

Substituted for by SF 2193

2/23/00 Amend/Do Pass w/H8056

2/24/00

(P. 424)

FEB 23 2000

APPROPRIATIONS

HOUSE FILE

2408

BY COMMITTEE ON HUMAN RESOURCES

WITHDRAWN

SUCCESSOR TO HF 2276)

Passed House, Date 2/24/00 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:

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HOUSE FILE 2408

H-8056

1 Amend House File 2408 as follows:

2 1. Page 16, by striking lines 8 and 9 and
3 inserting the following:

4 "Sec. 12. NEW SECTION. 249A.18A RESIDENT
5 ASSESSMENT.

6 A nursing facility as defined in section 135C.1
7 shall complete a resident assessment".

By COMMITTEE ON APPROPRIATIONS
MILLAGE of Scott, Chairperson

H-8056 FILED FEBRUARY 23, 2000

adopted 2/24/00 (P. 424)

HF 2408

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 provider" means a provider of services
34 through long-term care alternatives.

35

6. "Long-term care service development" means any of the

1 following:

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

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

12 7. "Nursing facility" means a licensed nursing facility as
13 defined in section 135C.1 or a licensed hospital as defined in
14 section 135B.1, a distinct part of which provides long-term
15 care nursing facility beds.

16 8. "Nursing facility conversion" means any of the
17 following:

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

23 b. New construction of an assisted-living program if
24 existing nursing facility beds are no longer licensed and the
25 senior living coordinating unit determines that new
26 construction is more cost-effective than the conversion of
27 existing space.

28 9. "PACE program" means a program of all-inclusive care
29 for the elderly established pursuant to 42 U.S.C. §
30 1396(u)(4) that provides delivery of comprehensive health and
31 social services to seniors by integrating acute and long-term
32 care services, and that is operated by a public, private,
33 nonprofit, or proprietary entity. "Pre-PACE program" means a
34 PACE program in the initial start-up phase that provides the
35 same scope of services as a PACE program.

1 10. "Persons with disabilities" means individuals eighteen
2 years of age or older with disabilities as disability is
3 defined in section 225B.2.

4 11. "Senior" means elder as defined in section 231.4 and
5 as defined under the PACE program pursuant to 42 U.S.C. §
6 1396(u)(4).

7 12. "Senior living coordinating unit" means the senior
8 living coordinating unit created within the department of
9 elder affairs pursuant to section 231.58, or its designee.

10 13. "Senior living program" means the senior living
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 senior living
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 eighty million dollars for the fiscal period beginning July 1,
30 2000, and ending on or before June 30, 2005, to be used for
31 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, using the percentile-based reimbursement
21 system, and to provide funding for the transition to a case-
22 mix reimbursement system. Funding shall be provided under
23 this section for the percentile-based reimbursement system,
24 until such time as the case-mix reimbursement system is fully
25 implemented.

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

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

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

3 1. The department of human services, at the direction of
4 the senior living coordinating unit, may use moneys
5 appropriated to the department from the senior living trust
6 fund to award grants to any of the following:

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

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

27 2. A grant shall be awarded only to an applicant who meets
28 all of the following criteria, as applicable to the type of
29 grant:

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

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

4 c. The applicant is applying for a nursing facility
5 conversion grant and is able to demonstrate all of the
6 following:

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

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

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

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

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

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

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

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

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

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

35 (1) Participate and maintain a minimum medical assistance

1 client base participation rate of forty percent, subject to
2 the demand for participation by individuals eligible for
3 medical assistance.

4 (2) Provide a service delivery package that is affordable
5 for those individuals eligible for services under the medical
6 assistance home and community-based services waiver program.

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

15 3. The department of human services shall adopt rules in
16 consultation with the senior living coordinating unit,
17 pursuant to chapter 17A, to provide all of the following:

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

28 b. Criteria to be utilized in determining the amount of
29 the grant awarded.

