

Heaton, Ch  
Nelson - Forbes  
MURPHY

ASB 781  
APPROPRIATIONS  
SU  
SE 02555

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
APPROPRIATIONS BILL BY  
CHAIRPERSON MILLAGE)

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

A BILL FOR

1 An Act relating to and making appropriations from the tobacco  
2 settlement fund.

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

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~~Tobacco~~

1 Section 1. TOBACCO SETTLEMENT FUND -- APPROPRIATIONS TO  
2 DEPARTMENTS. There is appropriated from the tobacco  
3 settlement fund created in section 12.65 to the following  
4 departments for the fiscal year beginning July 1, 2000, and  
5 ending June 30, 2001, the following amounts, or so much  
6 thereof as is necessary, to be used for the purposes  
7 designated:

8 1. To the department of human services:

9 a. To increase the reimbursement rate for all  
10 noninstitutional medical assistance providers to the rate  
11 provided under the federal Medicare program for such providers  
12 for the fiscal year July 1, 2000, through June 30, 2001, and  
13 to implement the resource-based relative value system of  
14 reimbursement under the medical assistance program:

15 ..... \$ 6,000,000

16 b. To increase the reimbursement rate to 75 percent of the  
17 usual and customary rate for the fiscal year July 1, 2000,  
18 through June 30, 2001, for dental services under the medical  
19 assistance program:

20 ..... \$ 3,600,000

21 c. To provide a cost-of-living adjustment for the fiscal  
22 year July 1, 2000, through June 30, 2001, of 5 percent to  
23 rehabilitative treatment and support services providers under  
24 the medical assistance program:

25 ..... \$ 3,100,000

26 d. To provide a cost-of-living adjustment for the fiscal  
27 year July 1, 2000, through June 30, 2001, of 5 percent to  
28 adoption, independent living, shelter care, and home studies  
29 services providers:

30 ..... \$ 500,000

31 e. To increase the reimbursement rate for the fiscal year  
32 July 1, 2000, through June 30, 2001, for hospitals under the  
33 medical assistance program by 3 percent over the reimbursement  
34 rate in effect on June 30, 2000:

35 ..... \$ 2,300,000

1 f. To increase the reimbursement rate for the fiscal year  
 2 July 1, 2000, through June 30, 2001, for home health care  
 3 services under the medical assistance program to the rate  
 4 provided for such services under the federal Medicare program:  
 5 ..... \$ 2,400,000

6 g. To increase the reimbursement rate for the fiscal year  
 7 July 1, 2000, through June 30, 2001, for critical access  
 8 hospitals under the medical assistance program to the rate  
 9 provided for such hospitals under the federal Medicare  
 10 program:  
 11 ..... \$ 250,000

12 h. To provide for expansion of home health care services  
 13 and habilitative day care under the medical assistance program  
 14 for children with special needs:  
 15 ..... \$ 4,400,000

16 i. To provide for expansion of respite care services  
 17 provided through home and community-based waivers under the  
 18 medical assistance program:  
 19 ..... \$ 1,200,000

20 j. To increase the reimbursement rate for the fiscal year  
 21 July 1, 2000, through June 30, 2001, to service providers  
 22 under the purview of the department of human services by 1  
 23 percent over the rates in effect on June 30, 2000:  
 24 ..... \$ 550,000

25 2. To the department of human services for performance of  
 26 the evaluation required under this subsection:  
 27 ..... \$ 35,000

28 The department of human services shall seek a waiver from  
 29 the health care financing administration of the United States  
 30 department of health and human services to implement a pilot  
 31 project in fiscal year 2000-2001 to study the effects of  
 32 providing continuous eligibility for children under the  
 33 medical assistance program. If the waiver is approved, the  
 34 pilot project shall be implemented in one rural and one urban  
 35 county, and the department shall enter into a contract with an

1 entity outside of the department to perform an evaluation of  
2 the pilot project. The evaluating entity shall coordinate its  
3 efforts with efforts of the United States department of health  
4 and human services relating to evaluation of continuous  
5 eligibility. The evaluating entity shall submit a report to  
6 the general assembly on or before December 15, 2000, regarding  
7 the findings of the pilot project including, but not limited  
8 to, any increased costs which may be incurred through  
9 continuous eligibility. The report shall also include  
10 recommendations for discontinuation or expansion of the pilot  
11 project.

12 3. To the Iowa department of public health:

13 a. For a tobacco use prevention and cessation program,  
14 including efforts at the state and local levels, as provided  
15 by the 2000 Session of the Seventy-eighth General Assembly:  
16 ..... \$ 9,345,394

17 b. For additional substance abuse treatment under the  
18 substance abuse treatment program:  
19 ..... \$ 11,900,000

20 (1) The department shall use funds appropriated in this  
21 paragraph to enhance the quality of and to expand the capacity  
22 to provide 24-hour substance abuse treatment programs.

23 (2) The department shall use funds appropriated in this  
24 paragraph to expand the length of individual client substance  
25 abuse treatment plans, as necessary to reduce program  
26 recidivism.

27 (3) The department shall use funds appropriated in this  
28 paragraph to share research-based best practices for treatment  
29 with substance abuse treatment facilities.

30 (4) The department shall use funds appropriated in this  
31 paragraph to develop a results-based funding approach for  
32 substance abuse treatment services.

33 (5) The department shall use funds appropriated in this  
34 paragraph to develop a program to encourage individuals who  
35 are successfully managing their substance abuse problems to

1 serve as role models.

2 c. For development of a healthy Iowans 2010 plan within  
3 the Iowa department of public health:

4 ..... \$ 1,800,000

5 (1) Of the funds appropriated in this paragraph, not more  
6 than \$1,000,000 shall be used for core public health  
7 functions, including home health care and public health  
8 nursing services, contracted through a formula by local boards  
9 of health, to enhance disease and injury prevention services.

10 (2) Of the funds appropriated in this paragraph, not more  
11 than \$400,000 shall be used for the implementation and support  
12 of a coordinated system of delivery of trauma and emergency  
13 medical services.

14 (3) Of the funds appropriated in this paragraph, not more  
15 than \$400,000 shall be used for the establishment of a state  
16 poison control center.

17 4. To the department of corrections:

18 ..... \$ 610,000

19 a. Of the funds appropriated in this subsection, \$127,217  
20 is allocated to the second judicial district department of  
21 correctional services to replace expired federal funding for  
22 day programming.

23 b. Of the funds appropriated in this subsection, \$35,359  
24 is allocated to the third judicial district department of  
25 correctional services to replace expired federal funding for  
26 the drug court program.

27 c. Of the funds appropriated in this subsection, \$191,731  
28 is allocated to the fourth judicial district department of  
29 correctional services for a drug court program.

30 d. Of the funds appropriated in this subsection, \$255,693  
31 is allocated to the fifth judicial district department of  
32 correctional services to replace expired funding for the drug  
33 court program.

34 Sec. 2. PURCHASE OF SERVICE CONTRACT PROVIDERS --  
35 REIMBURSEMENT INCREASE. There is appropriated from the

1 tobacco settlement fund created in section 12.65 to the  
2 property tax relief fund created in section 426B.1 for the  
3 fiscal year beginning July 1, 2000, and ending June 30, 2001,  
4 the following amount, or so much thereof as is necessary, to  
5 be used for the purposes designated:

6 For assistance to certain counties with limited county  
7 mental health, mental retardation, and developmental  
8 disabilities services fund balances to pay reimbursement  
9 increases in accordance with this section:

10 ..... \$ 2,000,000

11 1. For the purposes of this section unless the context  
12 otherwise requires:

13 a. "Basic eligibility for risk pool assistance", "risk  
14 pool", and "risk pool board" mean the same as used in section  
15 426B.5, subsection 3.

16 b. "Purchase of service provider" or "POS provider" means  
17 a provider of sheltered work, work activity, supported  
18 employment, job placement, enclave services, adult day care,  
19 transportation, supported community living services, or adult  
20 residential services paid by a county from the county's  
21 services fund created in section 331.424A under a state  
22 purchase of services or county contract.

23 2. a. For the fiscal year beginning July 1, 2000, the  
24 counties receiving state payments from the property tax relief  
25 fund shall provide a reimbursement increase for the fiscal  
26 year to eligible POS providers. The purpose of the  
27 reimbursement increase is to assist POS providers that have  
28 increased the compensation of their service staff.

29 b. In order to be eligible, a POS provider's actual costs  
30 of providing services must be in excess of the reimbursement  
31 rate paid to the provider by the county as of June 30, 2000,  
32 and the excess costs must be attributable, at least in part,  
33 to service staff compensation. The documentation used in  
34 determining whether a provider has increased its actual costs  
35 shall be the applicable amounts submitted in the provider's

1 annual financial and statistical report for the fiscal year  
2 beginning July 1, 1998, as compared to the applicable amount  
3 submitted in that report for the fiscal year beginning July 1,  
4 1999.

5 c. The county shall increase the POS provider's  
6 reimbursement rate by the amount indicated in the  
7 documentation, subject to a maximum of 5 percent over the  
8 reimbursement rates paid by the county to that provider as of  
9 June 30, 2000.

10 3. a. If a county projects that payment of the  
11 reimbursement increase required pursuant to this section will  
12 cause the county to meet the requirements for basic  
13 eligibility for risk pool assistance during the fiscal year,  
14 the county may apply to the risk pool board for assistance  
15 from the moneys appropriated in this section. The board may  
16 accept or reject an application for assistance in whole or in  
17 part. The decision of the board is final.

18 b. The risk pool board shall adopt rules providing for  
19 application procedures and deadlines, and other provisions for  
20 distributing assistance moneys to such counties. The risk  
21 pool board may adopt the rules on an emergency basis under  
22 section 17A.4, subsection 2, and section 17A.5, subsection 2,  
23 paragraph "b", to implement the procedures and requirements  
24 and the rules shall be effective immediately upon filing  
25 unless a later date is specified in the rules. Any rules  
26 adopted in accordance with this paragraph shall also be  
27 published as a notice of intended action as provided in  
28 section 17A.4.

29 c. If moneys appropriated in this section are insufficient  
30 to pay the total amount of assistance to all counties that are  
31 determined by the risk pool board to be eligible for  
32 assistance under this subsection, the total amount of  
33 assistance shall be prorated among the eligible counties by  
34 the risk pool board. Moneys appropriated in this section that  
35 remain unencumbered or unobligated at the close of the fiscal

1 year shall revert to the tobacco settlement fund.

2 d. If a county receiving assistance under this section  
3 does not levy the maximum amount allowed for the county's  
4 mental health, mental retardation, and developmental  
5 disabilities services fund under section 331.424A for the  
6 fiscal year beginning July 1, 2000, the county shall repay the  
7 assistance provided to the county under this section in the  
8 succeeding fiscal year. The repayment amount shall be limited  
9 to the amount by which the actual amount levied was less than  
10 the maximum amount allowed. Repayments shall be credited to  
11 the tobacco settlement fund.

12 Sec. 3. SAVINGS ACCOUNT FOR HEALTHY IOWANS. There is  
13 appropriated from the tobacco settlement fund created in  
14 section 12.65 to the savings account for healthy Iowans, for  
15 the fiscal year beginning July 1, 2000, and ending June 30,  
16 2001:

17 ..... \$ 5,000,000

18 Sec. 4. REVERSION. Any moneys appropriated under this Act  
19 which are unexpended or unencumbered at the end of the fiscal  
20 year beginning July 1, 2000, and ending June 30, 2001, shall  
21 revert to the tobacco settlement fund.

22 Sec. 5. Section 12.65, Code 1999, is amended by adding the  
23 following new unnumbered paragraph:

24 NEW UNNUMBERED PARAGRAPH. A savings account for healthy  
25 Iowans is created within the tobacco settlement fund. Moneys,  
26 appropriated annually, shall be deposited in the account and  
27 shall be invested to provide an ongoing source of investment  
28 earnings.

29 Sec. 6. Section 249A.3, subsection 1, Code Supplement  
30 1999, is amended by adding the following new paragraph after  
31 paragraph k:

32 NEW PARAGRAPH. kk. Is an infant whose income is not more  
33 than two hundred percent of the federal poverty level, as  
34 defined by the most recently revised income guidelines  
35 published by the United States department of health and human



1 services.

2 Sec. 7. NEW SECTION. 249A.20 NONINSTITUTIONAL HEALTH  
3 PROVIDERS -- REIMBURSEMENT.

4 Beginning July 1, 2000, the department shall reimburse all  
5 applicable noninstitutional providers, excluding providers of  
6 anesthesia services, that on June 30, 2000, are reimbursed on  
7 a fee-for-service basis under the medical assistance program  
8 in an equitable manner that utilizes a methodology which  
9 reflects the federal Medicare resource-based relative value  
10 scale system to the greatest extent possible. The  
11 reimbursement system required to be used by this section shall  
12 be adjusted, annually, on July 1.

