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HUMAN RESOURCES

HOUSE FILE 2276

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Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to the establishment of a senior living program,  
2 including the creation of a senior living trust fund,  
3 providing for the development and provision of senior living  
4 program information and electronic access, providing for a  
5 caregiver support and education program, providing for a  
6 senior living insurance policy and incentives study, providing  
7 for allocation of the moneys in the senior living trust fund,  
8 making appropriations, and providing an effective date, and  
9 providing for retroactive applicability.

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

11  
12  
13

HF 2276

## 1 DIVISION I

## 2 TITLE AND FINDINGS

3 Section 1. NEW SECTION. 249H.1 TITLE.4 This chapter shall be known and may be cited as the "Iowa  
5 Senior Living Program Act".6 Sec. 2. NEW SECTION. 249H.2 LEGISLATIVE FINDINGS --  
7 GOAL.

8 1. The general assembly finds that:

9 a. The preservation, improvement, and coordination of the  
10 health care infrastructure of Iowa is critical to the health  
11 and safety of Iowans.12 b. An increasing number of seniors and persons with  
13 disabilities in the state require long-term care services  
14 provided outside of a medical institution.15 c. A full array of long-term care services is necessary to  
16 provide cost-effective and appropriate services to the varied  
17 population of health care consumers.18 d. The supported development of long-term care  
19 alternatives, including assisted-living facility services,  
20 adult day care, and home and community-based services, is  
21 critical in areas of the state where such alternatives  
22 otherwise are not likely to be developed.23 e. Cost containment in the delivery of health care is  
24 necessary to improve services and access for all Iowans.25 f. Grants are necessary to cover the expenditures related  
26 to the development of alternative health care services.27 Development of these alternatives will improve access to and  
28 delivery of long-term care services to underserved individuals  
29 or in underserved areas, which will in turn contain or reduce  
30 the cost and improve the quality of health care services.31 g. A continuing source of funding is necessary to enhance  
32 the state's ability to meet the rising demand of seniors with  
33 low and moderate incomes in obtaining an appropriate variety  
34 of long-term care services.

35 2. The goal of this program is to create a comprehensive

1 long-term care system that is consumer-directed, provides a  
2 balance between the alternatives of institutionally and  
3 noninstitutionally provided services, and contributes to the  
4 quality of the lives of Iowans.

5 DIVISION II

6 IOWA SENIOR LIVING PROGRAM

7 Sec. 3. NEW SECTION. 249H.3 DEFINITIONS.

8 As used in this chapter, unless the context otherwise  
9 provides:

10 1. "Affordable" means rates for payment of services which  
11 do not exceed the rates established for providers of medical  
12 and health services under the medical assistance program with  
13 eligibility for an individual equal to the eligibility for  
14 medical assistance pursuant to section 249A.3. In relation to  
15 services provided by a provider of services under a home and  
16 community based waiver, "affordable" means that the total  
17 monthly cost of the home and community-based waiver services  
18 provided do not exceed the cost for that level of care as  
19 established by rule by the department of human services,  
20 pursuant to chapter 17A, in consultation with the department  
21 of elder affairs.

22 2. "Assisted living" means assisted living as defined in  
23 section 231C.2.

24 3. "Case mix reimbursement" means a reimbursement  
25 methodology that recognizes the acuity and need level of the  
26 residents of a nursing facility.

27 4. "Long-term care alternatives" means those services  
28 specified under the medical assistance program as home and  
29 community-based waiver services for elder persons or adults  
30 with disabilities, elder group homes certified under chapter  
31 231B, assisted-living programs certified under chapter 231C,  
32 and the PACE program.

33 5. "Long-term care coordinating unit" means the long-term  
34 care coordinating unit created within the department of elder  
35 affairs pursuant to section 231.58, or its designee.

1 6. "Long-term care provider" means a provider of services  
2 through long-term care alternatives.

3 7. "Long-term care service development" means any of the  
4 following:

5 a. The remodeling of existing space and, if necessary, the  
6 construction of additional space required to accommodate  
7 development of long-term care alternatives, excluding the  
8 development of assisted-living programs or elder group home  
9 alternatives.

10 b. New construction for long-term care alternatives,  
11 excluding new construction of assisted-living programs or  
12 elder group homes, if the long-term care coordinating unit  
13 determines that new construction is more cost-effective than  
14 the conversion of existing space.

15 8. "Nursing facility" means a licensed nursing facility as  
16 defined in section 135C.1 or a licensed hospital as defined in  
17 section 135B.1, a distinct part of which provides long-term  
18 care nursing facility beds.

19 9. "Nursing facility conversion" means any of the  
20 following:

21 a. The remodeling of nursing facility space existing on  
22 July 1, 1999, and certified for medical assistance nursing  
23 facility reimbursement and, if necessary, the construction of  
24 additional space required to accommodate an assisted-living  
25 program.

26 b. New construction of an assisted-living program if  
27 existing nursing facility beds are no longer licensed and the  
28 long-term care coordinating unit determines that new  
29 construction is more cost-effective than the conversion of  
30 existing space.

