superintendent  
37 county".  
38 26. Page 81, line 9, by striking the word  
39 "certified" and inserting the following: "certified  
40 received by the county".  
41 27. Page 81, by inserting after line 14 the  
42 following:  
43 "Sec. \_\_\_\_\_. Section 234.12A, if enacted by 1998  
44 Iowa Acts, House File 2468, is amended by adding the  
45 following new subsection:  
46 NEW SUBSECTION. 3. For the purposes of this  
47 section, "retailer" means a business authorized by the  
48 United States department of agriculture to accept food  
49 stamp benefits."  
50 28. Page 83, by inserting after line 25 the

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Page 4

1 following:

- 2 " . Section 15, subsection 18, paragraph "b",
- 3 relating to authority to use moneys for support of the
- 4 child welfare services work group."
- 5 29. By renumbering as necessary.

By HOUSER of Pottawattamie  
 OSTERHAUS of Jackson  
 HANSEN of Pottawattamie

H-9034 FILED APRIL 8, 1998

*Adopted 4-9-98 (p. 1453)*

SENATE FILE 2410

H-9031

- 1 Amend Senate File 2410, as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 21, line 13, by inserting after the word
- 4 "assembly." the following: "The department, in
- 5 consultation with the board established for the child
- 6 health care program, shall develop and utilize an
- 7 application form, which does not exceed two pages in
- 8 length, for coordination of the child health care
- 9 program and the medical assistance program."

By HANSEN of Pottawattamie                      SUKUP of Franklin  
 Van Fossen of Scott                              HOUSER of Pottawattamie

H-9031 FILED APRIL 8, 1998

*Adopted 4-9-98 (p. 1458)*

SENATE FILE 2410

H-9032

- 1 Amend Senate File 2410, as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. By striking page 21, line 33, through page 22,
- 4 line 2.
- 5 2. By renumbering as necessary.

By HOUSER of Pottawattamie

H-9032 FILED APRIL 8, 1998

*W/D*

*4-9-98*

*(p. 1458)*



SENATE FILE 2410

H-9041

- 1 Amend Senate File 2410, as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 56, line 26, by striking the word "paid"
- 4 and inserting the following: "established".
- 5 2. Page 56, line 27, by striking the word "two"
- 6 and inserting the following: "three".

By VEENSTRA of Sioux  
VANDE HOEF of Osceola

H-9041 FILED APRIL 9, 1998

*adopted 4-9-98*  
*(p. 1464)*

SENATE FILE 2410

H-9042

- 1 Amend Senate File 2410, as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 52, by inserting after line 4 the
- 4 following:
- 5 "The department shall establish a policy to assure
- 6 that correspondence and other communications between
- 7 the department or department personnel and persons
- 8 with disabilities are carried out in a manner which is
- 9 within the scope of the person's abilities."

By SHOULTZ of Black Hawk

H-9042 FILED APRIL 9, 1998

*Adopted 4-9-98*  
*(p. 1464)*

## SENATE FILE 2410

H-9035

- 1 Amend Senate File 2410, as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 31, line 6, by striking the figure
- 4 "30,923,872" and inserting the following:
- 5 "31,113,468".

By FOEGE of Linn

H-9035 FILED APRIL 9, 1998

*Adopted 4-9-98 (p.1461)*

## SENATE FILE 2410

H-9038

- 1 Amend Senate File 2410, as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 43, by inserting after line 27 the
- 4 following:
- 5 "(3) The department shall work with the Iowa state
- 6 association of counties in reviewing the reimbursement
- 7 methodology provided in this lettered paragraph to
- 8 determine whether modifications in the methodology or
- 9 implementation of an alternate methodology are
- 10 appropriate. The department shall report on the
- 11 review in December 1998 to the persons required by
- 12 this Act for submission of reports."

By HEATON of Henry  
HOUSER of Pottawattamie

H-9038 FILED APRIL 9, 1998

*Adopted 4-9-98**(p.1462)*

## SENATE FILE 2410

H-9039

- 1 Amend Senate File 2410, as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 48, line 34, by striking the figure
- 4 "17,281,138" and inserting the following:
- 5 "17,530,000".
- 6 2. Page 49, by striking lines 22 through 30.
- 7 3. By renumbering as necessary.

By GRUNDBERG of Polk  
HOUSER of Pottawattamie

H-9039 FILED APRIL 9, 1998

*Adopted 4-9-98 (p.1463)*

## SENATE FILE 2410

H-9040

- 1 Amend Senate File 2410, as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 17, line 27, by inserting after the word
- 4 "subsection." the following: "Additionally, the
- 5 contractor shall pay for services to a person enrolled
- 6 in the plan whether the person is involuntarily or
- 7 voluntarily committed for treatment at a state mental
- 8 health institute."

By MURPHY of Dubuque

H-9040 FILED APRIL 9, 1998

*Lost 4/9/98**(p.1456)*

## SENATE FILE 2410

H-9044

1 Amend Senate File 2410, as amended, passed, and  
 2 reprinted by the Senate, as follows:  
 3 1. Page 26, line 33, by inserting after the word  
 4 "implementing" the following: "by April 1, 1999,".  
 5 2. Page 26, lines 34 and 35, by striking the  
 6 words and figures "assistance, by April 1, 1999." and  
 7 inserting the following: "assistance."  
 8 3. Page 27, by striking lines 10 through 13 and  
 9 inserting the following: "receive reports submitted  
 10 by the department. The department shall pursue every  
 11 available option to identify and secure additional  
 12 federal funding which may be used for child day care.  
 13 If sufficient federal funding which may be used for  
 14 child day care is identified and secured in addition  
 15 to the amount budgeted for this purpose for the fiscal  
 16 year beginning July 1, 1998, the single point of  
 17 access program shall be implemented by April 1, 1999.  
 18 If the amount of additional federal funding identified  
 19 and secured is also sufficient for the reimbursement  
 20 provisions for JOBS program child care assistance to  
 21 be made consistent with the reimbursement provisions  
 22 for state child care assistance, the department shall  
 23 include this reimbursement change as part of the  
 24 implementation of the single point of access program."

By GRUNDBERG of Polk

JACOBS of Polk

HUSER of Polk

MARTIN of Scott

BURNETT of Story

BARRY of Harrison

JOCHUM of Dubuque

METCALF of Polk

BUKTA of Clinton

NELSON of Marshall

CHAPMAN of Linn

DODERER of Johnson

FREVERT of Palo Alto

MASCHER of Johnson

MERTZ of Kossuth

REYNOLDS-KNIGHT of Van Buren

BOGGESS of Taylor

GARMAN of Story

H-9044 FILED APRIL 9, 1998

*Adopted*  
4-9-98 (p.1460)

## SENATE FILE 2410

H-9045

1 Amend the amendment, H-8931, to Senate File 2410,  
 2 as amended, passed, and reprinted by the Senate, as  
 3 follows:  
 4 1. Page 1, line 5, by inserting after the word  
 5 "discharge" the following: "and inserting the  
 6 following: "or were at risk of institutional  
 7 placement, not to exceed 100 slots"."

By JOCHUM of Dubuque

H-9045 FILED APRIL 9, 1998

*Adopted*  
4-9-98  
(p.1459)

SENATE FILE 2410

H-9043

1 Amend Senate File 2410 as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 82, by inserting after line 2, the  
4 following:

5 "Sec. \_\_\_\_ . NEW SECTION. 514I.10. HAWK-I TRUST  
6 FUND.

7 1. A HAWK-I trust fund is created in the state  
8 treasury under the authority of the department of  
9 human services, to which all state appropriations  
10 shall be deposited and used to carry out the purposes  
11 of this chapter. Other revenues of the program such  
12 as grants, contributions, and participant payments  
13 shall not be considered revenue of the state, but  
14 rather shall be funds of the program.

15 2. The trust fund shall be separate from the  
16 general fund of the state and shall not be considered  
17 part of the general fund of the state. The moneys in  
18 the trust fund are not subject to section 8.33 and  
19 shall not be transferred, used, obligated,  
20 appropriated, or otherwise encumbered except as  
21 provided in this chapter. Notwithstanding section  
22 12C.7, subsection 2, interest or earnings on moneys  
23 deposited in the trust fund shall be credited to the  
24 trust fund."

25 3. By renumbering as necessary.

By MURPHY of Dubuque

H-9043 FILED APRIL 9, 1998

*o/ordered  
4-9-98  
(P1465)*

SENATE FILE 2410

H-9051

1 Amend the amendment, H-9015, to Senate File 2410,  
 2 as amended, passed, and reprinted by the Senate, as  
 3 follows:  
 4 1. Page 1, line 5, by striking the word "Sec.  
 5 \_\_\_." and inserting the following: "Sec. 500."  
 6 2. Page 1, by inserting after line 21 the  
 7 following:  
 8 "\_\_\_". Page 84, by inserting after line 4 the  
 9 following:  
 10 "Sec. \_\_\_. DELAYED EFFECTIVE DATE. Section 500 of  
 11 this Act, amending section 331.439, takes effect July  
 12 1, 1999."  
 13 3. By renumbering as necessary.

By CARROLL of Poweshiek  
MYERS of Johnson

H-9051 FILED APRIL 9, 1998

*O/Order 4-9-98 (p 1465)*

SENATE FILE 2410

H-9052

1 Amend Senate File 2410, as amended, passed, and  
 2 reprinted by the Senate, as follows:  
 3 1. Page 20, by inserting after line 16 the  
 4 following:  
 5 "\_\_\_". The amount of the appropriation made in this  
 6 section is based on the assumption that the number of  
 7 bed days used in nursing facilities for fiscal year  
 8 1998-1999 will be one percent less than the bed day  
 9 usage assumed for the previous fiscal year. In  
 10 January 1999, the department shall evaluate the actual  
 11 bed day usage for the first six months of the fiscal  
 12 year. If the actual bed day usage during that period  
 13 indicates an actual reduction in usage of more than  
 14 1.10 percent, the department shall assume that the  
 15 rate of reduction experienced for the first six months  
 16 will continue for the remainder of the fiscal year.  
 17 Based on this assumption, the department shall project  
 18 an amount of state medical assistance savings for the  
 19 fiscal year using the amount of reduction in excess of  
 20 1.10 percent. The department of human services shall  
 21 transfer the amount of projected savings from the  
 22 appropriation made in this section to the Iowa  
 23 department of public health appropriation for grants  
 24 to counties for public health nursing, home care  
 25 aide/chore, and senior health programs. The Iowa  
 26 department of public health shall distribute the  
 27 transferred moneys proportionately to counties in the  
 28 form of supplemental grants based upon the individual  
 29 county's existing grants for purposes of public health  
 30 nursing, home care aide/chore, and senior health  
 31 programs."  
 32 2. By renumbering as necessary.

By BRAND of Tama

H-9052 FILED APRIL 9, 1998

*W/D 4-9-98 (p. 1167)*

SENATE FILE 2410

H-9049

1 Amend Senate File 2410, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 14, line 32, by striking the figure  
4 "386,013,305" and inserting the following:  
5 "385,963,305".

6 2. Page 53, by inserting after line 2 the  
7 following:

8 "Sec. \_\_\_\_ . SEXUALLY VIOLENT PREDATORS. There is  
9 appropriated from the general fund of the state to the  
10 department of human services for the fiscal year  
11 beginning July 1, 1998, and ending June 30, 1999, the  
12 following amount, or so much thereof as is necessary,  
13 to be used for the purpose designated:

14 For costs associated with the commitment and  
15 treatment of sexually violent predators:

16 ..... \$ 500,000"

17 3. Page 66, line 3, by inserting after the word  
18 "population." the following: "The task force  
19 deliberations shall incorporate the provisions of any  
20 initial program created by law for the commitment and  
21 treatment of sexually violent predators."

22 4. By renumbering as necessary.

By HANSEN of Pottawattamie LAMBERTI of Polk  
HOUSER of Pottawattamie BODDICKER of Cedar  
MILLAGE of Scott

H-9049 FILED APRIL 9, 1998

*Adopted 4-9-98 (p. 1467)*

SENATE FILE 2410

H-9050

1 Amend the amendment, H-9034, to Senate File 2410,  
2 as amended, passed, and reprinted by the Senate, as  
3 follows:

4 1. Page 1, line 39, by inserting after the figure  
5 "35." the following: "However, if the waiver is found  
6 to be cost effective, the number of persons served  
7 shall be expanded to the maximum extent possible."

By FOEGE of Linn

H-9050 FILED APRIL 9, 1998

*W/D  
4/9/98 (p. 1453)*

SENATE FILE 2410

H-9056

1 Amend Senate File 2410 as amended, passed, and  
 2 reprinted by the Senate, as follows:  
 3 1. Page 66, by inserting after line 27, the  
 4 following:  
 5 "Sec. \_\_\_\_ . HAWK-I TRUST FUND.  
 6 1. If House File 2517 is enacted by the Seventy-  
 7 seventh General Assembly, 1998 Session, a HAWK-I trust  
 8 fund is created in the state treasury under the  
 9 authority of the department of human services, to  
 10 which all state appropriations shall be deposited and  
 11 used to carry out the purposes of this chapter. Other  
 12 revenues of the program such as grants, contributions,  
 13 and participant payments shall not be considered  
 14 revenue of the state, but rather shall be funds of the  
 15 program.  
 16 2. The trust fund shall be separate from the  
 17 general fund of the state and shall not be considered  
 18 part of the general fund of the state. The moneys in  
 19 the trust fund are not subject to section 8.33 and  
 20 shall not be transferred, used, obligated,  
 21 appropriated, or otherwise encumbered except as  
 22 provided in this chapter. Notwithstanding section  
 23 12C.7, subsection 2, interest or earnings on moneys  
 24 deposited in the trust fund shall be credited to the  
 25 trust fund."  
 26 2. By renumbering as necessary.

By MURPHY of Dubuque

H-9056 FILED APRIL 9, 1998

*Adopted 4-9-98 (P. 1465)*

SENATE FILE 2410

H-9057

1 Amend the amendment, H-9049, to Senate File 2410,  
 2 as amended, passed, and reprinted by the Senate, as  
 3 follows:  
 4 1. Page 1, line 5, by striking the figure  
 5 "385,963,305" and inserting the following:  
 6 "385,563,305".

By HANSEN of Pottawattamie

H-9057 FILED APRIL 9, 1998

*W/D 4-9-98 (P. 1467)*

SENATE FILE 2410

H-9058

1 Amend Senate File 2410, as amended, passed, and  
 2 reprinted by the Senate, as follows:  
 3 1. Page 5, by striking line 19 and inserting the  
 4 following:  
 5 ..... \$ 23,587,871"

By VEENSTRA of Sioux

H-9058 FILED APRIL 9, 1998

*Adopted  
4-9-98  
(P. 1466)*

SENATE FILE 2410

H-9053

1 Amend Senate File 2410, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 5, by striking line 19 and inserting the  
4 following:

5 "..... \$ 26,587,871"

6 2. Page 21, by striking line 4 and inserting the  
7 following:

8 "..... \$ 11,000,000"

9 3. Page 30, by striking line 30 and inserting the  
10 following:

11 "..... \$ 92,744,904"

By MURPHY of Dubuque

H-9053 FILED APRIL 9, 1998

*Lost 4-9-98  
(p. 1454)*

SENATE FILE 2410

H-9054

1 Amend the amendment, H-9034, to Senate File 2410,  
2 as amended, passed, and reprinted by the Senate, as  
3 follows:

4 1. Page 2, by striking lines 45 through 48 and  
5 inserting the following:

6 "\_\_\_\_. Page 54, by striking line 34 and inserting  
7 the following: "physician, chiropractic, and dental  
8 services and durable medical equipment under this  
9 subsection, the"."

10 2. Page 3, line 5, by striking the figure  
11 "279B.11" and inserting the following: "239B.11".

12 3. By renumbering as necessary.

By HOUSER of Pottawattamie

H-9054 FILED APRIL 9, 1998

*Adopted  
4-9-98 (p. 1453)*



## SENATE FILE 2410

H-9067

- 1 Amend Senate File 2410, as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 54, line 33, by inserting after the word
- 4 "for" the following: "pharmacist,".

By OSTERHAUS of Jackson

H-9067 FILED APRIL 9, 1998

*Adopted 4-9-98 (P. 1464)*

## SENATE FILE 2410

H-9068

- 1 Amend the amendment, H-9049, to Senate File 2410,
- 2 as amended, passed, and reprinted by the Senate, as
- 3 follows:
- 4 1. Page 1, line 5, by striking the figure
- 5 "385,963,305" and inserting the following:
- 6 "385,513,305".

By HANSEN of Pottawattamie

H-9068 FILED APRIL 9, 1998

*Adopted 4-9-98 (P. 1467)*

## SENATE FILE 2410

H-9072

- 1 Amend Senate File 2410, as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 20, by inserting after line 16 the
- 4 following:
- 5 "     . Effective with the fiscal year beginning
- 6 July 1, 1998, the department shall revise the
- 7 eligibility provision for the home and community-based
- 8 services waiver for persons with brain injury which
- 9 requires that a person must reside in a medical
- 10 institution to eliminate the requirement for a minimum
- 11 of thirty days' residence."
- 12 2. By renumbering as necessary.

By MUNDIE of Webster

H-9072 FILED APRIL 9, 1998

*Lost 4/9/98 (P. 1468)*

## SENATE FILE 2410

H-9097

- 1 Amend the amendment H-9022, to Senate File 2410,
- 2 as amended, passed, and reprinted by the Senate,
- 3 as follows:
- 4 1. Page 1, line 5, by striking the words "or other
- 5 change" and inserting the word "dismissal".

By MURPHY of Dubuque

H-9097 FILED APRIL 9, 1998

*Adopted 4-9-98 (P. 1463)*

## SENATE FILE 2410

H-9059

1 Amend Senate File 2410, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 31, by striking lines 9 through 13 and  
4 inserting the following:

5 "b. (1) If at any time after September 30, 1998,  
6 annualization of a region's current expenditures  
7 indicates a region is at risk of exceeding its group  
8 foster care expenditure target under section 232.143  
9 by more than five percent, the department and juvenile  
10 court services shall examine all group foster care  
11 placements in that region in order to identify those  
12 which might be appropriate for termination. In  
13 addition, any aftercare services believed to be needed  
14 for the children whose placements may be terminated  
15 shall be identified. The department and juvenile  
16 court services shall initiate action to set  
17 dispositional review hearings for the placements  
18 identified. In such a dispositional review hearing,  
19 the juvenile court shall determine whether needed  
20 aftercare services are available and whether  
21 termination of the placement is in the best interest  
22 of the child and the community.

23 (2) The department shall provide quarterly reports  
24 to the judicial department, juvenile court services,  
25 the legislative fiscal bureau, and decategorization  
26 boards on the number of children placed in group  
27 foster care and the amount of expenditure for group  
28 foster care by county. The department shall  
29 coordinate with the child welfare services work group  
30 created in November 1997, by the legislative council  
31 and with interested decategorization counties to  
32 identify information systems and reports across all  
33 services and placements that would support utilization  
34 management decisions. The department shall identify  
35 the resources needed to develop and implement such a  
36 system and its fiscal benefits, and report to the  
37 general assembly by February 1, 1999."

38 2. By renumbering as necessary.

By HOUSER of Pottawattamie

H-9059 FILED APRIL 9, 1998

*Adopted 4-9-98 (p.1462)*

## SENATE FILE 2410

H-9066

1 Amend Senate File 2410, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 22, line 4, by inserting after the word  
4 "project" the following: "to develop recruitment and  
5 retention strategies and".

By TAYLOR of Linn  
NELSON of Marshall

H-9066 FILED APRIL 9, 1998

*Adopted*  
*4-9-98 (p.1458)*

HOUSE AMENDMENT TO  
SENATE FILE 2410

S-5618

1 Amend Senate File 2410, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 2, line 33, by striking the word "The"  
4 and inserting the following: "In addition to the  
5 full-time equivalent positions authorized in this Act,  
6 1.00 FTE is authorized and the".

7 2. Page 5, by striking line 19 and inserting the  
8 following:

9 "..... \$ 23,587,871"

10 3. Page 7, line 1, by inserting after the word  
11 "states." the following: "Notwithstanding any other  
12 legislation enacted by the Seventy-seventh General  
13 Assembly, 1998 Session, any retailer fees established  
14 shall not apply to any electronic benefit transfer  
15 pilot project until such time as the department begins  
16 implementation of the electronic benefit transfer  
17 program to counties in addition to the pilot project  
18 counties. An acquirer's fee for each transaction  
19 shall also not apply to any electronic benefit  
20 transfer pilot project until such time as the  
21 department begins implementation of the electronic  
22 benefit transfer program to counties in addition to  
23 the pilot project counties."

24 4. Page 7, line 15, by striking the word "forty-  
25 eight" and inserting the following: "thirty-six".

26 5. Page 8, line 30, by inserting after the word  
27 "decisions." the following: "The performance measures  
28 identified pursuant to this subparagraph shall be  
29 designed to reinforce the goal of supporting families  
30 in moving into employment and away from welfare  
31 dependency. The department and the family development  
32 and self-sufficiency council shall also identify  
33 existing performance measures reported by grantees  
34 that can be eliminated and shall take steps to  
35 simplify and streamline existing reporting  
36 requirements."

37 6. Page 9, line 34, by striking the word "The"  
38 and inserting the following: "In addition to the  
39 full-time equivalent positions authorized in this Act,  
40 1.00 FTE is authorized and the".

41 7. Page 14, line 32, by striking the figure  
42 "386,013,305" and inserting the following:  
43 "385,513,305".

44 8. Page 17, line 35, by inserting after the  
45 figure "1999." the following: "The department shall  
46 provide not more than \$50,000 in funding for  
47 administrative expenses, ongoing expenses,  
48 consultation costs, and other support of the work  
49 group."

50 9. Page 18, line 16, by striking the word "A".

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1 10. Page 18, by striking lines 17 through 22 and  
2 inserting the following: "The waiver shall be limited  
3 in".

4 11. Page 18, by striking lines 25 and 26 and  
5 inserting the following: "assistance."

6 12. Page 18, line 26, by inserting after the word  
7 "days." the following: "The base number of persons to  
8 be served under this waiver at any one time is 35. In  
9 addition, a maximum of ten persons with physical  
10 disabilities who are at imminent risk of placement in  
11 a medical institution shall be approved for waiver  
12 services."

13 13. Page 19, by striking lines 17 through 24.

14 14. Page 20, line 6, by inserting after the  
15 figure "1998," the following: "contingent upon  
16 receiving federal approval,".

17 15. Page 20, line 10, by inserting after the word  
18 "employment" the following: "and other services".

19 16. Page 20, line 12, by inserting after the word  
20 "employment" the following: "and other services".

21 17. Page 20, by inserting after line 16 the  
22 following:

23 "\_\_\_\_. If approved by the federal government, adult  
24 residential environments licensed as intermediate or  
25 residential care facilities for persons with mental  
26 retardation using a campus or village setting  
27 approach, in not more than three counties, may convert  
28 to a residential program under the provisions of a  
29 medical assistance home and community-based services  
30 waiver for persons with mental retardation, provided  
31 the adult residential environments meet all of the  
32 following requirements:

33 a. The intermediate or residential care facility  
34 for persons with mental retardation license is  
35 surrendered.

36 b. The environment's bed capacity is reduced by at  
37 least twenty-five percent to a maximum capacity of no  
38 more than twelve beds.

39 c. The environment submits a five-year plan for  
40 further bed capacity reduction to the department of  
41 human services and the plan is acceptable to the  
42 department of human services.

43 The director of human services may authorize  
44 reimbursement of the costs of environments converted  
45 in accordance with this subsection from moneys  
46 appropriated for state supplementary assistance at a  
47 rate which does not exceed the maximum allowed for a  
48 residential program under state supplementary  
49 assistance requirements. The departments of human  
50 services and inspections and appeals shall develop

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1 standards and a monitoring process for environments  
2 converted under this subsection. If the provisions of  
3 this subsection are implemented, the department of  
4 human services shall submit amendments to the general  
5 assembly in accordance with section 2.16 to codify the  
6 provisions."

7 18. Page 21, line 13, by inserting after the word  
8 "assembly." the following: "The department, in  
9 consultation with the board established for the child  
10 health care program, shall develop and utilize an  
11 application form, which does not exceed two pages in  
12 length, for coordination of the child health care  
13 program and the medical assistance program."

14 19. Page 21, line 32, by inserting after the word  
15 "industry." the following: "Prior to submission of  
16 the report, the task force shall receive input  
17 concerning the recommendations and findings from  
18 interested legislators convened by the co-chairpersons  
19 of the joint appropriations subcommittee on human  
20 services."

21 20. Page 22, line 4, by inserting after the word  
22 "project" the following: "to develop recruitment and  
23 retention strategies and".

24 21. Page 24, lines 7 and 8 by striking the words  
25 "for at least 30 consecutive days immediately prior to  
26 discharge" and inserting the following: "or were at  
27 risk of institutional placement, not to exceed 100  
28 slots".

29 22. Page 26, line 33, by inserting after the word  
30 "implementing" the following: "by April 1, 1999,".

31 23. Page 26, lines 34 and 35, by striking the  
32 words and figures "assistance, by April 1, 1999." and  
33 inserting the following: "assistance."

34 24. Page 27, by striking lines 10 through 13 and  
35 inserting the following: "receive reports submitted  
36 by the department. The department shall pursue every  
37 available option to identify and secure additional  
38 federal funding which may be used for child day care.  
39 If sufficient federal funding which may be used for  
40 child day care is identified and secured in addition  
41 to the amount budgeted for this purpose for the fiscal  
42 year beginning July 1, 1998, the single point of  
43 access program shall be implemented by April 1, 1999.  
44 If the amount of additional federal funding identified  
45 and secured is also sufficient for the reimbursement  
46 provisions for JOBS program child care assistance to  
47 be made consistent with the reimbursement provisions  
48 for state child care assistance, the department shall  
49 include this reimbursement change as part of the  
50 implementation of the single point of access program."

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1 25. Page 31, line 6, by striking the figure  
2 "30,923,872" and inserting the following:  
3 "31,113,468".

4 26. Page 31, by striking lines 9 through 13 and  
5 inserting the following:

6 "b. (1) If at any time after September 30, 1998,  
7 annualization of a region's current expenditures  
8 indicates a region is at risk of exceeding its group  
9 foster care expenditure target under section 232.143  
10 by more than five percent, the department and juvenile  
11 court services shall examine all group foster care  
12 placements in that region in order to identify those  
13 which might be appropriate for termination. In  
14 addition, any aftercare services believed to be needed  
15 for the children whose placements may be terminated  
16 shall be identified. The department and juvenile  
17 court services shall initiate action to set  
18 dispositional review hearings for the placements  
19 identified. In such a dispositional review hearing,  
20 the juvenile court shall determine whether needed  
21 aftercare services are available and whether  
22 termination of the placement is in the best interest  
23 of the child and the community.

24 (2) The department shall provide quarterly reports  
25 to the judicial department, juvenile court services,  
26 the legislative fiscal bureau, and decategorization  
27 boards on the number of children placed in group  
28 foster care and the amount of expenditure for group  
29 foster care by county. The department shall  
30 coordinate with the child welfare services work group  
31 created in November 1997, by the legislative council  
32 and with interested decategorization counties to  
33 identify information systems and reports across all  
34 services and placements that would support utilization  
35 management decisions. The department shall identify  
36 the resources needed to develop and implement such a  
37 system and its fiscal benefits, and report to the  
38 general assembly by February 1, 1999."

39 27. Page 32, by inserting after line 21 the  
40 following:

41 "\_\_\_\_. The department shall perform an evaluation  
42 of public and private residential treatment programs,  
43 including those programs providing highly structured  
44 juvenile program beds. The evaluation shall include  
45 but is not limited to a review of the curriculum and  
46 treatment approaches used by the programs, the  
47 recidivism rate of juveniles who have completed the  
48 programs, and other selected variables, subject to the  
49 availability of this information. A report of the  
50 evaluation shall be submitted to the general assembly

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1 by January 1, 1999."

2 28. Page 36, line 24, by striking the figure  
3 "1998" and inserting the following: "1997".