13 Sec. 8. Section 514I.8, subsection 1, Code 1999, is  
14 amended to read as follows:

15 1. Effective July 1, 1998, and notwithstanding any medical  
16 assistance program eligibility criteria to the contrary,  
17 medical assistance shall be provided to, or on behalf of, an  
18 eligible child under the age of nineteen whose family income  
19 does not exceed one hundred thirty-three percent of the  
20 federal poverty level, as defined by the most recently revised  
21 poverty income guidelines published by the United States  
22 department of health and human services. Additionally,  
23 effective July 1, 2000, and notwithstanding any medical  
24 assistance program eligibility criteria to the contrary,  
25 medical assistance shall be provided to, or on behalf of, an  
26 eligible infant whose family income does not exceed two  
27 hundred percent of the federal poverty level, as defined by  
28 the most recently revised poverty income guidelines published  
29 by the United States department of health and human services.

30 Sec. 9. Section 514I.8, subsection 2, paragraph c, Code  
31 1999, is amended to read as follows:

32 c. Is a member of a family whose ~~adjusted-gross~~ income  
33 does not exceed one two hundred ~~eighty-five~~ percent of the  
34 federal poverty level, as defined in 42 U.S.C. § 9902(2),  
35 including any revision required by such section.

1 Sec. 10. Section 514I.10, Code 1999, is amended to read as  
2 follows:

3 514I.10 COST SHARING.

4 1. Cost sharing for eligible children whose family  
5 adjusted-gross income is at or below one hundred fifty percent  
6 of the federal poverty level shall not exceed the standards  
7 permitted under 42 U.S.C. § 1396(o)(a)(3) or § 1396(o)(b)(1).

8 2. Cost sharing for eligible children whose family  
9 adjusted-gross income is between one hundred fifty percent and  
10 one two hundred eighty-five percent of the federal poverty  
11 level shall include a premium or copayment amount which is at  
12 least a minimum amount but which does not exceed five percent  
13 of the annual family adjusted-gross income. The amount of the  
14 premium or the copayment amount shall be based on a ~~sliding~~  
15 ~~fee-scale-established-by-rule-which-is-based-on~~ family  
16 adjusted-gross income and the size of-the-family.

17

EXPLANATION

18 This bill relates to and makes appropriations from the  
19 tobacco settlement fund.

20 The bill appropriates \$24,300,000 in the fund to the  
21 department of human services for all of the following:

22 1. Increasing the reimbursement rate for all  
23 noninstitutional providers to the rate paid under the federal  
24 Medicare program, and implementing the resource-based relative  
25 value system, for the fiscal year beginning July 1, 2000, and  
26 ending June 30, 2001.

27 2. Increasing the reimbursement rate for dental services  
28 to 75 percent of the usual and customary rate for the fiscal  
29 year beginning July 1, 2000, and ending June 30, 2001.

30 3. Providing a cost-of-living adjustment of 5 percent to  
31 rehabilitative treatment services providers, for the fiscal  
32 year beginning July 1, 2000, and ending June 30, 2001.

33 4. Providing a cost-of-living adjustment of 5 percent to  
34 adoption, independent living, shelter care, and home studies  
35 services providers, for the fiscal year beginning July 1,

1 2000, and ending June 30, 2001.

2 5. Increasing the reimbursement rate for hospitals by 3  
3 percent over the rate in effect on June 30, 2000, for the  
4 fiscal year beginning July 1, 2000, and ending June 30, 2001.

5 6. Increasing the reimbursement rate to home health  
6 agencies to the rate provided to such agencies under the  
7 federal Medicare program, for the fiscal year beginning July  
8 1, 2000, and ending June 30, 2001.

9 7. Increasing the reimbursement rate for critical access  
10 hospitals to the rate provided such hospitals under the  
11 federal Medicare program, for the fiscal year beginning July  
12 1, 2000, and ending June 30, 2001.

13 8. To provide for expansion of home health care services  
14 under the medical assistance program for children with special  
15 needs.

16 9. To provide for expansion of respite care services  
17 provided through home and community-based waiver services  
18 under the medical assistance program.

19 10. To provide an increased reimbursement rate of 1  
20 percent to service providers under the purview of the  
21 department of human services.

22 The bill requires the department of human services to seek  
23 a waiver from the health care financing administration to  
24 implement a pilot project relating to continuous eligibility  
25 under the medical assistance program. The bill also provides  
26 for an evaluation of the pilot project and appropriates  
27 \$35,000 from the tobacco settlement fund to the department for  
28 the evaluation.

29 The bill appropriates \$9,345,394 to the Iowa department of  
30 public health for a tobacco use prevention and cessation  
31 program and \$11,900,000 for additional substance abuse  
32 treatment. Under this appropriation, the department is  
33 directed to enhance the quality of and to expand capacity to  
34 provide 24-hour substance abuse treatment programs for  
35 children; to expand the length of individual client substance

1 abuse treatment plans, as necessary to reduce recidivism; to  
2 share research-based best practices for treatment with  
3 substance abuse treatment facilities; to develop a results-  
4 based funding approach for substance abuse treatment services;  
5 and to develop a program to encourage individuals who are  
6 successfully managing their substance abuse problems to serve  
7 as role models.

8 The bill appropriates \$1.8 million to the Iowa department  
9 of public health for development of a healthy Iowans 2010 plan  
10 including the use of up to the following amounts for the  
11 following purposes: \$1,000,000 for core public health  
12 functions including home health care and public health nursing  
13 services contracted through a formula by local boards of  
14 health, to enhance disease and injury prevention services;  
15 \$400,000 for the implementation and support of a coordinated  
16 system of delivery of trauma and emergency medical services;  
17 and \$400,000 for establishment of a poison control center.

18 The bill appropriates \$610,000 to the department of  
19 corrections to replace federal funding for day programming and  
20 for the drug court program, in certain judicial districts and  
21 to provide funds for a drug court program in the fourth  
22 judicial district.

23 The bill also makes an appropriation from the tobacco  
24 settlement fund to the property tax relief fund and requires  
25 counties to increase reimbursements to certain purchase of  
26 services providers. The services are provided to persons with  
27 mental illness, mental retardation, or developmental  
28 disabilities. The appropriation is to assist certain counties  
29 with insufficient mental health, mental retardation, and  
30 developmental disabilities services fund balances to pay the  
31 reimbursement increases. These counties may in some  
32 circumstances apply for risk pool assistance and the decision  
33 granting such assistance is to be made by the risk pool board.

34 The bill also establishes a savings account for healthy  
35 Iowans and appropriates \$5 million from the tobacco settlement

HSB 781

1 fund to the account for the fiscal year beginning July 1,  
2 2000, and ending June 30, 2001. The bill also provides that  
3 if any moneys appropriated under the bill are not expended or  
4 otherwise encumbered, all moneys are to revert to the tobacco  
5 settlement fund.

6 The bill provides for reimbursement of certain providers  
7 that are receiving reimbursement on a fee-for-service basis on  
8 June 30, 2000, to be reimbursed under the federal Medicare  
9 resource-based relative value scale methodology beginning July  
10 1, 2000. The bill provides for adjustment of the  
11 reimbursement on an annual bases.

12 The bill provides for changes in current law to increase  
13 the income limit from 185 percent of the federal poverty level  
14 to 200 percent of the federal poverty level for children under  
15 19 years of age under the HAWK-I program and provides for  
16 eligibility for an infant under the medical assistance program  
17 whose family income does not exceed 200 percent of the federal  
18 poverty level.

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# REPRINTED

MAR 30 2000

APPROPRIATIONS CALENDAR

HOUSE FILE 2555  
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HSB 781)

Passed House <sup>(P.1602)</sup> Date 4/18/00 Passed Senate <sup>(P.1300)</sup> Date 4/20/00  
Vote: Ayes 100 Nays 0 Vote: Ayes 47 Nays 0  
Approved May 5, 2000

## A BILL FOR

1 An Act relating to and making appropriations from the tobacco  
2 settlement fund.

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

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HF 2555

1 Section 1. TOBACCO SETTLEMENT FUND -- APPROPRIATIONS TO  
2 DEPARTMENTS. There is appropriated from the tobacco  
3 settlement fund created in section 12.65 to the following  
4 departments for the fiscal year beginning July 1, 2000, and  
5 ending June 30, 2001, the following amounts, or so much  
6 thereof as is necessary, to be used for the purposes  
7 designated:

8 1. To the department of human services:

9 a. To increase the reimbursement rate for all  
10 noninstitutional medical assistance providers to the rate  
11 provided under the federal Medicare program for such providers  
12 for the fiscal year July 1, 2000, through June 30, 2001, and  
13 to implement the resource-based relative value system of  
14 reimbursement under the medical assistance program:

15 ..... \$ 6,000,000

16 b. To increase the reimbursement rate to 75 percent of the  
17 usual and customary rate for the fiscal year July 1, 2000,  
18 through June 30, 2001, for dental services under the medical  
19 assistance program:

20 ..... \$ 3,600,000

21 c. To provide a cost-of-living adjustment for the fiscal  
22 year July 1, 2000, through June 30, 2001, of 5 percent to  
23 rehabilitative treatment and support services providers under  
24 the medical assistance program:

25 ..... \$ 3,100,000

26 d. To provide a cost-of-living adjustment for the fiscal  
27 year July 1, 2000, through June 30, 2001, of 5 percent to  
28 adoption, independent living, shelter care, and home studies  
29 services providers:

30 ..... \$ 500,000

31 e. To increase the reimbursement rate for the fiscal year  
32 July 1, 2000, through June 30, 2001, for hospitals under the  
33 medical assistance program by 3 percent over the reimbursement  
34 rate in effect on June 30, 2000:

35 ..... \$ 2,300,000

1 f. To increase the reimbursement rate for the fiscal year  
 2 July 1, 2000, through June 30, 2001, for home health care  
 3 services under the medical assistance program to the rate  
 4 provided for such services under the federal Medicare program:  
 5 ..... \$ 2,400,000

6 g. To increase the reimbursement rate for the fiscal year  
 7 July 1, 2000, through June 30, 2001, for critical access  
 8 hospitals under the medical assistance program to the rate  
 9 provided for such hospitals under the federal Medicare  
 10 program:  
 11 ..... \$ 250,000

12 h. To provide for expansion of home health care services  
 13 and habilitative day care under the medical assistance program  
 14 for children with special needs:  
 15 ..... \$ 4,400,000

16 i. To provide for expansion of respite care services  
 17 provided through home and community-based waivers under the  
 18 medical assistance program:  
 19 ..... \$ 1,200,000

20 j. To increase the reimbursement rate for the fiscal year  
 21 July 1, 2000, through June 30, 2001, to service providers  
 22 under the purview of the department of human services by 1  
 23 percent over the rates in effect on June 30, 2000:  
 24 ..... \$ 550,000

25 Of the funds appropriated to the department of  
 26 human services under this subsection, \$182,381 shall  
 27 be used to meet the maintenance of effort requirements  
 28 under the state supplementary assistance program.

29 The department of human services may adopt  
 30 emergency rules to implement this subsection.

31 2. To the department of human services for performance of  
 32 the evaluation required under this subsection:

33 ..... \$ 35,000

34 The department of human services shall seek a waiver from  
 35 the health care financing administration of the United States



1 department of health and human services to implement a pilot  
2 project in fiscal year 2000-2001 to study the effects of  
3 providing continuous eligibility for children under the  
4 medical assistance program. If the waiver is approved, the  
5 pilot project shall be implemented in one rural and one urban  
6 county, and the department shall enter into a contract with an  
7 entity outside of the department to perform an evaluation of  
8 the pilot project. The evaluating entity shall coordinate its  
9 efforts with efforts of the United States department of health  
10 and human services relating to evaluation of continuous  
11 eligibility. The evaluating entity shall submit a report to  
12 the general assembly on or before December 15, 2000, regarding  
13 the findings of the pilot project including, but not limited  
14 to, any increased costs which may be incurred through  
15 continuous eligibility. The report shall also include  
16 recommendations for discontinuation or expansion of the pilot  
17 project.

18 3. To the Iowa department of public health:

19 a. For a tobacco use prevention and cessation program,  
20 including efforts at the state and local levels, as provided  
21 by the 2000 Session of the Seventy-eighth General Assembly:  
22 ..... \$ 9,345,394

23 b. For additional substance abuse treatment under the  
24 substance abuse treatment program:  
25 ..... \$ 11,900,000

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27 paragraph to enhance the quality of and to expand the capacity  
28 to provide 24-hour substance abuse treatment programs.

29 (2) The department shall use funds appropriated in this  
30 paragraph to expand the length of individual client substance  
31 abuse treatment plans, as necessary to reduce program  
32 recidivism.

33 (3) The department shall use funds appropriated in this  
34 paragraph to share research-based best practices for treatment  
35 with substance abuse treatment facilities.

1 (4) The department shall use funds appropriated in this  
2 paragraph to develop a results-based funding approach for  
3 substance abuse treatment services.

4 (5) The department shall use funds appropriated in this  
5 paragraph to develop a program to encourage individuals who  
6 are successfully managing their substance abuse problems to  
7 serve as role models.