31 10. "PACE program" means a program of all-inclusive care  
32 for the elderly established pursuant to 42 U.S.C. § 1396(u)(4)  
33 that provides delivery of comprehensive health and social  
34 services to seniors by integrating acute and long-term care  
35 services, and that is operated by a public, private,

1 nonprofit, or proprietary entity. "Pre-PACE program" means a  
2 PACE program in the initial start-up phase that provides the  
3 same scope of services as a PACE program.

4 11. "Persons with disabilities" means individuals eighteen  
5 years of age or older with disabilities as disability is  
6 defined in section 225B.2.

7 12. "Senior" means elder as defined in section 231.4 and  
8 as defined under the PACE program pursuant to 42 U.S.C. §  
9 1396(u)(4).

10 13. "Senior living program" means the long-term care  
11 program created in this chapter to provide for long-term care  
12 alternatives, long-term care service development, and nursing  
13 facility conversion.

14 Sec. 4. NEW SECTION. 249H.4 SENIOR LIVING TRUST FUND --  
15 CREATED -- APPROPRIATIONS.

16 1. A senior living trust fund is created in the state  
17 treasury under the authority of the department of human  
18 services. Moneys received through intergovernmental  
19 agreements for the senior living program and moneys received  
20 from sources, including grants, contributions, and participant  
21 payments, shall be deposited in the fund.

22 2. The department of human services, upon receipt of  
23 federal revenue on or after October 1, 1999, from public  
24 nursing facilities participating in the medical assistance  
25 program, shall deposit the federal revenue received in the  
26 trust fund, less a sum of five thousand dollars as an  
27 administration fee per participating public nursing facility.

28 3. Moneys deposited in the trust fund shall be used only  
29 for the purposes of the senior living program as specified in  
30 this chapter.

31 4. The trust fund shall be operated in accordance with the  
32 guidelines of the health care financing administration of the  
33 United States department of health and human services. The  
34 trust fund shall be separate from the general fund of the  
35 state and shall not be considered part of the general fund of

1 the state. The moneys in the trust fund shall not be  
2 considered revenue of the state, but rather shall be funds of  
3 the senior living program. The moneys in the trust fund are  
4 not subject to section 8.33 and shall not be transferred,  
5 used, obligated, appropriated, or otherwise encumbered, except  
6 to provide for the purposes of this chapter. Notwithstanding  
7 section 12C.7, subsection 2, interest or earnings on moneys  
8 deposited in the trust fund shall be credited to the trust  
9 fund.

10 5. The department of human services shall adopt rules  
11 pursuant to chapter 17A to administer the trust fund and to  
12 establish procedures for participation by public nursing  
13 facilities in the intergovernmental transfer of funds to the  
14 senior living trust fund.

15 6. The treasurer of state shall provide a quarterly report  
16 of trust fund activities and balances to the long-term care  
17 coordinating unit.

18 Sec. 5. NEW SECTION. 249H.5 ALLOCATIONS -- SENIOR LIVING  
19 TRUST FUND.

20 1. Moneys deposited in the senior living trust fund  
21 created in section 249H.4 shall be used only as provided in  
22 appropriations from the trust fund to the department of human  
23 services and the department of elder affairs, and for  
24 purposes, including the awarding of grants, as specified in  
25 this chapter.

26 2. Moneys in the trust fund are allocated, subject to  
27 their appropriation by the general assembly, as follows:

28 a. To the department of human services, a maximum of  
29 sixty-five million dollars for the fiscal period beginning  
30 July 1, 2000, and ending on or before June 30, 2005, to be  
31 used for the conversion of existing nursing facility space and  
32 development of long-term care alternatives.

33 b. To the department of elder affairs, an amount  
34 necessary, annually, for expenses incurred in implementation  
35 and administration of the long-term care alternatives programs

1 and for delivery of long-term care services to seniors with  
2 low or moderate incomes.

3 c. To the department of human services, an amount  
4 necessary, annually, for all of the following:

5 (1) Expenses incurred in implementation of the senior  
6 living program.

7 (2) Expenses incurred in administration of medical  
8 assistance home and community-based waivers and the PACE  
9 program due to implementation of the senior living trust fund.

10 (3) Expenses incurred due to increased service delivery  
11 provided under medical assistance home and community-based  
12 waivers as a result of nursing facility conversions and long-  
13 term care service development, for the fiscal period beginning  
14 July 1, 2000, and ending on or before June 30, 2005.

15 (4) Expenses incurred in program administration related to  
16 implementation of nursing facility case mix reimbursement  
17 under the medical assistance program.

18 d. To the department of human services, an amount  
19 necessary to provide funding for nursing facility provider  
20 reimbursements, which supports transition to a case mix  
21 reimbursement system.

22 e. To the department of human services an amount  
23 necessary, annually, for additional expenses incurred relative  
24 to implementation of the senior living program in assisting  
25 home and community-based waiver consumers with rent expenses  
26 pursuant to the state supplementary assistance program.

27 3. Any funds remaining after disbursement of moneys under  
28 subsection 2 shall be invested with the interest earned to be  
29 available in subsequent fiscal years for the purposes provided  
30 in subsection 2, paragraph "b", and subsection 2, paragraph  
31 "c", subparagraphs (1) and (2).