30 c. Weighted criteria to be utilized in prioritizing the
31 awarding of grants to individual grantees during a grant
32 cycle. Greater weight shall be given to the applicant's
33 demonstration of potential reduction of nursing facility beds,
34 the applicant's ability to meet demonstrated community need,
35 and the established history of the applicant in providing

1 quality long-term care services.

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

5 e. Other procedures the department of human services deems
6 necessary for the proper administration of this section,
7 including but not limited to the submission of progress
8 reports on a bimonthly basis to the senior living coordinating
9 unit.

10 4. The department of human services shall adopt rules to
11 ensure that a nursing facility that receives a nursing
12 facility conversion grant allocates costs in an equitable
13 manner.

14 5. In addition to the types of grants described in
15 subsection 1, the department of human services, at the
16 direction of the senior living coordinating unit, may also use
17 moneys appropriated to the department from the senior living
18 trust fund to award grants, of not more than one hundred
19 thousand dollars per grant, to licensed nursing facilities
20 that are awarded nursing facility conversion grants and agree,
21 as part of the nursing facility conversion, to also provide
22 adult day care, child care for children with special needs,
23 safe shelter for victims of dependent adult abuse, or respite
24 care.

25 6. The department of human services shall establish a
26 calendar for receiving and evaluating applications and for
27 awarding of grants.

28 7. a. The department of human services shall develop a
29 cost report to be completed by a grantee which includes, but
30 is not limited to, revenue, costs, loans undertaken by the
31 grantee, fixed assets of the grantee, a balance sheet, and a
32 profit and loss statement.

33 b. Grantees shall submit, annually, completed cost reports
34 to the department of human services regarding the project for
35 a period of ten years following the date of initial operation

1 of the grantee's long-term care alternative.

2 8. The department of human services, in consultation with
3 the department of elder affairs, shall provide annual reports
4 to the governor and the general assembly concerning grants
5 awarded. The annual report shall include the total number of
6 applicants and approved applicants, an overview of the various
7 grants awarded, and detailed reports of the cost of each
8 project funded by a grant and information submitted by the
9 approved applicant.

10 9. For the purpose of this section, "underserved" means
11 areas in which four and four-tenths percent of the number of
12 individuals sixty-five years of age and older is not greater
13 than the number of currently licensed nursing facility beds
14 and certified assisted-living units. In addition, the
15 department, in determining if an area is underserved, may
16 consider additional information gathered through the
17 department's own research or submitted by an applicant,
18 including but not limited to any of the following:

19 a. Availability of and access to long-term care
20 alternatives relative to individuals eligible for medical
21 assistance.

22 b. The current number of seniors and persons with
23 disabilities and the projected number of these individuals.

24 c. The current number of seniors and persons with
25 disabilities requiring professional nursing care and the
26 projected number of these individuals.

27 d. The current availability of long-term care alternatives
28 and any known changes in the availability of such
29 alternatives.

30 10. This section does not create an entitlement to any
31 funds available for grants under this section, and the
32 department of human services may only award grants to the
33 extent funds are available and within its discretion, to the
34 extent applications are approved.

35 11. In addition to any other remedies provided by law, the

1 department of human services may recoup any grant funding
2 previously awarded and disbursed to a grantee or the grantee's
3 successor in interest and may reduce the amount of any grant
4 awarded, but not yet disbursed, to a grantee or the grantee's
5 successor in interest, by the amount of any refund owed by a
6 grantee or the grantee's successor in interest pursuant to
7 subsection 2, paragraph "e", subparagraph (3).

8 12. The senior living coordinating unit shall review
9 projects that receive grants under this section to ensure that
10 the goal to provide alternatives to nursing facility care is
11 being met and that an adequate number of nursing facility
12 services remain to meet the needs of Iowans.