8 c. For development of a healthy Iowans 2010 plan within  
9 the Iowa department of public health:

10 ..... \$ 1,800,000

11 (1) Of the funds appropriated in this paragraph, not more  
12 than \$1,000,000 shall be used for core public health  
13 functions, including home health care and public health  
14 nursing services, contracted through a formula by local boards  
15 of health, to enhance disease and injury prevention services.

16 (2) Of the funds appropriated in this paragraph, not more  
17 than \$400,000 shall be used for the implementation and support  
18 of a coordinated system of delivery of trauma and emergency  
19 medical services.

20 (3) Of the funds appropriated in this paragraph, not more  
21 than \$400,000 shall be used for the establishment of a state  
22 poison control center.

23 4. To the department of corrections:

24 ..... \$ 610,000

25 a. Of the funds appropriated in this subsection, \$127,217  
26 is allocated to the second judicial district department of  
27 correctional services to replace expired federal funding for  
28 day programming.

29 b. Of the funds appropriated in this subsection, \$35,359  
30 is allocated to the third judicial district department of  
31 correctional services to replace expired federal funding for  
32 the drug court program.

33 c. Of the funds appropriated in this subsection, \$191,731  
34 is allocated to the fourth judicial district department of  
35 correctional services for a drug court program.

1 d. Of the funds appropriated in this subsection, \$255,693  
2 is allocated to the fifth judicial district department of  
3 correctional services to replace expired funding for the drug  
4 court program.

5 Sec. 2. PURCHASE OF SERVICE CONTRACT PROVIDERS --  
6 REIMBURSEMENT INCREASE. There is appropriated from the  
7 tobacco settlement fund created in section 12.65 to the  
8 property tax relief fund created in section 426B.1 for the  
9 fiscal year beginning July 1, 2000, and ending June 30, 2001,  
10 the following amount, or so much thereof as is necessary, to  
11 be used for the purposes designated:

12 For assistance to certain counties with limited county  
13 mental health, mental retardation, and developmental  
14 disabilities services fund balances to pay reimbursement  
15 increases in accordance with this section:

16 ..... \$ 2,000,000

17 1. For the purposes of this section unless the context  
18 otherwise requires:

19 a. "Basic eligibility for risk pool assistance", "risk  
20 pool", and "risk pool board" mean the same as used in section  
21 426B.5, subsection 3.

22 b. "Purchase of service provider" or "POS provider" means  
23 a provider of sheltered work, work activity, supported  
24 employment, job placement, enclave services, adult day care,  
25 transportation, supported community living services, or adult  
26 residential services paid by a county from the county's  
27 services fund created in section 331.424A under a state  
28 purchase of services or county contract.

29 2. a. For the fiscal year beginning July 1, 2000, the  
30 counties receiving state payments from the property tax relief  
31 fund shall provide a reimbursement increase for the fiscal  
32 year to eligible POS providers. The purpose of the  
33 reimbursement increase is to assist POS providers that have  
34 increased the compensation of their service staff.

35 b. In order to be eligible, a POS provider's actual costs

1 of providing services must be in excess of the reimbursement  
2 rate paid to the provider by the county as of June 30, 2000,  
3 and the excess costs must be attributable, at least in part,  
4 to service staff compensation. The documentation used in  
5 determining whether a provider has increased its actual costs  
6 shall be the applicable amounts submitted in the provider's  
7 annual financial and statistical report for the fiscal year  
8 beginning July 1, 1998, as compared to the applicable amount  
9 submitted in that report for the fiscal year beginning July 1,  
10 1999.

11 c. The county shall increase the POS provider's  
12 reimbursement rate by the amount indicated in the  
13 documentation, subject to a maximum of 5 percent over the  
14 reimbursement rates paid by the county to that provider as of  
15 June 30, 2000.

16 3. a. If a county projects that payment of the  
17 reimbursement increase required pursuant to this section will  
18 cause the county to meet the requirements for basic  
19 eligibility for risk pool assistance during the fiscal year,  
20 the county may apply to the risk pool board for assistance  
21 from the moneys appropriated in this section. The board may  
22 accept or reject an application for assistance in whole or in  
23 part. The decision of the board is final.

24 b. The risk pool board shall adopt rules providing for  
25 application procedures and deadlines, and other provisions for  
26 distributing assistance moneys to such counties. The risk  
27 pool board may adopt the rules on an emergency basis under  
28 section 17A.4, subsection 2, and section 17A.5, subsection 2,  
29 paragraph "b", to implement the procedures and requirements  
30 and the rules shall be effective immediately upon filing  
31 unless a later date is specified in the rules. Any rules  
32 adopted in accordance with this paragraph shall also be  
33 published as a notice of intended action as provided in  
34 section 17A.4.

35 c. If moneys appropriated in this section are insufficient

1 to pay the total amount of assistance to all counties that are  
2 determined by the risk pool board to be eligible for  
3 assistance under this subsection, the total amount of  
4 assistance shall be prorated among the eligible counties by  
5 the risk pool board. Moneys appropriated in this section that  
6 remain unencumbered or unobligated at the close of the fiscal  
7 year shall revert to the tobacco settlement fund.

8 d. If a county receiving assistance under this section  
9 does not levy the maximum amount allowed for the county's  
10 mental health, mental retardation, and developmental  
11 disabilities services fund under section 331.424A for the  
12 fiscal year beginning July 1, 2000, the county shall repay the  
13 assistance provided to the county under this section in the  
14 succeeding fiscal year. The repayment amount shall be limited  
15 to the amount by which the actual amount levied was less than  
16 the maximum amount allowed. Repayments shall be credited to  
17 the tobacco settlement fund.

18 4. The department of human service may adopt emergency  
19 rules to implement this section.

20 Sec. 3. SAVINGS ACCOUNT FOR HEALTHY IOWANS. There is  
21 appropriated from the tobacco settlement fund created in  
22 section 12.65 to the savings account for healthy Iowans, for  
23 the fiscal year beginning July 1, 2000, and ending June 30,  
24 2001:

25 ..... \$ 5,000,000

26 Sec. 4. REVERSION. Any moneys appropriated under this Act  
27 which are unexpended or unencumbered at the end of the fiscal  
28 year beginning July 1, 2000, and ending June 30, 2001, shall  
29 revert to the tobacco settlement fund.

30 Sec. 5. Section 12.65, Code 1999, is amended to read as  
31 follows:

32 12.65 TOBACCO SETTLEMENT FUND.

33 1. A tobacco settlement fund is created in the office of  
34 the treasurer of state. After payment of litigation costs,  
35 the state portion of any moneys paid to the state by tobacco

1 companies in settlement of the state's lawsuit for recovery of  
2 public expenditures associated with tobacco use shall be  
3 deposited in the tobacco settlement fund. Moneys deposited in  
4 the fund shall be used only as provided in appropriations from  
5 the fund ~~to the department of human services for the medical~~  
6 ~~assistance program and to the Iowa department of public health~~  
7 ~~for programs to reduce smoking by teenage youth~~ for purposes  
8 related to health care, substance abuse treatment and  
9 enforcement, tobacco use prevention and cessation, and other  
10 purposes related to the needs of children, adults, and  
11 families in the state. For purposes of this section,  
12 "litigation costs" are those costs itemized by the attorney  
13 general and submitted to and approved by the general assembly.

14 2. A savings account for healthy Iowans is created within  
15 the tobacco settlement fund. Moneys, appropriated annually,  
16 shall be deposited in the account and shall be invested to  
17 provide an ongoing source of investment earnings.

18 3. Notwithstanding section 12C.7, subsection 2, interest  
19 or earnings on investments or time deposits of the moneys in  
20 the tobacco settlement fund or in the savings account for  
21 healthy Iowans shall be credited to the tobacco settlement  
22 fund or to the savings account for healthy Iowans,  
23 respectively.

24 Sec. 6. Section 249A.3, subsection 1, Code Supplement  
25 1999, is amended by adding the following new paragraph after  
26 paragraph k:

27 NEW PARAGRAPH. kk. Is an infant whose income is not more  
28 than two hundred percent of the federal poverty level, as  
29 defined by the most recently revised income guidelines  
30 published by the United States department of health and human  
31 services.

32 Sec. 7. NEW SECTION. 249A.20 NONINSTITUTIONAL HEALTH  
33 PROVIDERS -- REIMBURSEMENT.

34 Beginning July 1, 2000, the department shall reimburse all  
35 applicable noninstitutional providers, excluding providers of

1 anesthesia services, that on June 30, 2000, are reimbursed on  
2 a fee-for-service basis under the medical assistance program  
3 in an equitable manner that utilizes a methodology which  
4 reflects the federal Medicare resource-based relative value  
5 scale system to the greatest extent possible. The  
6 reimbursement system required to be used by this section shall  
7 be adjusted, annually, on July 1.

8 Sec. 8. Section 514I.8, subsection 1, Code 1999, is  
9 amended to read as follows:

10 1. Effective July 1, 1998, and notwithstanding any medical  
11 assistance program eligibility criteria to the contrary,  
12 medical assistance shall be provided to, or on behalf of, an  
13 eligible child under the age of nineteen whose family income  
14 does not exceed one hundred thirty-three percent of the  
15 federal poverty level, as defined by the most recently revised  
16 poverty income guidelines published by the United States  
17 department of health and human services. Additionally,  
18 effective July 1, 2000, and notwithstanding any medical  
19 assistance program eligibility criteria to the contrary,  
20 medical assistance shall be provided to, or on behalf of, an  
21 eligible infant whose family income does not exceed two  
22 hundred percent of the federal poverty level, as defined by  
23 the most recently revised poverty income guidelines published  
24 by the United States department of health and human services.

25 Sec. 9. Section 514I.8, subsection 2, paragraph c, Code  
26 1999, is amended to read as follows:

27 c. Is a member of a family whose ~~adjusted-gross~~ income  
28 does not exceed one two hundred ~~eighty-five~~ percent of the  
29 federal poverty level, as defined in 42 U.S.C. § 9902(2),  
30 including any revision required by such section.

31 Sec. 10. Section 514I.10, Code 1999, is amended to read as  
32 follows:

33 514I.10 COST SHARING.

34 1. Cost sharing for eligible children whose family  
35 ~~adjusted-gross~~ income is at or below one hundred fifty percent

1 of the federal poverty level shall not exceed the standards  
2 permitted under 42 U.S.C. § 1396(o)(a)(3) or § 1396(o)(b)(1).

3 2. Cost sharing for eligible children whose family  
4 ~~adjusted-gross~~ income is between one hundred fifty percent and  
5 one two hundred ~~eighty-five~~ percent of the federal poverty  
6 level shall include a premium or copayment amount which is at  
7 least a minimum amount but which does not exceed five percent  
8 of the annual family ~~adjusted-gross~~ income. The amount of the  
9 premium or the copayment amount shall be based on ~~a-sliding~~  
10 ~~fee-scale-established-by-rule-which-is-based-on~~ family  
11 ~~adjusted-gross~~ income and ~~the size of-the-family~~.

12 Sec. 11. EMERGENCY RULES. If specifically authorized by a  
13 provision of this Act, the department of human services may  
14 adopt administrative rules under section 17A.4, subsection 2,  
15 and section 17A.5, subsection 2, paragraph "b", to implement  
16 the provisions and the rules shall become effective  
17 immediately upon filing, unless the effective date is delayed  
18 by the administrative rules review committee, notwithstanding  
19 section 17A.4, subsection 5, and section 17A.8, subsection 9,  
20 or a later effective date is specified in the rules. Any  
21 rules adopted in accordance with the provisions of this  
22 section shall also be published as notice of intended action  
23 as provided in section 17A.4.

24 EXPLANATION

25 This bill relates to and makes appropriations from the  
26 tobacco settlement fund.

27 The bill appropriates \$24,300,000 in the fund to the  
28 department of human services for all of the following:

29 1. Increasing the reimbursement rate for all  
30 noninstitutional providers to the rate paid under the federal  
31 Medicare program, and implementing the resource-based relative  
32 value system, for the fiscal year beginning July 1, 2000, and  
33 ending June 30, 2001.

34 2. Increasing the reimbursement rate for dental services  
35 to 75 percent of the usual and customary rate for the fiscal



1 year beginning July 1, 2000, and ending June 30, 2001.

2 3. Providing a cost-of-living adjustment of 5 percent to  
3 rehabilitative treatment services providers, for the fiscal  
4 year beginning July 1, 2000, and ending June 30, 2001.

5 4. Providing a cost-of-living adjustment of 5 percent to  
6 adoption, independent living, shelter care, and home studies  
7 services providers, for the fiscal year beginning July 1,  
8 2000, and ending June 30, 2001.

9 5. Increasing the reimbursement rate for hospitals by 3  
10 percent over the rate in effect on June 30, 2000, for the  
11 fiscal year beginning July 1, 2000, and ending June 30, 2001.