4 29. Page 37, by inserting after line 23 the  
5 following:

6 "It is the intent of the general assembly that the  
7 admissions requirements of the consent decree shall  
8 also be applied to the state university of Iowa  
9 hospital-school for children with disabilities. The  
10 state board of regents shall submit to the general  
11 assembly proposed amendments to chapter 263 to codify  
12 the admissions requirements of the consent decree."

13 30. Page 42, line 10, by inserting after the word  
14 "paragraph." the following: "Counties are not  
15 responsible for the costs of PMIC services established  
16 pursuant to this paragraph."

17 31. Page 43, by inserting after line 27 the  
18 following:

19 "(3) The department shall work with the Iowa state  
20 association of counties in reviewing the reimbursement  
21 methodology provided in this lettered paragraph to  
22 determine whether modifications in the methodology or  
23 implementation of an alternate methodology are  
24 appropriate. The department shall report on the  
25 review in December 1998 to the persons required by  
26 this Act for submission of reports."

27 32. Page 44, by inserting after line 2 the  
28 following:

29 "4. For the fiscal year beginning July 1, 1998, in  
30 addition to the net budgeting requirements under this  
31 section, each state mental health institute shall  
32 implement a net budgeting accounting test of managing  
33 revenues and expenditures attributable to the mental  
34 health institute in a manner that permits the net  
35 state expenditure amount to be determined. Each  
36 mental health institute shall submit a preliminary  
37 report in January 1999, and a status report in October  
38 1999, to the governor and to the persons required to  
39 be submitted reports by this Act. The preliminary and  
40 status reports shall identify advantages and  
41 disadvantages of utilizing the net budgeting approach  
42 and any changes in policy or statute recommended to  
43 improve implementation of the approach."

44 33. Page 48, line 34, by striking the figure  
45 "17,281,138" and inserting the following:  
46 "17,530,000".

47 34. Page 49, by striking lines 22 through 30.

48 35. Page 52, by inserting after line 4 the  
49 following:

50 "If a resignation, retirement, dismissal in

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1 staffing reducing the number of full-time equivalent  
2 positions responsible for mental health or mental  
3 retardation services in a local office of the  
4 department causes the county to which the local office  
5 is assigned to assume responsibilities previously  
6 performed by the department's positions, the  
7 department shall reimburse the county for the increase  
8 in costs connected with the responsibilities assumed."

9 36. Page 53, by inserting after line 2 the  
10 following:

11 "Sec. \_\_\_\_ . SEXUALLY VIOLENT PREDATORS. There is  
12 appropriated from the general fund of the state to the  
13 department of human services for the fiscal year  
14 beginning July 1, 1998, and ending June 30, 1999, the  
15 following amount, or so much thereof as is necessary,  
16 to be used for the purpose designated:

17 For costs associated with the commitment and  
18 treatment of sexually violent predators:

19 ..... \$ 500,000"

20 37. Page 54, line 33, by inserting after the word  
21 "for" the following: "pharmacist,".

22 38. Page 54, by striking line 34 and inserting  
23 the following: "physician, chiropractic, and dental  
24 services and durable medical equipment under this  
25 subsection, the".

26 39. Page 56, line 26, by striking the word "paid"  
27 and inserting the following: "established".

28 40. Page 56, line 27, by striking the word "two"  
29 and inserting the following: "three".

30 41. Page 58, line 4, by inserting after the word  
31 "appropriateness" the following: "and the level".

32 42. Page 66, line 3, by inserting after the word  
33 "population." the following: "The task force  
34 deliberations shall incorporate the provisions of any  
35 initial program created by law for the commitment and  
36 treatment of sexually violent predators."

37 43. Page 66, by inserting after line 27 the  
38 following:

39 "Sec. \_\_\_\_ . FRAUD AND RECOUPMENT ACTIVITIES.  
40 During the fiscal year beginning July 1, 1998,  
41 notwithstanding the restrictions in section 239B.11,  
42 the department of human services may expend recovered  
43 moneys generated through fraud and recoupment  
44 activities for additional fraud and recoupment  
45 activities performed by the department of human  
46 services or the department of inspections and appeals,  
47 subject to both of the following conditions:

48 1. The director of human services or the director  
49 of inspections and appeals determines that the  
50 investment can reasonably be expected to increase

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1 recovery of assistance paid in error, due to  
2 fraudulent or nonfraudulent actions, in excess of the  
3 amount recovered in the fiscal year beginning July 1,  
4 1997.

5 2. The amount expended for the additional fraud  
6 and recoupment activities shall not exceed the amount  
7 of the projected increase in assistance recovered."

8 44. Page 66, by inserting after line 27 the  
9 following:

10 "Sec. \_\_\_\_ . MEDICAL AND SURGICAL TREATMENT OF  
11 INDIGENT PERSONS -- STUDY. The legislative council is  
12 requested to establish a 1998 legislative interim  
13 committee to review the medical and surgical treatment  
14 of indigent persons in the state through the  
15 university of Iowa hospitals and clinics under chapter  
16 255 and 255A. The review should include but is not  
17 limited to the programs and services provided and the  
18 possibility of providing these programs and services  
19 at alternative locations throughout the state."

20 45. Page 66, by inserting after line 27, the  
21 following:

22 "Sec. \_\_\_\_ . HAWK-I TRUST FUND.

23 1. If House File 2517 is enacted by the Seventy-  
24 seventh General Assembly, 1998 Session, a HAWK-I trust  
25 fund is created in the state treasury under the  
26 authority of the department of human services, to  
27 which all state appropriations shall be deposited and  
28 used to carry out the purposes of this chapter. Other  
29 revenues of the program such as grants, contributions,  
30 and participant payments shall not be considered  
31 revenue of the state, but rather shall be funds of the  
32 program.

33 2. The trust fund shall be separate from the  
34 general fund of the state and shall not be considered  
35 part of the general fund of the state. The moneys in  
36 the trust fund are not subject to section 8.33 and  
37 shall not be transferred, used, obligated,  
38 appropriated, or otherwise encumbered except as  
39 provided in this chapter. Notwithstanding section  
40 12C.7, subsection 2, interest or earnings on moneys  
41 deposited in the trust fund shall be credited to the  
42 trust fund."

43 46. Page 79, line 3, by striking the words "date  
44 of" and inserting the following: "date of the county  
45 received the".

46 47. Page 79, lines 6 and 7, by striking the words  
47 "date of" and inserting the following: "date of the  
48 county received the".

49 48. Page 80, line 29, by striking the words "date  
50 of" and inserting the following: "date of the county

S-5618

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Page 8

1 received the".

2 49. Page 80, line 32, by striking the words "date  
3 of" and inserting the following: "date of the county  
4 received the".

5 50. Page 81, lines 5 and 6, by striking the words  
6 "certified by the superintendent" and inserting the  
7 following: "certified received by the superintendent  
8 county".

9 51. Page 81, line 9, by striking the word  
10 "certified" and inserting the following: "certified  
11 received by the county".

12 52. Page 81, by inserting after line 14 the  
13 following:

14 "Sec. \_\_\_\_ . Section 234.12A, if enacted by 1998  
15 Iowa Acts, House File 2468, is amended by adding the  
16 following new subsection:

17 NEW SUBSECTION. 3. For the purposes of this  
18 section, "retailer" means a business authorized by the  
19 United States department of agriculture to accept food  
20 stamp benefits."

21 53. Page 83, by inserting after line 25 the  
22 following:

23 "\_\_\_\_ . Section 15, subsection 18, paragraph "b",  
24 relating to authority to use moneys for support of the  
25 child welfare services work group."

26 54. Page 83, line 31, by striking the figure "56"  
27 and inserting the following: "58".

28 55. Page 83, line 32, by striking the word and  
29 figures "58 and 59" and inserting the following: "60  
30 and 61".

31 56. Page 83, line 34, by striking the figure "66"  
32 and inserting the following: "68".

33 57. Title page, lines 4 and 5, by striking the  
34 words "an applicability provision" and inserting the  
35 following: "a retroactive applicability provision".

36 58. By renumbering, relettering, or redesignating  
37 and correcting internal references as necessary.

RECEIVED FROM THE HOUSE

S-5618 FILED APRIL 13, 1998

*Senate Concurred*  
4-14-98 (p.1251)

## SENATE FILE 2410

S-5676

1 Amend the House amendment, S-5618, to Senate File  
2 2410 as amended, passed, and reprinted by the Senate,  
3 as follows:

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

6 "\_\_\_\_\_. Page 2, by striking line 17 and inserting  
7 the following: "provided to community empowerment  
8 areas for the fiscal year beginning July 1, 1998, in  
9 accordance with all of the following:

10 a. The area must be approved as a community  
11 empowerment area by the Iowa empowerment board.

12 b. The maximum funding amount a community  
13 empowerment area is eligible to receive shall be  
14 determined by applying the area's percentage of the  
15 state's average monthly family investment program  
16 population in the preceding fiscal year to the total  
17 amount appropriated in this section for fiscal year  
18 1998-1999. If the community empowerment board's  
19 request for funding is received by the Iowa  
20 empowerment board on or after August 1, 1998, the  
21 maximum funding amount shall be prorated for the  
22 fiscal year and rounded up to the nearest full month.

23 c. A community empowerment area receiving funding  
24 shall comply with any federal reporting requirements  
25 associated with the use of that funding and other  
26 results and reporting requirements established by the  
27 Iowa empowerment board. The department shall provide  
28 technical assistance in identifying and meeting the  
29 federal requirements.

30 d. The availability of funding provided under this  
31 section is subject to changes in federal requirements  
32 and amendments to Iowa law.""

33 2. Page 1, by inserting after line 6 the  
34 following:

35 "\_\_\_\_\_. Page 3, by inserting after line 2 the  
36 following:

37 "3. Moneys appropriated in this section which are  
38 not distributed to a community empowerment area or  
39 otherwise remain unobligated or unexpended at the end  
40 of the fiscal year shall revert to the fund created in  
41 section 8.41 to be available for appropriation by the  
42 general assembly in a subsequent fiscal year.""

43 3. Page 1, by striking lines 7 through 9.

44 4. Page 4, by striking lines 1 through 3.

45 5. Page 4, line 44, by inserting after the word  
46 "beds" the following: ", family and group foster care  
47 and the state juvenile institutions".

48 6. By striking page 5, line 50, through page 6,  
49 line 1, and inserting the following:

50 "If a resignation, retirement, or dismissal

S-5676

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Page 2

- 1 reducing the number of full-time equivalent".
- 2 7. Page 6, line 18, by inserting after the word
- 3 "predators" the following: "including transfer of an
- 4 amount, as determined by the department and the office
- 5 of the attorney general, to the office of the attorney
- 6 general for associated costs including not more than
- 7 2.0 full-time equivalent positions, one of which shall
- 8 be an attorney, in the department of justice".
- 9 8. Page 7, line 26, by striking the word "to" and
- 10 inserting the following: "in".
- 11 9. Page 7, line 28, by striking the words "this
- 12 chapter" and inserting the following: "chapter 514I".
- 13 10. Page 7, line 39, by striking the words "this
- 14 chapter" and inserting the following: "chapter 514I".
- 15 11. By renumbering as necessary.

By MAGGIE TINSMAN

S-5676 FILED APRIL 14, 1998

ADOPTED

(P. 1251)

## SENATE AMENDMENT TO HOUSE AMENDMENT TO S. F. 2410

H-9178

1 Amend the House amendment, S-5618, to Senate File  
2 2410 as amended, passed, and reprinted by the Senate,  
3 as follows:

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

6 "\_\_\_\_. Page 2, by striking line 17 and inserting  
7 the following: "provided to community empowerment  
8 areas for the fiscal year beginning July 1, 1998, in  
9 accordance with all of the following:

10 a. The area must be approved as a community  
11 empowerment area by the Iowa empowerment board.

12 b. The maximum funding amount a community  
13 empowerment area is eligible to receive shall be  
14 determined by applying the area's percentage of the  
15 state's average monthly family investment program  
16 population in the preceding fiscal year to the total  
17 amount appropriated in this section for fiscal year  
18 1998-1999. If the community empowerment board's  
19 request for funding is received by the Iowa  
20 empowerment board on or after August 1, 1998, the

21 maximum funding amount shall be prorated for the  
22 fiscal year and rounded up to the nearest full month.

23 c. A community empowerment area receiving funding  
24 shall comply with any federal reporting requirements  
25 associated with the use of that funding and other  
26 results and reporting requirements established by the  
27 Iowa empowerment board. The department shall provide  
28 technical assistance in identifying and meeting the  
29 federal requirements.

30 d. The availability of funding provided under this  
31 section is subject to changes in federal requirements  
32 and amendments to Iowa law."

33 2. Page 1, by inserting after line 6 the  
34 following:

35 "\_\_\_\_. Page 3, by inserting after line 2 the  
36 following:

37 "3. Moneys appropriated in this section which are  
38 not distributed to a community empowerment area or  
39 otherwise remain unobligated or unexpended at the end  
40 of the fiscal year shall revert to the fund created in  
41 section 8.41 to be available for appropriation by the  
42 general assembly in a subsequent fiscal year."

43 3. Page 1, by striking lines 7 through 9.

44 4. Page 4, by striking lines 1 through 3.

45 5. Page 4, line 44, by inserting after the word  
46 "beds" the following: ", family and group foster care  
47 and the state juvenile institutions".

48 6. By striking page 5, line 50, through page 6,  
49 line 1, and inserting the following:

50 "If a resignation, retirement, or dismissal

H-9178

H-9178

Page 2

1 reducing the number of full-time equivalent".

2 7. Page 6, line 18, by inserting after the word  
3 "predators" the following: "including transfer of an  
4 amount, as determined by the department and the office  
5 of the attorney general, to the office of the attorney  
6 general for associated costs including not more than  
7 2.0 full-time equivalent positions, one of which shall  
8 be an attorney, in the department of justice".

9 8. Page 7, line 26, by striking the word "to" and  
10 inserting the following: "in".

11 9. Page 7, line 28, by striking the words "this  
12 chapter" and inserting the following: "chapter 514I".

13 10. Page 7, line 39, by striking the words "this  
14 chapter" and inserting the following: "chapter 514I".

15 11. By renumbering as necessary.

RECEIVED FROM THE SENATE

H-9178 FILED APRIL 15, 1998

HOUSE CONCURRED

(P. 1653)

Tinsman  
McLaren  
Hammond

SSB-2208

Appropriations

Succeeded By

SF/HE 2410

SENATE/HOUSE FILE  
BY (PROPOSED COMMITTEE ON  
APPROPRIATIONS BILL BY  
JOINT APPROPRIATIONS  
SUBCOMMITTEE ON HUMAN  
SERVICES)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

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

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

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21

1                    21002        DIVISION I -- APPROPRIATIONS

2        Section 1.    SOCIAL SERVICES BLOCK GRANT SUPPLEMENTATION.

3 There is appropriated from the fund created in section 8.41 to  
4 the department of human services for the fiscal year beginning  
5 July 1, 1997, and ending June 30, 1998, from moneys received  
6 under the federal temporary assistance for needy families  
7 block grant, the following amount, or so much thereof as is  
8 necessary, to be used for the purposes designated:

9        For supplementation of the federal social services block  
10 grant appropriation in 1997 Iowa Acts, chapter 202, section  
11 12, due to the federal reduction in this block grant and the  
12 corresponding decrease pursuant to 1997 Iowa Acts, chapter  
13 202, section 16:

14 ..... \$        682,554

15        The moneys appropriated in this section are allocated for  
16 the indicated programs and functions within the department as  
17 follows:

18        1.    General administration:

19 ..... \$        43,739

20        2.    Field operations:

21 ..... \$        259,455

22        3.    Child and family services:

23 ..... \$        38,808

24        4.    Local administrative costs and other local services:

25 ..... \$        27,517

26        5.    Volunteers:

27 ..... \$        3,007

28        6.    Community-based services:

29 ..... \$        3,458

30        7.    MH/MR/DD/BI community services (local purchase):

31 ..... \$        306,570

32        Sec. 2.    EARLY CHILDHOOD. There is appropriated from the  
33 fund created in section 8.41 to the department of human  
34 services for the fiscal year beginning July 1, 1998, and  
35 ending June 30, 1999, the fiscal year beginning July 1, 1999,



1 and ending June 30, 2000, the fiscal year beginning July 1,  
2 2000, and ending June 30, 2001, and the fiscal year beginning  
3 July 1, 2000, and ending June 30, 2001, from moneys received  
4 under the federal temporary assistance for needy families  
5 block grant, the following amount, or so much thereof as is  
6 necessary, to be used for the purpose designated:

7 For funding of community-based programs targeted to  
8 children from birth through five years of age, developed by  
9 community empowerment areas:

10 ..... \$ 3,800,000

11 1. The department may transfer federal temporary  
12 assistance for needy families block grant funding allocated in  
13 this section to the child care and development block grant in  
14 accordance with federal law as necessary to comply with the  
15 provisions of this section. The funding shall then be  
16 provided to communities as provided in state law.

17 2. Moneys appropriated in this section shall be used by  
18 communities for the purposes of enhancing quality child day  
19 care capacity in support of parent capability to obtain or  
20 retain employment. The moneys shall be used with a primary  
21 emphasis on low-income families and children from birth to  
22 five years of age. Moneys shall be provided in a flexible  
23 manner to communities, and shall be used to implement  
24 strategies identified by the communities to achieve such  
25 purposes. The strategies may include but are not limited to  
26 developing capacity for regular child day care, sick child  
27 care, night shifts child care, and emergency child care;  
28 enhancing linkages between the head start and early head start  
29 programs, early childhood development programs, and child day  
30 care assistance programs; and implementing other strategies to  
31 enhance access to child day care. The moneys may be used to  
32 either build capacity or for support of ongoing efforts. The  
33 department may use up to \$50,000 for provision of technical  
34 assistance and other support to communities developing and  
35 implementing strategies with moneys appropriated in this

1 section.

2 Sec. 3. FAMILY INVESTMENT PROGRAM GENERAL FUND. 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, 1998, and ending June 30, 1999, the following amount,  
6 or so much thereof as is necessary, to be used for the purpose  
7 designated:

8 To be credited to the family investment program account and  
9 used for family investment program assistance under chapter  
10 239B:

11 ..... \$ 31,420,000

12 1. The department of workforce development, in  
13 consultation with the department of human services, shall  
14 continue to utilize recruitment and employment practices to  
15 include former and current family investment program  
16 recipients. The department of workforce development shall  
17 submit a report of the practices utilized and the results of  
18 the utilization to the general assembly by January 1, 1999.

19 2. It is the intent of the general assembly that the  
20 department of human services shall continue to work with the  
21 department of workforce development and local community  
22 collaborative efforts to provide support services for family  
23 investment program participants. The support services shall  
24 be directed to those participant families who would benefit  
25 from the support services and are likely to have success in  
26 achieving economic independence.

27 3. Of the funds appropriated in this section, \$7,000,000  
28 is allocated for the JOBS program.

29 4. The department shall continue to work with religious  
30 organizations and other charitable institutions to increase  
31 the availability of host homes, referred to as second chance  
32 homes or other living arrangements under the federal Personal  
33 Responsibility and Work Opportunity Reconciliation Act of  
34 1996, Pub. L. No. 104-193, § 103. The purpose of the homes  
35 or arrangements is to provide a supportive and supervised

1 living arrangement for minor parents receiving assistance  
2 under the family investment program who, under chapter 239B,  
3 may receive assistance while living in an alternative setting  
4 other than with their parent or legal guardian.

5 Sec. 4. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK  
6 GRANT. There is appropriated from the fund created in section  
7 8.41 to the department of human services for the fiscal year  
8 beginning July 1, 1998, and ending June 30, 1999, from moneys  
9 received under the federal temporary assistance for needy  
10 families block grant pursuant to the federal Personal  
11 Responsibility and Work Opportunity Reconciliation Act of  
12 1996, Pub. L. No. 104-193, which are federally appropriated  
13 for the federal fiscal years beginning October 1, 1996, and  
14 ending September 30, 1997, beginning October 1, 1997, and  
15 ending September 30, 1998, and beginning October 1, 1998, and  
16 ending September 30, 1999, the following amounts, or so much  
17 thereof as is necessary, to be used for the purposes  
18 designated:

19 Moneys appropriated in this section shall be used in  
20 accordance with the federal law making the funds available,  
21 applicable Iowa law, appropriations made from the general fund  
22 of the state in this Act for the purpose designated, and  
23 administrative rules adopted to implement the federal and Iowa  
24 law. If actual federal revenues credited to the fund created  
25 in section 8.41 through June 30, 1999, are less than the  
26 amounts appropriated in this section, the amounts appropriated  
27 shall be reduced proportionately and the department may reduce  
28 expenditures as deemed necessary by the department to meet the  
29 reduced funding level:

30 1. To be credited to the family investment program account  
31 and used for assistance under the family investment program  
32 under chapter 239B:

33 ..... \$ 61,900,688

34 2. To be credited to the family investment program account  
35 and used for the job opportunities and basic skills (JOBS)

1 program, and implementing family investment agreements, in  
2 accordance with chapter 239B:  
3 ..... \$ 16,716,655  
4 3. For field operations:  
5 ..... \$ 10,579,210  
6 4. For general administration:  
7 ..... \$ 2,844,612  
8 5. For local administrative costs:  
9 ..... \$ 1,904,371  
10 6. For state child care assistance:  
11 ..... \$ 7,214,089  
12 7. For emergency assistance:  
13 ..... \$ 2,557,000  
14 8. For mental health and developmental disabilities  
15 community services:  
16 ..... \$ 1,913,592  
17 9. For child and family services:  
18 ..... \$ 22,587,871  
19 10. For pregnancy prevention grants on the condition that  
20 family planning services are funded:  
21 ..... \$ 1,536,938  
22 11. For technology needs and other resources necessary to  
23 meet federal welfare reform reporting, tracking, and case  
24 management requirements:  
25 ..... \$ 1,000,000  
26 12. For supervised community treatment under child and  
27 family services:  
28 ..... \$ 300,000  
29 13. For volunteers:  
30 ..... \$ 18,771  
31 Notwithstanding section 8.33, moneys appropriated in this  
32 section of this Act which remain unencumbered or unobligated  
33 at the close of the fiscal year shall not revert from the fund  
34 from which appropriated but shall remain available for  
35 allocation under law in the succeeding fiscal year.

1 The department shall report quarterly, any changes in  
2 allocations of temporary assistance for needy families moneys,  
3 to the legislative fiscal bureau and to the chairpersons and  
4 ranking members of the joint appropriations subcommittee on  
5 human services.

6 Sec. 5. FAMILY INVESTMENT PROGRAM ACCOUNT.

7 1. Moneys credited to the family investment program (FIP)  
8 account for the fiscal year beginning July 1, 1998, and ending  
9 June 30, 1999, shall be used in accordance with the following  
10 requirements:

11 a. The department shall provide assistance in accordance  
12 with chapter 239B.

13 b. The department shall continue the special needs program  
14 under the family investment program.

15 c. The department shall implement federal welfare reform  
16 data requirements pursuant to the appropriations made for that  
17 purpose.

18 d. The department shall continue expansion of the  
19 electronic benefit transfer program as necessary to comply  
20 with federal requirements. The target date for statewide  
21 implementation of the program is July 1, 1999. The department  
22 shall establish a cost-sharing policy with participants that  
23 guarantees at least four free transactions per month for  
24 participants' FIP account, unlimited free transactions for the  
25 participants' food stamp account as required by federal law,  
26 and at least one free electronic benefit transfer card  
27 replacement per six month period if a replacement is  
28 necessary. The department shall submit a progress report of  
29 the program to the general assembly by January 1, 1999.

30 e. The department shall continue to conduct an evaluation  
31 of the welfare reform program and child well-being provisions  
32 to measure the program's effectiveness, impacts on children  
33 and families, and impacts across programs, and to identify  
34 effective strategies.

35 f. The department shall continue to contract for services

1 in developing and monitoring an entrepreneurial training  
2 program to provide technical assistance to families which  
3 receive assistance under the family investment program.

4 g. For family investment agreements entered into on or  
5 after July 1, 1998, the maximum allowable time period for  
6 postsecondary education is limited to a total of twenty-four  
7 months. The twenty-four-month allowance shall only be  
8 available for a period of forty-eight consecutive months.

9 2. The department may transfer funds in accordance with  
10 section 8.39, either federal or state, to or from the child  
11 day care appropriations made for the fiscal year beginning  
12 July 1, 1998, if the department deems this would be a more  
13 effective method of paying for JOBS program child care, to  
14 maximize federal funding, or to meet federal maintenance of  
15 effort requirements.

16 3. Moneys appropriated in this Act and credited to the  
17 family investment program account for the fiscal year  
18 beginning July 1, 1998, and ending June 30, 1999, are  
19 allocated as follows:

- 20 a. For the food stamp employment and training program:
- 21 ..... \$ 129,985
- 22 b. For the family development and self-sufficiency grant
- 23 program as provided under section 217.12:
- 24 ..... \$ 5,197,825

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

29 (2) Based upon the annual evaluation report concerning  
30 each grantee funded by previously appropriated funds and  
31 through the solicitation of additional grant proposals, the  
32 family development and self-sufficiency council may use the  
33 allocated funds to renew or expand existing grants or award  
34 new grants. In utilizing the increased funding to expand the  
35 program, the council shall give consideration, in addition to

1 other criteria established by the council, to a grant  
2 proposal's intended use of local funds with a grant and to  
3 whether a grant proposal would expand the availability of the  
4 program's services to a wider geographic area.

5 (3) Family development and self-sufficiency grantees shall  
6 not supplant previous local funding with state or federal  
7 funds.

8 (4) The department and the family development and self-  
9 sufficiency council shall identify a limited number of  
10 consistent performance measures to be tracked at both the  
11 grantee and the statewide levels. These performance measures  
12 shall be incorporated into grantee contracts awarded on or  
13 after July 1, 1998, and shall include at least two measures  
14 relating to FIP usage, at least two measures relating to  
15 family stability or family structure, at least two measures  
16 relating to participant employment, and other measures deemed  
17 appropriate by the department and the council. A grantee may  
18 also identify additional measures if the grantee believes  
19 additional measures will provide important information for  
20 public policy decisions. The council may also establish and  
21 track other measures that the council determines are necessary  
22 for making public policy decisions. Any performance measures  
23 established pursuant to this paragraph shall be reported to  
24 the general assembly for purposes of determining the  
25 effectiveness of the grant program.

26 (5) The family development and self-sufficiency grant  
27 program shall be implemented statewide during FY 1998-1999.

28 c. For income maintenance reengineering:  
29 ..... \$ 200,000

30 d. For an employer verification pilot project:  
31 ..... \$ 50,000

32 The department may streamline and simplify the employer  
33 verification process for applicants, participants, and  
34 employers in the administration of the department's programs.  
35 The department may contract with companies collecting data

1 from employers when the information is needed in the  
2 administration of these programs. The department may limit  
3 the availability of the initiative on the basis of geographic  
4 area or number of individuals. The department shall submit a  
5 report by January 15, 1999, regarding the potential benefits  
6 of expanding the initiative.

7 e. For the diversion program and incentive grants as  
8 follows:

9 (1) For the diversion subaccount of the family investment  
10 program account:

11 ..... \$ 2,700,000

12 Moneys allocated to the diversion subaccount shall be used  
13 to continue the pilot initiative of providing incentives to  
14 assist families who meet income eligibility requirements for  
15 the family investment program in obtaining or retaining  
16 employment, to assist participant families in overcoming  
17 barriers to obtaining employment, and to assist families in  
18 stabilizing employment and in reducing the likelihood of the  
19 family returning to the family investment program. Incentives  
20 may be provided in the form of payment or services. The  
21 department may limit the availability of the pilot initiative  
22 on the basis of geographic area or numbers of individuals  
23 provided with incentives. The department shall attempt to  
24 assess and screen individuals who would most likely benefit  
25 from the services. The department shall expand the diversion  
26 initiative beginning in the fiscal year 1998-1999. The  
27 department may use up to \$50,000 to facilitate community  
28 investment in welfare reform and to support expansion of the  
29 diversion program. The department may grant diversion moneys  
30 to the level of the entity operating an initiative. The  
31 department may adopt additional eligibility criteria as  
32 necessary for compliance with federal law and for screening  
33 those families who would be most likely to become eligible for  
34 the family investment program if diversion incentives would  
35 not be provided.