13 Sec. 7. NEW SECTION. 249H.7 HOME AND COMMUNITY-BASED
14 SERVICES FOR SENIORS.

15 1. Beginning October 1, 2000, the department of elder
16 affairs, in consultation with the senior living coordinating
17 unit, shall use funds appropriated from the senior living
18 trust fund for activities related to the design, maintenance,
19 or expansion of home and community-based services for seniors,
20 including but not limited to adult day care, personal care,
21 respite, homemaker, chore, and transportation services
22 designed to promote the independence of and to delay the use
23 of institutional care by seniors with low and moderate
24 incomes. At any time that moneys are appropriated, the
25 department of elder affairs, in consultation with the senior
26 living coordinating unit, shall disburse the funds to the area
27 agencies on aging.

28 2. The department of elder affairs shall adopt rules, in
29 consultation with the senior living coordinating unit and the
30 area agencies on aging, pursuant to chapter 17A, to provide
31 all of the following:

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

35 (2) The criteria shall include, at a minimum, all of the

1 following:

2 (a) A distribution formula that triple weights all of the
3 following:

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

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

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

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

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

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

17 c. Other procedures the department of elder affairs deems
18 necessary for the proper administration of this section,
19 including but not limited to the submission of progress
20 reports, on a bimonthly basis, to the senior living
21 coordinating unit.

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

27 4. Long-term care providers that receive funding under
28 this section shall submit annual reports to the appropriate
29 area agency on aging. The department of elder affairs shall
30 develop the report to be submitted, which shall include, but
31 is not limited to, units of service provided, the number of
32 service recipients, costs, and the number of units of service
33 identified as necessitated but not provided.

34 5. The department of elder affairs, in cooperation with
35 the department of human services, shall provide annual reports

1 to the governor and the general assembly concerning the impact
2 of moneys disbursed under this section on the availability of
3 long-term care services in Iowa. The reports shall include
4 the types of services funded, the outcome of those services,
5 and the number of individuals receiving those services.

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

7 For the purposes of this chapter, all of the following
8 apply to a PACE program:

9 1. A person operating a PACE program shall have a PACE
10 program agreement with the health care financing
11 administration of the United States department of health and
12 human services, shall enter a contract with the department of
13 human services and shall comply with 42 U.S.C. § 1396(u)(4)
14 and all regulations promulgated pursuant to that section.

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

17 3. A pre-PACE program may contract with the department of
18 human services to provide services to individuals eligible for
19 medical assistance, on a capitated basis, for a limited scope
20 of the PACE service package through a prepaid health plan
21 agreement, with the remaining services reimbursed directly to
22 the service providers by the medical assistance or federal
23 Medicare programs.

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

26 5. A PACE or pre-PACE program shall, at the time of
27 entering into the initial contract and of renewal of a
28 contract with the department of human services, demonstrate
29 cash reserves in an amount established by rule of the
30 department to cover expenses in the event of insolvency.

31 Sec. 9. NEW SECTION. 249H.9 SENIOR LIVING PROGRAM
32 INFORMATION -- ELECTRONIC ACCESS -- EDUCATION -- ADVISORY
33 COUNCIL.

34 1. The department of elder affairs and the area agencies
35 on aging, in consultation with the senior living coordinating

1 unit, shall create, on a county basis, a database directory of
2 all health care and support services available to seniors.
3 The department of elder affairs shall make the database
4 electronically available to the public, and shall update the
5 database on at least a monthly basis.

6 2. The department of elder affairs shall seek foundation
7 funding to develop and provide an educational program for
8 individuals aged twenty-one and older which assists
9 participants in planning for and financing health care
10 services and other supports in their senior years.

11 3. The department of human services shall develop and
12 distribute an informational packet to the public that
13 explains, in layperson terms, the law, regulations, and rules
14 under the medical assistance program relative to health care
15 services options for seniors, including but not limited to
16 those relating to transfer of assets, prepaid funeral
17 expenses, and life insurance policies.

18 4. The director of human services, the director of the
19 department of elder affairs, the director of public health,
20 the director of the department of inspections and appeals, the
21 director of revenue and finance, and the commissioner of
22 insurance shall constitute a senior advisory council to
23 provide oversight in the development and operation of all
24 informational aspects of the senior living program under this
25 section.