12 6. Increasing the reimbursement rate to home health  
13 agencies to the rate provided to such agencies under the  
14 federal Medicare program, for the fiscal year beginning July  
15 1, 2000, and ending June 30, 2001.

16 7. Increasing the reimbursement rate for critical access  
17 hospitals to the rate provided such hospitals under the  
18 federal Medicare program, for the fiscal year beginning July  
19 1, 2000, and ending June 30, 2001.

20 8. To provide for expansion of home health care services  
21 under the medical assistance program for children with special  
22 needs.

23 9. To provide for expansion of respite care services  
24 provided through home and community-based waiver services  
25 under the medical assistance program.

26 10. To provide an increased reimbursement rate of 1  
27 percent to service providers under the purview of the  
28 department of human services.

29 The bill provides that of the funds appropriated to the  
30 department of human services, \$182,381 is to be used to meet  
31 the maintenance of effort requirements under the supplementary  
32 assistance program. The bill provides for adoption of  
33 emergency rules by the department.

34 The bill requires the department of human services to seek  
35 a waiver from the health care financing administration to

1 implement a pilot project relating to continuous eligibility  
2 under the medical assistance program. The bill also provides  
3 for an evaluation of the pilot project and appropriates  
4 \$35,000 from the tobacco settlement fund to the department for  
5 the evaluation.

6 The bill appropriates \$9,345,394 to the Iowa department of  
7 public health for a tobacco use prevention and cessation  
8 program and \$11,900,000 for additional substance abuse  
9 treatment. Under this appropriation, the department is  
10 directed to enhance the quality of and to expand capacity to  
11 provide 24-hour substance abuse treatment programs for  
12 children; to expand the length of individual client substance  
13 abuse treatment plans, as necessary to reduce recidivism; to  
14 share research-based best practices for treatment with  
15 substance abuse treatment facilities; to develop a results-  
16 based funding approach for substance abuse treatment services;  
17 and to develop a program to encourage individuals who are  
18 successfully managing their substance abuse problems to serve  
19 as role models.

20 The bill appropriates \$1.8 million to the Iowa department  
21 of public health for development of a healthy Iowans 2010 plan  
22 including the use of up to the following amounts for the  
23 following purposes: \$1,000,000 for core public health  
24 functions including home health care and public health nursing  
25 services contracted through a formula by local boards of  
26 health, to enhance disease and injury prevention services;  
27 \$400,000 for the implementation and support of a coordinated  
28 system of delivery of trauma and emergency medical services;  
29 and \$400,000 for establishment of a poison control center.

30 The bill appropriates \$610,000 to the department of  
31 corrections to replace federal funding for day programming and  
32 for the drug court program, in certain judicial districts and  
33 to provide funds for a drug court program in the fourth  
34 judicial district.

35 The bill also makes an appropriation from the tobacco

1 settlement fund to the property tax relief fund and requires  
2 counties to increase reimbursements to certain purchase of  
3 services providers. The services are provided to persons with  
4 mental illness, mental retardation, or developmental  
5 disabilities. The appropriation is to assist certain counties  
6 with insufficient mental health, mental retardation, and  
7 developmental disabilities services fund balances to pay the  
8 reimbursement increases. These counties may in some  
9 circumstances apply for risk pool assistance and the decision  
10 granting such assistance is to be made by the risk pool board.

11 The bill provides for adoption of emergency rules by the  
12 department of human services related to this portion of the  
13 bill.

14 The bill amends Code section 12.65, the tobacco settlement  
15 fund, to provide for purposes for which the fund may be  
16 appropriated. The amendment to this section also establishes  
17 a savings account for healthy Iowans within the tobacco  
18 settlement fund. Moneys appropriated to the account annually  
19 are to be invested to provide an ongoing source of investment  
20 earnings. The amendment to this section also provides that  
21 interest on the moneys in the fund or in the account is to be  
22 credited to the fund or the account, respectively.

23 The bill appropriates \$5 million from the tobacco  
24 settlement fund to the savings account for healthy Iowans for  
25 the fiscal year beginning July 1, 2000, and ending June 30,  
26 2001.

27 The bill also provides that if any moneys appropriated  
28 under the bill are not expended or otherwise encumbered, all  
29 moneys are to revert to the tobacco settlement fund.

30 The bill provides for reimbursement of certain providers  
31 that are receiving reimbursement on a fee-for-service basis on  
32 June 30, 2000, to be reimbursed under the federal Medicare  
33 resource-based relative value scale methodology beginning July  
34 1, 2000. The bill provides for adjustment of the  
35 reimbursement on an annual bases.

1 The bill provides for changes in current law to increase  
2 the income limit from 185 percent of the federal poverty level  
3 to 200 percent of the federal poverty level for children under  
4 19 years of age under the HAWK-I program and provides for  
5 eligibility for an infant under the medical assistance program  
6 whose family income does not exceed 200 percent of the federal  
7 poverty level.

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HOUSE FILE 2555

H-8778

1 Amend House File 2555 as follows:

2 1. Page 10, by striking lines 16 through 23, and  
3 inserting the following: "the provision. The rules  
4 shall be published by the department as notice of  
5 intended action no later than June 14, 2000, and shall  
6 adopt rules on an emergency basis effective on or  
7 after August 1, 2000."

8 2. Page 10, by inserting before line 24, the  
9 following:

10 "Sec. \_\_\_\_ . EFFECTIVE DATE. Section 1, subsection  
11 1, and section 2 of this Act, being deemed of  
12 immediate importance, take effect upon enactment."

13 3. Title page, line 2, by inserting after the  
14 word "fund" the following: "and providing an  
15 effective date."

16 4. By renumbering as necessary.

By METCALF of Polk

H-8778 FILED APRIL 6, 2000

0/0 4/18/00 (p. 1602)

HOUSE FILE 2555

H-8930

1 Amend House File 2555 as follows:

2 1. By striking everything after the enacting  
3 clause and inserting the following:

4 "Section 1. TOBACCO SETTLEMENT FUND --

5 APPROPRIATIONS TO DEPARTMENTS. There is appropriated  
6 from the tobacco settlement fund created in section  
7 12.65 to the following departments for the fiscal year  
8 beginning July 1, 2000, and ending June 30, 2001, the  
9 following amounts, or so much thereof as is necessary,  
10 to be used for the purposes designated:

11 1. To the department of human services:

12 a. Beginning November 1, 2000, to increase the  
13 reimbursement rate for all noninstitutional medical  
14 assistance providers, excluding anesthesia and dental  
15 services, to the rate in effect on January 1, 2000,  
16 under the fee schedule established for Iowa under the  
17 federal Medicare program that incorporates the  
18 resource-based relative value scale methodology:

19 ..... \$ 6,000,000

20 b. To increase the reimbursement rate to 75  
21 percent of the usual and customary rate for the fiscal  
22 year July 1, 2000, through June 30, 2001, for dental  
23 services under the medical assistance program:

24 ..... \$ 3,600,000

25 c. To provide a cost-of-living adjustment for the  
26 fiscal year July 1, 2000, through June 30, 2001, of 5  
27 percent to rehabilitative treatment and support  
28 services providers under the medical assistance  
29 program:

30 ..... \$ 3,100,000

31 The cost of living adjustment for rehabilitative  
32 treatment and support services providers shall be  
33 applied to each individual provider's state audited  
34 rate.

35 d. To provide a cost-of-living adjustment for the  
36 fiscal year July 1, 2000, through June 30, 2001, of 5  
37 percent to adoption, independent living, shelter care,  
38 and home studies services providers:

39 ..... \$ 500,000

40 The cost-of-living adjustment for licensed or  
41 approved shelter care providers shall be applied to  
42 each individual licensed or approved shelter care  
43 provider's state audited rate. On or before August 1,  
44 2000, the department shall recalculate the statewide  
45 average cost of shelter care to include the total  
46 amount of the individual providers' cost-of-living  
47 adjustments. The cost-of-living adjustment percentage  
48 specified in this lettered paragraph shall be applied  
49 directly to the state's audited shelter care per diem  
50 reimbursement rate.

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1 e. To increase the reimbursement rate for the  
 2 fiscal year July 1, 2000, through June 30, 2001, for  
 3 hospitals under the medical assistance program by 3  
 4 percent over the reimbursement rate in effect on June  
 5 30, 2000:

6 ..... \$ 2,300,000

7 f. To increase the reimbursement rate for the  
 8 fiscal year July 1, 2000, through June 30, 2001, for  
 9 home health care services under the medical assistance  
 10 program to the rate provided for such services under  
 11 the federal Medicare program:

12 ..... \$ 2,400,000

13 g. To increase the reimbursement rate for the  
 14 fiscal year July 1, 2000, through June 30, 2001, for  
 15 critical access hospitals under the medical assistance  
 16 program to the rate provided for such hospitals under  
 17 the federal Medicare program:

18 ..... \$ 250,000

19 h. To provide for expansion of home health care  
 20 services and habilitative day care under the medical  
 21 assistance program for children with special needs:

22 ..... \$ 4,400,000

23 i. To provide for expansion of respite care  
 24 services provided through home and community-based  
 25 waivers under the medical assistance program:

26 ..... \$ 1,200,000

27 j. To increase the reimbursement rate for the  
 28 fiscal year July 1, 2000, through June 30, 2001, to  
 29 service providers under the purview of the department  
 30 of human services by 1 percent over the rates in  
 31 effect on June 30, 2000:

32 ..... \$ 550,000

33 Of the funds appropriated to the department of  
 34 human services under this subsection, \$182,381 shall  
 35 be used to meet the maintenance of effort requirements  
 36 under the state supplementary assistance program.

37 The department of human services shall conduct a  
 38 review of the reimbursement rates for providers of  
 39 dental services and shall submit a report of its  
 40 findings to the governor and the general assembly on  
 41 or before December 1, 2000.

42 The department of human services may adopt  
 43 emergency rules to implement this subsection.

44 2. To the department of human services to  
 45 supplement the children's health insurance program  
 46 appropriation:

47 ..... \$ 200,000

48 The department shall not utilize an earned income  
 49 deduction in computing income eligibility under the  
 50 children's health insurance program.

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1 3. To the department of human services for  
2 performance of the evaluation required under this  
3 subsection:

4 ..... \$ 35,000

5 The department of human services shall seek a  
6 waiver from the health care financing administration  
7 of the United States department of health and human  
8 services to implement a pilot project in fiscal year  
9 2000-2001 to study the effects of providing continuous  
10 eligibility for children under the medical assistance  
11 program. If the waiver is approved, the pilot project  
12 shall be implemented in one rural and one urban  
13 county, and the department shall enter into a contract  
14 with an entity outside of the department to perform an  
15 evaluation of the pilot project. The evaluating  
16 entity shall coordinate its efforts with efforts of  
17 the United States department of health and human  
18 services relating to evaluation of continuous  
19 eligibility. The evaluating entity shall submit a  
20 report to the general assembly on or before December  
21 15, 2000, regarding the findings of the pilot project  
22 including, but not limited to, any increased costs  
23 which may be incurred through continuous eligibility.  
24 The report shall also include recommendations for  
25 discontinuation or expansion of the pilot project.

26 4. To the Iowa department of public health:

27 a. For additional substance abuse treatment under  
28 the substance abuse treatment program:

29 ..... \$ 11,900,000

30 (1) The department shall use funds appropriated in  
31 this paragraph to enhance the quality of and to expand  
32 the capacity to provide 24-hour substance abuse  
33 treatment programs.

34 (2) The department shall use funds appropriated in  
35 this paragraph to expand the length of individual  
36 client substance abuse treatment plans, as necessary  
37 to reduce program recidivism.

38 (3) The department shall use funds appropriated in  
39 this paragraph to share research-based best practices  
40 for treatment with substance abuse treatment  
41 facilities.

42 (4) The department shall use funds appropriated in  
43 this paragraph to develop a results-based funding  
44 approach for substance abuse treatment services.

45 (5) The department shall use funds appropriated in  
46 this paragraph to develop a program to encourage  
47 individuals who are successfully managing their  
48 substance abuse problems to serve as role models.

49 b. For development of a healthy Iowans 2010 plan  
50 within the Iowa department of public health and for

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1 not more than the following full-time equivalent  
2 positions:

3 ..... \$ 2,800,000  
4 ..... FTEs 4.00

5 (1) Of the funds appropriated in this paragraph,  
6 not more than \$1,500,000 shall be used for core public  
7 health functions, including home health care and  
8 public health nursing services, contracted through a  
9 formula by local boards of health, to enhance disease  
10 and injury prevention services.

11 (2) Of the funds appropriated in this paragraph,  
12 not more than \$400,000 shall be used for the  
13 implementation and support of a coordinated system of  
14 delivery of trauma and emergency medical services.

15 (3) Of the funds appropriated in this paragraph,  
16 not more than \$437,000 shall be used for the  
17 establishment of a state poison control center.

18 (4) Of the funds appropriated in this paragraph,  
19 not more than \$300,000 shall be used for the  
20 development of scientific and medical expertise in  
21 environmental epidemiology.