1 (2) For implementation of innovative strategies on a  
 2 statewide or pilot project basis for supporting job retention,  
 3 family structure, or both. The department shall consult with  
 4 members of the joint appropriations subcommittee on human  
 5 services, designated by the subcommittee co-chairpersons and  
 6 ranking members, concerning development of the strategies in  
 7 advance of implementation:

8 ..... \$ 500,000

9 f. For implementation of the domestic violence option in  
 10 accordance with the provisions of the division of this Act  
 11 providing for that purpose and for awareness training:

12 ..... \$ 25,000

13 4. Of the child support collections assigned under the  
 14 family investment program, an amount equal to the federal  
 15 share of support collections shall be credited to the child  
 16 support recovery appropriation. The remainder of the assigned  
 17 child support collections and the state share of incentives  
 18 received by the child support recovery unit shall be credited  
 19 to the family investment program account.

20 5. Effective July 1, 1998, the department shall  
 21 discontinue payment of the first \$50 of the assigned child  
 22 support collected by the department. A participant shall be  
 23 entitled to any rebate of assigned support that should have  
 24 been paid for June 1998 or earlier even though the rebate  
 25 payment may not be authorized or paid until July 1, 1998, or  
 26 after. The department may adopt emergency rules to implement  
 27 this subsection.

28 6. The department may adopt emergency administrative rules  
 29 for the family investment, food stamp, and medical assistance  
 30 programs, if necessary, to comply with federal requirements.  
 31 Prior to adoption of the rules, the department shall consult  
 32 with the welfare reform council and the chairpersons and  
 33 ranking members of the joint appropriations subcommittee on  
 34 human services.

35 7. Notwithstanding 1997 Iowa Acts, chapter 208, section 3,

1 subsection 9, moneys appropriated to the department of human  
2 services in 1995 Iowa Acts, chapter 220, section 11, for  
3 purposes of costs associated with the development of the X-  
4 PERT computer system shall not revert at the close of the  
5 fiscal year beginning July 1, 1997, but shall remain available  
6 for the purpose designated, including but not limited to case  
7 conversion activities, until the close of the fiscal year  
8 beginning July 1, 1998.

9 Sec. 6. EMERGENCY ASSISTANCE. There is appropriated from  
10 the general fund of the state to the department of human  
11 services for the fiscal year beginning July 1, 1998, and  
12 ending June 30, 1999, the following amount, or so much thereof  
13 as is necessary, to be used for the purpose designated:

14 For emergency assistance to families with dependent  
15 children for homeless prevention programs:

16 ..... \$ 10,000

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

1 when funds are exhausted.

2 2. For the fiscal year beginning July 1, 1998, the  
3 department shall continue the process for the state to receive  
4 refunds of rent deposits for emergency assistance recipients  
5 which were paid by persons other than the state. The refunds  
6 received by the department under this subsection shall be  
7 deposited with the moneys of the appropriation made in this  
8 section and used as additional funds for the emergency  
9 assistance program. Notwithstanding section 8.33, moneys  
10 received by the department under this subsection which remain  
11 after the emergency assistance program is terminated and state  
12 moneys in the emergency assistance account which remain  
13 unobligated or unexpended at the close of the fiscal year  
14 shall not revert to the general fund of the state but shall  
15 remain available for expenditure when the program resumes  
16 operation on October 1 in the succeeding fiscal year.

17 3. Of the funds appropriated in this section, \$10,000 is  
18 allocated to the community voice mail program to continue the  
19 existing program. The funds shall be made available beginning  
20 July 1, 1998.

21 Sec. 7. MEDICAL ASSISTANCE. There is appropriated from  
22 the general fund of the state to the department of human  
23 services for the fiscal year beginning July 1, 1998, and  
24 ending June 30, 1999, the following amount, or so much thereof  
25 as is necessary, to be used for the purpose designated:

26 For medical assistance, including reimbursement for  
27 abortion services, which shall be available under the medical  
28 assistance program only for those abortions which are  
29 medically necessary:  
30 ..... \$386,013,305

31 1. Medically necessary abortions are those performed under  
32 any of the following conditions:

- 33 a. The attending physician certifies that continuing the
- 34 pregnancy would endanger the life of the pregnant woman.
- 35 b. The attending physician certifies that the fetus is

1 physically deformed, mentally deficient, or afflicted with a  
2 congenital illness.

3 c. The pregnancy is the result of a rape which is reported  
4 within 45 days of the incident to a law enforcement agency or  
5 public or private health agency which may include a family  
6 physician.

7 d. The pregnancy is the result of incest which is reported  
8 within 150 days of the incident to a law enforcement agency or  
9 public or private health agency which may include a family  
10 physician.

11 e. Any spontaneous abortion, commonly known as a  
12 miscarriage, if not all of the products of conception are  
13 expelled.

14 2. Notwithstanding section 8.39, the department may  
15 transfer funds appropriated in this section to a separate  
16 account established in the department's case management unit  
17 for expenditures required to provide case management services  
18 for mental health, mental retardation, and developmental  
19 disabilities services under medical assistance which are  
20 jointly funded by the state and county, pending final  
21 settlement of the expenditures. Funds received by the case  
22 management unit in settlement of the expenditures shall be  
23 used to replace the transferred funds and are available for  
24 the purposes for which the funds were appropriated in this  
25 section.

26 3. a. The county of legal settlement shall be billed for  
27 50 percent of the nonfederal share of the cost of case  
28 management provided for adults, day treatment, and partial  
29 hospitalization in accordance with sections 249A.26 and  
30 249A.27, and 100 percent of the nonfederal share of the cost  
31 of care for adults which is reimbursed under a federally  
32 approved home and community-based waiver that would otherwise  
33 be approved for provision in an intermediate care facility for  
34 persons with mental retardation, provided under the medical  
35 assistance program. The state shall have responsibility for

1 the remaining 50 percent of the nonfederal share of the cost  
 2 of case management provided for adults, day treatment, and  
 3 partial hospitalization. For persons without a county of  
 4 legal settlement, the state shall have responsibility for 100  
 5 percent of the nonfederal share of the costs of case  
 6 management provided for adults, day treatment, partial  
 7 hospitalization, and the home and community-based waiver  
 8 services. The case management services specified in this  
 9 subsection shall be billed to a county only if the services  
 10 are provided outside of a managed care contract.

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

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

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

31 4. The department may adopt and implement administrative  
 32 rules regarding a prepaid mental health services plan for  
 33 medical assistance patients. The rules shall include but are  
 34 not limited to service provider standards, service  
 35 reimbursement, and funding mechanisms. Notwithstanding the

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

7 5. The department shall utilize not more than \$60,000 of  
8 the funds appropriated in this section to continue the  
9 AIDS/HIV health insurance premium payment program as  
10 established in 1992 Iowa Acts, Second Extraordinary Session,  
11 Chapter 1001, section 409, subsection 6. Of the funds  
12 allocated in this subsection, not more than \$5,000 may be  
13 expended for administrative purposes.

14 6. Of the funds appropriated to the Iowa department of  
15 public health for substance abuse grants, \$950,000 for the  
16 fiscal year beginning July 1, 1998, shall be transferred to  
17 the department of human services for an integrated substance  
18 abuse managed care system.

19 7. The department shall aggressively implement the medical  
20 assistance home and community-based waiver for persons with  
21 physical disabilities as a means to further develop the  
22 personal assistance services program under section 225C.46. A  
23 minimum of \$556,750 is allocated under this section to  
24 increase the number of slots for persons with physical  
25 disabilities under the waiver. The waiver shall not be  
26 implemented in a manner which would require additional county  
27 or state funding for assistance provided to an individual  
28 served under the waiver. The waiver shall be limited in  
29 application to persons with physical disabilities who reside  
30 in a medical institution at the time of applying for  
31 assistance and who have been residents of a medical  
32 institution for a minimum of thirty consecutive days.

33 8. The department of human services, in consultation with  
34 the Iowa department of public health and the department of  
35 education, shall continue the program to utilize the early and

1 periodic screening, diagnosis, and treatment (EPSDT) funding  
 2 under medical assistance, to the extent possible, to implement  
 3 the screening component of the EPSDT program through the  
 4 school system. The department may enter into contracts to  
 5 utilize maternal and child health centers, the public health  
 6 nursing program, or school nurses in implementing this  
 7 provision.

8 9. The department shall continue the case study for  
 9 outcome-based performance standards for programs serving  
 10 persons with mental retardation or other developmental  
 11 disabilities proposed pursuant to 1994 Iowa Acts, chapter  
 12 1170, section 56. The department shall adopt rules applicable  
 13 to the programs included in the case study, request a waiver  
 14 of applicable federal requirements, and take other actions  
 15 deemed necessary by the department to continue the case study.

16 10. Contingent upon receiving federal approval, the  
 17 department shall develop and implement a medical assistance  
 18 home and community-based services waiver to allow children  
 19 with mental retardation, who would otherwise require ICF/MR  
 20 care, to be served in out-of-home settings of up to eight beds  
 21 which meet standards established by the department. Initially  
 22 the waiver shall be designed to provide 100 service slots.

23 11. Contingent upon receiving federal approval, the  
 24 department shall expand access to supported employment and  
 25 other services, currently funded by counties, to adults with  
 26 mental retardation, through the use of the medical assistance  
 27 home and community-based services waiver for persons with  
 28 mental retardation. The department shall implement these  
 29 changes in a manner which is supported by a majority of Iowa  
 30 counties.

31 12. The department may establish up to 30 psychiatric  
 32 medical institution for children (PMIC) beds at the state  
 33 mental health institute at Independence.

34 Sec. 8. HEALTH INSURANCE PREMIUM PAYMENT PROGRAM. There  
 35 is appropriated from the general fund of the state to the

1 department of human services for the fiscal year beginning  
2 July 1, 1998, and ending June 30, 1999, the following amount,  
3 or so much thereof as is necessary, to be used for the purpose  
4 designated:

5 For administration of the health insurance premium payment  
6 program, including salaries, support, maintenance, and  
7 miscellaneous purposes:

8 .....	\$	392,000
9 .....	FTEs	17.00

10 Sec. 9. CHILD HEALTH CARE PROGRAM. There is appropriated  
11 from the general fund of the state to the department of human  
12 services for the fiscal year beginning July 1, 1998, and  
13 ending June 30, 1999, the following amount, or so much thereof  
14 as is necessary, to be used for the purpose designated:

15 For maintenance of the child health care program as  
16 authorized by state law for receipt of federal financial  
17 participation under Title XXI of the federal Social Security  
18 Act, which creates the state children's health insurance  
19 program, including salaries, support benefits, outreach,  
20 maintenance, and miscellaneous purposes:

21 ..... \$ 7,000,000

22 The department may transfer funds appropriated in this Act  
23 for medical assistance to be used for the purpose of expanding  
24 health care coverage to children. Notwithstanding section  
25 8.33, moneys appropriated in this section of this Act which  
26 remain unobligated at the close of the fiscal year shall not  
27 revert but shall remain available for allocation in the  
28 succeeding fiscal year. The department shall provide periodic  
29 updates of expenditures of funds appropriated under this  
30 section to the general assembly. The department may adopt  
31 emergency rules to implement the provisions of this section.

32 Sec. 10. MEDICAL CONTRACTS. 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, 1998, and  
35 ending June 30, 1999, the following amount, or so much thereof



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

2 For medical contracts:

3 ..... \$ 7,357,150

4 1. Notwithstanding 1997 Iowa Acts, chapter 208, section 7,  
5 subsection 1, the department shall do all of the following:

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

13 b. The department shall conduct a prior authorization  
14 cost-effectiveness study, at no cost to the state, and shall  
15 not use any entity or individual currently or previously  
16 utilized by the department to perform the study.

17 c. The prospective drug utilization review and prior  
18 authorization cost-effectiveness studies shall include, but  
19 are not limited to, all of the following:

20 (1) The net cost of the substitution of brand name drugs  
21 for which alternatives are required, including the drug  
22 rebates, if applicable, under the Iowa prior authorization  
23 regimen.

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

31 (3) The costs attributable to institutionalization and  
32 treatment for iatrogenic, unexpected conditions which result  
33 when the prescribed drug is not authorized and a substitution  
34 is made under the Iowa prior authorization regimen when it is  
35 possible to determine that the condition resulted from the

1 substitution of the alternative medication for the prescribed  
2 medication.

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

6 (5) The measurement of the cost-effectiveness of patient  
7 outcomes under prior authorization compared to the patient  
8 outcomes under prospective drug utilization review.

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

11 d. (1) The department shall review the methodology for  
12 calculating and projecting costs savings and shall update the  
13 methodology, if necessary.

14 (2) The costs identified under the studies performed shall  
15 be netted against the cost savings projected by the department  
16 to accurately determine and report cost savings for the drug  
17 prior authorization program.

18 e. The department shall submit a report of the studies to  
19 the general assembly on or before January 1, 1999, for review.  
20 Subsequent to that date, the general assembly may direct the  
21 department to remove from the categories of prescription drugs  
22 for which prior authorization is currently required, all of  
23 the drugs for which the comparative studies establish that  
24 prospective drug utilization review is at least as cost-  
25 effective in patient outcomes as prior authorization.

26 2. The department shall fully implement the prospective  
27 drug utilization review program by July 1, 1998.

28 3. The department shall not expand the requirement of drug  
29 prior to authorization without prior approval of the general  
30 assembly except to require prior authorization of an  
31 equivalent of a prescription drug which is subject to prior  
32 authorization as of June 30, 1998. The department shall adopt  
33 administrative rules to implement this provision.

34 4. a. The department shall proceed with a request for  
35 proposals (RFP) for managed behavioral health and substance

1 abuse care, without inclusion of rehabilitative treatment and  
 2 support (RTS) services for medical assistance-eligible  
 3 children, psychiatric medical institutions for children  
 4 (PMICs) for mental health, or the preauthorization process of  
 5 clinical assessment and consultation teams (CACT) for RTS  
 6 services and the Iowa foundation for medical care for PMICs.  
 7 The department shall consult with the chairpersons and ranking  
 8 members of the joint appropriations subcommittee on human  
 9 services in developing the request for proposals and in  
 10 evaluating the responses. Notwithstanding the provisions of  
 11 this Act and section 249A.26, requiring counties to pay all or  
 12 part of the nonfederal share of certain services provided to  
 13 persons with disabilities under the medical assistance  
 14 program, the state shall pay 100 percent of the nonfederal  
 15 share of any services included in the plan implemented  
 16 pursuant to this subsection.

17 b. If authorized by the legislative council, the child  
 18 welfare services work group shall develop capitation  
 19 alternatives and consider accountability from a managed system  
 20 of care, and shall submit recommendations to the general  
 21 assembly and to the co-chairpersons and ranking members of the  
 22 joint appropriations subcommittee on human services by January  
 23 1, 1999.

24 5. a. Of the funds appropriated in this section, up to  
 25 \$130,000 may be used by the department to fund a pilot project  
 26 to provide additional training and support for nurse aides,  
 27 employed by nursing facilities, as a means of reducing staff  
 28 turnover.

29 b. The department shall contract with an agency or  
 30 organization whose primary purpose is the improvement of the  
 31 nurse aide profession, in partnership with community colleges  
 32 and other professional providers, to provide continuing  
 33 education, support and empowerment programs, and career  
 34 opportunities within the field of nurse assisting, to further  
 35 stabilize the workforce and reduce turnover.

1 c. The department shall also contract with one or more  
2 public institutions of higher education to evaluate the pilot  
3 project's effectiveness.

4 d. The department shall establish an advisory council to  
5 direct the project, which shall include representatives of the  
6 Iowa caregivers association, the Iowa nurses association, the  
7 department of inspections and appeals, the department of elder  
8 affairs, the Iowa association of homes and services for the  
9 aging, the Iowa health care association, the Iowa council of  
10 health care centers, long-term care coordinators appointed by  
11 the consortium of community colleges, and other interested  
12 parties.

13 Sec. 11. STATE SUPPLEMENTARY ASSISTANCE. There is  
14 appropriated from the general fund of the state to the  
15 department of human services for the fiscal year beginning  
16 July 1, 1998, and ending June 30, 1999, the following amount,  
17 or so much thereof as is necessary, to be used for the  
18 purposes designated:

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

22 ..... \$ 19,537,200

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

30 2. a. If during the fiscal year beginning July 1, 1998,  
31 the department projects that state supplementary assistance  
32 expenditures for a calendar year will not meet 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, the department may take actions including but not

1 limited to increasing the personal needs allowance for  
 2 residential care facility residents and making programmatic  
 3 adjustments or upward adjustments of the residential care  
 4 facility or in-home health-related care reimbursement rates  
 5 prescribed in this Act to ensure that federal requirements are  
 6 met. The department may adopt emergency rules to implement  
 7 the provisions of this subsection.

8 b. If during the fiscal year beginning July 1, 1998, the  
 9 department projects that state supplementary assistance  
 10 expenditures will exceed the amount appropriated, the  
 11 department may transfer funds appropriated in this Act for  
 12 medical assistance for the purposes of the state supplementary  
 13 assistance program. However, funds shall only be transferred  
 14 from the medical assistance appropriation if the funds  
 15 transferred are projected to be in excess of the funds  
 16 necessary for the medical assistance program.

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

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

23 b. Were discharged from a medical institution in which  
 24 they have resided for at least 30 consecutive days immediately  
 25 prior to discharge. Within available funding and demonstrated  
 26 need, the department may make subsidy funds available to HCBS  
 27 waiver-eligible adults meeting criteria in paragraph "a" and  
 28 this paragraph at any time on or after July 1, 1995.

29 c. In lieu of meeting the criteria in paragraph "b", rent  
 30 subsidy funds may also be provided to persons able to leave a  
 31 medical institution by use of services provided under an HCBS  
 32 waiver who turn 18 years of age during the last year of their  
 33 institutional stay.

34 The goal of the subsidy program shall be to encourage and  
 35 assist in enabling persons who currently reside in an ICF/MR

1 to move to a community living arrangement. An eligible person  
2 may receive assistance in meeting their rental expense and, in  
3 the initial two months of eligibility, in purchasing necessary  
4 household furnishings and supplies. The program shall be  
5 implemented so that it does not meet the federal definition of  
6 state supplementary assistance and will not impact the federal  
7 pass-along requirement specified in Title XVI of the federal  
8 Social Security Act, section 1618, as codified in 42 U.S.C. §  
9 1382g.

10 Sec. 12. CHILD DAY CARE ASSISTANCE. There is appropriated  
11 from the general fund of the state to the department of human  
12 services for the fiscal year beginning July 1, 1998, and  
13 ending June 30, 1999, the following amount, or so much thereof  
14 as is necessary, to be used for the purposes designated:

15 For protective child day care assistance and state child  
16 care assistance:

17 ..... \$ 8,740,000

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

20 2. Of the funds appropriated in this section, \$407,073  
21 shall be used for state child care assistance.

22 3. For the purposes of this subsection, the term "poverty  
23 level" means the poverty level defined by the poverty income  
24 guidelines published by the United States department of health  
25 and human services. Based upon the availability of the  
26 funding provided in subsection 2 and other funding  
27 appropriated for state child care assistance, the department  
28 shall establish waiting lists for state child care assistance  
29 in descending order of prioritization as follows:

30 a. Families with an income at or below 100 percent of the  
31 federal poverty level whose members are employed at least 28  
32 hours per week, and parents with a family income at or below  
33 100 percent of the federal poverty level who are under the age  
34 of 21 and are participating in an educational program leading  
35 to a high school diploma or equivalent.

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

5 c. Families with an income of more than 100 percent but  
6 not more than 140 percent of the federal poverty level whose  
7 members are employed at least 28 hours per week.

8 d. Families with an income at or below 175 percent of the  
9 federal poverty level whose members are employed at least 28  
10 hours per week with a special needs child as a member of the  
11 family.

12 The department may adopt emergency rules to implement the  
13 provisions of this subsection.

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

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

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

1 to other state agencies, and obligations for decategorization  
2 or innovation projects.

3 7. During the 1998-1999 fiscal year, the department shall  
4 utilize the moneys deposited in the child day care credit fund  
5 created in section 237A.28 for state child care assistance, in  
6 addition to the moneys allocated for that purpose in this  
7 section.

8 Sec. 13. CHILD SUPPORT RECOVERY. There is appropriated  
9 from the general fund of the state to the department of human  
10 services for the fiscal year beginning July 1, 1998, and  
11 ending June 30, 1999, the following amount, or so much thereof  
12 as is necessary, to be used for the purposes designated:

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

16 .....	\$	9,360,000
17 .....	FTEs	233.22

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

32 2. Nonpublic assistance application fees and other user  
33 fees received by the child support recovery unit are  
34 appropriated and shall be used for the purposes of the child  
35 support recovery program. The director of human services may



1 add positions within the limitations of the amount  
 2 appropriated for salaries and support for the positions. The  
 3 director shall report any positions added pursuant to this  
 4 subsection to the chairpersons and ranking members of the  
 5 joint appropriations subcommittee on human services and the  
 6 legislative fiscal bureau.

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

12 4. The director of human services may establish new  
 13 positions and add state employees to the child support  
 14 recovery unit or contract for delivery of services if the  
 15 director determines the employees are necessary to replace  
 16 county-funded positions eliminated due to termination,  
 17 reduction, or nonrenewal of a chapter 28E contract. However,  
 18 the director must also determine that the resulting increase  
 19 in the state share of child support recovery incentives  
 20 exceeds the cost of the positions or contract, the positions  
 21 or contract are necessary to ensure continued federal funding  
 22 of the program, or the new positions or contract can  
 23 reasonably be expected to recover at least twice the amount of  
 24 money necessary to pay the salaries and support for the new  
 25 positions or the contract will generate at least 200 percent  
 26 of the cost of the contract.

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

34 6. The department shall expend up to \$50,000, including  
 35 federal financial participation, for the fiscal year beginning

1 July 1, 1998, for a child support public awareness campaign.  
2 The department and the office of the attorney general shall  
3 cooperate in continuation of the campaign. The public  
4 awareness campaign shall emphasize, through a variety of media  
5 activities, the importance of maximum involvement of both  
6 parents in the lives of their children as well as the  
7 importance of payment of child support obligations.

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

12 8. Surcharges paid by obligors and received by the unit as  
13 a result of the referral of support delinquency by the child  
14 support recovery unit to any private collection agency are  
15 appropriated to the department and shall be used to pay the  
16 costs of any contracts with the collection agencies.

17 Sec. 14. JUVENILE INSTITUTIONS. There is appropriated  
18 from the general fund of the state to the department of human  
19 services for the fiscal year beginning July 1, 1998, and  
20 ending June 30, 1999, the following amount, or so much thereof  
21 as is necessary, to be used for the purposes designated:

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

26 For the state juvenile institutions:  
27 ..... \$ 15,405,000  
28 ..... FTEs 349.72

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

32 ..... \$ 5,990,000  
33 ..... FTEs 136.04

34 2. The following amounts of the funds appropriated and  
35 full-time equivalent positions authorized in this section are

1 allocated for the state training school at Eldora:  
 2 ..... \$ 9,415,000  
 3 ..... FTEs 213.68

4 3. During the fiscal year beginning July 1, 1998, the  
 5 population levels at the state juvenile institutions shall not  
 6 exceed the population guidelines established under 1990 Iowa  
 7 Acts, chapter 1239, section 21.

8 4. Of the funds appropriated in this section, \$10,000  
 9 shall be used by the state training school and \$8,000 by the  
 10 Iowa juvenile home for grants for adolescent pregnancy  
 11 prevention activities at the institutions in the fiscal year  
 12 beginning July 1, 1998.

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

17 Sec. 15. CHILD AND FAMILY SERVICES. There is appropriated  
 18 from the general fund of the state to the department of human  
 19 services for the fiscal year beginning July 1, 1998, and  
 20 ending June 30, 1999, the following amount, or so much thereof  
 21 as is necessary, to be used for the purpose designated:

22 For child and family services:  
 23 ..... \$ 96,744,904

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

33 2. a. Of the funds appropriated in this section, up to  
 34 \$30,923,872 is allocated as the statewide expenditure target  
 35 under section 232.143 for group foster care maintenance and

1 services.

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

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

12 d. (1) Of the funds appropriated in this section, not  
13 more than \$5,998,227 is allocated as the state match funding  
14 for psychiatric medical institutions for children.

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

20 e. Of the funds allocated in this subsection, \$1,392,457  
21 is allocated as the state match funding for 50 highly  
22 structured juvenile program beds. If the number of beds  
23 provided for in this paragraph is not utilized, the remaining  
24 funds allocated may be used for group foster care.

25 f. For the fiscal years beginning July 1, 1997, and July  
26 1, 1998, the requirements of section 232.143 applicable to the  
27 juvenile court and to representatives of the juvenile court  
28 shall be applicable instead to juvenile court services and to  
29 representatives of juvenile court services. The  
30 representatives appointed by the department of human services  
31 and by juvenile court services to establish the plan to  
32 contain expenditures for children placed in group foster care  
33 ordered by the court within the budget target allocated to the  
34 region shall establish the plan in a manner so as to ensure  
35 the moneys allocated to the region under section 232.141 shall

1 last the entire fiscal year. Funds for a child placed in  
 2 group foster care shall be considered encumbered for the  
 3 duration of the child's projected length of stay. The  
 4 department, in cooperation with the juvenile court services  
 5 representatives, shall develop and implement utilization  
 6 management criteria for group foster care placements to be  
 7 used by the department of human services and juvenile court  
 8 services staff in developing a dispositional recommendation to  
 9 the juvenile court. The department shall submit a report on  
 10 the utilization management criteria to the general assembly on  
 11 or before January 1, 1999.

12 g. If the medical assistance waiver request for children  
 13 with mental retardation in out-of-home settings is approved,  
 14 the department may transfer all or a portion of the funding  
 15 allocated in this subsection, which is attributable to group  
 16 foster care ordered for a child with mental retardation or  
 17 other developmental disability under section 232.182 or  
 18 232.183, to the appropriation in this Act for medical  
 19 assistance.

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

24 4. In accordance with the provisions of section 232.188,  
 25 the department shall continue the program to decategorize  
 26 child welfare services in additional counties or clusters of  
 27 counties.

28 5. The provisions of section 232.142, subsection 3,  
 29 requiring financial aid to be paid by the state for the  
 30 establishment, improvements, operation, and maintenance of  
 31 county or multicounty juvenile detention homes shall not apply  
 32 for the fiscal year beginning July 1, 1998. Section 25B.2,  
 33 subsection 3, shall not apply to this subsection.

34 6. The amount of the appropriation made in this section  
 35 available for foster care is based upon expansion of the

1 number of children in foster care who are eligible for federal  
2 supplemental security income (SSI). The department may use up  
3 to \$275,000 of those funds to enter into a performance-based  
4 contract to secure SSI benefits for children placed in foster  
5 care. The contract shall include provisions for training of  
6 department of human services and juvenile court staff,  
7 completion of applications, tracking of application results,  
8 and representation during the appeals process whenever an  
9 appeal is necessary to secure SSI benefits. The department  
10 may extend the contract for an additional two years.

11 Notwithstanding section 217.30 and section 232.2, subsection  
12 11, and any other provision of law to the contrary, the  
13 director or the director's designee on behalf of a child in  
14 foster care may release medical, mental health, substance  
15 abuse, or any other information necessary only to determine  
16 the child's eligibility for SSI benefits, and may sign  
17 releases for the information. In the case of a child in the  
18 custody of juvenile court services, the state court  
19 administrator or administrator's designee acting on behalf of  
20 a child in foster care may release medical, mental health,  
21 substance abuse, or any other information necessary only to  
22 determine the child's eligibility for SSI benefits, and may  
23 sign releases for the information. In any release of  
24 information made pursuant to this subsection, confidentiality  
25 shall be maintained to the maximum extent possible.

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

31 8. Notwithstanding section 234.35, subsection 1, for the  
32 fiscal year beginning July 1, 1998, state funding for shelter  
33 care paid pursuant to section 234.35, subsection 1, paragraph  
34 "h", shall be limited to \$7,553,641. The department shall  
35 develop a formula, in consultation with the shelter care

1 committee and the judicial department, to allocate shelter  
2 care funds to the department's regions. The department may  
3 adopt emergency rules to implement this subsection.