26 Sec. 10. NEW SECTION. 249H.10 CAREGIVER SUPPORT --
27 ACCESS AND EDUCATION PROGRAMS.

28 The department of human services and the department of
29 elder affairs, in consultation with the senior living
30 coordinating unit, shall implement a caregiver support program
31 to provide access to respite care and to provide education to
32 caregivers in providing appropriate care to seniors and
33 persons with disabilities. The program shall be provided
34 through the area agencies on aging or other appropriate
35 agencies.

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

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

6 DIVISION III

7 MISCELLANEOUS PROVISIONS

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

9 A nursing facility shall complete a resident assessment
10 prior to initial admission of a resident and periodically
11 during the resident's stay in the facility. The assessment
12 shall be completed for each prospective resident and current
13 resident regardless of payor source. The nursing facility may
14 utilize the same resident assessment tool required for
15 certification of the facility under the medical assistance and
16 federal Medicare programs to comply with this section.

17 Sec. 13. Section 231.58, Code 1999, is amended to read as
18 follows:

19 231.58 ~~LONG-TERM-CARE~~ SENIOR LIVING COORDINATING UNIT.

20 1. A ~~long-term-care~~ senior living coordinating unit is
21 created within the department of elder affairs. The
22 membership of the coordinating unit consists of:

- 23 a. The director of human services.
24 b. The director of the department of elder affairs.
25 c. The director of public health.
26 d. The director of the department of inspections and
27 appeals.

28 e. Two members appointed by the governor.

29 f. Four members of the general assembly, as ex officio,
30 nonvoting members.

31 2. The legislative members of the unit shall be appointed
32 by the majority leader of the senate, after consultation with
33 the president of the senate and the minority leader of the
34 senate, and by the speaker of the house, after consultation
35 with the majority leader and the minority leader of the house

1 of representatives.

2 3. Nonlegislative members shall receive actual expenses
3 incurred while serving in their official capacity and may also
4 be eligible to receive compensation as provided in section
5 7E.6. Legislative members shall receive compensation pursuant
6 to section 2.12.

7 2: 4. The long-term-care senior living coordinating unit
8 shall:

9 a. Develop, for legislative review, the mechanisms and
10 procedures necessary to implement, utilizing current
11 personnel, a case-managed system of long-term care based on a
12 uniform comprehensive assessment tool.

13 b. Develop common intake and release procedures for the
14 purpose of determining eligibility at one point of intake and
15 determining eligibility for programs administered by the
16 departments of human services, public health, and elder
17 affairs, such as the medical assistance program, federal food
18 stamp program, and homemaker-home health aide programs.

19 c. Develop common definitions for long-term care services.

20 d. Develop procedures for coordination at the local and
21 state level among the providers of long-term care, including
22 when possible co-campusing of services. The director of the
23 department of general services shall give particular attention
24 to this section when arranging for office space pursuant to
25 section 18.12 for these three departments.

26 e. Prepare a long-range plan for the provision of long-
27 term care services within the state.

28 f. Propose rules and procedures for the development of a
29 comprehensive long-term care and community-based services
30 program.

31 g. Submit a report of its activities to the governor and
32 general assembly on January 15 of each year.

33 h. Provide direction and oversight for disbursement of
34 moneys from the senior living trust fund created in section
35 249H.4.

1 i. Consult with the state universities and other
2 institutions with expertise in the area of senior issues and
3 long-term care.

4 Sec. 14. Section 231C.2, subsection 1, Code 1999, is
5 amended to read as follows:

6 1. "Assisted living" means provision of housing with
7 services which may include but are not limited to health-
8 related care, personal care, and assistance with instrumental
9 activities of daily living to six or more tenants in a
10 physical structure which provides a homelike environment.
11 "Assisted living" also includes encouragement of family
12 involvement, tenant self-direction, and tenant participation
13 in decisions that emphasize choice, dignity, privacy,
14 individuality, shared risk, and independence. "Assisted
15 living" ~~does-not-include~~ includes the provision of housing and
16 assistance with instrumental activities of daily living ~~which~~
17 ~~does-not-also-include-provision-of~~ only if personal care or
18 health-related care is also included.