22 (5) Of the funds appropriated in this paragraph,  
23 not more than \$163,000 shall be used to implement  
24 prevention strategies of Healthy Iowans 2010 to  
25 address the leading causes of death in Iowa.

26 5. To the department of corrections:

27 ..... \$ 610,000

28 a. Of the funds appropriated in this subsection,  
29 \$127,217 is allocated to the second judicial district  
30 department of correctional services to replace expired  
31 federal funding for day programming.

32 b. Of the funds appropriated in this subsection,  
33 \$35,359 is allocated to the third judicial district  
34 department of correctional services to replace expired  
35 federal funding for the drug court program.

36 c. Of the funds appropriated in this subsection,  
37 \$191,731 is allocated to the fourth judicial district  
38 department of correctional services for a drug court  
39 program.

40 d. Of the funds appropriated in this subsection,  
41 \$255,693 is allocated to the fifth judicial district  
42 department of correctional services to replace expired  
43 funding for the drug court program.

44 Sec. 2. TOBACCO SETTLEMENT FUND -- APPROPRIATION  
45 -- IOWA DEPARTMENT OF PUBLIC HEALTH. There is  
46 appropriated from the tobacco settlement fund created  
47 in section 12.65 to the Iowa department of public  
48 health for the fiscal period beginning April 1, 2000,  
49 and ending June 30, 2001, the following amounts, or so  
50 much thereof as is necessary, for the purpose

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1 designated, and for not more than the following full-  
2 time equivalent positions:

3 For a tobacco use prevention and control program,  
4 including efforts at the state and local levels, as  
5 provided by the 2000 Session of the Seventy-eighth  
6 General Assembly:

7 .....	\$	9,345,394
8 .....	FTEs	7.00

9 1. Of the funds appropriated in this section,  
10 \$1,782,420 shall be used to expand activities that  
11 ensure compliance with section 453A.2 and other laws  
12 and ordinances prohibiting the sale of tobacco  
13 products to persons under 18 years of age. Funds  
14 allocated in this subsection and used for the purposes  
15 of this subsection shall supplement, not supplant,  
16 other funds received or used to enforce these laws and  
17 ordinances.

18 The director of public health shall dedicate  
19 sufficient resources to promote and ensure retailer  
20 compliance with tobacco laws and ordinances relating  
21 to persons under 18 years of age, and shall prioritize  
22 the state's compliance in the allocation of available  
23 funds with section 218 of H.R. 3424 as enacted in  
24 Division B, Section 1000(a)(4) of H.R. 3194, and as  
25 incorporated by cross-reference in the conference  
26 report, H. Rept. 106-479 to H.. 3194, as enacted in  
27 Pub. L. No. 106-113.

28 2. Of the funds appropriated in this section, not  
29 more than \$300,000 shall be used to conduct a  
30 statewide youth summit on tobacco use prevention and  
31 control. The summit shall be held no later than August  
32 15, 2000.

33 3. Of the full-time equivalent positions  
34 authorized under this section, two full-time  
35 equivalent positions shall be utilized to provide for  
36 enforcement of tobacco laws and regulations under  
37 contracts entered into between the Iowa department of  
38 public health and the alcoholic beverages division of  
39 the department of commerce.

40 4. Of the funds appropriated in this section, not  
41 more than \$525,759 shall be expended on administration  
42 and management of the program.

43 Sec. 3. PURCHASE OF SERVICE CONTRACT PROVIDERS --  
44 REIMBURSEMENT INCREASE. There is appropriated from  
45 the tobacco settlement fund created in section 12.65  
46 to the property tax relief fund created in section  
47 426B.1 for the fiscal year beginning July 1, 2000, and  
48 ending June 30, 2001, the following amount, or so much  
49 thereof as is necessary, to be used for the purposes  
50 designated:

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1 For assistance to certain counties with limited  
2 county mental health, mental retardation, and  
3 developmental disabilities services fund balances to  
4 pay reimbursement increases in accordance with this  
5 section:

6 ..... \$ 2,000,000

7 1. For the purposes of this section unless the  
8 context otherwise requires:

9 a. "Adjusted actual cost" means a POS provider's  
10 cost as computed using the financial and statistical  
11 report for the provider's fiscal year which ended  
12 during the state fiscal year beginning July 1, 1998,  
13 as adjusted by multiplying those actual costs by 103.4  
14 percent or the percentage adopted by the risk pool  
15 board in accordance with subsection 3, paragraph "c".

16 b. "Host county" means the county in which the  
17 primary offices of a POS provider are located.  
18 However, if a POS provider operates a separate program  
19 in more than one county, "host county" means the  
20 county in which the separate program is operated.

21 c. "Purchase of service provider" or "POS  
22 provider" means a provider of sheltered work, work  
23 activity, supported employment, job placement, enclave  
24 services, adult day care, transportation, supported  
25 community living services, or adult residential  
26 services paid by a county from the county's services  
27 fund created in section 331.424A under a state  
28 purchase of service or county contract.

29 d. "Risk pool board" means the same as used in  
30 section 426B.5, subsection 3.

31 e. "Services fund" means the same as defined in  
32 section 331.424A.

33 2. a. For the fiscal year beginning July 1, 2000,  
34 the counties receiving state payments from the  
35 property tax relief fund shall provide a reimbursement  
36 rate increase for the fiscal year to eligible POS  
37 providers. The purpose of the reimbursement rate  
38 increase is to assist POS providers that have  
39 increased the compensation of their service staff.  
40 The reimbursement rate increase shall apply to POS  
41 services provided during the entire fiscal year  
42 beginning July 1, 2000.

43 b. In order to be eligible, a POS provider's  
44 adjusted actual cost of providing a service must be in  
45 excess of the reimbursement rate paid to the provider  
46 by the county as of June 30, 2000, and the excess cost  
47 must be attributable, at least in part, to service  
48 staff compensation. The documentation used in  
49 determining whether actual costs have increased for a  
50 POS provider shall be the applicable amounts submitted

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1 to the host county in the provider's annual financial  
2 and statistical reports, completed in accordance with  
3 department of human services' rules for purchase of  
4 services. The determination shall be made by  
5 comparing the applicable amounts in the report for the  
6 POS provider's fiscal year which ended during state  
7 fiscal year 1998-1999, with the applicable amounts in  
8 the report for the POS provider's fiscal year which  
9 ended during state fiscal year 1999-2000.

10 c. The host county shall increase the POS  
11 provider's reimbursement rate to the POS provider's  
12 adjusted actual cost, subject to a maximum of 5  
13 percent over the reimbursement rates paid by the host  
14 county to that POS provider as of June 30, 2000. The  
15 reimbursement rate increase approved by the host  
16 county shall be accepted by all other counties that  
17 have an arrangement with the POS provider for  
18 provision of the program or service.

19 3. a. If a county projects that payment of the  
20 reimbursement rate increase required pursuant to this  
21 section will cause the county to expend from the  
22 services fund during the fiscal year beginning July 1,  
23 2000, an amount in excess of the sum of 100 percent of  
24 the county's budgeted expenses for that fiscal year  
25 and any amount of the county's previous fiscal year  
26 ending services fund balance in excess of 25 percent  
27 of the county's gross expenditures from the services  
28 fund in the previous fiscal year, the county may apply  
29 for assistance from the moneys appropriated in this  
30 section. The board may accept or reject an  
31 application for assistance in whole or in part. The  
32 decision of the board is final.

33 b. The funding appropriated in this section shall  
34 be administered separately from other funding  
35 administered by the risk pool board pursuant to  
36 section 426B.5, subsection 3. On or before September  
37 1, 2000, the risk pool board shall adopt rules, and  
38 implement forms, deadlines, application procedures,  
39 and other provisions necessary for distributing  
40 assistance moneys to such counties. The risk pool  
41 board may adopt the rules on an emergency basis under  
42 section 17A.4, subsection 2, and section 17A.5,  
43 subsection 2, paragraph "b", to implement the  
44 procedures and requirements and the rules shall be  
45 effective immediately upon filing unless a later date  
46 is specified in the rules. Any rules adopted in  
47 accordance with this paragraph shall also be published  
48 as a notice of intended action as provided in section  
49 17A.4.

50 c. If the funds appropriated in this section are

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1 insufficient to pay the total amount of assistance to  
 2 all counties that are determined by the risk pool  
 3 board to be eligible for assistance under this  
 4 subsection, the total amount of assistance shall be  
 5 prorated among the eligible counties by the risk pool  
 6 board. However, if the risk pool board determines  
 7 that prorating the amount of assistance would be  
 8 required, in addition to or in lieu of prorating the  
 9 amount of assistance, the risk pool board may adopt a  
 10 different percentage for the definition of "adjusted  
 11 actual cost" used in this section. If a different  
 12 percentage is adopted, the percentage shall be  
 13 applicable to reimbursement rates payable throughout  
 14 the fiscal year. A county may delay payment of the  
 15 reimbursement rate increase required by this section  
 16 until the risk pool board has completed action as to  
 17 adopting or not adopting a different percentage for  
 18 the definition of "adjusted actual cost". Moneys  
 19 appropriated in this section that remain unencumbered  
 20 or unobligated at the close of the fiscal year shall  
 21 revert to the tobacco settlement fund.

22 d. If a county receiving assistance in accordance  
 23 with this subsection does not levy the maximum amount  
 24 allowed for the county's mental health, mental  
 25 retardation, and developmental disabilities services  
 26 fund under section 331.424A for the fiscal year  
 27 beginning July 1, 2000, the county shall repay the  
 28 assistance provided to the county in accordance with  
 29 this subsection in the succeeding fiscal year. The  
 30 repayment amount shall be limited to the amount by  
 31 which the actual amount levied was less than the  
 32 maximum amount allowed. Repayments shall be credited  
 33 to the tobacco settlement fund.

34 4. The department of human services, in  
 35 consultation with the risk pool board, shall develop  
 36 and submit a recommendation on or before December 1,  
 37 2000, to the governor and the general assembly  
 38 addressing provisions for counties receiving  
 39 assistance under this section to continue receiving  
 40 that assistance in subsequent fiscal years.

41 Sec. 4. SAVINGS ACCOUNT FOR HEALTHY IOWANS. There  
 42 is appropriated from the tobacco settlement fund  
 43 created in section 12.65 to the savings account for  
 44 healthy Iowans established within the tobacco  
 45 settlement fund, for the fiscal year beginning July 1,  
 46 2000, and ending June 30, 2001, the following amount:  
 47 ..... \$ 3,800,000

48 Sec. 5. REVERSION. Any moneys appropriated under  
 49 this Act which are unexpended or unencumbered at the  
 50 end of the fiscal period ending June 30, 2001, shall

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1 revert to the tobacco settlement fund.

2 Sec. 6. Section 249A.3, subsection 1, Code  
3 Supplement 1999, is amended by adding the following  
4 new paragraph after paragraph k:

5 NEW PARAGRAPH. kk. Is an infant whose income is  
6 not more than two hundred percent of the federal  
7 poverty level, as defined by the most recently revised  
8 income guidelines published by the United States  
9 department of health and human services.

10 Sec. 7. NEW SECTION. 249A.20 NONINSTITUTIONAL  
11 HEALTH PROVIDERS -- REIMBURSEMENT.

12 Beginning November 1, 2000, the department shall  
13 use the federal Medicare resource-based relative value  
14 scale methodology to reimburse all applicable  
15 noninstitutional health providers, excluding  
16 anesthesia and dental services, that on June 30, 2000,  
17 are reimbursed on a fee-for-service basis for  
18 provision of services under the medical assistance  
19 program. The department shall apply the federal  
20 Medicare resource-based relative value scale  
21 methodology to such health providers in the same  
22 manner as the methodology is applied under the federal  
23 Medicare program and shall not utilize the resource-  
24 based relative value scale methodology in a manner  
25 that discriminates between such health providers. The  
26 reimbursement schedule shall be adjusted, annually, on  
27 July 1, and shall provide for reimbursement that is  
28 not less than the reimbursement provided under the fee  
29 schedule established for Iowa under the federal  
30 Medicare program in effect on January 1 of that  
31 calendar year.

32 Sec. 8. Section 514I.8, subsection 1, Code 1999,  
33 is amended to read as follows:

34 1. Effective July 1, 1998, and notwithstanding any  
35 medical assistance program eligibility criteria to the  
36 contrary, medical assistance shall be provided to, or  
37 on behalf of, an eligible child under the age of  
38 nineteen whose family income does not exceed one  
39 hundred thirty-three percent of the federal poverty  
40 level, as defined by the most recently revised poverty  
41 income guidelines published by the United States  
42 department of health and human services.

43 Additionally, effective July 1, 2000, and  
44 notwithstanding any medical assistance program  
45 eligibility criteria to the contrary, medical  
46 assistance shall be provided to, or on behalf of, an  
47 eligible infant whose family income does not exceed  
48 two hundred percent of the federal poverty level, as  
49 defined by the most recently revised poverty income  
50 guidelines published by the United States department

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1 of health and human services.