4 9. Of the funds appropriated in this section, not more  
5 than \$550,696 may be used to develop and maintain the state's  
6 implementation of the national adoption and foster care  
7 information system pursuant to the requirements of Pub. L.  
8 No. 99-509. The department may transfer funds as necessary  
9 from the appropriations in this Act for field operations and  
10 general administration to implement this subsection. Moneys  
11 allocated in accordance with this subsection shall be  
12 considered encumbered for the purposes of section 8.33.

13 10. Of the funds appropriated in this section, up to  
14 \$672,955 may be used as determined by the department for any  
15 of the following purposes:

16 a. For general administration of the department to improve  
17 staff training efforts.

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

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

23 d. For specialized permanency planning field operations  
24 staff.

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

34 12. Of the funds appropriated in this section, up to  
35 \$123,000 may be used to develop, in cooperation with providers

1 of children and family services, juvenile court, and other  
2 interested parties, an outcomes-based approach for family-  
3 centered, family preservation, family-community-based support,  
4 and wrap-around services to evaluate and improve outcomes for  
5 children and families. The department shall submit an  
6 outcomes-based budget for these programs and shall submit the  
7 budget with other budget documents required pursuant to  
8 section 8.23. The department may adopt administrative rules  
9 to implement this subsection.

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

13 14. Federal funds received by the state during the fiscal  
14 year beginning July 1, 1998, as the result of the expenditure  
15 of state funds appropriated during a previous state fiscal  
16 year for a service or activity funded under this section,  
17 shall be used as additional funding for services provided  
18 under this section. Moneys received by the department in  
19 accordance with the provisions of this subsection shall remain  
20 available for the purposes designated until June 30, 2000.

21 15. In addition to the report for group foster care  
22 placements, the department shall report quarterly to the  
23 legislative fiscal bureau concerning the status of each  
24 region's funding expenditures compared with allocations in the  
25 regional plan for services provided under this section.

26 16. The department and juvenile court services shall  
27 develop criteria for the department regional administrator and  
28 chief juvenile court officer to grant exceptions to extend  
29 eligibility, within the funds allocated, for intensive  
30 tracking and supervision and for supervised community  
31 treatment to delinquent youth beyond age 18 who are subject to  
32 release from the state training school, a highly structured  
33 juvenile program, or group care. The department shall report  
34 the number of such exceptions granted and the related  
35 expenditures to the joint appropriations subcommittee on human



1 services on or before January 1, 1999. The department may  
2 adopt emergency administrative rules to implement this  
3 subsection.

4 17. Of the moneys appropriated in this section, not more  
5 than \$731,238 is allocated to provide clinical assessment  
6 services as necessary to continue funding of children's  
7 rehabilitation services under medical assistance in accordance  
8 with federal law and requirements. The funding allocated is  
9 the amount projected to be necessary for providing the  
10 clinical assessment services.

11 18. Notwithstanding 1997 Iowa Acts, chapter 208, section  
12 12, subsection 18, the department may extend the existence of  
13 the current clinical assessment and consultation teams until  
14 October 31, 1998. The department shall develop and implement  
15 the new rehabilitative treatment and supportive services  
16 authorization model, including a toll-free telephone number  
17 for preauthorization on or before November 1, 1998. The new  
18 model shall be developed and implemented in a manner so as to  
19 streamline the authorization process, to reduce paperwork and  
20 other information requirements to the minimum level necessary  
21 for compliance with federal requirements, and to ensure timely  
22 response to authorization requests. The department may adopt  
23 emergency rules to implement the provisions of this  
24 subsection.

25 Sec. 16. CONNER DECREE. There is appropriated from the  
26 general fund of the state to the department of human services  
27 for the fiscal year beginning July 1, 1998, and ending June  
28 30, 1999, the following amount, or so much thereof as is  
29 necessary, to be used for the purpose designated:

30 For providing training in accordance with the consent  
31 decree of Conner v. Branstad, No. 4-86-CU-30871(S.D. Iowa,  
32 July 14, 1994):  
33 ..... \$ 46,000

34 Sec. 17. COMMUNITY-BASED PROGRAMS -- ADOLESCENT PREGNANCY  
35 PREVENTION. There is appropriated from the general fund of

1 the state to the department of human services for the fiscal  
2 year beginning July 1, 1998, and ending June 30, 1999, the  
3 following amount, or so much thereof as is necessary, to be  
4 used for the purpose designated:

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

9 .....	\$	1,008,000
10 .....	FTE	1.00

11 1. Funds appropriated in this section shall be used to  
12 provide adolescent pregnancy prevention grants which comply  
13 with the requirements provided in 1997 Iowa Acts, chapter 208,  
14 section 14, subsections 1 and 2, and shall emphasize programs  
15 which target the middle school level.

16 2. It is the intent of the general assembly that the  
17 department of human services and the Iowa department of public  
18 health shall continue to identify existing abstinence  
19 education or community-based programs which comply with the  
20 requirements established in section 912, subchapter V, of the  
21 federal Social Security Act, as codified in 42 U.S.C. § 701 et  
22 seq. for the matching of federal funds.

23 3. Funds appropriated in this section, shall also be used  
24 by the department to provide child abuse prevention grants.

25 Sec. 18. COURT-ORDERED SERVICES PROVIDED TO JUVENILES.

26 There is appropriated from the general fund of the state to  
27 the department of human services for the fiscal year beginning  
28 July 1, 1998, and ending June 30, 1999, the following amount,  
29 or so much thereof as is necessary, to be used for the purpose  
30 designated:

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

34 ..... \$ 3,290,000

35 1. Notwithstanding section 232.141 or any other provision

1 of law, the funds appropriated in this section shall be  
2 allocated to the judicial districts as determined by the state  
3 court administrator. The state court administrator shall make  
4 the determination on the allocations on or before June 15,  
5 1998.

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

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

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

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

35 b. Recover payments from any third-party insurance carrier

1 which is liable for coverage of the services, including health  
2 insurance coverage.

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

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

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

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

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

1 administration of the requirements under this section and for  
2 travel associated with court-ordered placements which are a  
3 charge upon the state pursuant to section 232.141, subsection  
4 4.

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

9 Sec. 19. MENTAL HEALTH INSTITUTES. 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, 1998, and  
12 ending June 30, 1999, the following amount, or so much thereof  
13 as is necessary, to be used for the purposes designated:

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

17 ..... \$ 42,655,500  
18 ..... FTEs 863.77

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

21 a. State mental health institute at Cherokee:  
22 ..... \$ 13,050,000  
23 ..... FTEs 256.62

24 b. State mental health institute at Clarinda:  
25 ..... \$ 6,909,000  
26 ..... FTEs 138.59

27 c. State mental health institute at Independence:  
28 ..... \$ 17,384,500  
29 ..... FTEs 358.73

30 (1) The state mental health institute at Independence  
31 shall continue the pilot project accounting test of managing  
32 revenues and expenditures attributable to the mental health  
33 institute in a manner that permits the net state expenditure  
34 amount to be determined. The mental health institute shall  
35 submit an interim report in January 1999, and a final report

1 in October 1999, to the governor and the joint appropriations  
2 subcommittee on human services concerning the pilot project.  
3 The report shall identify advantages and disadvantages of  
4 utilizing the pilot project approach and any changes in policy  
5 or statute identified to improve implementation of the pilot  
6 project approach.

7 (2) The state mental health institute at Independence  
8 shall establish the 30 psychiatric medical institution beds  
9 authorized in section 135H.6, as amended by this Act, in a  
10 manner which results in no net state expenditure amount in  
11 excess of the amount allocated in this lettered paragraph.

12 d. State mental health institute at Mount Pleasant:  
13 ..... \$ 5,312,000  
14 ..... FTEs 109.83

15 Funding is provided in this paragraph for the mental health  
16 institute at Mount Pleasant to implement a dual diagnosis  
17 mental health and substance abuse program on a net budgeting  
18 basis in which 50 percent of the actual per diem cost is  
19 chargeable to the patient's county of legal settlement or as a  
20 state case, as appropriate.

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

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

31 Sec. 20. HOSPITAL-SCHOOLS. There is appropriated from the  
32 general fund of the state to the department of human services  
33 for the fiscal year beginning July 1, 1998, and ending June  
34 30, 1999, the following amount, or so much thereof as is  
35 necessary, to be used for the purposes designated:

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

4 ..... \$ 4,083,644  
5 ..... FTEs 1,514.51

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

8 a. State hospital-school at Glenwood:

9 ..... \$ 2,399,644  
10 ..... FTEs 852.75

11 b. State hospital school at Woodward:

12 ..... \$ 1,684,000  
13 ..... FTEs 661.76

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

35 b. For purposes of calculating the hospital-schools'

1 August 31, 1999, year-end balance at the close of the 1998-  
2 1999 fiscal year, the department shall include county  
3 receivables billed but not yet received. However, only  
4 receipts received within 90 days of being billed for fiscal  
5 year 1998-1999 services shall be included. The state  
6 hospital-school at Woodward may draw upon the general fund of  
7 the state in an amount equal to the receivables amount which  
8 is not received.

9 c. Subject to the approval of the department, except for  
10 revenues under section 249A.11, revenues attributable to the  
11 state hospital-schools for the fiscal year beginning July 1,  
12 1998, shall be deposited into each the hospital-school's  
13 account, including but not limited to all of the following:

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

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

18 (3) Federal Medicare program payments.

19 (4) Moneys received from client financial participation.

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

23 d. In the 1998-1999 fiscal year of the project, the  
24 institution's report shall include a listing detailing the  
25 items for which depreciation reimbursement funds would have  
26 been utilized if the depreciation reimbursement had been  
27 retained by the institution. This listing shall be included  
28 with the report submitted pursuant to this subsection.

29 e. For the purposes of allocating the salary adjustment  
30 fund moneys appropriated in another Act, the state hospital-  
31 schools shall be considered to be funded entirely with state  
32 moneys.

33 f. Each state hospital-school and the department shall  
34 submit a preliminary report in January 1999, and a status  
35 report in October 1999, to the governor and the joint



1 appropriations subcommittee on human services concerning the  
2 project.

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

7 4. The department may implement a pilot project to bill  
8 for state hospital-school services utilizing a scope of  
9 services approach used for private providers of ICFMR  
10 services, in a manner which does not shift costs between the  
11 medical assistance program, counties, or other sources of  
12 funding for the state hospital-schools.

13 5. The state hospital-schools may expand the time limited  
14 assessment and respite services during the fiscal year.

15 Sec. 21. MENTAL ILLNESS SPECIAL SERVICES. There is  
16 appropriated from the general fund of the state to the  
17 department of human services for the fiscal year beginning  
18 July 1, 1998, and ending June 30, 1999, the following amount,  
19 or so much thereof as is necessary, to be used for the purpose  
20 designated:

21 For mental illness special services:  
22 ..... \$ 121,220

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

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

34 Sec. 22. FAMILY SUPPORT SUBSIDY PROGRAM. There is  
35 appropriated from the general fund of the state to the

1 department of human services for the fiscal year beginning  
2 July 1, 1998, and ending June 30, 1999, the following amount,  
3 or so much thereof as is necessary, to be used by the division  
4 of children and family services for the purpose designated:

5 For the family support subsidy program:  
6 ..... \$ 1,710,000

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

11 Sec. 23. SPECIAL NEEDS GRANTS. There is appropriated from  
12 the general fund of the state to the department of human  
13 services for the fiscal year beginning July 1, 1998, and  
14 ending June 30, 1999, the following amount, or so much thereof  
15 as is necessary, to be used for the purpose designated:

16 To provide special needs grants to families with a family  
17 member at home who has a developmental disability or to a  
18 person with a developmental disability:  
19 ..... \$ 53,212

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

30 Sec. 24. MI/MR/DD STATE CASES. There is appropriated from  
31 the general fund of the state to the department of human  
32 services for the fiscal year beginning July 1, 1998, and  
33 ending June 30, 1999, the following amount, or so much thereof  
34 as is necessary, to be used for the purpose designated:

35 For purchase of local services for persons with mental

1 illness, mental retardation, and developmental disabilities  
2 where the client has no established county of legal  
3 settlement:

4 ..... \$ 8,594,500

5 1. If a county has a county management plan which is  
6 approved by the director of human services pursuant to section  
7 331.439, the services paid for under this section are exempt  
8 from the department's purchase of service system requirements.  
9 The department shall adopt rules to implement the provisions  
10 of this paragraph.

11 2. Of the funds appropriated in this section, \$174,000  
12 shall be allocated to provide a two percent increase in the  
13 state reimbursement provided to vocational and residential  
14 services providers.

15 Sec. 25. 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, 1998, and  
20 ending June 30, 1999, 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 ..... \$ 17,560,000

25 1. Of the funds appropriated in this section, \$17,281,138  
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. Of the funds appropriated in this section, not more  
14 than \$248,862 shall be provided to those counties having  
15 supplemental per diem contracts in effect on June 30, 1994,  
16 which were originally initiated under 1993 Iowa Acts, chapter  
17 172, section 16, subsection 2. The amount provided to each  
18 county shall be equal to the amount the county would be  
19 eligible to receive under the supplemental per diem contracts  
20 in effect on June 30, 1994, if the contracts were continued in  
21 effect for the entire fiscal year beginning July 1, 1998.

22 5. a. Funding appropriated for purposes of the federal  
23 social services block grant is allocated for distribution to  
24 counties for local purchase of services for persons with  
25 mental illness or mental retardation or other developmental  
26 disability.

27 b. The funds allocated in this subsection shall be  
28 expended by counties in accordance with the county's approved  
29 county management plan. A county without an approved county  
30 management plan shall not receive allocated funds until the  
31 county's management plan is approved.

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

34 (1) Fifty percent based upon the county's proportion of  
35 the state's population of persons with an annual income which

1 is equal to or less than the poverty guideline established by  
2 the federal office of management and budget.

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

6 6. A county is eligible for funds under this section if  
7 the county qualifies for a state payment as described in  
8 section 331.439.

9 Sec. 26. COUNTY MENTAL HEALTH, MENTAL RETARDATION, AND  
10 DEVELOPMENTAL DISABILITIES ALLOWED GROWTH FACTOR ADJUSTMENT.

11 There is appropriated from the general fund of the state to  
12 the department of human services for the fiscal year beginning  
13 July 1, 1999, and ending June 30, 2000, the following amount,  
14 or so much thereof as is necessary, to be used for the purpose  
15 designated:

16 For distribution to counties of the county mental health,  
17 mental retardation, and developmental disabilities allowed  
18 growth factor adjustment, in accordance with section 331.438,  
19 subsection 2, and section 331.439, subsection 3:

20 ..... \$ 18,126,362

21 For the fiscal year beginning July 1, 1999, the county  
22 mental health, mental retardation, and developmental  
23 disabilities allowed growth factor adjustment shall be 2.48  
24 percent.

25 Sec. 27. PERSONAL ASSISTANCE. There is appropriated from  
26 the general fund of the state to the department of human  
27 services for the fiscal year beginning July 1, 1998, and  
28 ending June 30, 1999, the following amount, or so much thereof  
29 as is necessary, to be used for the purpose designated:

30 For continuation of a pilot project for the personal  
31 assistance services program in accordance with this section:

32 ..... \$ 364,000

33 1. The funds appropriated in this section shall be used to  
34 continue the pilot project for the personal assistance  
35 services program under section 225C.46 in an urban and a rural

1 area. Not more than \$36,400 shall be used for administrative  
2 costs. The pilot project and any federal home and community-  
3 based waiver developed under the medical assistance program  
4 shall not be implemented in a manner which would require  
5 additional county or state costs for assistance provided to an  
6 individual served under the pilot project or the waiver.

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

16 3. Notwithstanding section 8.33, any funds remaining  
17 unexpended on June 30 of any fiscal year shall not revert to  
18 the general fund of the state but shall remain available to  
19 provide personal assistance payments in the succeeding fiscal  
20 year.

21 Sec. 28. FIELD OPERATIONS. There is appropriated from the  
22 general fund of the state to the department of human services  
23 for the fiscal year beginning July 1, 1998, and ending June  
24 30, 1999, the following amount, or so much thereof as is  
25 necessary, to be used for the purpose designated:

26 For field operations, including salaries, support,  
27 maintenance, and miscellaneous purposes and for not more than  
28 the following full-time equivalent positions:

29 .....	\$ 49,600,000
30 .....	FTEs 2084.00

31 Sec. 29. GENERAL ADMINISTRATION. There is appropriated  
32 from the general fund of the state to the department of human  
33 services for the fiscal year beginning July 1, 1998, and  
34 ending June 30, 1999, the following amount, or so much thereof  
35 as is necessary, to be used for the purpose designated:

1 For general administration, including salaries, support,  
2 maintenance, and miscellaneous purposes and for not more than  
3 the following full-time equivalent positions:

4 .....	\$ 15,278,000
5 .....	FTEs 386.00

6 1. Of the funds appropriated in this section, \$57,000 is  
7 allocated for the prevention of disabilities policy council  
8 established in section 225B.3.

9 2. Of the funds appropriated in this section, \$129,971 for  
10 the fiscal year beginning July 1, 1998, shall be transferred  
11 directly to the state university of Iowa for the university-  
12 affiliated program for the support of Iowa creative employment  
13 options (CEO).

14 3. If an expenditure reduction or other cost-saving  
15 measure is deemed necessary to maintain expenditures within  
16 the amount appropriated to the department in this section, the  
17 department shall not implement the reduction or other measure  
18 in a manner which reduces service funding for disability  
19 rehabilitation programs, including but not limited to,  
20 statewide supported employment programs or reduces the  
21 drawdown of federal funding.

22 Sec. 30. VOLUNTEERS. There is appropriated from the  
23 general fund of the state to the department of human services  
24 for the fiscal year beginning July 1, 1998, and ending June  
25 30, 1999, the following amount, or so much thereof as is  
26 necessary, to be used for the purpose designated:

27 For development and coordination of volunteer services:	
28 .....	\$ 118,500

29 Sec. 31. MEDICAL ASSISTANCE, STATE SUPPLEMENTARY  
30 ASSISTANCE, AND SOCIAL SERVICE PROVIDERS REIMBURSED UNDER THE  
31 DEPARTMENT OF HUMAN SERVICES.

32 1. a. For the fiscal year beginning July 1, 1998, the  
33 rate for skilled nursing facilities shall be increased by 2  
34 percent over the rates in effect on June 30, 1998.

35 b. Beginning January 1, 1999, the rate for pharmacist

1 services shall be increased by two percent over the rate in  
2 effect on June 30, 1998. The reimbursement policy for drug  
3 product costs shall be in accordance with federal  
4 requirements.

5 c. For the fiscal year beginning July 1, 1998,  
6 reimbursement rates for inpatient and outpatient hospital  
7 services shall remain the same as the rates in effect on June  
8 30, 1998. The department shall continue the outpatient  
9 hospital reimbursement system based upon ambulatory patient  
10 groups implemented pursuant to 1994 Iowa Acts, chapter 1186,  
11 section 25, subsection 1, paragraph "f". In addition, the  
12 department shall continue the revised medical assistance  
13 payment policy implemented pursuant to that paragraph to  
14 provide reimbursement for costs of screening and treatment  
15 provided in the hospital emergency room if made pursuant to  
16 the prospective payment methodology developed by the  
17 department for the payment of outpatient services provided  
18 under the medical assistance program.

19 d. Reimbursement rates for rural health clinics, hospices,  
20 and acute mental hospitals shall be increased in accordance  
21 with increases under the federal Medicare program or as  
22 supported by their Medicare audited costs.

23 e. Reimbursement rates for home health agencies shall be  
24 limited to a two percent increase over the rate in effect on  
25 June 30, 1998. The department shall, in consultation with  
26 provider representatives, develop a new reimbursement  
27 methodology in applying this increase.

28 f. The basis for establishing the maximum medical  
29 assistance reimbursement rate for nursing facilities shall be  
30 the 70th percentile of facility costs as calculated from the  
31 June 30, 1998, unaudited compilation of cost and statistical  
32 data. However, to the extent funds are available within the  
33 amount projected for reimbursement of nursing facilities  
34 within the appropriation for medical assistance in this Act  
35 for the fiscal year beginning July 1, 1998, and within the



1 appropriation for medical assistance as a whole for the fiscal  
2 year beginning July 1, 1998, the department shall adjust the  
3 maximum medical assistance reimbursement for nursing  
4 facilities to the 70th percentile, as calculated on December  
5 31, 1998, unaudited compilation of cost and statistical data  
6 and the adjustment shall take effect January 1, 1999.

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

10 h. Beginning July 1, 1998, the reimbursement for dental  
11 services shall be increased by two percent over the rates in  
12 effect on June 30, 1998. Beginning January 1, 1999, the  
13 reimbursement for dental services shall be increased by an  
14 additional two percent over the rates in effect on December  
15 31, 1998.

16 2. For the fiscal year beginning July 1, 1998, the maximum  
17 cost reimbursement rate for residential care facilities  
18 reimbursed by the department shall not be less than \$23.26 per  
19 day for the time period of July 1, 1998, through December 31,  
20 1998, and shall not be less than \$23.83 per day for the time  
21 period of January 1, 1999, through June 30, 1999. The flat  
22 reimbursement rate for facilities electing not to file  
23 semiannual cost reports shall not be less than \$16.64 per day  
24 for the time period of July 1, 1998, through December 31,  
25 1998, and shall not be less than \$17.05 per day for the time  
26 period of January 1, 1999, through June 30, 1999. For the  
27 fiscal year beginning July 1, 1998, the maximum reimbursement  
28 rate for providers reimbursed under the in-home health-related  
29 care program shall not be less than \$447.16 per month for the  
30 time period of July 1, 1998, through December 31, 1998, and  
31 shall not be less than \$458.20 per month for the time period  
32 of January 1, 1999, through June 30, 1999.

33 3. Unless otherwise directed in this section, when the  
34 department's reimbursement methodology for any provider  
35 reimbursed in accordance with this section includes an

1 inflation factor, this factor shall not exceed the amount by  
2 which the consumer price index for all urban consumers  
3 increased during the calendar year ending December 31, 1997.

4 4. Notwithstanding section 234.38, in the fiscal year  
5 beginning July 1, 1998, the foster family basic daily  
6 maintenance rate and the maximum adoption subsidy rate for  
7 children ages 0 through 5 years shall be \$13.45, the rate for  
8 children ages 6 through 11 years shall be \$14.25, the rate for  
9 children ages 12 through 15 years shall be \$15.96, and the  
10 rate for children ages 16 and older shall be \$15.96.

11 5. For the fiscal year beginning July 1, 1998, the maximum  
12 reimbursement rates for adoption and independent living  
13 services shall be increased by two percent over the rates in  
14 effect on June 30, 1998. The maximum reimbursement rates for  
15 other social service providers shall be the same as the rates  
16 in effect on June 30, 1998. However, the rates may be  
17 adjusted under any of the following circumstances:

18 a. If a new service was added after June 30, 1998, the  
19 initial reimbursement rate for the service shall be based upon  
20 actual and allowable costs.

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

27 c. The department revises the reimbursement rates as part  
28 of the changes in the mental health and developmental  
29 disabilities services system initiated pursuant to 1995 Iowa  
30 Acts, chapter 206, and associated legislation.

31 6. Of the moneys appropriated in this Act for child and  
32 family services, \$1,261,875 is allocated to provide for a  
33 reimbursement increase to rehabilitative treatment and support  
34 services providers. The department shall distribute the  
35 increase as negotiated. However, if a provider previously

1 elected to not negotiate the provider's reimbursement, the  
2 department shall allow that provider to negotiate for  
3 reimbursement.

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

11 8. For the fiscal year beginning July 1, 1998, the  
12 combined service and maintenance components of the  
13 reimbursement rate paid to a shelter care provider shall be  
14 based on the cost report submitted to the department. The  
15 maximum reimbursement rate shall be \$78.14 per day. If the  
16 department would reimburse the provider at less than the  
17 maximum rate but the provider's cost report justifies a rate  
18 of at least \$78.14, the department shall readjust the  
19 provider's reimbursement rate to the maximum reimbursement  
20 rate.

21 9. For the fiscal year beginning July 1, 1998, the  
22 department shall calculate reimbursement rates for  
23 intermediate care facilities for persons with mental  
24 retardation at the 80th percentile.

25 10. For the fiscal year beginning July 1, 1998, for child  
26 day care providers, the department shall set provider  
27 reimbursement rates based on the rate reimbursement survey  
28 completed in December 1996. The department shall set rates in  
29 a manner so as to provide incentives for a nonregistered  
30 provider to become registered.

31 11. For the fiscal year beginning July 1, 1998, the  
32 reimbursement rate for psychiatric medical institutions for  
33 children (PMICs) shall be increased by 2 percent over the  
34 rates in effect on June 30, 1998.

35 12. If the Iowa empowerment board is established, the

1 board shall develop and implement a plan, in cooperation with  
2 maternal child health clinics, school nurses, and other  
3 affected providers, to ensure attendance of health care  
4 appointments, with an emphasis on attendance of dental  
5 appointments, by medical assistance recipients.

6 13. The department shall review the appropriateness of the  
7 reimbursement provided for home infusion therapy under the  
8 medical assistance program and shall submit a report of the  
9 findings of the review to the general assembly by January 1,  
10 1999.

11 14. The department may adopt emergency rules to implement  
12 the provisions of this section.

13 Sec. 32. FULL-TIME EQUIVALENT POSITIONS. Of the full-time  
14 equivalent positions (FTEs) appropriated for in this Act,  
15 19.61 FTEs represent the transition of personnel services  
16 contractors to full-time equivalent position status. The  
17 merit system provisions of chapter 19A, collective bargaining  
18 agreement provisions of chapter 20, and the state and union  
19 collective bargaining agreements, as these relate to the  
20 filling of positions, shall not govern movement of these 19.61  
21 FTEs into the full-time equivalent position status during the  
22 period beginning July 1, 1998, and ending August 31, 1998.

23 Sec. 33. STATE INSTITUTIONS -- CLOSINGS AND REDUCTIONS.

24 1. If a state institution administered by the department  
25 of human services is to be closed or reduced in size, prior to  
26 the closing or reduction the department shall initiate and  
27 coordinate efforts in cooperation with the Iowa department of  
28 economic development to develop new jobs in the area in which  
29 the state institution is located. In addition, the department  
30 may take other actions to utilize any closed unit or other  
31 facilities and services of an institution, including but not  
32 limited to assisting public or private organizations in  
33 utilizing the services and facilities. The actions may also  
34 include assisting an organization with remodeling and lease  
35 costs by forgiving future rental or lease payments to the

1 extent necessary for a period not to exceed five years. The  
2 department of human services and the department of economic  
3 development shall submit a joint report to the chairpersons  
4 and ranking members of the joint appropriations subcommittee  
5 on human services on or before January 2, 1999, regarding any  
6 efforts made pursuant to this subsection.

7 2. For purposes of this section, "state institution" means  
8 a state mental health institute, a state hospital-school, the  
9 state training school, and the Iowa juvenile home under the  
10 authority of the department of human services listed in  
11 section 218.1.

12 Sec. 34. TRANSFER AUTHORITY. Subject to the provisions of  
13 section 8.39, for the fiscal year beginning July 1, 1998, if  
14 necessary to meet federal maintenance of effort requirements  
15 or to transfer federal temporary assistance for needy families  
16 block grant funding to be used for purposes of the federal  
17 social services block grant, the department of human services  
18 may transfer between any of the appropriations made in this  
19 Act and appropriations in law for the federal social services  
20 block grant to the department for the following purposes,  
21 provided that the combined amount of state and federal  
22 temporary assistance for needy families block grant funding  
23 for each appropriation remains the same before and after the  
24 transfer:

- 25 1. For the family investment program.
- 26 2. For emergency assistance.
- 27 3. For child day care assistance.
- 28 4. For child and family services.
- 29 5. For field operations.
- 30 6. For general administration.
- 31 7. MH/MR/DD/BI community services (local purchase).