32 Sec. 6. NEW SECTION. 249H.6 NURSING FACILITY CONVERSION  
33 AND LONG-TERM CARE SERVICES DEVELOPMENT GRANTS.

1. The department of human services, at the direction of  
the long-term care coordinating unit, may use moneys

1 appropriated to the department from the senior living trust  
2 fund to award grants to any of the following:

3 a. A licensed nursing facility that has been an approved  
4 provider under the medical assistance program for the three-  
5 year period prior to application for the grant. The grant  
6 awarded may be used to convert all or a portion of the  
7 licensed nursing facility to a certified assisted-living  
8 program and may be used for capital or one-time expenditures,  
9 including but not limited to start-up expenses, training  
10 expenses, and operating losses for the first year of operation  
11 following conversion associated with the nursing facility  
12 conversion.

13 b. A long-term care provider or a licensed nursing  
14 facility that has been an approved provider under the medical  
15 assistance program for the three-year period prior to  
16 application for the grant or a provider that will meet  
17 applicable medical assistance provider requirements as  
18 specified in subsection 2, paragraph "c" or "d". The grant  
19 awarded may be used for capital or one-time expenditures,  
20 including but not limited to start-up expenses, training  
21 expenses, and operating losses for the first year of operation  
22 for long-term care service development.

23 2. A grant shall be awarded only to an applicant who meets  
24 all of the following criteria, as applicable to the type of  
25 grant:

26 a. The applicant is a long-term care provider or a nursing  
27 facility that is located in an area determined by the long-  
28 term care coordinating unit to be underserved with respect to  
29 a particular long-term care alternative service, and that has  
30 demonstrated the ability or potential to provide quality long-  
31 term care alternative services.

32 b. The applicant is able to provide a minimum matching  
33 contribution of twenty percent of the total cost of any  
34 conversion, remodeling, or construction.

35 c. The applicant is applying for a nursing facility

1 conversion grant and is able to demonstrate all of the  
2 following:

3 (1) Conversion of the nursing facility or a distinct  
4 portion of the nursing facility to an assisted-living program  
5 is projected to offer efficient and economical care to  
6 individuals requiring long-term care services in the service  
7 area.

8 (2) Assisted-living services are otherwise not likely to  
9 be available in the area for individuals eligible for services  
10 under the medical assistance program.

11 (3) The resulting reduction in the availability of nursing  
12 facility services is not projected to cause undue hardship on  
13 those individuals requiring nursing facility services for a  
14 period of at least ten years.

15 (4) Public support following a community-based assessment.

16 (5) Conversion of the nursing facility is projected to  
17 result in a lower per client reimbursement cost to the grant  
18 applicant under the medical assistance program.

19 d. The applicant is applying for a long-term care service  
20 development grant and is able to demonstrate all of the  
21 following:

22 (1) Long-term care service development is projected to  
23 offer efficient and economical care to individuals requiring  
24 long-term care services in the service area.

25 (2) The proposed long-term care alternative is otherwise  
26 not likely to be available in the area for individuals  
27 eligible for services under the medical assistance program.

28 (3) Public support following a community-based assessment.

29 e. The applicant agrees to do all of the following as  
30 applicable to the type of grant:

31 (1) Participate and maintain a minimum medical assistance  
32 client base participation rate of forty percent, subject to  
33 the demand for participation by individuals eligible for  
34 medical assistance.

35 (2) Provide a service delivery package that is affordable

1 for those individuals eligible for services under the medical  
2 assistance home and community-based services waiver program.

3 (3) Provide a refund to the senior living trust fund, on  
4 an amortized basis, in the amount of the grant, if the  
5 applicant or the applicant's successor in interest ceases to  
6 operate an affordable long-term care alternative within the  
7 first ten-year period of operation following the awarding of  
8 the grant or if the applicant or the applicant's successor in  
9 interest fails to maintain a participation rate of forty  
10 percent in accordance with subparagraph (1).

11 3. The department of human services shall adopt rules in  
12 consultation with the long-term care coordinating unit,  
13 pursuant to chapter 17A, to provide all of the following:

14 a. An application process and eligibility criteria for the  
15 awarding of grants. The eligibility criteria shall include  
16 but are not limited to the applicant's demonstration of an  
17 affordable service package, the applicant's use of the funds  
18 for allowable costs, and the applicant's ability to refund the  
19 funds if required under subsection 2, paragraph "e",  
20 subparagraph (3). The primary eligibility criterion used  
21 shall be the applicant's potential impact on the overall goal  
22 of moving toward a balanced, comprehensive, affordable, high-  
23 quality, long-term care system.

24 b. Criteria to be utilized in determining the amount of  
25 the grant awarded.

26 c. Weighted criteria to be utilized in prioritizing the  
27 awarding of grants to individual grantees during a grant  
28 cycle. Greater weight shall be given to the applicant's  
29 demonstration of potential reduction of nursing facility beds,  
30 the applicant's ability to meet demonstrated community need,  
31 and the established history of the applicant in providing  
32 quality long-term care services.