2 Sec. 9. Section 514I.8, subsection 2, paragraph c,  
3 Code 1999, is amended to read as follows:

4 c. Is a member of a family whose **adjusted-gross**  
5 income does not exceed **one two hundred eighty-five**  
6 percent of the federal poverty level, as defined in 42  
7 U.S.C. § 9902(2), including any revision required by  
8 such section.

9 Sec. 10. Section 514I.10, Code 1999, is amended to  
10 read as follows:

11 514I.10 COST SHARING.

12 1. Cost sharing for eligible children whose family  
13 **adjusted-gross** income is at or below one hundred fifty  
14 percent of the federal poverty level shall not exceed  
15 the standards permitted under 42 U.S.C. §  
16 1396(o)(a)(3) or § 1396(o)(b)(1).

17 2. Cost sharing for eligible children whose family  
18 **adjusted-gross** income is between one hundred fifty  
19 percent and **one two hundred eighty-five** percent of the  
20 federal poverty level shall include a premium or  
21 copayment amount which is at least a minimum amount  
22 but which does not exceed five percent of the annual  
23 family **adjusted-gross** income. The amount of the  
24 premium or the copayment amount shall be based on a  
25 ~~sliding-fee-scale-established-by-rule-which-is-based~~  
26 ~~on family adjusted-gross income and the size of-the~~  
27 ~~family.~~

28 Sec. 11. EMERGENCY RULES. If specifically  
29 authorized by a provision of this Act, the department  
30 of human services may adopt administrative rules under  
31 section 17A.4, subsection 2, and section 17A.5,  
32 subsection 2, paragraph "b", to implement the  
33 provisions and the rules shall become effective  
34 immediately upon filing, unless the effective date is  
35 delayed by the administrative rules review committee,  
36 notwithstanding section 17A.4, subsection 5, and  
37 section 17A.8, subsection 9, or a later effective date  
38 is specified in the rules. Any rules adopted in  
39 accordance with the provisions of this section shall  
40 also be published as notice of intended action as  
41 provided in section 17A.4.

42 Sec. 12. EFFECTIVE DATE -- RETROACTIVE  
43 APPLICABILITY. Section 2 of this Act, relating to  
44 appropriation of funding for the appropriation of  
45 funds to the Iowa department of public health for a  
46 tobacco use prevention and control program, being  
47 deemed of immediate importance, takes effect upon  
48 enactment and is retroactively applicable to April 1,  
49 2000."

50 2. Title page, line 2, by inserting after the

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1 word "fund" the following: "providing an effective  
2 date, and providing for retroactive applicability".

By HEATON of Henry

H-8930 FILED APRIL 18, 2000

*Adopted*  
*4-18-00 (P. 1602)*

HOUSE FILE 2555

H-8932

1 Amend the amendment, H-8930, to House File 2555 as  
2 follows:

3 1. Page 1, line 33, by striking the word  
4 "audited" and inserting the following: "negotiated".

5 2. Page 1, line 43, by striking the word  
6 "audited" and inserting the following: "negotiated".

7 3. Page 1, line 49, by striking the word  
8 "audited" and inserting the following: "negotiated".

9 4. Page 2, by striking lines 29 and 30, and  
10 inserting the following: "service providers under the  
11 purview of the department of human services, with the  
12 exception of family support subsidy providers, by up  
13 to 1 percent over the rates in".

14 5. By renumbering as necessary.

By MURPHY of Dubuque

H-8932 FILED APRIL 18, 2000

*Adopted*  
*4/18/00 (P. 1601)*

HOUSE FILE 2555

H-8933

1 Amend the amendment, H-8930, to House File 2555 as  
2 follows:

3 1. Page 2, by striking lines 48 through 50.

By MURPHY of Dubuque

H-8933 FILED APRIL 18, 2000

*Adopted*  
*4/18/00*  
*(P. 1601)*



## HOUSE FILE 2555

H-8940

- 1 Amend the amendment, H-8930, to House File 2555 as  
2 follows:
- 3 1. Page 10, by striking lines 28 through 41, and  
4 inserting the following:  
5 "Sec. \_\_\_\_ . EMERGENCY RULEMAKING. In adopting  
6 emergency rules under this Act, the department shall  
7 publish a notice of intended action no later than June  
8 14, 2000. Notwithstanding section 17A.4, subsection  
9 1, paragraph "b", any opportunity for oral  
10 presentation concerning this notice shall be requested  
11 by June 19, 2000, and is exempted from the specified  
12 publication and timing requirements. Any such  
13 opportunity may be held only in the locale from which  
14 the request originated. Notwithstanding section  
15 17A.4, subsection 1, paragraph "b", any written  
16 comment must be received no later than June 23, 2000.  
17 Notwithstanding section 17A.5, subsection 2, these  
18 rules shall be adopted prior to the expiration of  
19 thirty-five days following the publication of a notice  
20 of intended action and shall be effective on July 1,  
21 2000."
- 22 2. Page 10, line 49, by inserting after the  
23 figure "2000." the following: "Section 11 of this  
24 Act, being deemed of immediate importance, takes  
25 effect upon enactment."
- 26 3. By renumbering as necessary.

By CARROLL of Poweshiek

H-8940 FILED APRIL 18, 2000

*W/D*  
*4/18/00 (p. 1601)* HOUSE FILE 2555

H-8941

- 1 Amend the amendment, H-8930 to House File 2555 as  
2 follows:
- 3 1. Page 10, line 41, by inserting after the  
4 figure "17A.4" the following: "no later than June 14,  
5 2000".
- 6 2. Page 10, line 49, by inserting after the  
7 figure "2000." the following: "Section 11 of this  
8 Act, being deemed of immediate importance, takes  
9 effect upon enactment."

By CARROLL of Poweshiek

H-8941 FILED APRIL 18, 2000

*Adopted*  
*4/18/00*  
*(p. 1601)*

## HOUSE FILE 2555

H-8945

1 Amend the amendment, H-8930, to House File 2555 as  
2 follows:

3 1. Page 2, by striking lines 37 through 41 and  
4 inserting the following:

5 "The department of human services shall conduct a  
6 review of reimbursement rates and the reimbursement  
7 methodology for providers of dental services,  
8 including the feasibility of changing from a system  
9 that is based upon a percentage of the usual,  
10 customary, and reasonable rates to one that is  
11 percentile-based, and shall submit a report of its  
12 findings to the governor and the general assembly on  
13 or before December 1, 2000."

By BLODGETT of Cerro Gordo

H-8945 FILED APRIL 18, 2000

*adapted*  
*4/18/00*  
*(P. 1602)*

4/18/00 approp  
S. 4/19/00 Do Pass

HOUSE FILE **2555**  
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HSB 781)

(As Amended and Passed by the House, April 18, 2000)

Passed House, Date 4-18-00 (P.1602)      Passed Senate, Date 4/20/00 (P.1300)  
Vote: Ayes 100 Nays 0      Vote: Ayes 47 Nays 0  
Approved 5/5/00

**A BILL FOR**

1 An Act relating to and making appropriations from the tobacco  
2 settlement fund, providing an effective date, and providing  
3 for retroactive applicability.

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

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ALL NEW LANGUAGE

HF 2555

1 Section 1. TOBACCO SETTLEMENT FUND -- APPROPRIATIONS TO  
2 DEPARTMENTS. There is appropriated from the tobacco  
3 settlement fund created in section 12.65 to the following  
4 departments for the fiscal year beginning July 1, 2000, and  
5 ending June 30, 2001, the following amounts, or so much  
6 thereof as is necessary, to be used for the purposes  
7 designated:

8 1. To the department of human services:

9 a. Beginning November 1, 2000, to increase the  
10 reimbursement rate for all noninstitutional medical assistance  
11 providers, excluding anesthesia and dental services, to the  
12 rate in effect on January 1, 2000, under the fee schedule  
13 established for Iowa under the federal Medicare program that  
14 incorporates the resource-based relative value scale  
15 methodology:

16 ..... \$ 6,000,000

17 b. To increase the reimbursement rate to 75 percent of the  
18 usual and customary rate for the fiscal year July 1, 2000,  
19 through June 30, 2001, for dental services under the medical  
20 assistance program:

21 ..... \$ 3,600,000

22 c. To provide a cost-of-living adjustment for the fiscal  
23 year July 1, 2000, through June 30, 2001, of 5 percent to  
24 rehabilitative treatment and support services providers under  
25 the medical assistance program:

26 ..... \$ 3,100,000

27 The cost of living adjustment for rehabilitative treatment  
28 and support services providers shall be applied to each  
29 individual provider's state negotiated rate.

30 d. To provide a cost-of-living adjustment for the fiscal  
31 year July 1, 2000, through June 30, 2001, of 5 percent to  
32 adoption, independent living, shelter care, and home studies  
33 services providers:

34 ..... \$ 500,000

35 The cost-of-living adjustment for licensed or approved

1 shelter care providers shall be applied to each individual  
2 licensed or approved shelter care provider's state negotiated  
3 rate. On or before August 1, 2000, the department shall  
4 recalculate the statewide average cost of shelter care to  
5 include the total amount of the individual providers' cost-of-  
6 living adjustments. The cost-of-living adjustment percentage  
7 specified in this lettered paragraph shall be applied directly  
8 to the state's negotiated shelter care per diem reimbursement  
9 rate.

10 e. To increase the reimbursement rate for the fiscal year  
11 July 1, 2000, through June 30, 2001, for hospitals under the  
12 medical assistance program by 3 percent over the reimbursement  
13 rate in effect on June 30, 2000:

14 ..... \$ 2,300,000

15 f. To increase the reimbursement rate for the fiscal year  
16 July 1, 2000, through June 30, 2001, for home health care  
17 services under the medical assistance program to the rate  
18 provided for such services under the federal Medicare program:

19 ..... \$ 2,400,000

20 g. To increase the reimbursement rate for the fiscal year  
21 July 1, 2000, through June 30, 2001, for critical access  
22 hospitals under the medical assistance program to the rate  
23 provided for such hospitals under the federal Medicare  
24 program:

25 ..... \$ 250,000

26 h. To provide for expansion of home health care services  
27 and habilitative day care under the medical assistance program  
28 for children with special needs:

29 ..... \$ 4,400,000

30 i. To provide for expansion of respite care services  
31 provided through home and community-based waivers under the  
32 medical assistance program:

33 ..... \$ 1,200,000

34 j. To increase the reimbursement rate for the fiscal year  
35 July 1, 2000, through June 30, 2001, to service providers

1 under the purview of the department of human services, with  
2 the exception of family support subsidy providers, by up to 1  
3 percent over the rates in effect on June 30, 2000:

4 ..... \$ 550,000

5 Of the funds appropriated to the department of human  
6 services under this subsection, \$182,381 shall be used to meet  
7 the maintenance of effort requirements under the state  
8 supplementary assistance program.

9 The department of human services shall conduct a review of  
10 reimbursement rates and the reimbursement methodology for  
11 providers of dental services, including the feasibility of  
12 changing from a system that is based upon a percentage of the  
13 usual, customary, and reasonable rates to one that is  
14 percentile-based, and shall submit a report of its findings to  
15 the governor and the general assembly on or before December 1,  
16 2000.

17 The department of human services may adopt emergency rules  
18 to implement this subsection.

19 2. To the department of human services to supplement the  
20 children's health insurance program appropriation:

21 ..... \$ 200,000

22 3. To the department of human services for performance of  
23 the evaluation required under this subsection:

24 ..... \$ 35,000

25 The department of human services shall seek a waiver from  
26 the health care financing administration of the United States  
27 department of health and human services to implement a pilot  
28 project in fiscal year 2000-2001 to study the effects of  
29 providing continuous eligibility for children under the  
30 medical assistance program. If the waiver is approved, the  
31 pilot project shall be implemented in one rural and one urban  
32 county, and the department shall enter into a contract with an  
33 entity outside of the department to perform an evaluation of  
34 the pilot project. The evaluating entity shall coordinate its  
35 efforts with efforts of the United States department of health

1 and human services relating to evaluation of continuous  
2 eligibility. The evaluating entity shall submit a report to  
3 the general assembly on or before December 15, 2000, regarding  
4 the findings of the pilot project including, but not limited  
5 to, any increased costs which may be incurred through  
6 continuous eligibility. The report shall also include  
7 recommendations for discontinuation or expansion of the pilot  
8 project.

9 4. To the Iowa department of public health:

10 a. For additional substance abuse treatment under the  
11 substance abuse treatment program:

12 ..... \$ 11,900,000

13 (1) The department shall use funds appropriated in this  
14 paragraph to enhance the quality of and to expand the capacity  
15 to provide 24-hour substance abuse treatment programs.

16 (2) The department shall use funds appropriated in this  
17 paragraph to expand the length of individual client substance  
18 abuse treatment plans, as necessary to reduce program  
19 recidivism.

20 (3) The department shall use funds appropriated in this  
21 paragraph to share research-based best practices for treatment  
22 with substance abuse treatment facilities.