32 This section shall not be construed to prohibit existing  
33 state transfer authority for other purposes.

34 Sec. 35. CONFIDENTIALITY. The department of human  
35 services, in cooperation with other state agencies, shall

1 develop recommendations to improve the sharing of information,  
2 including confidential information, relative to individuals  
3 receiving services or assistance from the department or  
4 another state agency, to improve coordination of services and  
5 assistance. The department shall submit a report of the  
6 recommendations to the general assembly on or before December  
7 15, 1998.

8 Sec. 36. CHILD ABUSE ASSESSMENT IMPLEMENTATION.

9 Notwithstanding the requirements of 1997 Iowa Acts, chapter  
10 35, section 232.71A, Code Supplement 1997, sections 232.71B  
11 and 232.71C, Code 1997, and the repeal of section 232.71, Code  
12 Supplement 1997, for the period beginning July 1, 1998, and  
13 ending September 1, 1998, the department shall continue to  
14 respond to a report of child abuse in Polk county in  
15 accordance with the provisions of section 232.71, Code  
16 Supplement 1997. For this period, in Polk county the  
17 department shall continue to apply the rules adopted for  
18 responding to a report of child abuse under section 232.71,  
19 Code Supplement 1997.

20 Sec. 37. SUPPORTING FAMILIES OF CHILDREN WITH A  
21 DEVELOPMENTAL DISABILITY.

22 1. The department of human services shall develop a  
23 program supporting families of children with mental  
24 retardation or other developmental disability. The program  
25 shall provide medical assistance case management for those who  
26 are eligible, or case management by the department's field  
27 services staff for those who are not eligible for medical  
28 assistance. The program shall be designed for administrative  
29 simplicity with a minimal amount of paperwork required for  
30 program participants and service providers.

31 2. The program shall be directed to children who are  
32 eligible for any of the following:

33 a. Intermediate care facility for persons with mental  
34 retardation services.

35 b. Medical assistance home and community-based waiver for

1 persons or children with mental retardation services.

2 c. Voluntary foster care placement under section 232.182  
3 or 232.183.

4 d. Family support subsidy under section 225C.38.

5 3. Subject to applicable federal requirements,  
6 restrictions in this section, and the amount of state funding  
7 appropriated, the department may decategorize and transfer for  
8 purposes of the program created pursuant to this section any  
9 of the state funding appropriated for a program, service, or  
10 placement listed in subsection 2. The decategorized state  
11 funding may be used to provide any of the services listed in  
12 subsection 2 which will best meet the needs of both the child  
13 and the child's family.

14 4. The department may adopt emergency rules to implement  
15 the provisions of this section. The rules adopted by the  
16 department for the program shall not require a family or a  
17 family member receiving a family support subsidy payment or  
18 medical assistance home and community-based waiver services,  
19 at the time of the program's implementation, to reapply, lose  
20 a waiver slot, or otherwise change eligibility requirements  
21 applicable to the family or a family member, except as  
22 otherwise provided by law.

23 5. The program shall be implemented on or before June 30,  
24 1999. The department shall make an initial report concerning  
25 the program's implementation during the 1999 legislative  
26 session and a final report prior to implementation of the  
27 program. The department shall submit proposed legislation for  
28 codification of the program in accordance with section 2.16  
29 for consideration by the general assembly during the 2000  
30 legislative session.

31 Sec. 38. JUVENILE DETENTION HOMES. If during the fiscal  
32 year beginning July 1, 1998, and ending June 30, 1999, the  
33 moneys collected by the state department of transportation  
34 pursuant to sections 321.218A and 321A.32A, to be distributed  
35 under law for use in the establishment, improvement,

1 operation, and maintenance of county or multicounty juvenile  
2 detention homes, are projected to be less than \$1,000,000, the  
3 department of human services shall transfer, in accordance  
4 with the requirements of section 8.39, an amount sufficient to  
5 ensure \$1,000,000 is actually distributed to such homes during  
6 the fiscal year.

7     Sec. 39. NET STATE BUDGETING REVENUES. Notwithstanding  
8 section 8.33, revenues generated by and moneys appropriated to  
9 the state hospital-school at Glenwood pursuant to 1997 Iowa  
10 Acts, chapter 208, section 17, and the provisions of this Act,  
11 which are unexpended or unobligated, shall not revert to any  
12 fund at the close of a fiscal year but shall remain available  
13 for expenditure by the state hospital-school in the succeeding  
14 fiscal year. Notwithstanding section 8.33, revenues generated  
15 by and moneys appropriated to the state hospital-school at  
16 Woodward pursuant to the provisions of this Act shall not  
17 revert to any fund at the close of a fiscal year but shall  
18 remain available for expenditure by the state hospital-school  
19 in the succeeding fiscal year.

20     Sec. 40. CONTRACTS -- PENALTIES. For the fiscal year  
21 beginning July 1, 1998, and ending June 30, 1999, any contract  
22 which exceeds \$150,000 entered into by the department shall  
23 include a provision to assess a penalty for failure to meet  
24 performance expectations, noncompliance, or any other breach  
25 of contract, in addition to any other remedy under law.

26     Sec. 41. FINANCIAL ASSISTANCE SERVICES.

27     1. For purposes of this section, "financial assistance  
28 services" means services or other assistance provided under  
29 one or more of the following programs administered by the  
30 department of human services: family investment program,  
31 PROMISE JOBS program, medical assistance program, food stamp  
32 program; state child care assistance program, refugee cash  
33 assistance program, emergency assistance program, and child  
34 support recovery program.

35     2. During the period beginning May 1, 1998, and ending



1 June 30, 1999, the department of human services may conduct a  
2 pilot program or pilot programs for provisions of financial  
3 assistance services.

4 3. Any pilot program conducted in accordance with this  
5 section shall be designed to meet one or more of the following  
6 financial assistance services goals:

7 a. A reduction in paperwork for applicants and recipients  
8 of services, or staff, or both.

9 b. Streamlining or expediting the eligibility  
10 determination process, to decrease the length of time it takes  
11 to inform applicants for financial assistance services as to  
12 the disposition of their request for the services.

13 c. Streamlining or expediting the referral process for  
14 family investment program applicants and recipients to other  
15 financial assistance services such as PROMISE JOBS or child  
16 support recovery, so that referrals can be initiated in a more  
17 timely manner in order to help move applicants and recipients  
18 more quickly to economic self-sufficiency or toward reduced  
19 reliance on government assistance.

20 d. Improved coordination of the management of financial  
21 assistance services as applicants for and recipients of the  
22 services work toward economic self-sufficiency.

23 e. Identification of policies, procedures, and practices  
24 that could be altered or eliminated without materially  
25 affecting the desired results for the family assistance  
26 services.

27 4. Any pilot program conducted in accordance with this  
28 section is subject to the following limitations and  
29 parameters:

30 a. Notwithstanding any administrative rule, that is not  
31 based in federal law, the department may alter policies,  
32 procedures, and practices to waive the administrative rule,  
33 that are based in state law, provided that the alterations do  
34 not decrease an applicant's or recipient's choice of, or  
35 ability to obtain, financial assistance services from the

1 department in comparison with the financial assistance  
2 services that would otherwise be available. The department  
3 may operate one or more pilot projects under this paragraph,  
4 in not more than four counties.

5 b. If the department obtains a waiver of federal law or  
6 regulation, the department may alter policies, procedures, and  
7 practices that are based in federal law, provided that the  
8 alterations do not decrease an applicant's or recipient's  
9 choice of, or ability to obtain, financial assistance services  
10 from the department in comparison with the financial  
11 assistance services that would otherwise be available. The  
12 department may operate on or more projects under this  
13 paragraph, in not more than four counties.

14 c. In order to facilitate rapid implementation, any pilot  
15 program authorized under this section is exempt from the  
16 rulemaking procedures and rulemaking requirements of chapter  
17 17A. However, following development of the pilot program, the  
18 department shall publish a summary of the program provisions  
19 including the law or rule being waived, the areas in which the  
20 pilot program will operate, and the duration of the program in  
21 the Iowa administrative bulletin and shall provide the summary  
22 to the chairpersons and ranking members of the joint  
23 appropriations subcommittee on human services, the legislative  
24 fiscal bureau, and the legislative service bureau. In  
25 implementing a pilot program under this section, the  
26 department shall take steps to make applicants and recipients  
27 of services aware of their choices, expectations, rights, and  
28 responsibilities.

29 DIVISION II -- DOMESTIC VIOLENCE OPTION

30 Sec. 42. DOMESTIC VIOLENCE OPTION. The provisions of this  
31 Division relating to domestic violence provide for the state  
32 of Iowa's implementation of the domestic violence option under  
33 the federal Personal Responsibility and Work Opportunity  
34 Reconciliation Act of 1996, Pub. L. No. 104-193 § 402(a)(7).

35 Sec. 43. Section 239B.2, subsection 6, Code Supplement

1 1997, is amended to read as follows:

2 6. COOPERATION WITH CHILD SUPPORT REQUIREMENTS. The  
3 department shall provide for prompt notification of the  
4 department's child support recovery unit if assistance is  
5 provided to a child whose parent is absent from the home. An  
6 applicant or participant shall cooperate with the child  
7 support recovery unit and the department as provided in 42  
8 U.S.C. § 608(a)(2) unless the applicant or participant  
9 qualifies for good cause or other exception as determined by  
10 the department in accordance with the best interest of the  
11 child, parent, or specified relative, and with standards  
12 prescribed by rule. The authorized good cause or other  
13 exceptions shall include participation in a family investment  
14 agreement safety plan option to address or prevent family or  
15 domestic violence and other consideration given to the  
16 presence of family or domestic violence. If a specified  
17 relative with whom a child is residing fails to comply with  
18 these cooperation requirements, a sanction shall be imposed as  
19 defined by rule in accordance with state and federal law.

20 Sec. 44. Section 239B.4, Code Supplement 1997, is amended  
21 by adding the following new subsection:

22 NEW SUBSECTION. 2A. The department shall develop and use  
23 a screening tool for determining the likely presence of family  
24 and domestic violence affecting applicant and participant  
25 families. The department shall require the use of the  
26 screening tool by trained employees.

27 Sec. 45. Section 239B.8, subsection 2, Code Supplement  
28 1997, is amended by adding the following new paragraph:

29 NEW PARAGRAPH. i. Participation in a safety plan to  
30 address or prevent family or domestic violence. The safety  
31 plan may include a temporary waiver period from required  
32 participation in the JOBS program or other employment-related  
33 activities, as appropriate for the situation of the applicant  
34 or participant. All applicants and participants shall be  
35 informed regarding the existence of this option. Participation

1 in this option shall be subject to review in accordance with  
2 administrative rule.

3 Sec. 46. APPLICABILITY. The department of human services  
4 shall field test the screening tool requirements of section  
5 239B.4, subsection 2A, as enacted by this Division, in both  
6 urban and rural areas during the fiscal year beginning July 1,  
7 1998, and shall apply the requirements statewide beginning  
8 July 1, 1999.

9 DIVISION III -- PRIVATE AGENCY CONTRACTS

10 Sec. 47. PRIVATE AGENCY CONTRACTS. The auditor of state  
11 and the director of human services shall jointly develop a  
12 process for exempting a private agency awarded a grant,  
13 contract, or purchase of service contract through the  
14 department of human services for the fiscal year beginning  
15 July 1, 1998, and ending June 30, 1999, from the requirement  
16 to obtain a certification from the auditor of state pursuant  
17 to section 11.36. The process shall apply a monetary  
18 threshold, provide for acceptance of existing audits, or  
19 utilize other methods to determine the adequacy of a private  
20 agency's accounting practices in a manner which is not  
21 burdensome to the private agency or the state. The auditor of  
22 state and the director of human services shall submit a report  
23 of the process developed to the general assembly on or before  
24 January 1, 1999.

25 Sec. 48. Section 217.41, Code 1997, is repealed.

26 DIVISION IV -- STATUTORY REVISIONS

27 Sec. 49. 1997 Iowa Acts, chapter 208, section 2,  
28 unnumbered paragraph 3, is amended by striking the unnumbered  
29 paragraph.

30 Sec. 50. 1997 Iowa Acts, chapter 208, section 17,  
31 subsection 1, paragraph a, subparagraph (1), is amended to  
32 read as follows:

33 (1) The department shall implement a pilot project of  
34 operating the hospital-school with a net general fund  
35 appropriation. The amount allocated in this paragraph is the

1 net state appropriation amount projected to be needed for the  
 2 state hospital-school at Glenwood. Purposes of the pilot  
 3 project are to encourage the hospital-school to operate with  
 4 increased self-sufficiency, to improve quality and efficiency,  
 5 and to support collaborative efforts between the hospital-  
 6 school and counties and other funders of services available  
 7 from the hospital-school. The pilot project shall not be  
 8 implemented in a manner which results in a cost increase to  
 9 the state or cost shifting between the state, the medical  
 10 assistance program, counties, or other sources of funding for  
 11 the state hospital-school. Moneys allocated in this paragraph  
 12 may be used throughout the fiscal year in the manner necessary  
 13 for purposes of cash flow management, and for purposes of cash  
 14 flow management the hospital-school may temporarily draw more  
 15 than the amount allocated, provided the amount allocated is  
 16 not exceeded at the close of the fiscal year. For the  
 17 purposes of calculating the August 31, 1998, fiscal year 1997-  
 18 1998 ending balance under this subsection, the department  
 19 shall include county receivables billed but not yet received.  
 20 However, only receipts received within 90 days of being billed  
 21 for fiscal year 1997-1998 services shall be included. The  
 22 state hospital-school at Glenwood may draw upon the general  
 23 fund of the state in an amount equal to the amount of the  
 24 receipts not yet received.

25 Sec. 51. Section 135H.6, subsection 5, Code 1997, is  
 26 amended to read as follows:

27 5. The department of human services has submitted written  
 28 approval of the application based on the department of human  
 29 services' determination of need. The department of human  
 30 services shall identify the location and number of children in  
 31 the state who require the services of a psychiatric medical  
 32 institution for children. Approval of an application shall be  
 33 based upon the location of the proposed psychiatric  
 34 institution relative to the need for services identified by  
 35 the department of human services and an analysis of the

1 applicant's ability to provide services and support consistent  
2 with requirements under chapter 232, particularly regarding  
3 community-based treatment. If the proposed psychiatric  
4 institution is not freestanding from a facility licensed under  
5 chapter 135B or 135C, approval under this subsection shall not  
6 be given unless the department of human services certifies  
7 that the proposed psychiatric institution is capable of  
8 providing a resident with a living environment similar to the  
9 living environment provided by a licensee which is  
10 freestanding from a facility licensed under chapter 135B or  
11 135C. Unless a psychiatric institution was accredited to  
12 provide psychiatric services by the joint commission on the  
13 accreditation of health care organizations under the  
14 commission's consolidated standards for residential settings  
15 prior to June 1, 1989, the department of human services shall  
16 not approve an application for a license under this chapter  
17 until the federal health care financing administration has  
18 approved a state Title XIX plan amendment to include coverage  
19 of services in a psychiatric medical institution for children.  
20 In addition, either of the following conditions must be met:  
21     a. The department of human services shall not give  
22 approval to an application which would cause the total number  
23 of beds licensed under this chapter to exceed three hundred  
24 sixty beds, except as provided in paragraph "b" and paragraph  
25 "c", with not more than three hundred of the beds licensed  
26 under chapter 237 before January 1, 1989, and not more than  
27 sixty of the beds licensed under chapter 237 on or after  
28 January 1, 1989.  
29     b. The department of human services shall not give  
30 approval to an application which would cause the total number  
31 of beds licensed under this chapter after June 30, 1990, which  
32 specialize in providing substance abuse treatment to children  
33 to exceed seventy beds.  
34     c. The department of human services may establish not more  
35 than thirty beds licensed under this chapter at the state

1 mental health institute at Independence. The beds shall be  
2 exempt from the certificate of need requirement under  
3 subsection 4.

4 Sec. 52. Section 217.12, subsection 3, Code 1997, is  
5 amended by adding the following new paragraph:

6 NEW PARAGRAPH. h. Designation of agreement provisions for  
7 tracking and reporting performance measures developed pursuant  
8 to subsection 4.

9 Sec. 53. Section 222.68, Code 1997, is amended to read as  
10 follows:

11 222.68 COSTS PAID IN FIRST INSTANCE.

12 All necessary and legal expenses for the cost of admission  
13 or commitment of a person to a hospital-school or a special  
14 unit when the person's legal settlement is found to be in  
15 another county of this state shall in the first instance be  
16 paid by the county from which the person was admitted or  
17 committed. The county of legal settlement shall reimburse the  
18 county ~~so-paying~~ which pays for all such expenses. Where any  
19 county fails to make such reimbursement within ~~sixty~~ forty-  
20 five days following submission of a properly itemized bill to  
21 the county of legal settlement, a penalty of not greater than  
22 one percent per month on and after ~~sixty~~ forty-five days from  
23 submission of the bill may be added to the amount due.

24 Sec. 54. Section 222.75, Code 1997, is amended to read as  
25 follows:

26 222.75 DELINQUENT PAYMENTS -- PENALTY.

27 Should any county fail to pay the bills within ~~sixty~~ forty-  
28 five days from the date of certificate from the  
29 superintendent, the director of revenue and finance may charge  
30 the delinquent county a penalty of not greater than one  
31 percent per month on and after ~~sixty~~ forty-five days from date  
32 of certificate until paid.

33 Sec. 55. Section 225C.38, subsection 1, paragraph c, Code  
34 1997, is amended to read as follows:

35 c. Except as provided in section 225C.41, a family support

1 subsidy for a fiscal year shall be in an amount equivalent to  
2 the monthly maximum supplemental security income payment  
3 available in Iowa on July 1 of that fiscal year for an adult  
4 recipient living in the household of another, as formulated  
5 under federal regulations. In addition, the parent or legal  
6 guardian of a family member who is in an out-of-home placement  
7 at the time of application may receive a one-time lump-sum  
8 advance payment of twice the monthly family support subsidy  
9 amount for the purpose of meeting the special needs of the  
10 family in preparing for in-home care. The parent or legal  
11 guardian receiving a family support subsidy may elect to  
12 receive a payment amount which is less than the amount  
13 determined in accordance with this paragraph.

14 Sec. 56. Section 225C.48, subsection 5, Code 1997, is  
15 amended by striking the subsection.

16 Sec. 57. Section 229.42, unnumbered paragraph 4, Code  
17 Supplement 1997, is amended to read as follows:

18 Should any county fail to pay these bills within sixty  
19 forty-five days from the date of certificate from  
20 superintendent, the director of revenue and finance shall  
21 charge the delinquent county the penalty of one percent per  
22 month on and after sixty forty-five days from date of  
23 certificate until paid. Such penalties shall be credited to  
24 the general fund of the state.

25 Sec. 58. Section 230.22, Code 1997, is amended to read as  
26 follows:

27 230.22 PENALTY.

28 Should any county fail to pay the amount billed by a  
29 statement submitted pursuant to section 230.20 within sixty  
30 forty-five days from the date the statement is certified by  
31 the superintendent, the director of revenue and finance shall  
32 charge the delinquent county the penalty of one percent per  
33 month on and after sixty forty-five days from the date the  
34 statement is certified until paid. Provided, however, that  
35 the penalty shall not be imposed if the county has notified



1 the director of revenue and finance of error or questionable  
2 items in the billing, in which event, the director of revenue  
3 and finance may suspend penalty only during the period of  
4 negotiation.

5 Sec. 59. Section 239B.11, subsection 2, Code Supplement  
6 1997, is amended to read as follows:

7 2. A diversion program subaccount is created within the  
8 family investment program account. The subaccount may be used  
9 to provide incentives to divert applicants' participation in  
10 the family investment program if the applicants would  
11 otherwise-be-eligible meet income eligibility requirements for  
12 assistance. Incentives may be provided in the form of payment  
13 or services with a focus on helping applicants to obtain or  
14 retain employment. The diversion program subaccount may also  
15 be used for payments to participants as necessary to cover the  
16 expenses of removing barriers to employment.

17 Sec. 60. Section 249A.3, subsection 1, paragraph g,  
18 subparagraph (2), Code Supplement 1997, is amended to read as  
19 follows:

20 (2) Is a child ~~born-after-September-30-1983~~, who has  
21 attained six years of age but has not attained nineteen years  
22 of age ~~as-prescribed-by-the-federal-Omnibus-Budget~~  
23 ~~Reconciliation-Act-of-1990-Pub.-L.-No.-101-508-§-4601,~~  
24 whose income is not more than one hundred percent of the  
25 federal poverty level, as defined by the most recently revised  
26 poverty income guidelines published by the United States  
27 department of health and human services.

28 Sec. 61. Section 541A.3, subsection 5, Code 1997, is  
29 amended to read as follows:

30 5. The administrator shall coordinate the filing of claims  
31 for savings refunds authorized under subsection 1, between  
32 account holders, operating organizations, and the department  
33 of revenue and finance. Claims approved by the administrator  
34 may be paid by the department of revenue and finance to each  
35 account or for an aggregate amount for distribution to the

1 accounts in a particular financial institution, depending on  
2 the efficiency for issuing the refunds. Claims shall be  
3 initially filed with the administrator on or before a date  
4 established by the administrator. Claims approved by the  
5 administrator shall be paid in the manner specified in section  
6 422.74.

7 Sec. 62. IMPLEMENTATION -- STATE MANDATE. Section 25B.2,  
8 subsection 3, shall not apply to the provisions of this  
9 Division amending sections 222.68, 222.75, 229.42, and 230.22.

10 Sec. 63. EMERGENCY RULES. If specifically authorized by a  
11 provision of this Act, the department of human services or the  
12 mental health and mental retardation commission may adopt  
13 administrative rules under section 17A.4, subsection 2, and  
14 section 17A.5, subsection 2, paragraph "b", to implement the  
15 provisions and the rules shall become effective immediately  
16 upon filing, unless the effective date is delayed by the  
17 administrative rules review committee, notwithstanding section  
18 17A.4, subsection 5, and section 17A.8, subsection 9, or a  
19 later effective date is specified in the rules. Any rules  
20 adopted in accordance with this section shall not take effect  
21 before the rules are reviewed by the administrative rules  
22 review committee. Any rules adopted in accordance with the  
23 provisions of this section shall also be published as notice  
24 of intended action as provided in section 17A.4.

25 Sec. 64. REPORTS. Any reports or information required to  
26 be compiled and submitted under this Act shall be submitted to  
27 the chairpersons and ranking members of the joint  
28 appropriations subcommittee on human services, the legislative  
29 fiscal bureau, the legislative service bureau, and to the  
30 caucus staffs on or before the dates specified for submission  
31 of the reports or information.

32 Sec. 65. Section 239B.23, Code Supplement 1997, is  
33 repealed.

34 Sec. 66. EFFECTIVE DATE. The following provisions of this  
35 Act, being deemed of immediate importance, take effect upon

1 enactment:

2 1. Section 1, supplementing an appropriation in 1997 Iowa  
3 Acts, chapter 202.

4 2. Section 5, subsection 7, relating to X-pert computer  
5 system funding.

6 3. Section 10, subsection 4, relating to a request for  
7 proposals for managed behavioral health and substance abuse  
8 care.

9 4. Section 15, subsection 2, paragraph "f", relating to  
10 requirements of section 232.143, for the 1997-1998 and 1998-  
11 1999 fiscal years.

12 5. Section 15, subsection 18, relating to continuation of  
13 clinical assessment in consultation teams.

14 6. Section 18, subsection 1, relating to determining  
15 allocation of court-ordered services funding.

16 7. Section 39, relating to net state budgeting at the  
17 state hospital-schools.

18 8. Section 41, relating to financial assistance services.

19 9. Section 47, relating to private agency contracts.

20 10. Sections 49 and 50, amending 1997 Iowa Acts, chapter  
21 208.

22 11. Section 56, amending Code section 225C.48.

23 EXPLANATION

24 This bill relates to and makes appropriations to the  
25 department of human services FY 1998-1999.

26 The bill provides that the requirements of Code section  
27 232.142 requiring the state to pay a certain amount of the  
28 costs of county and multicounty juvenile detention homes are  
29 rendered inapplicable. This provision may constitute a state  
30 mandate under Code chapter 25B. The bill makes inapplicable  
31 Code section 25B.2, subsection 3, which would relieve a  
32 political subdivision from complying with a state mandate if  
33 funding for the cost of the mandate is not provided or not  
34 specified.

35 The bill repeals a provision in the fiscal year 1997-1998

1 appropriation of federal temporary assistance for needy  
2 families (TANF) block grant moneys which provided that the  
3 appropriated moneys would not revert at the close of the  
4 fiscal year but would remain available for allocation by law  
5 in FY 1998-1999. This repeal takes effect upon enactment.

6 The bill includes a provision directing the department to  
7 continue utilizing the investigation approach for responding  
8 to a report of child abuse in Polk county for the period  
9 beginning July 1, 1998, through September 1, 1998. Under  
10 current law, the investigation approach is to incrementally  
11 replaced with the assessment approach with implementation  
12 complete by June 30, 1998. The bill directs the department to  
13 continue to apply the investigation approach and rules adopted  
14 for this approach in Polk county for that period.

15 The bill includes provisions relating to Iowa's  
16 implementation of the domestic violence option authorized  
17 under the federal welfare reform law.

18 Code section 239B.2, subsection 6, relating to required  
19 cooperation with child support requirements under FIP, is  
20 amended to provide for an exception for those participating in  
21 a family investment agreement safety plan option authorized in  
22 the bill and other consideration given to the presence of  
23 family or domestic violence.

24 New subsection 2A of Code section 239B.4, relating to the  
25 departmental role in the family investment program (FIP),  
26 requires the department to develop a screening tool for use by  
27 department employees in determining the likely presence of  
28 family and domestic violence in FIP applicant and participant  
29 families. The bill includes a temporary provision requiring  
30 the department to test the screening provisions during the  
31 fiscal year beginning July 1, 1998, in urban and rural areas.  
32 The screening requirement is to be applied statewide beginning  
33 July 1, 1999.

34 The bill amends Code section 239B.8, relating to family  
35 investment agreements. The bill provides a new option so that

1 a family investment agreement may include an option for a  
2 program participant to participate in a family safety plan.  
3 This option may include a temporary waiver for participation  
4 in the JOBS program or other employment-related activities.

5 The bill includes an amendment to Code section 225C.38,  
6 relating to payments under the family support subsidy program,  
7 to allow for the person receiving the subsidy to elect to  
8 receive less than the regular amount.

9 The bill strikes a provision in Code section 225C.48 which  
10 would otherwise repeal the personal assistance and family  
11 support council effective July 1, 1998. This provision takes  
12 effect upon enactment.

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OFFICE OF THE GOVERNOR

STATE CAPITOL

DES MOINES, IOWA 50319

515 281-5211

TERRY E. BRANSTAD  
GOVERNOR

May 19, 1998

MAY 20 1998

The Honorable Paul Pate  
Secretary of State  
State Capitol Building  
LOCAL

Dear Mr. Secretary:

I hereby transmit Senate File 2410, 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 effective dates and a retroactive applicability provision.

Senate File 2410 is, therefore, approved on this date with the following exceptions, which I hereby disapprove.

I am unable to approve the item designated as Section 7, subsection 7, in its entirety. This item would implement a home and community based waiver for persons with physical disabilities. Allowing residents in a medical institution access for waiver services without first requiring evidence of the likelihood of long-term care could monopolize limited resources available for the program. I believe we should pursue a waiver for persons with physical disabilities, but direct it towards those with a clear prospect of long term institutionalization. Therefore, I am directing the department to implement a cost-effective waiver for persons with physical disabilities.

I am unable to approve the designated portion of Section 9. This item would allow unspent funds from fiscal year 1999 for the new child health care program to carry forward into fiscal year 2000. It is inappropriate to use one-time funding for on-going expenses.

I am unable to approve the item designated as Section 10, subsection 2, in its entirety. This item would prohibit the expansion of prior authorization for prescription drugs under the Medicaid program without approval of the General Assembly. The recent introduction of the new drug Viagra demonstrates the department's need to move forward quickly with prior authorization in a limited number of instances. The high level of media attention, combined with an absence of clinical criteria for restricting utilization, could create unanticipated cost over-runs in the Medicaid program.