19 Sec. 15. SENIOR LIVING INSURANCE AND INCENTIVES INTERIM
20 STUDY. The legislative council is requested to authorize a
21 senior living insurance and incentives study committee to
22 review current long-term care insurance laws, current long-
23 term care insurance options available in the state, the types
24 of services covered under a long-term care insurance option,
25 and incentives for the purchase of long-term care insurance
26 including, but not limited to, tax credits. The study
27 committee shall include input from consumers, consumer
28 advocates, the insurance industry, and the health care
29 industry. The study committee shall submit a report of
30 findings and recommendations to the governor and the general
31 assembly on or before December 15, 2000.

32 Sec. 16. REIMBURSEMENT METHODOLOGY TASK FORCE -- REPORT.
33 The department of human services shall convene a task force
34 consisting of the members of the senior living coordinating
35 unit, representatives of the nursing facility industry,

1 consumers and consumer advocates to develop a case-mix
 2 reimbursement methodology. The methodology developed shall
 3 include a limited number of levels of reimbursement. The task
 4 force shall submit a report of the reimbursement methodology
 5 developed to the governor and the general assembly on or
 6 before December 15, 2000. The department of human services
 7 shall also include in the report a summary of the expenditures
 8 for nursing facility development and of long-term care service
 9 development.

10 Sec. 17. RESIDENTIAL CARE FACILITIES -- APPLICATION OF
 11 PROGRAM. The department of human services shall review and
 12 shall make recommendations to the general assembly on or
 13 before October 1, 2000, relating to the feasibility of
 14 applying the senior living program and any changes in the
 15 reimbursement methodology to residential care facilities.

16 Sec. 18. MAINTENANCE OF FISCAL EFFORT. The fiscal effort,
 17 existing on June 30, 2000, represented by appropriations made
 18 for long-term care services by the general assembly, shall be
 19 maintained and a reduction shall not be made in such
 20 appropriations to the department of human services or the
 21 department of elder affairs for those services as a result of
 22 this Act.

23 Sec. 19. DEPARTMENT OF ELDER AFFAIRS APPROPRIATION. There
 24 is appropriated from the senior living trust fund created in
 25 section 249H.4 in this Act to the department of elder affairs
 26 for the fiscal year beginning July 1, 2000, and ending June
 27 30, 2001, the following amount, or so much thereof as is
 28 necessary, to be used for the purposes designated:

29 For the development of a comprehensive senior living
 30 program, including program administration and costs associated
 31 with implementation, salaries, support, maintenance,
 32 miscellaneous purposes, and for not more than the following
 33 full-time equivalent positions:

34	\$	4,188,123
35	FTEs	7.00

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

3 Sec. 20. DEPARTMENT OF HUMAN SERVICES APPROPRIATION.

4 There is appropriated from the senior living trust fund
5 created in section 249H.4 in this Act to the department of
6 human services for the fiscal year beginning July 1, 2000, and
7 ending June 30, 2001, the following amounts, or so much
8 thereof as is necessary, to be used for the purposes
9 designated:

10 1. To provide grants to nursing facilities for conversion
11 to assisted living programs or to provide long-term care
12 alternatives and to provide grants to long-term care providers
13 for development of long-term care alternatives:

14 \$ 20,000,000

15 2. To supplement the medical assistance appropriation and
16 to provide reimbursement for health care services and rent
17 expenses to eligible persons through the home and community-
18 based services waiver and the state supplementary assistance
19 program, including program administration and data system
20 costs associated with implementation, salaries, support,
21 maintenance, miscellaneous purposes, and for not more than the
22 following full-time equivalent positions:

23 \$ 2,240,034

24 FTEs 5.00

25 3. To implement nursing facility provider reimbursement at
26 the seventieth percentile and case-mix reimbursement
27 methodology changes:

28 \$ 17,750,000

29 The department shall transfer these funds to supplement
30 other appropriations to the department of human services to
31 carry out the purposes of this subsection. The total amount
32 expended by the department of human services in the fiscal
33 year beginning July 1, 2000, and ending June 30, 2001, for
34 nursing facility provider reimbursements under both the
35 seventieth percentile and the case-mix reimbursement

1 methodologies shall not exceed the amount appropriated in this
2 subsection.