23 (4) The department shall use funds appropriated in this  
24 paragraph to develop a results-based funding approach for  
25 substance abuse treatment services.

26 (5) The department shall use funds appropriated in this  
27 paragraph to develop a program to encourage individuals who  
28 are successfully managing their substance abuse problems to  
29 serve as role models.

30 b. For development of a healthy Iowans 2010 plan within  
31 the Iowa department of public health and for not more than the  
32 following full-time equivalent positions:

33 ..... \$ 2,800,000

34 ..... FTEs 4.00

35 (1) Of the funds appropriated in this paragraph, not more

1 than \$1,500,000 shall be used for core public health  
2 functions, including home health care and public health  
3 nursing services, contracted through a formula by local boards  
4 of health, to enhance disease and injury prevention services.

5 (2) Of the funds appropriated in this paragraph, not more  
6 than \$400,000 shall be used for the implementation and support  
7 of a coordinated system of delivery of trauma and emergency  
8 medical services.

9 (3) Of the funds appropriated in this paragraph, not more  
10 than \$437,000 shall be used for the establishment of a state  
11 poison control center.

12 (4) Of the funds appropriated in this paragraph, not more  
13 than \$300,000 shall be used for the development of scientific  
14 and medical expertise in environmental epidemiology.

15 (5) Of the funds appropriated in this paragraph, not more  
16 than \$163,000 shall be used to implement prevention strategies  
17 of Healthy Iowans 2010 to address the leading causes of death  
18 in Iowa.

19 5. To the department of corrections:

20 ..... \$ 610,000

21 a. Of the funds appropriated in this subsection, \$127,217  
22 is allocated to the second judicial district department of  
23 correctional services to replace expired federal funding for  
24 day programming.

25 b. Of the funds appropriated in this subsection, \$35,359  
26 is allocated to the third judicial district department of  
27 correctional services to replace expired federal funding for  
28 the drug court program.

29 c. Of the funds appropriated in this subsection, \$191,731  
30 is allocated to the fourth judicial district department of  
31 correctional services for a drug court program.

32 d. Of the funds appropriated in this subsection, \$255,693  
33 is allocated to the fifth judicial district department of  
34 correctional services to replace expired funding for the drug  
35 court program.



1 Sec. 2. TOBACCO SETTLEMENT FUND -- APPROPRIATION -- IOWA  
2 DEPARTMENT OF PUBLIC HEALTH. There is appropriated from the  
3 tobacco settlement fund created in section 12.65 to the Iowa  
4 department of public health for the fiscal period beginning  
5 April 1, 2000, and ending June 30, 2001, the following  
6 amounts, or so much thereof as is necessary, for the purpose  
7 designated, and for not more than the following full-time  
8 equivalent positions:

9 For a tobacco use prevention and control program, including  
10 efforts at the state and local levels, as provided by the 2000  
11 Session of the Seventy-eighth General Assembly:

12 ..... \$ 9,345,394  
13 ..... FTEs 7.00

14 1. Of the funds appropriated in this section, \$1,782,420  
15 shall be used to expand activities that ensure compliance with  
16 section 453A.2 and other laws and ordinances prohibiting the  
17 sale of tobacco products to persons under 18 years of age.  
18 Funds allocated in this subsection and used for the purposes  
19 of this subsection shall supplement, not supplant, other funds  
20 received or used to enforce these laws and ordinances.

21 The director of public health shall dedicate sufficient  
22 resources to promote and ensure retailer compliance with  
23 tobacco laws and ordinances relating to persons under 18 years  
24 of age, and shall prioritize the state's compliance in the  
25 allocation of available funds with section 218 of H.R. 3424 as  
26 enacted in Division B, Section 1000(a)(4) of H.R. 3194, and as  
27 incorporated by cross-reference in the conference report, H.  
28 Rept. 106-479 to H.R. 3194, as enacted in Pub. L. No. 106-113.

29 2. Of the funds appropriated in this section, not more  
30 than \$300,000 shall be used to conduct a statewide youth  
31 summit on tobacco use prevention and control. The summit shall  
32 be held no later than August 15, 2000.

33 3. Of the full-time equivalent positions authorized under  
34 this section, two full-time equivalent positions shall be  
35 utilized to provide for enforcement of tobacco laws and

1 regulations under contracts entered into between the Iowa  
2 department of public health and the alcoholic beverages  
3 division of the department of commerce.

4 4. Of the funds appropriated in this section, not more  
5 than \$525,759 shall be expended on administration and  
6 management of the program.

7 Sec. 3. PURCHASE OF SERVICE CONTRACT PROVIDERS --  
8 REIMBURSEMENT INCREASE. There is appropriated from the  
9 tobacco settlement fund created in section 12.65 to the  
10 property tax relief fund created in section 426B.1 for the  
11 fiscal year beginning July 1, 2000, and ending June 30, 2001,  
12 the following amount, or so much thereof as is necessary, to  
13 be used for the purposes designated:

14 For assistance to certain counties with limited county  
15 mental health, mental retardation, and developmental  
16 disabilities services fund balances to pay reimbursement  
17 increases in accordance with this section:

18 ..... \$ 2,000,000

19 1. For the purposes of this section unless the context  
20 otherwise requires:

21 a. "Adjusted actual cost" means a POS provider's cost as  
22 computed using the financial and statistical report for the  
23 provider's fiscal year which ended during the state fiscal  
24 year beginning July 1, 1998, as adjusted by multiplying those  
25 actual costs by 103.4 percent or the percentage adopted by the  
26 risk pool board in accordance with subsection 3, paragraph  
27 "c".

28 b. "Host county" means the county in which the primary  
29 offices of a POS provider are located. However, if a POS  
30 provider operates a separate program in more than one county,  
31 "host county" means the county in which the separate program  
32 is operated.

33 c. "Purchase of service provider" or "POS provider" means"  
34 a provider of sheltered work, work activity, supported  
35 employment, job placement, enclave services, adult day care,

1 transportation, supported community living services, or adult  
2 residential services paid by a county from the county's  
3 services fund created in section 331.424A under a state  
4 purchase of service or county contract.

5 d. "Risk pool board" means the same as used in section  
6 426B.5, subsection 3.

7 e. "Services fund" means the same as defined in section  
8 331.424A.

9 2. a. For the fiscal year beginning July 1, 2000, the  
10 counties receiving state payments from the property tax relief  
11 fund shall provide a reimbursement rate increase for the  
12 fiscal year to eligible POS providers. The purpose of the  
13 reimbursement rate increase is to assist POS providers that  
14 have increased the compensation of their service staff. The  
15 reimbursement rate increase shall apply to POS services  
16 provided during the entire fiscal year beginning July 1, 2000.

17 b. In order to be eligible, a POS provider's adjusted  
18 actual cost of providing a service must be in excess of the  
19 reimbursement rate paid to the provider by the county as of  
20 June 30, 2000, and the excess cost must be attributable, at  
21 least in part, to service staff compensation. The  
22 documentation used in determining whether actual costs have  
23 increased for a POS provider shall be the applicable amounts  
24 submitted to the host county in the provider's annual  
25 financial and statistical reports, completed in accordance  
26 with department of human services' rules for purchase of  
27 services. The determination shall be made by comparing the  
28 applicable amounts in the report for the POS provider's fiscal  
29 year which ended during state fiscal year 1998-1999, with the  
30 applicable amounts in the report for the POS provider's fiscal  
31 year which ended during state fiscal year 1999-2000.

32 c. The host county shall increase the POS provider's  
33 reimbursement rate to the POS provider's adjusted actual cost,  
34 subject to a maximum of 5 percent over the reimbursement rates  
35 paid by the host county to that POS provider as of June 30,

1 2000. The reimbursement rate increase approved by the host  
2 county shall be accepted by all other counties that have an  
3 arrangement with the POS provider for provision of the program  
4 or service.

5 3. a. If a county projects that payment of the  
6 reimbursement rate increase required pursuant to this section  
7 will cause the county to expend from the services fund during  
8 the fiscal year beginning July 1, 2000, an amount in excess of  
9 the sum of 100 percent of the county's budgeted expenses for  
10 that fiscal year and any amount of the county's previous  
11 fiscal year ending services fund balance in excess of 25  
12 percent of the county's gross expenditures from the services  
13 fund in the previous fiscal year, the county may apply for  
14 assistance from the moneys appropriated in this section. The  
15 board may accept or reject an application for assistance in  
16 whole or in part. The decision of the board is final.

17 b. The funding appropriated in this section shall be  
18 administered separately from other funding administered by the  
19 risk pool board pursuant to section 426B.5, subsection 3. On  
20 or before September 1, 2000, the risk pool board shall adopt  
21 rules, and implement forms, deadlines, application procedures,  
22 and other provisions necessary for distributing assistance  
23 moneys to such counties. The risk pool board may adopt the  
24 rules on an emergency basis under section 17A.4, subsection 2,  
25 and section 17A.5, subsection 2, paragraph "b", to implement  
26 the procedures and requirements and the rules shall be  
27 effective immediately upon filing unless a later date is  
28 specified in the rules. Any rules adopted in accordance with  
29 this paragraph shall also be published as a notice of intended  
30 action as provided in section 17A.4.

31 c. If the funds appropriated in this section are  
32 insufficient to pay the total amount of assistance to all  
33 counties that are determined by the risk pool board to be  
34 eligible for assistance under this subsection, the total  
35 amount of assistance shall be prorated among the eligible

1 counties by the risk pool board. However, if the risk pool  
2 board determines that prorating the amount of assistance would  
3 be required, in addition to or in lieu of prorating the amount  
4 of assistance, the risk pool board may adopt a different  
5 percentage for the definition of "adjusted actual cost" used  
6 in this section. If a different percentage is adopted, the  
7 percentage shall be applicable to reimbursement rates payable  
8 throughout the fiscal year. A county may delay payment of the  
9 reimbursement rate increase required by this section until the  
10 risk pool board has completed action as to adopting or not  
11 adopting a different percentage for the definition of  
12 "adjusted actual cost". Moneys appropriated in this section  
13 that remain unencumbered or unobligated at the close of the  
14 fiscal year shall revert to the tobacco settlement fund.

15 d. If a county receiving assistance in accordance with  
16 this subsection does not levy the maximum amount allowed for  
17 the county's mental health, mental retardation, and  
18 developmental disabilities services fund under section  
19 331.424A for the fiscal year beginning July 1, 2000, the  
20 county shall repay the assistance provided to the county in  
21 accordance with this subsection in the succeeding fiscal year.  
22 The repayment amount shall be limited to the amount by which  
23 the actual amount levied was less than the maximum amount  
24 allowed. Repayments shall be credited to the tobacco  
25 settlement fund.

26 4. The department of human services, in consultation with  
27 the risk pool board, shall develop and submit a recommendation  
28 on or before December 1, 2000, to the governor and the general  
29 assembly addressing provisions for counties receiving  
30 assistance under this section to continue receiving that  
31 assistance in subsequent fiscal years.

32 Sec. 4. SAVINGS ACCOUNT FOR HEALTHY IOWANS. There is  
33 appropriated from the tobacco settlement fund created in  
34 section 12.65 to the savings account for healthy Iowans  
35 established within the tobacco settlement fund, for the fiscal

1 year beginning July 1, 2000, and ending June 30, 2001, the  
2 following amount:

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

4 Sec. 5. REVERSION. Any moneys appropriated under this Act  
5 which are unexpended or unencumbered at the end of the fiscal  
6 period ending June 30, 2001, shall revert to the tobacco  
7 settlement fund.

8 Sec. 6. Section 249A.3, subsection 1, Code Supplement  
9 1999, is amended by adding the following new paragraph after  
10 paragraph k:

11 NEW PARAGRAPH. kk. Is an infant whose income is not more  
12 than two hundred percent of the federal poverty level, as  
13 defined by the most recently revised income guidelines  
14 published by the United States department of health and human  
15 services.

16 Sec. 7. NEW SECTION. 249A.20 NONINSTITUTIONAL HEALTH  
17 PROVIDERS -- REIMBURSEMENT.

18 Beginning November 1, 2000, the department shall use the  
19 federal Medicare resource-based relative value scale  
20 methodology to reimburse all applicable noninstitutional  
21 health providers, excluding anesthesia and dental services,  
22 that on June 30, 2000, are reimbursed on a fee-for-service  
23 basis for provision of services under the medical assistance  
24 program. The department shall apply the federal Medicare  
25 resource-based relative value scale methodology to such health  
26 providers in the same manner as the methodology is applied  
27 under the federal Medicare program and shall not utilize the  
28 resource-based relative value scale methodology in a manner  
29 that discriminates between such health providers. The  
30 reimbursement schedule shall be adjusted, annually, on July 1,  
31 and shall provide for reimbursement that is not less than the  
32 reimbursement provided under the fee schedule established for  
33 Iowa under the federal Medicare program in effect on January 1  
34 of that calendar year.