I am unable to approve the designated portion of Section 16. This item appears to extend the application of the terms of the Connors consent decree relating to long term institutional settings to the University of Iowa Hospital School for Children with Disabilities. The University of Iowa Hospitals School for Children with Disabilities is not a long-term residential facility; rather it provides short-term acute care services. It would, therefore, be inappropriate to apply the Connors decree to the University Hospital School.

I am unable to approve the designated portion of Section 28. This item would require the Department of Human Services to reimburse a county when it chooses to offset a reduction in state mental health or mental retardation staff. The department must retain the flexibility to make staffing decisions based upon caseload need.

I am unable to approve the item designated as Section 32, subsection 1, paragraph b, in its entirety. This item would provide a two percent increase for pharmacist services effective January 1, 1999. This item sets precedent in that it applies to pharmacist services rather than dispensing fees, as has been the case in past years. Elsewhere in this bill, Section 10, subsection 4, the General Assembly has directed a study be undertaken to determine the benefits to the state of the provision of pharmaceutical services. It would be inappropriate to explicitly fund pharmacist services until the results of the study are known.

I am unable to approve the item designated as Section 40, in its entirety. This item would require the Department of Human Services to make up from any of its appropriations any shortfall in revenues earmarked for juvenile detention. If the General Assembly believes there may be a shortfall in funding for juvenile detention, it should be addressed in a more straightforward manner through a direct appropriation or an increase in revenue directed to this purpose.

I am unable to approve the item designated as Section 41, in its entirety. This item would allow unspent fiscal year 1999 funds for the Department of Human Services Hospital-Schools to carry forward into fiscal year 2000. It is inappropriate to use one-time funding for on-going expenses.

I am unable to approve the item designated as Section 42, in its entirety. This item would require the department to include penalty provisions for unmet performance expectations in all contracts with a value exceeding \$150,000. The language is drafted so broadly that it could potentially be applied to a physician providing services under Medicaid. I will instead direct the department to implement the intent of this section where appropriate.

The Honorable Paul Pate  
SF 2410 Page 3  
May 19, 1998

For the above reasons, I hereby respectfully disapprove these items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in Senate File 2410 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 Detail*

SENATE FILE 2410

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 EFFECTIVE DATES AND A RETROACTIVE APPLICABILITY PROVISION.

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

DIVISION I -- APPROPRIATIONS

Section 1. SOCIAL SERVICES BLOCK GRANT SUPPLEMENTATION.

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

For supplementation of the federal social services block grant appropriation in 1997 Iowa Acts, chapter 202, section 12, due to the federal reduction in this block grant and the corresponding decrease pursuant to 1997 Iowa Acts, chapter 202, section 16:

..... \$ 682,194

The moneys appropriated in this section are allocated for the indicated programs and functions within the department as follows:

- 1. General administration: ..... \$ 43,379
- 2. Field operations: ..... \$ 259,455
- 3. Child and family services: ..... \$ 38,808
- 4. Local administrative costs and other local services: ..... \$ 27,517
- 5. Volunteers: ..... \$ 3,007
- 6. Community-based services: ..... \$ 3,458
- 7. MH/MR/DD/BI community services (local purchase): ..... \$ 306,570

Sec. 2. EARLY CHILDHOOD. There is appropriated from the fund created in section 8.41 to the department of human services for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the fiscal year beginning July 1, 1999, and ending June 30, 2000, the fiscal year beginning July 1, 2000, and ending June 30, 2001, and the fiscal year beginning July 1, 2001, and ending June 30, 2002, from moneys received under the federal temporary assistance for needy families block grant, the following amount, or so much thereof as is necessary in each of the indicated fiscal years, to be used for the purpose designated:

For funding of community-based programs targeted to children from birth through five years of age, developed by community empowerment areas:

..... \$ 3,800,000

1. The department may transfer federal temporary assistance for needy families block grant funding allocated in this section to the child care and development block grant in accordance with federal law as necessary to comply with the provisions of this section. The funding shall then be provided to community empowerment areas for the fiscal year beginning July 1, 1998, in accordance with all of the following:

a. The area must be approved as a community empowerment area by the Iowa empowerment board.

b. The maximum funding amount a community empowerment area is eligible to receive shall be determined by applying the area's percentage of the state's average monthly family investment program population in the preceding fiscal year to the total amount appropriated in this section for fiscal year 1998-1999. If the community empowerment board's request for funding is received by the Iowa empowerment board on or after August 1, 1998, the maximum funding amount shall be prorated for the fiscal year and rounded up to the nearest full month.

c. A community empowerment area receiving funding shall comply with any federal reporting requirements associated with the use of that funding and other results and reporting requirements established by the Iowa empowerment board. The department shall provide technical assistance in identifying and meeting the federal requirements.

d. The availability of funding provided under this section is subject to changes in federal requirements and amendments to Iowa law.

2. Moneys appropriated in this section shall be used by communities for the purposes of enhancing quality child day

care capacity in support of parent capability to obtain or retain employment. The moneys shall be used with a primary emphasis on low-income families and children from birth to five years of age. Moneys shall be provided in a flexible manner to communities, and shall be used to implement strategies identified by the communities to achieve such purposes. The strategies may include but are not limited to developing capacity for regular child day care, sick child care, night shifts child care, and emergency child care; enhancing linkages between the head start and early head start programs, early childhood development programs, and child day care assistance programs; and implementing other strategies to enhance access to child day care. The moneys may be used to either build capacity or for support of ongoing efforts. In addition to the full-time equivalent positions authorized in this Act, 1.00 FTE is authorized and the department may use up to \$50,000 for provision of technical assistance and other support to communities developing and implementing strategies with moneys appropriated in this section.

3. Moneys appropriated in this section which are not distributed to a community empowerment area or otherwise remain unobligated or unexpended at the end of the fiscal year shall revert to the fund created in section 8.41 to be available for appropriation by the general assembly in a subsequent fiscal year.

Sec. 3. 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, 1998, and ending June 30, 1999, 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 family investment program assistance under chapter 239B:

..... \$ 31,420,000

1. The department of workforce development, in consultation with the department of human services, shall continue to utilize 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 utilized and the results of the utilization to the general assembly by January 1, 1999.

2. It is the intent of the general assembly that the department of human services shall continue to 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.

3. Of the funds appropriated in this section, \$9,564,352 is allocated for the JOBS program.

4. The department shall continue to 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 chapter 239B, may receive assistance while living in an alternative setting other than with their parent or legal guardian.

Sec. 4. 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, 1998, and ending June 30, 1999, 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 federally appropriated for the federal fiscal years beginning October 1, 1996, and ending September 30, 1997, beginning October 1, 1997, and ending September 30, 1998, and beginning October 1, 1998, and ending September 30, 1999, the following amounts, or so much thereof as is necessary, 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, 1999, 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 239B:  
..... \$ 65,125,688
- 2. To be credited to the family investment program account and used for the job opportunities and basic skills (JOBS) program, and implementing family investment agreements, in accordance with chapter 239B:  
..... \$ 19,480,113
- 3. For field operations:  
..... \$ 10,579,210
- 4. For general administration:  
..... \$ 2,844,612
- 5. For local administrative costs:

.....	\$ 1,904,371
6. For state child care assistance:	
.....	\$ 7,214,089
7. For emergency assistance:	
.....	\$ 2,557,000
8. For mental health and developmental disabilities community services:	
.....	\$ 1,913,592
9. For child and family services:	
.....	\$ 22,587,871
10. For pregnancy prevention grants on the condition that family planning services are funded:	
.....	\$ 1,536,938
11. For technology needs and other resources necessary to meet federal welfare reform reporting, tracking, and case management requirements:	
.....	\$ 1,000,000
12. For supervised community treatment under child and family services:	
.....	\$ 300,000
13. For volunteers:	
.....	\$ 18,771

The department shall report quarterly, any changes in allocations of temporary assistance for needy families moneys, to the legislative fiscal bureau and to the chairpersons and ranking members of the joint appropriations subcommittee on human services.

#### Sec. 5. FAMILY INVESTMENT PROGRAM ACCOUNT.

1. Moneys credited to the family investment program (FIP) account for the fiscal year beginning July 1, 1998, and ending June 30, 1999, shall be used in accordance with the following requirements:

a. The department shall provide assistance in accordance with chapter 239B.

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, 2000. The department shall establish a cost-sharing policy with participants that guarantees at least four free transactions per month for participants' FIP account, unlimited free transactions for the participants' food stamp account as required by federal law, and at least one free electronic benefit transfer card replacement per six month period if a replacement is necessary. The department shall submit a progress report of the program to the general assembly by January 1, 1999. The report shall include a summary of the implementation plan for mandatory statewide usage of the electronic benefit transfer program, including timelines, projected costs and projected savings. If legislation is enacted by the Seventy-seventh General Assembly, 1998 Session, establishing fee payments to any retailers who participate in the electronic benefit transfer program, the report shall include a projection of the costs of the fee payments and a projection of savings to the department in each of the state fiscal years beginning July 1, 1999, 2000, 2001, and 2002, and an updated comparison of fees being paid in other states. Notwithstanding any other legislation enacted by the Seventy-seventh General Assembly, 1998 Session, any retailer fees established shall not apply to any electronic benefit transfer pilot project until such time as the department begins implementation of the electronic benefit transfer program to counties in addition to the pilot project counties. An acquirer's fee for each transaction

shall also not apply to any electronic benefit transfer pilot project until such time as the department begins implementation of the electronic benefit transfer program to counties in addition to the pilot project counties.

e. The department shall continue to 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 entered into on or after July 1, 1996, the maximum allowable time period for supported postsecondary education is limited to a total of twenty-four months. The twenty-four-month allowance shall only be available for a period of thirty-six consecutive 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, 1998, 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, 1998, and ending June 30, 1999, 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:

..... \$ 5,197,825

(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.

(4) The department and the family development and self-sufficiency council shall identify a limited number of consistent performance measures to be tracked at both the grantee and the statewide levels. These performance measures shall be incorporated into grantee contracts awarded on or after July 1, 1998, and shall include at least two measures relating to FIP usage, at least two measures relating to family stability or family structure, at least two measures relating to participant employment, and other measures deemed appropriate by the department and the council. A grantee may also identify additional measures if the grantee believes additional measures will provide important information for public policy decisions. The council may also establish and track other measures that the council determines are necessary for making public policy decisions. The performance measures

identified pursuant to this subparagraph shall be designed to reinforce the goal of supporting families in moving into employment and away from welfare dependency. The department and the family development and self-sufficiency council shall also identify existing performance measures reported by grantees that can be eliminated and shall take steps to simplify and streamline existing reporting requirements. Any performance measures established pursuant to this paragraph shall be reported to the general assembly for purposes of determining the effectiveness of the grant program.

(5) The family development and self-sufficiency grant program shall be implemented statewide during FY 1998-1999.

c. For income maintenance reengineering:

..... \$ 200,000

d. For an employer verification pilot project:

..... \$ 50,000

The department may streamline and simplify the employer verification process for applicants, participants, and employers in the administration of the department's programs. The department may contract with companies collecting data from employers when the information is needed in the administration of these programs. The department may limit the availability of the initiative on the basis of geographic area or number of individuals. The department shall submit a report by January 15, 1999, regarding the potential benefits of expanding the initiative.

e. For the diversion program and incentive grants as follows:

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

..... \$ 2,700,000

Moneys allocated to the diversion subaccount shall be used to continue the pilot initiative of providing incentives to assist families who meet income eligibility requirements for

the family investment program in obtaining or retaining employment, to assist participant families in overcoming barriers to obtaining employment, and to assist families in stabilizing employment and in reducing the likelihood of the family returning to the family investment program. 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 attempt to assess and screen individuals who would most likely benefit from the services. The department shall expand the diversion initiative beginning in the fiscal year 1998-1999. In addition to the full-time equivalent positions authorized in this Act, 1.00 FTE is authorized and the department may use up to \$50,000 to facilitate community investment in welfare reform and to support expansion of the diversion program. The department may grant diversion moneys to the level of the entity operating an initiative. The department may adopt additional eligibility criteria as necessary for compliance with federal law and for screening those families who would be most likely to become eligible for the family investment program if diversion incentives would not be provided.

(2) For implementation of innovative strategies on a statewide or pilot project basis for supporting job retention, family structure, or both, including services to noncustodial parents and young parents. The department shall consult with members of the joint appropriations subcommittee on human services, designated by the subcommittee co-chairpersons and ranking members, concerning development of the strategies in advance of implementation:

..... \$ 500,000

(3) Of the moneys allocated in subparagraph (2), not more than \$50,000 shall be used to develop at least one community-level parental obligation pilot project. A pilot project

shall be operated with the goal of assisting parents who are living apart in meeting their parental obligations and in supporting their children. Any pilot project shall maximize the use of existing community resources for family counseling, legal services, job training and job skills development, substance abuse treatment and prevention, health maintenance, and personal mentoring. Local communities shall also be encouraged to provide financial resources.

(a) Notwithstanding any other provision of law to the contrary, the department shall develop procedures for the pilot projects to expedite all of the following:

(i) The establishment and adjustment of support obligations, with the consent of both parents, in a manner which may deviate from the child support guidelines.

(ii) Changes in income withholding orders based on individual case circumstances.

(iii) Satisfaction of a portion of support amounts owed to the state based on cooperation and compliance by the noncustodial parent with project requirements.

(iv) Adjustment of visitation and shared custody arrangements in a manner which enhances the ability of each parent to meet parental obligations.

(b) The department shall adopt rules for the development, operation, and monitoring of a project; to establish the minimum required amount of community support; to establish expedited procedures; and to establish other criteria and procedures as appropriate.

(c) The department shall use the funds authorized in this subparagraph to employ one full-time equivalent position to manage the pilot project or projects. The department shall also use the authorized funds to employ other full-time equivalent positions, as necessary, to assist in the coordination, development, and operation of community-level pilot projects and to achieve the expedited procedures

established. Any full-time equivalent positions authorized in this subparagraph subdivision are in addition to any other full-time equivalent positions authorized by law.

(4) Of the moneys allocated in subparagraph (2), not more than \$200,000 shall be used to conduct a study of the impact that moving unemployed family investment program parents into employment has on the well-being of the children, the parent, and the family. The department shall include in this well-being study a method of actual contact with the families and children, and shall consider broad-based impacts, such as educational achievement, health status, housing stability, family stability, and use of supportive social services. The department shall also seek funding through foundations and the federal government in order to supplement the funding for this study. The results of the study shall be submitted to the persons required by this Act to receive reports.

(5) Of the moneys allocated in subsection (2), not more than \$100,000 shall be used for providing additional incentive payments to contracted agencies who demonstrate success at completing well-being visits for families terminated from the family investment program under a limited benefit plan. The department shall use these funds to increase payments to agencies who complete a higher percentage of well-being visits, who achieve a significant percentage of visits in a face-to-face format, or who are able to observe and interact with the children during a significant percentage of visits.

f. For implementation of the domestic violence option in accordance with the provisions of the division of this Act providing for that purpose and for awareness training:

..... \$ 25,000

4. Of the child support collections assigned under the family investment program, an amount equal to the federal share of support collections shall be credited to 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 credited to the family investment program account.

5. Effective July 1, 1998, the department shall discontinue payment of the first \$50 of the assigned child support collected by the department. A participant shall be entitled to any rebate of assigned support that should have been paid for June 1998 or earlier even though the rebate payment may not be authorized or paid until July 1, 1998, or after. 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 and the chairpersons and ranking members of the joint appropriations subcommittee on human services.

7. Notwithstanding 1997 Iowa Acts, chapter 208, section 3, subsection 9, moneys appropriated to the department of human services in 1995 Iowa Acts, chapter 220, section 11, for purposes of costs associated with the development of the X-PERT computer system shall not revert at the close of the fiscal year beginning July 1, 1997, but shall remain available for the purpose designated, including but not limited to case conversion activities, until the close of the fiscal year beginning July 1, 1998.

Sec. 6. 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, 1998, and ending June 30, 1999, 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:

..... \$ 10,000

1. The emergency assistance provided for in this section and federal moneys appropriated for this purpose in this Act 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, 1998, 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, 1998.

Sec. 7. 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, 1998, and ending June 30, 1999, 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:  
..... \$385,513,305

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. a. The department shall proceed with a request for proposals for managed behavioral health care, including substance abuse care, without inclusion of rehabilitative treatment and support (RTS) services for medical assistance-eligible children, psychiatric medical institutions for children (PMICs) for mental health, or the preauthorization process of clinical assessment and consultation teams (CACT) for RTS services and the Iowa foundation for medical care for PMICs. In addition, the request for proposals may include coverage of persons with mental illness for whom payment for services is the responsibility of the state, known as "state cases". The state cases coverage shall include all services for persons with mental illness included in the county management plans approved under section 331.439. The financial criteria used to determine eligibility for the state cases coverage shall not be more stringent than the financial

criteria used by the county of residence of the person with mental illness. The contractor's denial of payment for services provided to a person with mental illness for whom payment for the services is a state responsibility does not create a payment responsibility for a county. 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. Notwithstanding the provisions of this Act 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.

b. If authorized by the legislative council, the child welfare services work group created by the legislative council in November 1997 shall continue meeting to develop capitation alternatives and consider accountability from a managed system of care, and shall submit recommendations to the general assembly and to the co-chairpersons and ranking members of the joint appropriations subcommittee on human services by January 1, 1999. The department shall provide not more than \$50,000 in funding for administrative expenses, ongoing expenses, consultation costs, and other support of the work group.

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 public health for substance abuse grants, \$950,000 for the fiscal year beginning July 1, 1998, shall be transferred to

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

7. The department shall aggressively implement 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 be limited in application to persons with physical disabilities who reside in a medical institution at the time of applying for assistance. The base number of persons to be served under this waiver at any one time is 35. In addition, a maximum of ten persons with physical disabilities who are at imminent risk of placement in a medical institution shall be approved for waiver services.

8. 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.

9. 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.

10. Contingent upon receiving federal approval, the department shall develop and implement a medical assistance home and community-based services waiver to allow children

with mental retardation, who would otherwise require ICF/MR care, to be served in out-of-home settings of up to eight beds which meet standards established by the department. Initially the waiver shall be designed to provide 100 service slots.

11. The department may establish up to 30 psychiatric medical institution for children (PMIC) beds at the state mental health institute at Independence.

12. The department shall reinstate the employment earnings disregard eliminated by 1997 Iowa Acts, chapter 41, section 35, only if the disregard must be reinstated for the medical assistance program to assure federal funding under Title XIX or Title XXI of the federal Social Security Act. In reinstating the disregard, the department may simplify policies if the simplification can be accomplished within the existing department budget. The department may adopt emergency rules in order to implement the provisions of this subsection. If the disregard is reinstated, the department shall submit for consideration during the 1999 legislative session, proposed legislation under section 2.16 for codification of the disregard.

13. Effective July 1, 1998, contingent upon receiving federal approval, the department shall revise the home and community-based services waiver provision which requires that an individual must have previously resided in an intermediate care facility for persons with mental retardation in order to receive supported employment and other services under the waiver. The revision shall allow a person with mental retardation to receive supported employment and other services under the waiver if this option is cost effective as compared to other service options available to that person. The department shall adopt emergency rules to implement the provisions of this subsection.

14. If approved by the federal government, adult residential environments licensed as intermediate or

residential care facilities for persons with mental retardation using a campus or village setting approach, in not more than three counties, may convert to a residential program under the provisions of a medical assistance home and community-based services waiver for persons with mental retardation, provided the adult residential environments meet all of the following requirements:

- a. The intermediate or residential care facility for persons with mental retardation license is surrendered.
- b. The environment's bed capacity is reduced by at least twenty-five percent to a maximum capacity of no more than twelve beds.
- c. The environment submits a five-year plan for further bed capacity reduction to the department of human services and the plan is acceptable to the department of human services.

The director of human services may authorize reimbursement of the costs of environments converted in accordance with this subsection from moneys appropriated for state supplementary assistance at a rate which does not exceed the maximum allowed for a residential program under state supplementary assistance requirements. The departments of human services and inspections and appeals shall develop standards and a monitoring process for environments converted under this subsection. If the provisions of this subsection are implemented, the department of human services shall submit amendments to the general assembly in accordance with section 2.16 to codify the provisions.

Sec. 8. 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, 1998, and ending June 30, 1999, 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:

.....	\$	392,000
.....	FTEs	17.00

Sec. 9. CHILD HEALTH CARE PROGRAM. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For maintenance of the child health care program as authorized by state law for receipt of federal financial participation under Title XXI of the federal Social Security Act, which creates the state children's health insurance program, including salaries, support benefits, outreach, maintenance, and miscellaneous purposes:

.....	\$	7,000,000
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The department may transfer funds appropriated in this Act for medical assistance to be used for the purpose of expanding health care coverage to children. Notwithstanding section 8.33, moneys appropriated in this section of this Act which remain unobligated at the close of the fiscal year shall not revert but shall remain available for allocation in the succeeding fiscal year. The department shall provide periodic updates of expenditures of funds appropriated under this section to the general assembly. The department, in consultation with the board established for the child health care program, shall develop and utilize an application form, which does not exceed two pages in length, for coordination of the child health care program and the medical assistance program. The department may adopt emergency rules to implement the provisions of this section.

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Sec. 10. 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, 1998, and ending June 30, 1999, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For medical contracts:

..... \$ 7,357,150

1. Notwithstanding 1997 Iowa Acts, chapter 208, section 7, subsection 1, the department shall establish a task force to conduct a review of the prior authorization and prospective drug utilization review systems. The task force shall submit a report, including any recommendations for modifications of these systems, to the general assembly by January 1, 1999. Members of the task force shall include one representative of the department of human services, one representative of the drug utilization review commission, two pharmacists, two physicians, two representatives of academia, and two representatives of the pharmaceutical industry. Prior to submission of the report, the task force shall receive input concerning the recommendations and findings from interested legislators convened by the co-chairpersons of the joint appropriations subcommittee on human services.

*Handwritten initials*

2. 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, 1998.

3. a. Of the funds appropriated in this section, up to \$130,000 may be used by the department to fund a pilot project to develop recruitment and retention strategies and to provide additional training and support for nurse aides, employed by nursing facilities, as a means of reducing staff turnover.

b. The department shall contract with an agency or organization whose primary purpose is the improvement of the nurse aide profession, in partnership with community colleges and other professional providers, to provide continuing

education, support and empowerment programs, and career opportunities within the field of nurse assisting, to further stabilize the workforce and reduce turnover.

c. The department shall also contract with one or more public institutions of higher education to evaluate the pilot project's effectiveness.

d. The department shall establish an advisory council to direct the project, which shall include representatives of the Iowa caregivers association, the Iowa nurses association, the department of inspections and appeals, the department of elder affairs, the Iowa association of homes and services for the aging, the Iowa health care association, the Iowa council of health care centers, long-term care coordinators appointed by the consortium of community colleges, and other interested parties.

4. The department shall enter into a contract with the university of Iowa college of medicine to conduct a study to determine the benefits to the state of the provision of pharmaceutical services by pharmacists. The study shall be conducted at no cost to the state.

Sec. 11. 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, 1998, and ending June 30, 1999, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

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

..... \$ 19,537,200

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, 1998, 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, 1998, 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 a medical assistance home and community-based services waiver.
- b. Were discharged from a medical institution in which they have resided or were at risk of institutional placement, not to exceed 100 slots. Within available funding and demonstrated need, the department may make subsidy funds

available to HCBS waiver-eligible adults meeting criteria in paragraph "a" and this paragraph at any time on or after July 1, 1995.

c. In lieu of meeting the criteria in paragraph "b", rent subsidy funds may also be provided to persons able to leave a medical institution by use of services provided under an HCBS waiver who turn 18 years of age during the last year of their institutional stay.

The goal of the subsidy program shall be to encourage and assist in enabling persons who currently reside in a medical institution 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. 12. 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, 1998, and ending June 30, 1999, 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:
- ..... \$ 8,740,000
  - 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, \$4,407,073 shall be used for state child care assistance.
  - 3. Beginning July 1, 1998, the income eligibility requirement for state child care assistance shall be 140 percent of the federal poverty level for those families

qualifying for basic child care assistance and 175 percent of the federal poverty level for those families with a child with special needs. The department may adopt emergency rules to implement the provisions of this subsection.

4. For the purposes of this subsection, the term "poverty level" means the poverty level defined by the poverty income guidelines published by the United States department of health and human services. Based upon the availability of the funding provided in subsection 2 and other funding appropriated for state child care assistance, 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 28 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 140 percent of the federal poverty level whose members are employed at least 28 hours per week.

d. Families with an income at or below 175 percent of the federal poverty level whose members are employed at least 28 hours per week with a special needs child as a member of the family.

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. During the 1998-1999 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.

9. The administrators of the state child care assistance program and the family investment program shall develop a proposal for implementing by April 1, 1999, a single point of access for clients of publicly supported child day care assistance. The provisions included in the single point of access shall include but are not limited to JOBS program child care assistance, the child care disregard under the family investment program, and state child care assistance. The single point of access provisions shall be designed in a manner so as to provide a single application form, a single



integrated set of eligibility requirements, and a uniform sliding fee scale for all participants regardless of the basis for eligibility. The proposal shall be submitted on or before January 1, 1999, to the persons designated under this Act to receive reports submitted by the department. The department shall pursue every available option to identify and secure additional federal funding which may be used for child day care. If sufficient federal funding which may be used for child day care is identified and secured in addition to the amount budgeted for this purpose for the fiscal year beginning July 1, 1998, the single point of access program shall be implemented by April 1, 1999. If the amount of additional federal funding identified and secured is also sufficient for the reimbursement provisions for JOBS program child care assistance to be made consistent with the reimbursement provisions for state child care assistance, the department shall include this reimbursement change as part of the implementation of the single point of access program.

Sec. 13. 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, 1998, and ending June 30, 1999, 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:  
..... \$ 9,360,000  
..... FTEs 233.22

1. The director of human services, within the limitations of the moneys appropriated in this section, or moneys transferred from the family investment program account for this purpose, shall establish new positions and add employees to the child support recovery unit if the director determines that both the current and additional employees together can

reasonably be expected to maintain or increase net state revenue at or beyond the budgeted level. If the director adds employees, the department shall demonstrate the cost-effectiveness of the current and additional employees by reporting to the joint appropriations subcommittee on human services the ratio of the total amount of administrative costs for child support recoveries to the total amount of the child support recovered.

2. Nonpublic assistance application fees and 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, 1998, 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. 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.

Sec. 14. 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, 1998, and ending June 30, 1999, 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:

..... \$ 15,397,808  
..... FTEs 349.72

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:

..... \$ 5,990,000  
..... FTEs 136.04

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:

..... \$ 9,407,808  
..... FTEs 213.68

3. During the fiscal year beginning July 1, 1998, the population levels at the state juvenile institutions shall not exceed the population guidelines established under 1990 Iowa Acts, chapter 1239, section 21, as adjusted for additional beds developed at the institutions.

4. A portion of the moneys appropriated in this section shall be used by the state training school and by the Iowa juvenile home for grants for adolescent pregnancy prevention activities at the institutions in the fiscal year beginning July 1, 1998.

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. 15. 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, 1998, and

ending June 30, 1999, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For child and family services:

..... \$ 96,744,904

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 \$30,923,872 is allocated as the statewide expenditure target under section 232.143 for group foster care maintenance and services.

b. (1) If at any time after September 30, 1998, annualization of a region's current expenditures indicates a region is at risk of exceeding its group foster care expenditure target under section 232.143 by more than five percent, the department and juvenile court services shall examine all group foster care placements in that region in order to identify those which might be appropriate for termination. In addition, any aftercare services believed to be needed for the children whose placements may be terminated shall be identified. The department and juvenile court services shall initiate action to set dispositional review hearings for the placements identified. In such a dispositional review hearing, the juvenile court shall determine whether needed aftercare services are available and whether termination of the placement is in the best interest of the child and the community.

