

3-6-97 Approp.

FILED MAR 6 1997

SENATE FILE 344
BY REHBERG

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

A BILL FOR

1 An Act providing for state payment of the nonfederal share of
2 medical assistance costs for certain services provided to
3 children requiring special education.

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

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S.F. 344

1 Section 1. Section 249A.12, subsection 4, Code 1997, is
2 amended to read as follows:

3 4. a. Effective July 1, ~~1995~~ 1997, the state shall be
4 responsible for all of the nonfederal share of the costs of
5 intermediate care facility for persons with mental retardation
6 services provided under medical assistance to minors and to
7 children requiring special education, as defined in section
8 256B.2. Notwithstanding subsection 2 and contrary provisions
9 of section 222.73, effective July 1, ~~1995~~ 1997, a county is
10 not required to reimburse the department and shall not be
11 billed for the nonfederal share of the costs of such services
12 provided to minors and to children requiring special
13 education, as defined in section 256B.2.

14 b. Effective July 1, ~~1995~~ 1997, the state shall be
15 responsible for all of the nonfederal share of medical
16 assistance home and community-based waivers for persons with
17 mental retardation services provided under medical assistance
18 to minors and to children requiring special education, as
19 defined in section 256B.2, and a county is not required to
20 reimburse the department and shall not be billed for the
21 nonfederal share of the costs of the services.

22 Sec. 2. Section 426B.1, subsection 3, Code 1997, is
23 amended to read as follows:

24 3. There is annually appropriated from the property tax
25 relief fund to the department of human services to supplement
26 the medical assistance appropriation for the fiscal year
27 beginning July 1, 1997, and for succeeding fiscal years, six
28 million six hundred thousand dollars to be used for the
29 nonfederal share of the costs of services provided to minors
30 with mental retardation and to children requiring special
31 education under the medical assistance program to meet the
32 requirements of section 249A.12, subsection 4. The
33 appropriation in this subsection shall be charged to the
34 property tax relief fund prior to the distribution of moneys
35 from the fund under section 426B.2 and the amount of moneys

1 available for distribution shall be reduced accordingly.
2 However, the appropriation in this subsection shall be
3 considered to be a property tax relief payment for purposes of
4 the combined amount of payments required to achieve fifty
5 percent of the counties' base year expenditures as provided in
6 section 426B.2, subsection 3.

7 EXPLANATION

8 This bill provides for state payment of the nonfederal
9 share of medical assistance costs for intermediate care
10 facility and home and community-based waivers for persons with
11 mental retardation services provided under medical assistance
12 to minors and to children requiring special education. Under
13 Code section 256B.2, "children requiring special education"
14 means persons under age 21 who have a disability in obtaining
15 education because of various types of disabilities. The bill
16 provides that a county is not to be billed for such costs and
17 the state payment requirement is effective July 1, 1997.

18 The bill includes a conforming amendment to Code section
19 426B.1 which provides an appropriation from the property tax
20 relief fund for costs addressed by the bill.

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SENATE FILE 344
FISCAL NOTE

REQ. BY SENATOR REHBERG

A fiscal note for Senate File 344 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 344 would extend State coverage for Intermediate Care Facilities for the Mentally Retarded (ICF/MR) and Home and Community Based Services (HCBS) to individuals between 18 and 20 years of age. The bill specifies that the State would be responsible for the nonfederal share of these costs. Currently, ICF/MR and HCBS services paid by the State are terminated at age 18.

ASSUMPTIONS:

1. Costs for an ICF/MR are \$254.00 per day.
2. Costs for HCBS services are \$68.05 per day.
3. The additional number of 18 to 20 year old individuals receiving State coverage in an ICF/MR would be 110 annually.
4. The additional number of 18 to 20 year old individuals receiving State coverage in a HCBS setting would be 110 annually.
5. An estimated 75.0% of 18 to 20 year olds in either an ICF/MR or an HCBS setting fit the definition of those receiving coverage under SF 344.
6. The federal government provides 63.6% of total cost of services based upon the federal financial participation rate for the Medical Assistance Program.

FISCAL EFFECT:

The fiscal effect of SF 344 is a net General Fund cost of \$3,534,800 each year.

The General Fund cost of the ICF/MR portion of the legislation is estimated as follows: 110 individuals x \$254 cost per day x 365 days x 75.0% (estimate of those receiving care under the definition) x the State match rate (36.45%) equals \$2,787,900.

The General Fund cost of the HCBS portion of the legislation is estimated as follows: 110 individuals x \$68.05 cost per day x 365 days x 75.0% (estimate of those receiving care under the definition) x the State match rate (36.45%) equals \$746,000.

The total General Fund cost is the total of the ICF/MR and HCBS portions (\$2,787,900 + \$746,900) equals \$3,534,800.

SOURCE: Department of Human Services

(LSB 2358SS, LCS)

FILED MARCH 20, 1997

BY DENNIS PROUTY, FISCAL DIRECTOR