3 Sec. 21. EMERGENCY RULES.

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

6 2. If the department of human services or the department
7 of elder affairs adopts emergency rules under section 17A.4,
8 subsection 2, and section 17A.5, subsection 2, paragraph "b",
9 to implement this Act, the rules shall become effective
10 immediately upon filing, unless a later effective date is
11 specified in the rules. Any rules adopted in accordance with
12 the provisions of this section shall also be published as
13 notice of intended action as provided in section 17A.4.

14 Sec. 22. EFFECTIVE DATE. This Act, being deemed of
15 immediate importance, takes effect upon enactment.

16 Sec. 23. RETROACTIVE APPLICABILITY. The section in this
17 Act that creates section 249H.6 as it relates to receipt of
18 federal funding, is retroactively applicable to October 1,
19 1999.

20

EXPLANATION

21 This bill creates a new Code chapter 249H. Division I,
22 Code section 249H.1, establishes the "Iowa Senior Living
23 Program Act".

24 Division I, Code section 249H.2, provides the legislative
25 findings related to and the goal of the program. The goal of
26 the program is to create a comprehensive long-term care system
27 that is consumer-directed, provides balance between the
28 options of institutional and noninstitutional care, and
29 contributes to the quality of life.

30 Division II, Code section 249H.3, provides definitions used
31 in the chapter.

32 Division II, Code section 249H.4, creates the senior living
33 trust fund and provides for ongoing appropriations from the
34 trust fund. The trust fund is created in the state treasury
35 under the authority of the department of human services.

1 Moneys deposited in the fund include those received through
2 intergovernmental agreements for the senior living program,
3 grants, contributions, participant payments, and a portion of
4 the federal moneys received by the department of human
5 services from public nursing facilities. Moneys in the fund
6 are to be appropriated only for the purposes of the senior
7 living program. The trust fund is to be operated in
8 accordance with the guidelines of the health care financing
9 administration of the United States department of health and
10 human services. Moneys in the fund are not considered part of
11 the general fund of the state. Moneys in the fund at the end
12 of a fiscal year do not revert to the state general fund and
13 cannot be transferred, used, obligated, appropriated, or
14 otherwise encumbered, except for purposes of the senior living
15 program. Interest or earnings on moneys in the trust fund are
16 credited to the trust fund. The department of human services
17 is directed to adopt rules to administer the trust fund and to
18 establish participation in the program for public nursing
19 facilities. The treasurer of state is directed to provide a
20 quarterly report of the trust fund activities and balances to
21 the long-term care coordinating unit.

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

24 1. An allocation to the department of human services of a
25 maximum of \$80 million over a maximum five-year period to be
26 used for the conversion of existing nursing facility space and
27 development of long-term care alternatives.

28 2. An allocation to the department of elder affairs,
29 annually, in an amount necessary to cover expenses of
30 implementation and administration of long-term care services
31 programs and for delivery of long-term care services to low
32 and moderate income seniors.

33 3. An allocation to the department of human services,
34 annually, for administrative purposes and service delivery
35 related to the senior living program and trust fund and for

1 implementation of a new reimbursement system.

2 4. An allocation to the department of human services, in
3 an amount necessary to provide nursing facility provider
4 reimbursements using a percentile-based reimbursement system
5 and to provide funding for the transition to a case-mix
6 reimbursement system. Funding is to be provided for the
7 percentile-based reimbursement system until such time as the
8 case-mix reimbursement system is fully implemented.