(2) The department shall provide quarterly reports to the judicial department, juvenile court services, the legislative fiscal bureau, and decategorization boards on the number of children placed in group foster care and the amount of expenditure for group foster care by county. The department shall coordinate with the child welfare services work group created in November 1997, by the legislative council and with interested decategorization counties to identify information systems and reports across all services and placements that would support utilization management decisions. The department shall identify the resources needed to develop and implement such a system and its fiscal benefits, and report to the general assembly by February 1, 1999.

c. (1) Of the funds appropriated in this section, not more than \$5,998,227 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 Act for medical assistance and shall not amend the managed mental health care contract to include PMICs.

d. Of the funds allocated in this subsection, \$1,392,457 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.

e. For the fiscal years beginning July 1, 1997, and July 1, 1998, the requirements of section 232.143 applicable to the juvenile court and to representatives of the juvenile court shall be applicable instead to juvenile court services and to representatives of juvenile court services. The representatives appointed by the department of human services and by juvenile court services 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. Funds for a child placed in group foster care shall be considered encumbered for the duration of the child's projected or actual length of stay, whichever is applicable. The department, in cooperation with the juvenile court services representatives, shall develop and implement utilization management criteria for group foster care placements to be used by the department of human services and juvenile court services staff in developing a dispositional recommendation to the juvenile court. The department shall submit a report on the utilization management criteria to the general assembly on or before January 1, 1999.

f. If the medical assistance waiver request for children with mental retardation in out-of-home settings is approved, the department may transfer all or a portion of the funding allocated in this subsection, which is attributable to group foster care ordered for a child with mental retardation or other developmental disability under section 232.182 or 232.183, to the appropriation in this Act for medical assistance.

3. The department shall perform an evaluation of public and private residential treatment programs, including those programs providing highly structured juvenile program beds, family and group foster care and the state juvenile institutions. The evaluation shall include but is not limited to a review of the curriculum and treatment approaches used by the programs, the recidivism rate of juveniles who have completed the programs, and other selected variables, subject to the availability of this information. A report of the evaluation shall be submitted to the general assembly by January 1, 1999.

4. 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.

5. 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.

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 \$275,000 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, 1998, state funding for shelter care paid pursuant to section 234.35, subsection 1, paragraph "h", shall be limited to \$7,553,641. 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 \$550,696 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 \$662,955 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 \$123,000 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, 1998, 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, 2000.

15. 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.

16. 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, 1999.

17. Of the moneys appropriated in this section, not more than \$731,238 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.

18. Notwithstanding 1997 Iowa Acts, chapter 208, section 12, subsection 18, the department may extend the existence of the current clinical assessment and consultation teams until October 31, 1998. The department shall develop and implement a new rehabilitative treatment and supportive services authorization model, including a toll-free telephone number for preauthorization on or before November 1, 1998. The new model shall be developed and implemented in a manner so as to streamline the authorization process, to reduce paperwork and other information requirements to the minimum level necessary for compliance with federal requirements, and to ensure timely response to authorization requests. The department may adopt emergency rules to implement the provisions of this subsection.

19. a. It is the intent of the general assembly that the department of human services work with the child welfare services work group created by the legislative council in November 1997 to pursue initiatives to increase receipt of funding under Title IV-E of the federal Social Security Act. For the fiscal year beginning July 1, 1997, the department may expend moneys, not to exceed \$20,000, within the department's budget to contract for consultant services to increase this funding.

b. If additional funding is received under Title IV-E of the federal Social Security Act as a result of administrative activities performed by juvenile court services or community providers, the funding shall be expended as follows:

(1) A portion shall be used by the department to provide technical assistance and to monitor claims submitted by juvenile court services and community providers to ensure that the claims meet federal requirements.

(2) A portion shall be distributed to providers with increased costs incurred from activities to draw the additional funding.

(3) A portion shall be made available to decategorization projects in which additional funding is drawn to be used to pay for activities based on local needs, as determined by the decategorization projects.

c. Any additional funding received under Title IV-E of the federal Social Security Act for field operations or general administration that is not used for field operations or general administration expenditures, shall be transferred for funding of activities under the appropriations in this Act in this section and for court-ordered services provided to juveniles.

Sec. 16. 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, 1998, and ending June

30, 1999, 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

It is the intent of the general assembly that the admissions requirements of the consent decree shall also be applied to the state university of Iowa hospital-school for children with disabilities. The state board of regents shall submit to the general assembly proposed amendments to chapter 263 to codify the admissions requirements of the consent decree.

Sec. 17. 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, 1998, and ending June 30, 1999, 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:

..... \$ 1,008,000  
..... FTE 1.00

1. Funds appropriated in this section shall be used to provide adolescent pregnancy prevention grants which comply with the requirements provided in 1997 Iowa Acts, chapter 208, section 14, subsections 1 and 2, and shall emphasize programs which target the middle school level.

2. It is the intent of the general assembly that the department of human services and the Iowa department of public health shall continue to 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 the matching of federal funds.

3. Funds appropriated in this section, shall also be used by the department to provide child abuse prevention grants.

Sec. 18. 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, 1998, and ending June 30, 1999, 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, 1998.

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

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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 report detailing the expenditure categories for the spending in the judicial districts for court-ordered services for juveniles in fiscal year 1997-1998. The report shall include utilization of medical assistance funding. The report shall be submitted on or before October 15, 1998, to the persons designated by this Act to receive reports.

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.

9. Federal funding received by the state during the fiscal year beginning July 1, 1998, 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, 2000.



Sec. 19. 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, 1998, and ending June 30, 1999, 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:

.....	\$ 42,559,619
..... FTEs	863.77
1. The funds appropriated and full-time equivalent positions authorized in this section are allocated as follows:	
a. State mental health institute at Cherokee:	
.....	\$ 13,018,054
..... FTEs	256.62
b. State mental health institute at Clarinda:	
.....	\$ 6,852,309
..... FTEs	138.59
c. State mental health institute at Independence:	
.....	\$ 17,384,500
..... FTEs	358.73

(1) The state mental health institute at Independence shall continue the 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 an interim report in January 1999, and a final report in October 1999, to the governor and the joint appropriations subcommittee on human services concerning the pilot project. The report shall identify advantages and disadvantages of utilizing the pilot project approach and any changes in policy or statute identified to improve implementation of the pilot project approach.

(2) The state mental health institute at Independence shall establish the 30 psychiatric medical institution for children (PMIC) beds authorized in section 135H.6, as amended by this Act, in a manner which results in no net state expenditure amount in excess of the amount allocated in this lettered paragraph. Counties are not responsible for the costs of PMIC services established pursuant to this paragraph. Subject to the approval of the department, with the exception of revenues required under section 249A.11 to be deposited in the appropriation in this Act for medical assistance, revenues attributable to the PMIC beds established under this subparagraph for the fiscal year beginning July 1, 1998, and ending June 30, 1999, shall be deposited in the institute's account, including but not limited to any of the following revenues:

- (a) The federal share of medical assistance revenue received under chapter 249A.
  - (b) Moneys received through client participation.
  - (c) Any other revenues directly attributable to the PMIC beds.
  - d. State mental health institute at Mount Pleasant:
- |            |              |
|------------|--------------|
| .....      | \$ 5,304,756 |
| ..... FTEs | 109.83       |

(1) Funding is provided in this paragraph for the mental health institute at Mount Pleasant to implement a dual diagnosis mental health and substance abuse program on a net budgeting basis in which 50 percent of the actual per diem cost is chargeable to the patient's county of legal settlement or as a state case, as appropriate. Subject to the approval of the department, revenues attributable to the dual diagnosis program for the fiscal year beginning July 1, 1998, and ending June 30, 1999, shall be deposited in the institute's account, including but not limited to all of the following revenues:

(a) Moneys received by the state from billings to counties under section 230.20.

(b) Moneys received from billings to the Medicare program.

(c) Moneys received from a managed care contractor providing services under contract with the department or any private third party payer.

(d) Moneys received through client participation.

(e) Any other revenues directly attributable to the dual diagnosis program.

(2) The following additional provisions are applicable in regard to the dual diagnosis program:

(a) A county may split the charges between the county's mental health, mental retardation, and developmental disabilities services fund and the county's budget for substance abuse expenditures.

(b) If an individual is committed to the custody of the department of corrections at the time the individual is referred for dual diagnosis treatment, the department of corrections shall be charged for the costs of treatment.

(c) Prior to an individual's voluntary admission for dual diagnosis treatment, the individual shall have been screened through a county's single entry point process to determine the appropriateness of the treatment.

(d) A county shall not be chargeable for the costs of treatment for an individual enrolled in and authorized by or decertified by a managed behavioral care plan under the medical assistance program.

(3) The department shall work with the Iowa state association of counties in reviewing the reimbursement methodology provided in this lettered paragraph to determine whether modifications in the methodology or implementation of an alternate methodology are appropriate. The department shall report on the review in December 1998 to the persons required by this Act for submission of reports.

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.

4. For the fiscal year beginning July 1, 1998, in addition to the net budgeting requirements under this section, each state mental health institute shall implement a net budgeting 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. Each mental health institute shall submit a preliminary report in January 1999, and a status report in October 1999, to the governor and to the persons required to be submitted reports by this Act. The preliminary and status reports shall identify advantages and disadvantages of utilizing the net budgeting approach and any changes in policy or statute recommended to improve implementation of the approach.

Sec. 20. 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, 1998, and ending June 30, 1999, 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:	
.....	\$ 3,962,923
..... FTEs	1,514.51

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

a. State hospital-school at Glenwood:	
.....	\$ 2,399,644
.....	FTEs 852.75
b. State hospital school at Woodward:	
.....	\$ 1,563,279
.....	FTEs 661.76

2. a. The department shall continue the pilot project of operating the hospital-school at Glenwood with a net general fund appropriation and shall implement the project at the state hospital-school at Woodward. The amounts allocated in this paragraph are the net amounts of state moneys projected to be needed for the state hospital-schools. The purposes of the pilot project are to encourage the hospital-schools to operate with increased self-sufficiency, to improve quality and efficiency, and to support collaborative efforts between the hospital-schools and counties and other funders of services available from the hospital-schools. The 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-schools. Moneys allocated in subsection 1 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-schools may temporarily draw more than the amount allocated, provided the amount allocated is not exceeded at the close of the fiscal year.

b. For purposes of calculating the hospital-schools' August 31, 1999, year-end balance at the close of the 1998-1999 fiscal year, the department shall include county receivables billed but not yet received. However, only receipts received within 90 days of being billed for fiscal

year 1998-1999 services shall be included. The state hospital-school at Woodward may draw upon the general fund of the state in an amount equal to the receivables amount which is not received.

c. Subject to the approval of the department, except for revenues under section 249A.11, revenues attributable to the state hospital-schools for the fiscal year beginning July 1, 1998, shall be deposited into each hospital-school's account, including but not limited to all of the following:

- (1) Moneys received by the state from billings to counties under section 222.73.
- (2) The federal share of medical assistance revenue received under chapter 249A.
- (3) Federal Medicare program payments.
- (4) Moneys received from client financial participation.
- (5) Other revenues generated from current, new, or expanded services which the state hospital-school is authorized to provide.

d. In the 1998-1999 fiscal year of the project, the institution's report shall include a listing detailing the items for which depreciation reimbursement funds would have been utilized if the depreciation reimbursement had been retained by the institution. This listing shall be included with the report submitted pursuant to this subsection.

e. For the purposes of allocating the salary adjustment fund moneys appropriated in another Act, the state hospital-schools shall be considered to be funded entirely with state moneys.

f. Each state hospital-school and the department shall submit a preliminary report in January 1999, and a status report in October 1999, to the governor and the joint appropriations subcommittee on human services concerning the project.

3. 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.

4. The department may implement a pilot project to bill for state hospital-school services utilizing a scope of services approach used for private providers of ICFMR 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.

5. The state hospital-schools may expand the time limited assessment and respite services during the fiscal year.

Sec. 21. 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, 1998, and ending June 30, 1999, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For mental illness special services:  
..... \$ 121,220

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

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

Sec. 22. 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, 1998, and ending June 30, 1999, 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:

..... \$ 1,710,000

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 \$20,000 shall be used for administrative costs.

Sec. 23. 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, 1998, and ending June 30, 1999, 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. 24. 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, 1998, and ending June 30, 1999, 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:

..... \$ 8,594,500

1. 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.

2. Of the moneys appropriated in this section, up to \$174,000 is allocated for the costs of the reimbursement increase provided in the reimbursement section of this Act for sheltered work, work activity, supported employment, supported work training, and adult residential services paid by the state under a state purchase of social services contract.

Sec. 25. 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, 1998, and ending June 30, 1999, 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:

..... \$ 17,560,000

1. Of the funds appropriated in this section, \$17,530,000 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. 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 the county's approved county management plan. A county without an approved county management plan shall not receive allocated funds until the county's management plan is approved.

c. 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.

5. A county is eligible for funds under this section if the county qualifies for a state payment as described in section 331.439.

Sec. 26. COUNTY MENTAL HEALTH, MENTAL RETARDATION, AND DEVELOPMENTAL DISABILITIES ALLOWED GROWTH FACTOR ADJUSTMENT. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1999, and ending June 30, 2000, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For distribution to counties of the county mental health, mental retardation, and developmental disabilities allowed growth factor adjustment, in accordance with section 331.438, subsection 2, and section 331.439, subsection 3:

..... \$ 18,126,362

For the fiscal year beginning July 1, 1999, the county mental health, mental retardation, and developmental disabilities allowed growth factor adjustment shall be 2.48 percent.

Sec. 27. 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, 1998, and ending June 30, 1999, 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

1. 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.

2. 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.

3. Notwithstanding section 8.33, any funds remaining unexpended on June 30 of any fiscal year shall not revert to the general fund of the state but shall remain available to provide personal assistance payments in the succeeding fiscal year.

Sec. 28. 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, 1998, and ending June 30, 1999, 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:  
..... \$ 49,600,000  
..... FTEs 2,084.00

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If a resignation, retirement, or dismissal reducing the number of full-time equivalent positions responsible for mental health or mental retardation services in a local office of the department causes the county to which the local office is assigned to assume responsibilities previously performed by the department's positions, the department shall reimburse the county for the increase in costs connected with the responsibilities assumed.

Sec. 29. 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, 1998, and ending June 30, 1999, 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:  
..... \$ 15,271,693  
..... FTEs 388.00

1. Of the funds appropriated in this section, \$57,000 is allocated for the prevention of disabilities policy council established in section 225B.3.

2. Of the funds appropriated in this section, \$129,971 for the fiscal year beginning July 1, 1998, shall be transferred directly to the state university of Iowa for the university-affiliated program for the support of Iowa creative employment options (CEO).

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. 30. VOLUNTEERS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For development and coordination of volunteer services:  
..... \$ 118,500

Sec. 31. SEXUALLY VIOLENT PREDATORS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For costs associated with the commitment and treatment of sexually violent predators including transfer of an amount, as determined by the department and the office of the attorney general, to the office of the attorney general for associated costs including not more than 2.0 full-time equivalent positions, one of which shall be an attorney, in the department of justice:  
..... \$ 500,000

Sec. 32. 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, 1998, the rate for skilled nursing facilities shall be increased by 2 percent over the rates in effect on June 30, 1998.

b. Beginning January 1, 1999, the rate for pharmacist services shall be increased by two percent over the rate in effect on June 30, 1998. The reimbursement policy for drug product costs shall be in accordance with federal requirements.

c. For the fiscal year beginning July 1, 1998, reimbursement rates for inpatient and outpatient hospital services shall remain the same as the rates in effect on June 30, 1998. 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, hospices, and acute mental hospitals shall be increased in accordance with increases under the federal Medicare program or as supported by their Medicare audited costs.

e. Reimbursement rates for home health agencies shall be limited to a two percent increase over the rate in effect on June 30, 1998. The department shall, in consultation with provider representatives, study alternative reimbursement methodologies.

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, 1998, 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 the fiscal year beginning July 1, 1998, and within the appropriation for medical assistance as a whole for the fiscal year beginning July 1, 1998, the department shall adjust the maximum medical assistance reimbursement for nursing facilities to the 70th percentile, as calculated on December 31, 1998, unaudited compilation of cost and statistical data and the adjustment shall take effect January 1, 1999.

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. Beginning July 1, 1998, the reimbursement for dental services shall be increased by two percent over the rates in effect on June 30, 1998. Beginning January 1, 1999, the

reimbursement for dental services shall be increased by an additional two percent over the rates in effect on December 31, 1998.

1. For the fiscal year beginning July 1, 1998, unless otherwise specified in this Act, all noninstitutional medical assistance provider reimbursements shall be increased by 2 percent over the rates in effect on June 30, 1998. In addition, \$39,157 of the moneys appropriated in this Act for medical assistance shall be used to increase rates paid to community mental health centers to a level equal to the level paid by other payers.

j. When applying the reimbursement rate increases for pharmacist, physician, chiropractic, and dental services and durable medical equipment under this subsection, the department shall, in consultation with provider representatives, place a priority on primary and preventive care. The department shall, in consultation with provider representatives review the existing reimbursement methodology including the issues of access, utilization, and sufficiency of the current reimbursement rates. A report of the findings of the review and any recommendations shall be submitted to the general assembly by January 1, 1999.

2. For the fiscal year beginning July 1, 1998, the maximum cost reimbursement rate for residential care facilities reimbursed by the department shall not be less than \$23.26 per day for the time period of July 1, 1998, through December 31, 1998, and shall not be less than \$23.83 per day for the time period of January 1, 1999, through June 30, 1999. The flat reimbursement rate for facilities electing not to file semiannual cost reports shall not be less than \$16.64 per day for the time period of July 1, 1998, through December 31, 1998, and shall not be less than \$17.05 per day for the time period of January 1, 1999, through June 30, 1999. For the fiscal year beginning July 1, 1998, the maximum reimbursement



rate for providers reimbursed under the in-home health-related care program shall not be less than \$447.16 per month for the time period of July 1, 1998, through December 31, 1998, and shall not be less than \$458.20 per month for the time period of January 1, 1999, through June 30, 1999.

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, 1997.

4. Notwithstanding section 234.38, in the fiscal year beginning July 1, 1998, the foster family basic daily maintenance rate and the maximum adoption subsidy rate for children ages 0 through 5 years shall be \$13.45, the rate for children ages 6 through 11 years shall be \$14.25, the rate for children ages 12 through 15 years shall be \$15.96, and the rate for children ages 16 and older shall be \$15.96.

5. For the fiscal year beginning July 1, 1998, the maximum reimbursement rates for adoption and independent living services shall be increased by two percent over the rates in effect on June 30, 1998. The maximum reimbursement rates for other social service providers shall be the same as the rates in effect on June 30, 1998. However, the rates may be adjusted under any of the following circumstances:

a. If a new service was added after June 30, 1998, 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.

d. For the fiscal year beginning July 1, 1998, the reimbursement rates for sheltered work, work activity, supported employment, supported work training, and adult residential services established by the state under a state purchase of social services contract shall be increased by three percent over the rates in effect on June 30, 1998.

6. Of the moneys appropriated in this Act for child and family services, \$1,261,875 is allocated to provide for a reimbursement increase to rehabilitative treatment and support services providers. The department shall distribute the increase as negotiated. However, if a provider previously elected to not negotiate the provider's reimbursement, the department shall allow that provider to negotiate for reimbursement.

7. 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.

8. For the fiscal year beginning July 1, 1998, 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 \$78.14 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 \$78.14, the department shall readjust the provider's reimbursement rate to the maximum reimbursement rate.

9. For the fiscal year beginning July 1, 1998, the department shall calculate reimbursement rates for intermediate care facilities for persons with mental retardation at the 80th percentile.

10. For the fiscal year beginning July 1, 1998, 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.

11. For the fiscal year beginning July 1, 1998, the reimbursement rate for psychiatric medical institutions for children (PMICs) shall be increased by 2 percent over the rates in effect on June 30, 1998.

12. If the Iowa empowerment board is established, the board shall develop and implement a plan, in cooperation with maternal child health clinics, school nurses, and other affected providers, to ensure attendance of health care appointments, with an emphasis on attendance of dental appointments, by medical assistance recipients.

13. The department shall review the appropriateness and the level of the reimbursement provided for home infusion therapy and shall determine the number of providers who are being reimbursed below the actual cost of durable medical equipment and supplies under the medical assistance program and shall submit a report of the findings of the review to the general assembly by January 1, 1999.

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

Sec. 33. MOTOR VEHICLE LICENSE REINSTATEMENT PENALTY -- DEPOSIT AND APPROPRIATION. Notwithstanding the deposit provisions of sections 321.218A and 321A.32A, moneys collected during the fiscal year beginning July 1, 1998, and ending June 30, 1999, by the state department of transportation pursuant

to those sections shall be deposited to the credit of the department of human services for the fiscal year beginning July 1, 1998, and ending June 30, 1999, and are appropriated as follows:

1. The first \$1,000,000 is appropriated and shall be used for the establishment, improvement, operation, and maintenance of county or multicounty juvenile detention homes. Moneys appropriated in this subsection shall be allocated among eligible detention homes, prorated on the basis of an eligible detention home's proportion of the costs of all eligible detention homes in the previous fiscal year. Notwithstanding section 232.142, subsection 3, the financial aid payable by the state under that provision for the fiscal year beginning July 1, 1998, shall be limited to the amount appropriated in this subsection.

2. Moneys in excess of \$1,000,000 are appropriated to the judicial districts and allocated as determined by the state court administrator to be used by the judicial districts pursuant to recommendations of the planning group for court-ordered services for juveniles provided in each judicial district which were established pursuant to 1991 Iowa Acts, chapter 267, section 119. Moneys allocated pursuant to this subsection shall be used for the improvement, expansion, construction, and operation of runaway assessment facilities, runaway assessment services, and juvenile delinquency prevention and intervention services.

Sec. 34. FULL-TIME EQUIVALENT POSITIONS. Of the full-time equivalent positions (FTEs) appropriated for in this Act, 19.61 FTEs represent the transition of personnel services contractors to full-time equivalent position status. The merit system provisions of chapter 19A, collective bargaining agreement provisions of chapter 20, and the state and union collective bargaining agreements, as these relate to the filling of positions, shall not govern movement of these 19.61

PTEs into the full-time equivalent position status during the period beginning July 1, 1998, and ending August 31, 1998.

Sec. 35. 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, 1999, 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.

Sec. 36. TRANSFER AUTHORITY. Subject to the provisions of section 8.39, for the fiscal year beginning July 1, 1998, 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 and appropriations in law for the federal social services

block grant 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.
7. MH/MR/DO/BI community services (local purchase).

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

Sec. 37. CONFIDENTIALITY. The department of human services, in cooperation with other state agencies, shall develop recommendations to improve the sharing of information, including confidential information, relative to individuals receiving services or assistance from the department or another state agency, to improve coordination of services and assistance. The department shall submit a report of the recommendations to the general assembly on or before December 15, 1998.

Sec. 38. CHILD ABUSE ASSESSMENT IMPLEMENTATION. Notwithstanding the requirements of 1997 Iowa Acts, chapter 35, section 232.71A, Code Supplement 1997, sections 232.71B and 232.71C, Code 1997, and the repeal of section 232.71, Code Supplement 1997, for the period beginning July 1, 1998, and ending September 1, 1998, the department shall continue to respond to a report of child abuse in Polk county in accordance with the provisions of section 232.71, Code Supplement 1997. For this period, in Polk county the department shall continue to apply the rules adopted for responding to a report of child abuse under section 232.71, Code Supplement 1997.

Sec. 39. SUPPORTING FAMILIES OF CHILDREN WITH A DEVELOPMENTAL DISABILITY.

1. The department of human services shall develop a program supporting families of children with mental retardation or other developmental disability. The program shall provide medical assistance case management for those who are eligible, or case management by the department's field services staff for those who are not eligible for medical assistance. The program shall be designed for administrative simplicity with a minimal amount of paperwork required for program participants and service providers.

2. The program shall be directed to children who are eligible for any of the following:

- a. Intermediate care facility for persons with mental retardation services.
- b. Medical assistance home and community-based waiver for persons or children with mental retardation services.
- c. Voluntary foster care placement under section 232.182 or 232.183.
- d. Family support subsidy under section 225C.38.

3. Subject to applicable federal requirements, restrictions in this section, and the amount of state funding appropriated, the department may decategorize and transfer for purposes of the program created pursuant to this section any of the state funding appropriated for a program, service, or placement listed in subsection 2. The decategorized state funding may be used to provide any of the services listed in subsection 2 which will best meet the needs of both the child and the child's family.

4. The department may adopt emergency rules to implement the provisions of this section. The rules adopted by the department for the program shall not require a family or a family member receiving a family support subsidy payment or medical assistance home and community-based waiver services,

at the time of the program's implementation, to reapply, lose a waiver slot, or otherwise change eligibility requirements applicable to the family or a family member, except as otherwise provided by law.

5. The program shall be implemented on or before June 30, 1999. The department shall make an initial report concerning the program's implementation during the 1999 legislative session and a final report prior to implementation of the program. The department shall submit proposed legislation for codification of the program in accordance with section 2.16 for consideration by the general assembly during the 2000 legislative session.

Sec. 40. JUVENILE DETENTION HOMES. If during the fiscal year beginning July 1, 1998, and ending June 30, 1999, the moneys collected by the state department of transportation pursuant to sections 321.218A and 321A.32A, to be distributed under law for use in the establishment, improvement, operation, and maintenance of county or multicounty juvenile detention homes, are projected to be less than \$1,000,000, the department of human services shall transfer, in accordance with the requirements of section 8.39, an amount sufficient to ensure \$1,000,000 is actually distributed to such homes during the fiscal year.

Sec. 41. NET STATE BUDGETING REVENUES. Notwithstanding section 8.33, revenues generated by and moneys appropriated to the state hospital-school at Glenwood pursuant to 1997 Iowa Acts, chapter 208, section 17, and the provisions of this Act, which are unexpended or unobligated, shall not revert to any fund at the close of a fiscal year but shall remain available for expenditure by the state hospital-school in the succeeding fiscal year. Notwithstanding section 8.33, revenues generated by and moneys appropriated to the state hospital-school at Woodward pursuant to the provisions of this Act shall not revert to any fund at the close of a fiscal year but shall

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remain available for expenditure by the state hospital-school in the succeeding fiscal year.

Sec. 42. CONTRACTS -- PENALTIES. For the fiscal year beginning July 1, 1998, and ending June 30, 1999, any contract with a value which exceeds \$150,000 entered into by the department of human services shall include a provision to assess a penalty for failure to meet performance expectations, noncompliance, or any other breach of contract, in addition to any other remedy under law.

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Sec. 43. FINANCIAL ASSISTANCE SERVICES.

1. For purposes of this section, "financial assistance services" means services or other assistance provided under one or more of the following programs administered by the department of human services: family investment program, PROMISE JOBS program, medical assistance program, food stamp program, state child care assistance program, refugee cash assistance program, emergency assistance program, and child support recovery program.

2. During the period beginning May 1, 1998, and ending June 30, 1999, the department of human services may conduct a pilot program or pilot programs for provisions of financial assistance services.

3. Any pilot program conducted in accordance with this section shall be designed to meet one or more of the following financial assistance services goals:

a. A reduction in paperwork for applicants and recipients of services, or staff, or both.

b. Streamlining or expediting the eligibility determination process, to decrease the length of time it takes to inform applicants for financial assistance services as to the disposition of their request for the services.

c. Streamlining or expediting the referral process for family investment program applicants and recipients to other financial assistance services such as PROMISE JOBS or child

support recovery, so that referrals can be initiated in a more timely manner in order to help move applicants and recipients more quickly to economic self-sufficiency or toward reduced reliance on government assistance.

d. Improved coordination of the management of financial assistance services as applicants for and recipients of the services work toward economic self-sufficiency.

e. Identification of policies, procedures, and practices that could be altered or eliminated without materially affecting the desired results for the family assistance services.