33 d. Policies and procedures for certification of the  
34 matching funds required of applicants under subsection 2,  
35 paragraph "b".

1 e. Other procedures the department of human services deems  
2 necessary for the proper administration of this section,  
3 including but not limited to the submission of progress  
4 reports on a bimonthly basis to the long-term care  
5 coordinating unit.

6 4. The department of human services shall establish a  
7 calendar for receiving and evaluating applications and for  
8 awarding of grants.

9 5. a. The department of human services shall develop a  
10 cost report to be completed by a grantee which includes, but  
11 is not limited to, revenue, costs, loans undertaken by the  
12 grantee, fixed assets of the grantee, a balance sheet, and a  
13 profit and loss statement.

14 b. Grantees shall submit, annually, completed cost reports  
15 to the department of human services regarding the project for  
16 a period of ten years following the date of initial operation  
17 of the grantee's long-term care alternative.

18 6. The department of human services, in consultation with  
19 the department of elder affairs, shall provide annual reports  
20 to the governor and the general assembly concerning grants  
21 awarded. The annual report shall include the total number of  
22 applicants and approved applicants, an overview of the various  
23 grants awarded, and detailed reports of the cost of each  
24 project funded by a grant and information submitted by the  
25 approved applicant.

26 7. For the purpose of this section, "underserved" means  
27 areas in which four and four-tenths percent of the number of  
28 individuals sixty-five years of age and older is not greater  
29 than the number of currently licensed nursing facility beds  
30 and certified assisted-living units. In addition, the  
31 department, in determining if an area is underserved, may  
32 consider additional information gathered through the  
33 department's own research or submitted by an applicant,  
34 including but not limited to any of the following:

5 a. Availability of and access to long-term care

1 alternatives relative to individuals eligible for medical  
2 assistance.

3 b. The current number of seniors and persons with  
4 disabilities and the projected number of these individuals.

5 c. The current number of seniors and persons with  
6 disabilities requiring professional nursing care and the  
7 projected number of these individuals.

8 d. The current availability of long-term care alternatives  
9 and any known changes in the availability of such  
10 alternatives.

11 8. This section does not create an entitlement to any  
12 funds available for grants under this section, and the  
13 department of human services may only award grants to the  
14 extent funds are available and within its discretion, to the  
15 extent applications are approved.

16 9. In addition to any other remedies provided by law, the  
17 department of human services may recoup any grant funding  
18 previously awarded and disbursed to a grantee or the grantee's  
19 successor in interest and may reduce the amount of any grant  
20 awarded, but not yet disbursed, to a grantee or the grantee's  
21 successor in interest, by the amount of any refund owed by a  
22 grantee or the grantee's successor in interest pursuant to  
23 subsection 2, paragraph "e", subparagraph (3).

24 10. The long-term care coordinating unit shall review  
25 projects that receive grants under this section to ensure that  
26 the goal to provide alternatives to nursing facility care is  
27 being met and that an adequate number of nursing facility  
28 services remain to meet the needs of Iowans.

29 Sec. 7. NEW SECTION. 249H.7 HOME AND COMMUNITY-BASED  
30 SERVICES FOR SENIORS.

31 1. Beginning October 1, 2000, the department of elder  
32 affairs, in consultation with the long-term care coordinating  
33 unit, shall use funds appropriated from the senior living  
34 trust fund for activities related to the design, maintenance,  
35 or expansion of home and community-based services for seniors,

1 including but not limited to adult day care, personal care,  
2 respite, homemaker, chore, and transportation services  
3 designed to promote the independence of and to delay the use  
4 of institutional care by seniors with low and moderate  
5 incomes. At any time that moneys are appropriated, the  
6 department of elder affairs, in consultation with the long-  
7 term care coordinating unit, shall disburse the funds to the  
8 area agencies on aging.

9 2. The department of elder affairs shall adopt rules, in  
10 consultation with the long-term care coordinating unit and the  
11 area agencies on aging, pursuant to chapter 17A, to provide  
12 all of the following:

13 a. (1) The criteria and process for disbursement of  
14 funds, appropriated in accordance with subsection 1, to area  
15 agencies on aging.

16 (2) The criteria shall include, at a minimum, all of the  
17 following:

18 (a) A distribution formula that triple weights all of the  
19 following:

20 (i) Individuals seventy-five years of age and older.

21 (ii) Individuals aged sixty and older who are members of a  
22 racial minority.

23 (iii) Individuals sixty years of age and older who reside  
24 in rural areas as defined in the federal Older Americans Act.

25 (iv) Individuals who are sixty years of age and older who  
26 have incomes at or below the poverty level as defined in the  
27 federal Older Americans Act.

28 (b) A distribution formula that single weights individuals  
29 sixty years of age and older who do not meet the criteria  
30 specified in subparagraph subdivision (a).

31 b. The criteria for long-term care providers to receive  
32 funding as subcontractors of the area agencies on aging.

33 c. Other procedures the department of elder affairs deems  
34 necessary for the proper administration of this section,  
35 including but not limited to the submission of progress

1 reports, on a bimonthly basis, to the long-term care  
2 coordinating unit.