9 5. An allocation to the department of human services,
10 annually, for additional expenses, relative to the senior
11 living program, that are incurred due to rent expenses of
12 consumers participating in a home and community-based waiver
13 program under the state supplementary assistance program.

14 The remainder of the funds is to be invested with the
15 interest and earnings to be used for administration of
16 programs and delivery of long-term care services and for
17 expenses related to implementation of the senior living
18 program and administration of the trust fund.

19 Division II, Code section 249H.6, provides the procedures
20 and criteria for the awarding of grants for conversion of
21 nursing facilities to provide assisted-living programs and for
22 long-term care services development. The section provides
23 that the department of human services is to adopt rules to
24 ensure that a nursing facility that receives a grant for
25 nursing facility conversion and divides costs in an equitable
26 manner. The section also provides for separate grants to
27 nursing facilities that are awarded nursing facility
28 conversion grants, if the conversion also includes provision
29 for adult day care, child care for children with special
30 needs, safe shelter for victims of dependent adult abuse, or
31 respite care. The section provides that the section does not
32 create an entitlement to any funds available for grant
33 purposes, but that the department of human services, in its
34 discretion, may only award grants to the extent funds are
35 available and applications are approved.

1 Division II, Code section 249H.7, provides for
2 appropriation of funds beginning October 1, 2000, to the
3 department of elder affairs for activities related to home and
4 community-based services for seniors. Moneys appropriated to
5 the department of elder affairs are to be disbursed through
6 the area agencies on aging. The section provides that the
7 section does not create an entitlement, but that the
8 department of elder affairs, in its discretion, may only
9 disburse funds to the extent funds are available and requests
10 for funding are approved.

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

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

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

6 Division II, Code section 249H.10, provides for the
7 establishment of a caregiver support access and education
8 program to provide access to respite care and education to
9 caregivers, through the area agencies on aging or other
10 appropriate agencies.

11 Division II, Code section 249H.11, provides a sunset
12 provision for new Code section 249H.6, which is the section
13 that provides grants for nursing facility conversion and long-
14 term care services development. Under the bill, Code section
15 249H.6 would be repealed effective June 30, 2005.

16 Division III of the bill provides miscellaneous provisions.

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

22 Division III of the bill changes the name of the long-term
23 care coordinating unit to the senior living coordinating unit;
24 adds four members of the general assembly to the membership of
25 the unit as ex officio, nonvoting members; and adds to the
26 duties of the unit the provision of direction and oversight
27 for disbursement of moneys from the senior living trust fund
28 and the required consultation with state universities and
29 other institutions with expertise in senior issues and long-
30 term care.

31 Division III of the bill requests that the legislative
32 council authorize a senior living insurance and incentives
33 study committee to review current long-term care insurance
34 laws, current long-term care insurance options available in
35 the state, the types of services covered under a long-term

1 care insurance option, and incentives for the purchase of
2 long-term care insurance including, but not limited to, tax
3 credits. The study committee is to include input from
4 consumers, consumer advocates, the health care industry, and
5 the insurance industry. The study committee is directed to
6 submit a report of the findings and recommendations to the
7 governor and the general assembly by December 15, 2000.

8 Division III of the bill directs the department of human
9 services to convene a task force of members of the senior
10 living coordinating unit, representatives of the nursing
11 facility industry, consumers, and consumer advocates to
12 develop a case-mix reimbursement methodology. The task force
13 is directed to submit a report including any changes in the
14 reimbursement methodology under the medical assistance program
15 and any expenditures for the development of alternatives to
16 health care facility care to the general assembly by December
17 15, 2000.

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

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

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

33 Division III of the bill provides for emergency rulemaking
34 authority for the department of human services and the
35 department of elder affairs in implementing the bill.

1 The bill takes effect upon enactment. The section of the
2 bill relating to the receipt of federal funds on or after
3 October 1, 1999, is retroactively applicable to October 1,
4 1999.

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