4. Any pilot program conducted in accordance with this section is subject to the following limitations and parameters:

a. Notwithstanding any administrative rule, that is not based in federal law, the department may alter policies, procedures, and practices to waive the administrative rule, that are based in state law, provided that the alterations do not decrease an applicant's or recipient's choice of, or ability to obtain, financial assistance services from the department in comparison with the financial assistance services that would otherwise be available. The department may operate one or more pilot projects under this paragraph, in not more than eight counties.

b. If the department obtains a waiver of federal law or regulation, the department may alter policies, procedures, and practices that are based in federal law, provided that the alterations do not decrease an applicant's or recipient's choice of, or ability to obtain, financial assistance services from the department in comparison with the financial assistance services that would otherwise be available. The department may operate one or more projects under this paragraph, in not more than eight counties.

c. In order to facilitate rapid implementation, except as provided in paragraph "d", any pilot program authorized under this section is exempt from the rulemaking procedures and rulemaking requirements of chapter 17A. However, following development of the pilot program, the department shall provide a list of the laws or rules being waived to the chairpersons and ranking members of the joint appropriations subcommittee on human services, the administrative rules review committee, the administrative rules coordinator, the legislative fiscal bureau, and the legislative service bureau. In implementing a pilot program under this section, the department shall take steps to make applicants and recipients of services aware of their choices, expectations, rights, and responsibilities.

d. The department shall adopt emergency rules establishing a framework for the pilot projects implemented under this section. The rules shall identify the participating counties, the maximum duration of each pilot project, and generally describe the scope and nature of each pilot project. Within this framework, the department retains broad discretion to revise a pilot project without further rulemaking describing the revision.

Sec. 44. SEXUALLY VIOLENT PREDATORS. The department of human services and the department of corrections shall work with the office of the attorney general in jointly establishing a task force for identifying the population of persons deemed to be sexually violent predators and to develop options appropriate for addressing public safety concerns associated with this population. The task force deliberations shall incorporate the provisions of any initial program created by law for the commitment and treatment of sexually violent predators. The task force may consult with qualified mental health professionals, corrections professionals, prosecutors, and others experienced in the assessment and treatment of this population. The task force shall consider

currently available treatment options, the prevalence of subpopulations which present a high risk of reoffending upon release, and the percentage of the existing criminal sex offender population which is not amenable to treatment under currently known methods. The task force shall identify any treatment methods known to have success in treating this population and subpopulations as well as the costs associated with those methods, develop a proposal for state-of-the-art treatment of sexually violent predators, and develop a plan describing possible use of treatment resources together with options for intensive monitoring upon release. The task force report shall be submitted on or before January 1, 1999, to the members of the joint appropriations subcommittees on human services and on the justice system.

Sec. 45. DEPENDENT ADULT ABUSE ASSESSMENT. The department of human services, in consultation with the department of elder affairs and the governor's planning council for development disabilities, shall develop an assessment-based approach to respond to dependent adult abuse reports made pursuant to section 235B.3. The approach shall be developed in the fiscal year beginning July 1, 1998.

Sec. 46. FRAUD AND RECOUPMENT ACTIVITIES. During the fiscal year beginning July 1, 1998, notwithstanding the restrictions in section 239B.11, the department of human services may expend recovered moneys generated through fraud and recoupment activities for additional fraud and recoupment activities performed by the department of human services or the department of inspections and appeals, subject to both of the following conditions:

1. The director of human services or the director of inspections and appeals determines that the investment can reasonably be expected to increase recovery of assistance paid in error, due to fraudulent or nonfraudulent actions, in excess of the amount recovered in the fiscal year beginning July 1, 1997.

2. The amount expended for the additional fraud and recoupment activities shall not exceed the amount of the projected increase in assistance recovered.

Sec. 47. MEDICAL AND SURGICAL TREATMENT OF INDIGENT PERSONS -- STUDY. The legislative council is requested to establish a 1998 legislative interim committee to review the medical and surgical treatment of indigent persons in the state through the university of Iowa hospitals and clinics under chapter 255 and 255A. The review should include but is not limited to the programs and services provided and the possibility of providing these programs and services at alternative locations throughout the state.

Sec. 48. HAWK-I TRUST FUND.

1. If House File 2517 is enacted by the Seventy-seventh General Assembly, 1998 Session, a HAWK-I trust fund is created in the state treasury under the authority of the department of human services, in which all state appropriations shall be deposited and used to carry out the purposes of chapter 514I. Other revenues of the program such as grants, contributions, and participant payments shall not be considered revenue of the state, but rather shall be funds of the program.

2. The trust fund shall be separate from the general fund of the state and shall not be considered part of the general fund of the state. The moneys in the trust fund are not subject to section 8.33 and shall not be transferred, used, obligated, appropriated, or otherwise encumbered except as provided in chapter 514I. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the trust fund shall be credited to the trust fund.

DIVISION II -- DOMESTIC VIOLENCE OPTION

Sec. 49. DOMESTIC VIOLENCE OPTION. The provisions of this Division relating to domestic violence provide for the state of Iowa's implementation of the domestic violence option under 42 U.S.C. § 602(a)(7).

Sec. 50. Section 239B.2, subsection 6, Code Supplement 1997, is amended to read as follows:

6. COOPERATION WITH CHILD SUPPORT REQUIREMENTS. The department shall provide for prompt notification of the department's child support recovery unit if assistance is provided to a child whose parent is absent from the home. An applicant or participant shall cooperate with the child support recovery unit and the department as provided in 42 U.S.C. § 608(a)(2) unless the applicant or participant qualifies for good cause or other exception as determined by the department in accordance with the best interest of the child, parent, or specified relative, and with standards prescribed by rule. The authorized good cause or other exceptions shall include participation in a family investment agreement safety plan option to address or prevent family or domestic violence and other consideration given to the presence of family or domestic violence. If a specified relative with whom a child is residing fails to comply with these cooperation requirements, a sanction shall be imposed as defined by rule in accordance with state and federal law.

Sec. 51. Section 239B.4, Code Supplement 1997, is amended by adding the following new subsection:

NEW SUBSECTION. 2A. The department shall develop and use a screening tool for determining the likely presence of family and domestic violence affecting applicant and participant families. The department shall require the use of the screening tool by trained employees.

Sec. 52. Section 239B.8, subsection 2, Code Supplement 1997, is amended by adding the following new paragraph:

NEW PARAGRAPH. 1. Participation in a safety plan to address or prevent family or domestic violence. The safety plan may include a temporary waiver period from required participation in the JOBS program or other employment-related activities, as appropriate for the situation of the applicant

or participant. All applicants and participants shall be informed regarding the existence of this option. Participation in this option shall be subject to review in accordance with administrative rule.

Sec. 53. ELIGIBILITY FOR IMMIGRANTS SUBJECTED TO EXTREME CRUELTY. The department shall include in the temporary assistance for needy families state plan a provision of family investment program eligibility for immigrants who are qualified aliens under the provisions of 8 U.S.C. § 1641(c) regarding immigrants who have been battered or subjected to extreme cruelty. The department shall adopt administrative rules as necessary to implement the provisions of this section.

Sec. 54. APPLICABILITY. The department of human services shall field test the screening tool requirements of section 239B.4, subsection 2A, as enacted by this Division, in both urban and rural areas during the fiscal year beginning July 1, 1998, and shall apply the requirements statewide beginning July 1, 1999.

#### DIVISION III -- FIP LIMITED BENEFIT PLANS

Sec. 55. Section 239B.9, subsection 1, Code Supplement 1997, is amended to read as follows:

##### 1. GENERAL PROVISIONS.

a. If a participant responsible for signing and fulfilling the terms of a family investment agreement, as defined by the director of human services in accordance with section 239B.8, chooses not to sign or fulfill the terms of the agreement, the participant's family, or the individual participant shall enter into a limited benefit plan. A limited benefit plan shall apply for the period of time specified in this section. The first month of the limited benefit plan is the first month after the month in which timely and adequate notice of the limited benefit plan is given to the participant as defined by the director of human services. A participant who is exempt

from the JOBS program but who volunteers for the program is not subject to imposition of a limited benefit plan. The elements of a limited benefit plan shall be specified in the department's rules.

b. For purposes of this lettered paragraph, "significant contact with or action in regard to the JOBS program" means the individual participant communicates to the JOBS program worker the desire to engage in JOBS program activities, signs a new or updated family investment agreement, and takes any other action required by the department in accordance with rules adopted for this purpose. A limited benefit plan applied in error shall not be considered to have been applied. A limited benefit plan is applicable to the individual participant choosing the limited benefit plan and to the individual participant's family members to which the plan is applicable under subsection 2. A limited benefit plan shall either be a first limited benefit plan or a subsequent limited benefit plan. A limited benefit plan shall be applied as follows:

(1) A first limited benefit plan shall provide for continuing ineligibility for assistance until the individual participant completes significant contact with or action in regard to the JOBS program.

(2) A limited benefit plan subsequent to a first limited benefit plan chosen by the same individual participant shall provide for a six-month period of ineligibility beginning with the effective date of the limited benefit plan and continuing indefinitely following the six-month period until the individual participant completes significant contact with or action in regard to the JOBS program.

(3) For a two-parent family in which both parents are responsible for a family investment agreement, a first or subsequent limited benefit plan shall remain applicable until both parents complete significant contact with or action in



regard to the JOBS program. A limited benefit plan applied to the same two-parent family shall be a subsequent limited benefit plan.

Sec. 56. Section 239B.9, subsection 2, paragraphs a and b, Code Supplement 1997, are amended to read as follows:

a. PARENT. If the participant responsible for the family investment agreement is a parent or a specified relative, for a first limited benefit plan, the participant's family is eligible for up to three months of reduced assistance based on the needs of the children only the limited benefit plan is applicable to the entire participant family. At the end of the three-month period of reduced assistance, the family becomes ineligible for assistance for a six-month period. For a second or subsequent limited benefit plan chosen by the same participant, a six-month period of ineligibility applies beginning with the effective date of the limited benefit plan. If the family reapplies for assistance after a six-month ineligibility period, eligibility shall be established in the same manner as for any other new applicant. ~~A limited benefit plan imposed in error shall not be considered a first limited benefit plan.~~

b. NEEDY RELATIVE PAYEE. If the participant choosing a limited benefit plan is a needy relative who acts as payee when the parent is in the home but is unable to act as payee, or is a dependent child's stepparent whose needs are included in the assistance because of incapacity or caregiving, the limited benefit plan shall apply only to the individual participant choosing the plan. ~~The individual participant choosing the limited benefit plan is ineligible for nine months from the effective date of the limited benefit plan. For a second or subsequent limited benefit plan chosen by the same individual participant, a six-month period of ineligibility applies beginning with the effective date of the limited benefit plan.~~

Sec. 57. Section 239B.9, subsection 2, paragraph e, subparagraph (1), Code Supplement 1997, is amended to read as follows:

(1) If the parent or specified relative responsible for a family investment agreement meets the responsibilities of the family investment agreement but a child who is a mandatory JOBS program participant chooses an individual limited benefit plan, the family is eligible for reduced assistance during the child's limited benefit plan. ~~However, the child, as part of the family, is ineligible for nine months for a first limited benefit plan and six months for a second or subsequent limited benefit plan.~~

Sec. 58. Section 239B.9, subsection 2, paragraph g, Code Supplement 1997, is amended to read as follows:

g. TWO PARENTS. If the participant family includes two parents, a limited benefit plan shall be applied as follows:

(1) If only one parent of a child in the family is responsible for a family investment agreement and that parent chooses the limited benefit plan, the limited benefit plan cannot be ended by the voluntary participation in a family investment agreement by the exempt parent. ~~However, the exempt parent may continue to be included in the participant family's grant during the three-month reduced assistance period by volunteering to participate in the JOBS family investment program unemployed parent work program. If a second or subsequent limited benefit plan is chosen by either parent, the family becomes ineligible for a six-month period beginning with the effective date of the limited benefit plan.~~ If the parent responsible for the family investment agreement chooses a limited benefit plan, the limited benefit plan applies to the entire family.

(2) If both parents of a child in the family are responsible for a family investment agreement, both parents shall sign the agreement. If either parent chooses the

limited benefit plan, the limited benefit plan cannot be ended by the participation of the other parent in a family investment agreement. ~~However, the other parent may continue to be included in the family's grant during the three-month reduced-assistance period by participating in the JOBS family investment program-unemployed-parent-work-program. If a second or subsequent limited benefit plan is chosen by either parent, the family becomes ineligible for a six-month period beginning with the effective date of the limited benefit plan.~~

(3) If the parents from a two-parent family in a limited benefit plan separate, the limited benefit plan shall follow only the parent who chose the limited benefit plan and any children in the home of that parent.

Sec. 59. Section 239B.9, subsection 3, paragraph a, Code Supplement 1997, is amended to read as follows:

a. A participant who does not establish an orientation appointment with the JOBS program or who fails to keep or reschedule an orientation appointment shall receive a reminder letter which informs the participant that those who do not attend orientation have elected to choose a limited benefit plan. A participant who chooses not to respond to the reminder letter within ten calendar days from the mailing date shall receive notice establishing the effective date of the limited benefit plan, ~~the beginning date of the period of reduced assistance, and the beginning and ending dates of the six-month period of ineligibility.~~ If a participant is deemed to have chosen a limited benefit plan, timely and adequate notice provisions, as determined by the director of human services, shall apply.

Sec. 60. Section 239B.9, subsections 4, 5, and 6, Code Supplement 1997, are amended to read as follows:

4. RECONSIDERATION. A participant who chooses a limited benefit plan may reconsider that choice as follows:

a. A participant who chooses a first limited benefit plan ~~rather than sign a family investment agreement shall have the entire three-month period of reduced assistance~~ may reconsider at any time following the effective date of the limited benefit plan ~~to reconsider and begin development of the family investment agreement.~~ The participant may contact the department or the appropriate JOBS program office any time ~~during the first three months of the limited benefit plan~~ to begin the reconsideration process. ~~Although family investment program assistance shall not begin until the participant signs a family investment agreement during the JOBS program orientation and assessment process, retroactive assistance shall be issued as defined by the director of human services. A limited benefit plan imposed in error shall not be considered a first limited benefit plan.~~

~~b. A participant who signs a family investment agreement but does not carry out the family investment agreement responsibilities shall be deemed to have chosen a limited benefit plan and shall not be allowed to reconsider that choice.~~

~~c. b.~~ A participant who chooses a second or subsequent limited benefit plan ~~shall not be allowed to~~ may reconsider that choice at any time following the required period of ineligibility.

5. WELL-BEING VISIT. If a participant has chosen a subsequent limited benefit plan, a qualified social services professional shall attempt to visit with the participant to inquire into the family's family with a focus upon the children's well-being. The visit shall be performed during or within four weeks of the second month of the start of the subsequent limited benefit plan. The visit shall serve as an extension of the family investment program and the family investment agreement philosophy of supporting families as they move toward self-sufficiency. The department may contract for

these services the visit. The visit shall be made in accordance with the following:

a. -- For a participant in a first limited benefit plan who has the reconsideration option, a qualified social services professional, as defined by the director of human services, shall inquire into the well-being of the family during month two of the period of reduced assistance. If the participant who is responsible for a family investment agreement indicates a desire to develop a family investment agreement, the qualified social services professional shall assist the participant in establishing an appointment with the appropriate JOBB program officer.

b. -- For a participant in a first limited benefit plan who does not enter into the family investment agreement process during the three-month reconsideration period, a qualified social services professional shall make another inquiry as to the well-being of the family during month four of the limited benefit plan.

c. -- A participant who signs the family investment agreement but does not carry out family investment agreement responsibilities and consequently has chosen a first limited benefit plan shall not be allowed to reconsider that choice. However, a social services professional shall inquire as to the well-being of the family during month four of the limited benefit plan.

d. -- A participant who has chosen a second or subsequent limited benefit plan shall not be allowed to reconsider that choice. However, a qualified social services professional shall make inquiry into the well-being of the family during month two of the limited benefit plan.

6. APPEAL. A participant has the right to appeal the establishment of the limited benefit plan only once, except for a first limited benefit plan two opportunities to appeal shall be available. A participant in a first limited benefit

plan has the right to appeal the limited benefit plan at the time the department issues timely and adequate notice establishing the limited benefit plan, or at the time the department issues the subsequent notice that establishes the six-month period of ineligibility. A participant who has chosen a second or subsequent limited benefit plan has the right to appeal only at the time the department issues the timely and adequate notice that establishes the six-month period of ineligibility limited benefit plan. However, if the reason for the appeal is based on an incorrect grant computation, an error in determining the composition of the family, or another worker error, a hearing shall be granted, regardless of the person's limited benefit plan status.

Sec. 61. APPLICABILITY -- RULES.

1. The department of human services shall adopt administrative rules to implement the provisions of this division of this Act and the provisions shall apply beginning with the effective date specified in those rules. However, the effective date specified in the administrative rules shall be no earlier than January 1, 1999.

2. If a limited benefit plan was chosen by a participant prior to the effective date of the administrative rules, a limited benefit plan chosen by that participant on or after the effective date shall be considered a subsequent benefit plan.

3. A limited benefit plan in effect on the effective date of the administrative rules shall remain subject to the law and rules applicable to that limited benefit plan at the time the plan was imposed until that limited benefit plan's period has ended.

DIVISION IV -- PRIVATE AGENCY CONTRACTS

Sec. 62. PRIVATE AGENCY CONTRACTS. The auditor of state and the director of human services shall jointly develop a process for exempting a private agency awarded a grant,

contract, or purchase of service contract through the department of human services for the fiscal year beginning July 1, 1998, and ending June 30, 1999, from the requirement to obtain a certification from the auditor of state pursuant to section 11.36. The process shall apply a monetary threshold, provide for acceptance of existing audits, or utilize other methods to determine the adequacy of a private agency's accounting practices in a manner which is not burdensome to the private agency or the state. The auditor of state and the director of human services shall submit a report of the process developed to the general assembly on or before January 1, 1999.

Sec. 63. Section 217.41, Code 1997, is repealed.

DIVISION V -- STATUTORY REVISIONS

Sec. 64. 1997 Iowa Acts, chapter 208, section 2, unnumbered paragraph 3, is amended by striking the unnumbered paragraph.

Sec. 65. 1997 Iowa Acts, chapter 208, section 17, subsection 1, paragraph a, subparagraph (1), is amended to read as follows:

(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. For the purposes of calculating the August 31, 1998, fiscal year 1997-1998 ending balance under this subsection, the department shall include county receivables billed but not yet received. However, only receipts received within 90 days of being billed for fiscal year 1997-1998 services shall be included. The state hospital-school at Glenwood may draw upon the general fund of the state in an amount equal to the amount of the receipts not yet received.

Sec. 66. Section 135H.6, subsection 5, Code 1997, is amended to read as follows:

5. The department of human services has submitted written approval of the application based on the department of human services' determination of need. The department of human services shall identify the location and number of children in the state who require the services of a psychiatric medical institution for children. Approval of an application shall be based upon the location of the proposed psychiatric institution relative to the need for services identified by the department of human services and an analysis of the applicant's ability to provide services and support consistent with requirements under chapter 232, particularly regarding community-based treatment. If the proposed psychiatric institution is not freestanding from a facility licensed under chapter 135B or 135C, approval under this subsection shall not be given unless the department of human services certifies that the proposed psychiatric institution is capable of providing a resident with a living environment similar to the living environment provided by a licensee which is freestanding from a facility licensed under chapter 135B or

135C. Unless a psychiatric institution was accredited to provide psychiatric services by the joint commission on the accreditation of health care organizations under the commission's consolidated standards for residential settings prior to June 1, 1989, the department of human services shall not approve an application for a license under this chapter until the federal health care financing administration has approved a state Title XIX plan amendment to include coverage of services in a psychiatric medical institution for children. In addition, either of the following conditions must be met:

a. The department of human services shall not give approval to an application which would cause the total number of beds licensed under this chapter to exceed three hundred sixty beds, except as provided in paragraph "b" and paragraph "c", with not more than three hundred of the beds licensed under chapter 237 before January 1, 1989, and not more than sixty of the beds licensed under chapter 237 on or after January 1, 1989.

b. The department of human services shall not give approval to an application which would cause the total number of beds licensed under this chapter after June 30, 1990, which specialize in providing substance abuse treatment to children to exceed seventy beds.

c. The department of human services may establish not more than thirty beds licensed under this chapter at the state mental health institute at Independence. The beds shall be exempt from the certificate of need requirement under subsection 4.

Sec. 67. Section 217.12, subsection 3, Code 1997, is amended by adding the following new paragraph:

NEW PARAGRAPH. g. Designation of agreement provisions for tracking and reporting performance measures developed pursuant to subsection 4.

Sec. 68. Section 222.68, Code 1997, is amended to read as follows:

222.68 COSTS PAID IN FIRST INSTANCE.

All necessary and legal expenses for the cost of admission or commitment of a person to a hospital-school or a special unit when the person's legal settlement is found to be in another county of this state shall in the first instance be paid by the county from which the person was admitted or committed. The county of legal settlement shall reimburse the county so-paying which pays for all such expenses. Where any county fails to make such reimbursement within sixty forty-five days following submission of a properly itemized bill to the county of legal settlement, a penalty of not greater than one percent per month on and after sixty forty-five days from submission of the bill may be added to the amount due.

Sec. 69. Section 222.75, Code 1997, is amended to read as follows:

222.75 DELINQUENT PAYMENTS -- PENALTY.

Should any county fail to pay the bills within sixty forty-five days from the date of the county received the certificate from the superintendent, the director of revenue and finance may charge the delinquent county a penalty of not greater than one percent per month on and after sixty forty-five days from date of the county received the certificate until paid.

Sec. 70. Section 222.78, Code 1997, is amended to read as follows:

222.78 PARENTS AND OTHERS LIABLE FOR SUPPORT.

The father and mother of any person patient admitted or committed to a hospital-school or to a special unit, as either an inpatient or an outpatient, and any person, firm, or corporation bound by contract hereafter made for support of the person-~~shall-be-and-remain~~ patient is liable for the support of the person patient. The person patient and those legally bound for the support of the person patient shall be

liable to the county for all sums advanced by the county to the state under the provisions of sections 222.60 and 222.77. The liability of any person, other than the patient, who is legally bound for the support of any a patient who is under eighteen years of age in a hospital-school or a special unit shall ~~in-no-instance~~ not exceed the average minimum cost of the care of a normally intelligently-nonhandicapped minor without a disability of the same age and sex as the minor patient. The administrator shall establish the scale for this purpose but the scale shall not exceed the standards for personal allowances established by the state division under the family investment program. ~~Provided-further-that-the father-or-mother-of-the-person-shall-not-be-liable-for-the support-of-the-person-after-the-person-attains-the-age-of eighteen-years-and-that-the~~ The father or mother shall incur liability only during any period when the father or mother either individually or jointly receive a net income from whatever source, commensurate with that upon which they would be liable to make an income tax payment to this state. The father or mother of a patient shall not be liable for the support of the patient upon the patient attaining eighteen years of age. Nothing in this section shall be construed to prevent a relative or other person from voluntarily paying the full actual cost as established by the administrator for caring for the person patient with mental retardation.

Sec. 71. Section 225C.38, subsection 1, paragraph c, Code 1997, is amended to read as follows:

c. Except as provided in section 225C.41, a family support subsidy for a fiscal year shall be in an amount equivalent to the monthly maximum supplemental security income payment available in Iowa on July 1 of that fiscal year for an adult recipient living in the household of another, as formulated under federal regulations. In addition, the parent or legal guardian of a family member who is in an out-of-home placement

at the time of application may receive a one-time lump-sum advance payment of twice the monthly family support subsidy amount for the purpose of meeting the special needs of the family in preparing for in-home care. The parent or legal guardian receiving a family support subsidy may elect to receive a payment amount which is less than the amount determined in accordance with this paragraph.

Sec. 72. Section 225C.48, subsection 5, Code 1997, is amended by striking the subsection.

Sec. 73. Section 229.42, unnumbered paragraph 4, Code Supplement 1997, is amended to read as follows:

Should any county fail to pay these bills within ~~sixty~~ forty-five days from the date of the county received the certificate from superintendent, the director of revenue and finance shall charge the delinquent county the penalty of one percent per month on and after ~~sixty~~ forty-five days from date of the county received the certificate until paid. Such penalties shall be credited to the general fund of the state.

Sec. 74. Section 230.22, Code 1997, is amended to read as follows:

230.22 PENALTY.

Should any county fail to pay the amount billed by a statement submitted pursuant to section 230.20 within ~~sixty~~ forty-five days from the date the statement is certified received by the superintendent county, the director of revenue and finance shall charge the delinquent county the penalty of one percent per month on and after ~~sixty~~ forty-five days from the date the statement is certified received by the county until paid. Provided, however, that the penalty shall not be imposed if the county has notified the director of revenue and finance of error or questionable items in the billing, in which event, the director of revenue and finance may shall suspend the penalty only during the period of negotiation.

Sec. 75. Section 234.12A, if enacted by 1998 Iowa Acts, House File 2468, is amended by adding the following new subsection:

NEW SUBSECTION. 3. For the purposes of this section, "retailer" means a business authorized by the United States department of agriculture to accept food stamp benefits.

Sec. 76. Section 239B.11, subsection 2, Code Supplement 1997, is amended to read as follows:

2. A diversion program subaccount is created within the family investment program account. The subaccount may be used to provide incentives to divert applicants' participation in the family investment program if the applicants would otherwise-be-eligible meet income eligibility requirements for assistance. Incentives may be provided in the form of payment or services with a focus on helping applicants to obtain or retain employment. The diversion program subaccount may also be used for payments to participants as necessary to cover the expenses of removing barriers to employment.

Sec. 77. Section 249A.3, subsection 1, paragraph g, subparagraph (2), Code Supplement 1997, is amended to read as follows:

(2) Is a child born-after-September-30, 1983, who has attained six years of age but has not attained nineteen years of age as-prescribed-by-the-federal-Omnibus-Budget Reconciliation-Act-of-1990, Pub-L-No-101-508, 9-468, whose income is not more than one hundred thirty-three percent of the federal poverty level, as defined by the most recently revised poverty income guidelines published by the United States department of health and human services.

Sec. 78. Section 541A.3, subsection 5, Code 1997, is amended to read as follows:

5. The administrator shall coordinate the filing of claims for savings refunds authorized under subsection 1, between account holders, operating organizations, and the department

of revenue and finance. Claims approved by the administrator may be paid by the department of revenue and finance to each account or for an aggregate amount for distribution to the accounts in a particular financial institution, depending on the efficiency for issuing the refunds. Claims shall be initially filed with the administrator on or before a date established by the administrator. Claims approved by the administrator shall be paid from the general fund of the state in the manner specified in section 422.74.

Sec. 79. IMPLEMENTATION -- STATE MANDATE. Section 25B.2, subsection 3, shall not apply to the provisions of this Division amending sections 222.68, 222.75, 229.42, and 230.22.

Sec. 80. 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. 81. 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. 82. Section 239B.23, Code Supplement 1997, is repealed.

Sec. 83. EFFECTIVE DATE. The following provisions of this Act, being deemed of immediate importance, take effect upon enactment:

1. Section 1, supplementing an appropriation made in 1997 Iowa Acts, Chapter 202.
2. Section 5, subsection 7, relating to X-pert computer system funding.
3. Section 7, subsection 4, relating to a request for proposals for managed behavioral health and substance abuse care.
4. Section 7, subsection 12, relating to reinstatement of the employment earnings disregard.
5. Section 15, subsection 2, paragraph "e", relating to requirements of section 232.143, for the 1997-1998 and 1998-1999 fiscal years.
6. Section 15, subsection 18, relating to continuation of clinical assessment and consultation teams.
7. Section 15, subsection 19, paragraph "b", relating to authority to use moneys for support of the child welfare services work group.
8. Section 18, subsection 1, relating to determining allocation of court-ordered services funding.
9. Section 41, relating to net state budgeting at the state hospital-schools.
10. Section 43, relating to financial assistance services.
11. Section 62, relating to private agency contracts.
12. Sections 64 and 65, amending 1997 Iowa Acts, chapter 208.
13. Section 72, striking a provision of Code section 225C.48.

Sec. 84. EFFECTIVE DATE -- APPLICABILITY. Section 7B of this Act, amending Code section 541A.3, being deemed of

immediate importance, takes effect upon enactment and is retroactively applicable to January 1, 1998.

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MARY E. KRAMER  
President of the Senate

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RON J. CORBETT  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2410, Seventy-seventh General Assembly.

*Item Vetoed*  
Approved 5/19/98 1998

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MARY PAT GUNDERSON  
Secretary of the Senate

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TERRY E. BRANSTAD  
Governor