3 3. This section does not create an entitlement to any  
4 funds available for disbursement under this section and the  
5 department of elder affairs may only disburse moneys to the  
6 extent funds are available and, within its discretion, to the  
7 extent requests for funding are approved.

8 4. Long-term care providers that receive funding under  
9 this section shall submit annual reports to the appropriate  
10 area agency on aging. The department of elder affairs shall  
11 develop the report to be submitted, which shall include, but  
12 is not limited to, units of service provided, the number of  
13 service recipients, costs, and the number of units of service  
14 identified as necessitated but not provided.

15 5. The department of elder affairs, in cooperation with  
16 the department of human services, shall provide annual reports  
17 to the governor and the general assembly concerning the impact  
18 of moneys disbursed under this section on the availability of  
19 long-term care services in Iowa. The reports shall include  
20 the types of services funded, the outcome of those services,  
21 and the number of individuals receiving those services.

22 Sec. 8. NEW SECTION. 249H.8 PACE PROGRAM.

23 For the purposes of this chapter, all of the following  
24 apply to a PACE program:

25 1. A person operating a PACE program shall have a PACE  
26 program agreement with the health care financing  
27 administration of the United States department of health and  
28 human services, shall enter a contract with the department of  
29 human services and shall comply with 42 U.S.C. § 1396(u)(4)  
30 and all regulations promulgated pursuant to that section.

31 2. Services provided under a PACE or pre-PACE program  
32 shall be provided on a capitated basis.

33 3. A pre-PACE program may contract with the department of  
34 human services to provide services to individuals eligible for  
35 medical assistance, on a capitated basis, for a limited scope

1 of the PACE service package through a prepaid health plan  
2 agreement, with the remaining services reimbursed directly to  
3 the service providers by the medical assistance or federal  
4 Medicare programs.

5 4. PACE and pre-PACE programs are not subject to  
6 regulation under chapter 514B.

7 5. A PACE or pre-PACE program shall, at the time of  
8 entering into the initial contract and of renewal of a  
9 contract with the department of human services, demonstrate  
10 cash reserves in an amount established by rule of the  
11 department to cover expenses in the event of insolvency.

12 Sec. 9. NEW SECTION. 249H.9 SENIOR LIVING PROGRAM  
13 INFORMATION -- ELECTRONIC ACCESS -- EDUCATION -- ADVISORY  
14 COUNCIL.

15 1. The department of elder affairs and the area agencies  
16 on aging, in consultation with the long-term care coordinating  
17 unit, shall create, on a county basis, a database directory of  
18 all health care and support services available to seniors.  
19 The department of elder affairs shall make the database  
20 electronically available to the public, and shall update the  
21 database on at least a monthly basis.

22 2. The department of elder affairs shall seek foundation  
23 funding to develop and provide an educational program for  
24 individuals aged twenty-one and older which assists  
25 participants in planning for and financing health care  
26 services and other supports in their senior years.

27 3. The department of human services shall develop and  
28 distribute an informational packet to the public that  
29 explains, in layperson terms, the law, regulations, and rules  
30 under the medical assistance program relative to health care  
31 services options for seniors, including but not limited to  
32 those relating to transfer of assets, prepaid funeral  
33 expenses, and life insurance policies.

34 4. The director of human services, the director of the  
35 department of elder affairs, the director of public health,

1 the director of the department of inspections and appeals, the  
2 director of revenue and finance, and the commissioner of  
3 insurance shall constitute a senior advisory council to  
4 provide oversight in the development and operation of all  
5 informational aspects of the senior living program under this  
6 section.

7 Sec. 10. NEW SECTION. 249H.10 CAREGIVER SUPPORT --  
8 ACCESS AND EDUCATION PROGRAMS.

9 The department of human services, in cooperation with the  
10 department of elder affairs, shall implement a caregiver  
11 support program to provide access to respite care and to  
12 provide education to caregivers in providing appropriate care  
13 to seniors and persons with disabilities. The program shall  
14 be provided through the area agencies on aging or other  
15 appropriate agency.

16 Sec. 11. NEW SECTION. 249H.11 FUTURE REPEAL.

17 Section 249H.6 is repealed on June 30, 2005. However,  
18 grants awarded and moneys appropriated for grants on or before  
19 June 30, 2005, shall be disbursed to eligible applicants after  
20 that date if necessary.

21 DIVISION III

22 MISCELLANEOUS PROVISIONS

23 Sec. 12. NEW SECTION. 135C.23A RESIDENT ASSESSMENT.

24 A nursing facility shall complete a resident assessment  
25 prior to initial admission of a resident and periodically  
26 during the resident's stay in the facility. The assessment  
27 shall be completed for each prospective resident and resident  
28 regardless of payor source. The nursing facility may utilize  
29 the same resident assessment tool required for certification  
30 of the facility under the medical assistance and federal  
31 Medicare programs to comply with this section.

32 Sec. 13. Section 231.58, subsection 1, Code 1999, is  
33 amended by adding the following new paragraph:

34 NEW PARAGRAPH. f. Four members of the general assembly,  
35 as ex officio, nonvoting members.

1 Sec. 14. Section 231.58, subsection 2, Code 1999, is  
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. h. Provide direction and oversight for  
4 disbursement of moneys from the senior living trust fund  
5 created in section 249H.4.

6 Sec. 15. Section 231.58, Code 1999, is amended by adding  
7 the following new subsections:

8 NEW SUBSECTION. 1A. The legislative members of the unit  
9 shall be appointed by the majority leader of the senate, after  
10 consultation with the president of the senate and the minority  
11 leader of the senate, and by the speaker of the house, after  
12 consultation with the majority leader and the minority leader  
13 of the house of representatives.

14 NEW SUBSECTION. 1B. Nonlegislative members shall receive  
15 actual expenses incurred while serving in their official  
16 capacity and may also be eligible to receive compensation as  
17 provided in section 7E.6. Legislative members shall receive  
18 compensation pursuant to section 2.12.

19 Sec. 16. Section 231C.2, subsection 1, Code 1999, is  
20 amended to read as follows:

21 1. "Assisted living" means provision of housing with  
22 services which may include but are not limited to health-  
23 related care, personal care, and assistance with instrumental  
24 activities of daily living to six or more tenants in a  
25 physical structure which provides a homelike environment.  
26 "Assisted living" also includes encouragement of family  
27 involvement, tenant self-direction, and tenant participation  
28 in decisions that emphasize choice, dignity, privacy,  
29 individuality, shared risk, and independence. "Assisted  
30 living" ~~does-not-include~~ includes the provision of housing and  
31 assistance with instrumental activities of daily living ~~which~~  
32 ~~does-not-also-include-provision-of~~ only if personal care or  
33 health-related care is also included.

34 Sec. 17. SENIOR LIVING INSURANCE AND INCENTIVES INTERIM  
35 STUDY. The legislative council is requested to authorize a

1 senior living insurance and incentives study committee to  
2 review current long-term care insurance laws, current long-  
3 term care insurance options available in the state, the types  
4 of services covered under a long-term care insurance option,  
5 and incentives for the purchase of long-term care insurance  
6 including, but not limited to, tax credits. The study  
7 committee shall include input from consumers, consumer  
8 advocates, the insurance industry, and the health care  
9 industry. The study committee shall submit a report of  
10 findings and recommendations to the governor and the general  
11 assembly on or before December 15, 2000.

12 Sec. 18. REIMBURSEMENT METHODOLOGY -- EXPENDITURES --  
13 MEDICAL ASSISTANCE PROGRAM -- REPORT. The department of human  
14 services shall submit a report, including any changes in the  
15 reimbursement methodology used under the medical assistance  
16 program and any expenditures for the development of  
17 alternatives to health care facility care, including assisted  
18 living and elder group homes, to the governor and the general  
19 assembly on or before December 15, 2000. To the extent  
20 possible, any change in the reimbursement methodology shall  
21 provide for maintenance of the eighty percent occupancy rate  
22 except as this requirement relates to direct care costs, shall  
23 avoid rate reductions for nursing facilities, and shall  
24 utilize the payment methods provided under the federal  
25 Medicare program in order to simplify the multitude of payor  
26 programs.

27 Sec. 19. RESIDENTIAL CARE FACILITIES -- APPLICATION OF  
28 PROGRAM. The department of human services shall review and  
29 shall make recommendations to the general assembly on or  
30 before October 1, 2000, relating to the feasibility of  
31 applying the senior living program and any changes in the  
32 reimbursement methodology to residential care facilities.

33 Sec. 20. MAINTENANCE OF FISCAL EFFORT. The fiscal effort,  
34 existing on June 30, 2000, represented by appropriations made  
35 for long-term care services by the general assembly, shall be

1 maintained and a reduction shall not be made in such  
2 appropriations to the department of human services or the  
3 department of elder affairs for those services as a result of  
4 this Act.

5 Sec. 21. DEPARTMENT OF ELDER AFFAIRS APPROPRIATION. There  
6 is appropriated from the senior living trust fund created in  
7 section 249H.4 in this Act to the department of elder affairs  
8 for the fiscal year beginning July 1, 2000, and ending June  
9 30, 2001, the following amount, or so much thereof as is  
10 necessary, to be used for the purposes designated:

11 For the development of a comprehensive senior living  
12 program, including program administration and costs associated  
13 with implementation, salaries, support, maintenance,  
14 miscellaneous purposes, and for not more than the following  
15 full-time equivalent positions:

16 .....	\$	4,188,123
17 .....	FTEs	7.00

18 The department of elder affairs may adopt emergency rules  
19 to carry out the provisions of this section.

20 Sec. 22. DEPARTMENT OF HUMAN SERVICES APPROPRIATION.  
21 There is appropriated from the senior living trust fund  
22 created in section 249H.4 in this Act to the department of  
23 human services for the fiscal year beginning July 1, 2000, and  
24 ending June 30, 2001, the following amounts, or so much  
25 thereof as is necessary, to be used for the purposes  
26 designated:

27 1. To provide grants to nursing facilities for conversion  
28 to assisted living programs or to provide long-term care  
29 alternatives and to provide grants to long-term care providers  
30 for development of long-term care alternatives:

31 .....	\$	15,000,000
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32 2. To supplement the medical assistance appropriation and  
33 to provide reimbursement for health care services and rent  
34 expenses to eligible persons through the home and community-  
35 based services waiver and the state supplementary assistance

1 program, including program administration and data system  
2 costs associated with implementation, salaries, support,  
3 maintenance, miscellaneous purposes, and for not more than the  
4 following full-time equivalent positions:

5 .....	\$	2,189,569
6 .....	FTEs	5.00

7 3. To implement nursing facility provider reimbursement  
8 increases or reimbursement methodology changes:

9 .....	\$	17,750,000
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10 The department shall transfer these funds to supplement  
11 other appropriations to the department of human services to  
12 carry out the purposes of this subsection.

13 Sec. 23. EMERGENCY RULES.

14 1. The department of human services and the department of  
15 elder affairs may adopt emergency rules to implement this Act.

16 2. If the department of human services or the department  
17 of elder affairs adopts emergency rules under section 17A.4,  
18 subsection 2, and section 17A.5, subsection 2, paragraph "b",  
19 to implement this Act, the rules shall become effective  
20 immediately upon filing, unless a later effective date is  
21 specified in the rules. Any rules adopted in accordance with  
22 the provisions of this section shall also be published as  
23 notice of intended action as provided in section 17A.4.

24 Sec. 24. EFFECTIVE DATE. This Act, being deemed of  
25 immediate importance, takes effect upon enactment.

26 Sec. 25. RETROACTIVE APPLICABILITY. The section in this  
27 Act that creates section 269H.4 as it relates to receipt of  
28 federal funding, is retroactively applicable to October 1,  
29 1999.

30 EXPLANATION

31 This bill creates a new Code chapter 249H. Division I,  
32 Code section 249H.1, establishes the "Iowa Senior Living  
33 Program Act".

34 Division I, Code section 249H.2, provides the legislative  
35 findings related to and the goal of the program. The goal of

1 the program is to create a comprehensive long-term care system  
2 that is consumer-directed, provides balance between the  
3 options of institutional and noninstitutional care, and  
4 contributes to the quality of life.

5 Division II, Code section 249H.3, provides definitions used  
6 in the chapter.

7 Division II, Code section 249H.4, creates the senior living  
8 trust fund and provides for ongoing appropriations from the  
9 trust fund. The trust fund is created in the state treasury  
10 under the authority of the department of human services.  
11 Moneys deposited in the fund include those received through  
12 intergovernmental agreements for the senior living program,  
13 grants, contributions, participant payments, and a portion of  
14 the federal moneys received by the department of human  
15 services from public nursing facilities. Moneys in the fund  
16 are to be appropriated only for the purposes of the senior  
17 living program. The trust fund is to be operated in  
18 accordance with the guidelines of the health care financing  
19 administration of the United States department of health and  
20 human services. Moneys in the fund are not considered part of  
21 the general fund of the state. Moneys in the fund at the end  
22 of a fiscal year do not revert to the state general fund and  
23 cannot be transferred, used, obligated, appropriated, or  
24 otherwise encumbered, except for purposes of the senior living  
25 program. Interest or earnings on moneys in the trust fund are  
26 credited to the trust fund. The department of human services  
27 is directed to adopt rules to administer the trust fund and to  
28 establish participation in the program for public nursing  
29 facilities. The treasurer of state is directed to provide a  
30 quarterly report of the trust fund activities and balances to  
31 the long-term care coordinating unit.

32 Division II, Code section 249H.5, provides for allocations  
33 from the trust fund. Allocations include:

34 1. An allocation to the department of human services of a  
35 maximum of \$65 million over a maximum five-year period to be

1 used for the conversion of existing nursing facility space and  
2 development of long-term care alternatives.

3 2. An allocation to the department of elder affairs,  
4 annually, in an amount necessary to cover expenses of  
5 implementation and administration of long-term care services  
6 programs and for delivery of long-term care services to low  
7 and moderate income seniors.

8 3. An allocation to the department of human services,  
9 annually, for administrative purposes and service delivery  
10 related to the senior living program and trust fund and for  
11 implementation of a new reimbursement system.

12 4. An allocation to the department of human services, in  
13 an amount necessary to provide nursing facility provider  
14 reimbursements which supports a case mix reimbursement system.

15 5. An allocation to the department of human services,  
16 annually, for additional expenses, relative to the senior  
17 living program, that are incurred due to rent expenses of  
18 consumers participating in a home and community-based waiver  
19 program under the state supplementary assistance program.

20 The remainder of the funds is to be invested with the  
21 interest and earnings to be used for administration of  
22 programs and delivery of long-term care services and for  
23 expenses related to implementation of the senior living  
24 program and administration of the trust fund.

25 Division II, Code section 249H.6, provides the procedures  
26 and criteria for the awarding of grants for conversion of  
27 nursing facilities to provide assisted-living programs and for  
28 long-term care services development. The section provides  
29 that the section does not create an entitlement to any funds  
30 available for grant purposes, but that the department of human  
31 services, in its discretion, may only award grants to the  
32 extent funds are available and applications are approved.

33 Division II, Code section 249H.7, provides for  
34 appropriation of funds beginning October 1, 2000, to the  
35 department of elder affairs for activities related to home and

1 community-based services for seniors. Moneys appropriated to  
2 the department of elder affairs are to be disbursed through  
3 the area agencies on aging. The section provides that the  
4 section does not create an entitlement, but that the  
5 department of elder affairs, in its discretion, may only  
6 disburse funds to the extent funds are available and requests  
7 for funding are approved.

8 Division II, Code section 249H.8, describes provisions  
9 relating to the PACE program and the pre-PACE program, which  
10 is defined in the bill as a program that provides delivery of  
11 comprehensive health and social services to seniors by  
12 integrating acute and long-term care services, and is operated  
13 by an entity as permitted under federal regulation. A pre-  
14 PACE program is defined as a PACE program in its initial  
15 stages that provides the same scope of services as a PACE  
16 program.

17 Division II, Code section 249H.9, directs the department of  
18 elder affairs and the area agencies on aging, in consultation  
19 with the long-term care coordinating unit, to create a  
20 database directory of all health care and support services  
21 available, to seniors. The database is to be made available,  
22 electronically, to the public. The bill directs the  
23 department of elder affairs to seek foundation funding to  
24 provide an educational program to individuals ages 21 and  
25 older to assist them in planning for financing health care  
26 services and other supports in their senior years. The bill  
27 also directs the department of human services to develop and  
28 distribute an informational packet to the public that explains  
29 the medical assistance program relative to health care  
30 services options for seniors. The bill provides that the  
31 director of human services, director of the department of  
32 elder affairs, director of public health, director of the  
33 department of inspections and appeals, the director of revenue  
34 and finance, and the commissioner of insurance are to  
35 constitute a senior advisory council to provide oversight in

1 the development and operation of all informational aspects of  
2 the senior living program.

3 Division II, Code section 249H.10, provides for the  
4 establishment of a caregiver support access and education  
5 program to provide access to respite care and education to  
6 caregivers, through the area agencies on aging.

7 Division II, Code section 249H.11, provides a sunset  
8 provision for new Code section 249H.6, which is the section  
9 that provides grants for nursing facility conversion and long-  
10 term care services development. Under the bill, Code section  
11 249H.6 would be repealed effective June 30, 2005.

12 Division III of the bill provides miscellaneous provisions.

13 Division III of the bill adds a provision to the health  
14 care facilities chapter which requires, regardless of the  
15 individual's source of payment for care, nursing facilities to  
16 complete a resident assessment for all prospective and current  
17 residents.

18 Division III of the bill adds four members of the general  
19 assembly to the membership of the long-term care coordinating  
20 unit as ex officio, nonvoting members.

21 Division III of the bill also provides for a conforming  
22 change in the Code to include the duty of the provision of  
23 direction and oversight for disbursement of moneys from the  
24 trust fund in the duties of the long-term care coordinating  
25 unit.

26 Division III of the bill requests that the legislative  
27 council authorize a senior living insurance and incentives  
28 study committee to review current long-term care insurance  
29 laws, current long-term care insurance options available in  
30 the state, the types of services covered under a long-term  
31 care insurance option, and incentives for the purchase of  
32 long-term care insurance including, but not limited to, tax  
33 credits. The study committee is to include input from  
34 consumers, consumer advocates, the health care industry, and  
35 the insurance industry. The study committee is directed to

1 submit a report of the findings and recommendations to the  
2 governor and the general assembly by December 15, 2000.

3 Division III of the bill directs the department of human  
4 services to submit a report including any changes in the  
5 reimbursement methodology under the medical assistance program  
6 and any expenditures for the development of alternatives to  
7 health care facility care to the general assembly by December  
8 15, 2000. The bill provides that, to the extent possible, any  
9 changes in the reimbursement methodology are to provide for  
10 maintenance of the 80 percent occupancy rate, except as the  
11 requirement relates to direct-care costs, shall avoid rate  
12 reductions for nursing facilities, and shall utilize the  
13 payment methods provided under the federal Medicare program in  
14 order to simplify the multitude of payor programs.

15 Division III of the bill directs the department of human  
16 services to review and make recommendations to the general  
17 assembly on or before October 1, 2000, regarding the  
18 feasibility of applying the senior living program to  
19 residential care facilities and in applying any reimbursement  
20 methodology changes to these facilities.

21 Division III of the bill establishes that the general  
22 assembly is to maintain the fiscal effort in funding long-term  
23 care services, existing on June 30, 2000, and is not to make  
24 reductions in appropriations for this purpose as a result of  
25 the bill.

26 Division III of the bill provides for fiscal year 2000-2001  
27 appropriations to the department of human services and the  
28 department of elder affairs relating to the senior living  
29 program.

30 Division III of the bill provides for emergency rulemaking  
31 authority for the department of human services and the  
32 department of elder affairs in implementing the bill.

33 The bill takes effect upon enactment. The section of the  
34 bill relating to the receipt of federal funds on or after  
35 October 1, 1999, is retroactively applicable to October 1,

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