35 Sec. 8. Section 514I.8, subsection 1, Code 1999, is

1 amended to read as follows:

2 1. Effective July 1, 1998, and notwithstanding any medical  
3 assistance program eligibility criteria to the contrary,  
4 medical assistance shall be provided to, or on behalf of, an  
5 eligible child under the age of nineteen whose family income  
6 does not exceed one hundred thirty-three percent of the  
7 federal poverty level, as defined by the most recently revised  
8 poverty income guidelines published by the United States  
9 department of health and human services. Additionally,  
10 effective July 1, 2000, and notwithstanding any medical  
11 assistance program eligibility criteria to the contrary,  
12 medical assistance shall be provided to, or on behalf of, an  
13 eligible infant whose family income does not exceed two  
14 hundred percent of the federal poverty level, as defined by  
15 the most recently revised poverty income guidelines published  
16 by the United States department of health and human services.

17 Sec. 9. Section 514I.8, subsection 2, paragraph c, Code  
18 1999, is amended to read as follows:

19 c. Is a member of a family whose **adjusted-gross** income  
20 does not exceed **one two** hundred **eighty-five** percent of the  
21 federal poverty level, as defined in 42 U.S.C. § 9902(2),  
22 including any revision required by such section.

23 Sec. 10. Section 514I.10, Code 1999, is amended to read as  
24 follows:

25 514I.10 COST SHARING.

26 1. Cost sharing for eligible children whose family  
27 **adjusted-gross** income is at or below one hundred fifty percent  
28 of the federal poverty level shall not exceed the standards  
29 permitted under 42 U.S.C. § 1396(o)(a)(3) or § 1396(o)(b)(1).

30 2. Cost sharing for eligible children whose family  
31 **adjusted-gross** income is between one hundred fifty percent and  
32 **one two** hundred **eighty-five** percent of the federal poverty  
33 level shall include a premium or copayment amount which is at  
34 least a minimum amount but which does not exceed five percent  
35 of the annual family **adjusted-gross** income. The amount of the

1 premium or the copayment amount shall be based on a sliding  
2 fee-scale-established-by-rule-which-is-based-on family  
3 adjusted-gross income and the size of-the-family.

4 Sec. 11. EMERGENCY RULES. If specifically authorized by a  
5 provision of this Act, the department of human services may  
6 adopt administrative rules under section 17A.4, subsection 2,  
7 and section 17A.5, subsection 2, paragraph "b", to implement  
8 the provisions and the rules shall become effective  
9 immediately upon filing, unless the effective date is delayed  
10 by the administrative rules review committee, notwithstanding  
11 section 17A.4, subsection 5, and section 17A.8, subsection 9,  
12 or a later effective date is specified in the rules. Any  
13 rules adopted in accordance with the provisions of this  
14 section shall also be published as notice of intended action  
15 as provided in section 17A.4 no later than June 14, 2000.

16 Sec. 12. EFFECTIVE DATE -- RETROACTIVE APPLICABILITY.  
17 Section 2 of this Act, relating to appropriation of funding  
18 for the appropriation of funds to the Iowa department of  
19 public health for a tobacco use prevention and control  
20 program, being deemed of immediate importance, takes effect  
21 upon enactment and is retroactively applicable to April 1,  
22 2000. Section 11 of this Act, being deemed of immediate  
23 importance, takes effect upon enactment.

24

**HOUSE FILE 2555**

**S-5525**

1 Amend House File 2555, as amended, passed, and  
2 reprinted by the House, as follows:

3 1. Page 9, by inserting after line 4 the  
4 following:

5 "d. A POS provider that has negotiated a  
6 reimbursement rate increase with a host county as of  
7 July 1, 2000, has the option of exemption from the  
8 provisions of this section. Nothing in this section  
9 precludes a county from increasing reimbursement rates  
10 of POS providers that do not meet the criteria of this  
11 section or from increasing the rates by an amount that  
12 is greater than that specified in this section."

By KEN VEENSTRA

*wld 4/20/00 (p.1292)*

S-5525 FILED APRIL 19, 2000

HF 2555



HOUSE FILE 2555

S-5534

1 Amend House File 2555, as amended, passed, and  
 2 reprinted by the House, as follows:  
 3 1. Page 3, by inserting after line 16 the  
 4 following:  
 5 "The department of human services shall work with  
 6 private agency providers of child welfare and juvenile  
 7 justice services in developing a plan to raise the  
 8 staff compensation levels for such providers to a  
 9 level consistent with the compensation levels of  
 10 comparable state staff positions. The plan shall  
 11 provide for the compensation levels to become  
 12 consistent by the close of the fiscal year beginning  
 13 July 1, 2003. The plan shall be submitted to the  
 14 governor and the general assembly on or before  
 15 November 1, 2000."

By JOHNIE HAMMOND

S-5534 FILED APRIL 19, 2000

HOUSE FILE 2555

S-5536

1 Amend House File 2555 as amended, passed, and  
 2 reprinted by the House, as follows:  
 3 1. Page 4, by inserting after line 8, the  
 4 following:  
 5 "\_\_\_\_. To the department of human services:  
 6 For provision of reimbursement for smoking  
 7 cessation products and programs to individuals  
 8 eligible for medical assistance:  
 9 ..... \$ 575,000"  
 10 2. Page 11, line 3, by striking the figure  
 11 "3,800,000" and inserting the following: "3,225,000".

By MICHAEL E. GRONSTAL

S-5536 FILED APRIL 19, 2000

*Lost*  
*4/20/00 (p. 1291)* HOUSE FILE 2555

S-5537

1 Amend House File 2555, as amended, passed, and  
 2 reprinted by the House, as follows:  
 3 1. Page 2, line 14, by striking the figure  
 4 "2,300,000" and inserting the following: "6,100,000".  
 5 2. By striking page 10, line 32 through page 11,  
 6 line 3.  
 7 3. By renumbering as necessary.

By BETTY A. SOUKUP

S-5537 FILED APRIL 19, 2000

*Lost*  
*4/20/00*  
*(p. 1290)*

HOUSE FILE 2555

S-5546

1 Amend House File 2555, as amended, passed, and  
2 reprinted by the House, as follows:

3 1. Page 4, by inserting after line 8, the  
4 following:

5 "3A. To the department of human services:

6 For expansion of the school-based supervision  
7 program for children:

8 ..... \$ 650,000"

9 2. Page 11, line 3, by striking the figure  
10 "3,800,000" and inserting the following: "3,150,000".

By PATRICK J. DELUHERY

S-5546 FILED APRIL 20, 2000

LOST

(P.1291)

HOUSE FILE 2555

S-5547

1 Amend House File 2555, as amended, passed, and  
2 reprinted by the House, as follows:

3 1. Page 6, line 12, by striking the figure  
4 "9,345,394" and inserting the following:

5 "10,845,395".

6 2. Page 11, line 3, by striking the figure

7 "3,800,000" and inserting the following: "2,300,000".

By MICHAEL E. GRONSTAL

S-5547 FILED APRIL 20, 2000

LOST

(P.1292)

## HOUSE FILE 2555

S-5556

1 Amend House File 2555, as amended, passed, and  
2 reprinted by the House, as follows:

3 1. Page 11, by inserting after line 34 the  
4 following:

5 "Sec. 101. NEW SECTION. 453A.39 TOBACCO PRODUCT  
6 AND CIGARETTE SAMPLES -- RESTRICTIONS --  
7 ADMINISTRATION.

8 1. A manufacturer, distributor, wholesaler,  
9 retailer, or distributing agent or agent thereof shall  
10 not give away cigarettes or tobacco products at any  
11 time in connection with the manufacturer's,  
12 distributor's, wholesaler's, retailer's, or  
13 distributing agent's business or for promotion of the  
14 business or product, except as provided in subsection  
15 2.

16 2. a. A manufacturer, distributor, wholesaler,  
17 retailer, or distributing agent or agent thereof shall  
18 not give away any cigarettes or tobacco products to  
19 any person under eighteen years of age, or within five  
20 hundred feet of any playground, school, high school,  
21 or other facility when such facility is being used  
22 primarily by persons under age eighteen for  
23 recreational, educational, or other purposes.

24 b. Proof of age shall be required if a reasonable  
25 person could conclude on the basis of outward  
26 appearance that a prospective recipient of a sample  
27 may be under eighteen years of age.

28 c. Persons engaged in sampling shall secure stocks  
29 of samples in safe locations in order to avoid  
30 inadvertent distribution of samples contrary to the  
31 provisions of this section.

32 d. Sampling shall cease at a particular location  
33 when circumstances arise that make it apparent that  
34 sampling cannot continue in a manner consistent with  
35 the provisions of this section; however, sampling may  
36 resume at that location when such circumstances abate.

37 e. All cigarette samples shall be shipped to a  
38 distributor that has a permit to stamp cigarettes or  
39 little cigars with Iowa tax. The manufacturer  
40 shipping samples under this section shall send an  
41 affidavit to the director stating the quantity and to  
42 whom the samples were shipped. The distributor  
43 receiving the shipment shall send an affidavit to the  
44 director stating the quantity and from whom the  
45 samples were shipped. These affidavits shall be duly  
46 notarized and submitted to the director at time of  
47 shipment and receipt of the samples. The distributor  
48 shall pay the tax on samples by separate remittance  
49 along with the affidavit."

50 2. Page 13, by inserting after line 3 the

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Page 2

1 following:

2 "Sec. 102. Section 142A.6, subsection 6, as  
3 enacted by 2000 Iowa Acts, House File 2565, section 6,  
4 is amended by striking the subsection.

5 Sec. 103. 2000 Iowa Acts, House File 2565, section  
6 12, is repealed.

7 Sec. 104. REENACTMENT. Section 453A.39, Code  
8 1999, is reenacted, pursuant to section 4.10, if 2000  
9 Iowa Acts, House File 2565, is enacted prior to the  
10 enactment of this Act."

11 3. Page 13, by inserting after line 15 the  
12 following:

13 "Sec.     . EFFECTIVE DATE. Sections 101, 102,  
14 103, and 104 of this Act, being deemed of immediate  
15 importance, take effect upon enactment."

16 4. Title page, line 2, by striking the words "an  
17 effective date" and inserting the following:

18 "effective dates".

19 5. By renumbering as necessary.

By JACK RIFE

RICHARD F. DRAKE

S-5556 FILED APRIL 20, 2000

WITHDRAWN

(P. 1293)

## HOUSE FILE 2555

S-5560

1 Amend House File 2555, as amended, passed, and  
2 reprinted by the House, as follows:

3 1. Page 11, by inserting after line 34 the  
4 following:

5 "Sec. 101. NEW SECTION. 453A.39 TOBACCO PRODUCT  
6 AND CIGARETTE SAMPLES -- RESTRICTIONS --  
7 ADMINISTRATION.

8 1. A manufacturer, distributor, wholesaler,  
9 retailer, or distributing agent or agent thereof shall  
10 not give away cigarettes or tobacco products at any  
11 time in connection with the manufacturer's,  
12 distributor's, wholesaler's, retailer's, or  
13 distributing agent's business or for promotion of the  
14 business or product, except as provided in subsection  
15 2.

16 2. a. A manufacturer, distributor, wholesaler,  
17 retailer, or distributing agent or agent thereof shall  
18 not give away any cigarettes or tobacco products to  
19 any person under eighteen years of age, or within five  
20 hundred feet of any playground, school, high school,  
21 or other facility when such facility is being used  
22 primarily by persons under age eighteen for  
23 recreational, educational, or other purposes.

24 b. Proof of age shall be required if a reasonable  
25 person could conclude on the basis of outward  
26 appearance that a prospective recipient of a sample  
27 may be under eighteen years of age.

28 c. Persons engaged in sampling shall secure stocks  
29 of samples in safe locations in order to avoid  
30 inadvertent distribution of samples contrary to the  
31 provisions of this section.

32 d. Sampling shall cease at a particular location  
33 when circumstances arise that make it apparent that  
34 sampling cannot continue in a manner consistent with  
35 the provisions of this section; however, sampling may  
36 resume at that location when such circumstances abate.

37 e. All cigarette samples shall be shipped to a  
38 distributor that has a permit to stamp cigarettes or  
39 little cigars with Iowa tax. The manufacturer  
40 shipping samples under this section shall send an  
41 affidavit to the director stating the quantity and to  
42 whom the samples were shipped. The distributor  
43 receiving the shipment shall send an affidavit to the  
44 director stating the quantity and from whom the  
45 samples were shipped. These affidavits shall be duly  
46 notarized and submitted to the director at time of  
47 shipment and receipt of the samples. The distributor  
48 shall pay the tax on samples by separate remittance  
49 along with the affidavit."

50 2. Page 13, by inserting after line 3 the

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Page 2

1 following:

2 "Sec. 102. Section 142A.6, subsection 6, as  
3 enacted by 2000 Iowa Acts, House File 2565, section 6,  
4 is amended by striking the subsection.

5 Sec. 103. 2000 Iowa Acts, House File 2565, section  
6 12, is repealed.

7 Sec. 104. REENACTMENT. Section 453A.39, Code  
8 1999, is reenacted, pursuant to section 4.10, if 2000  
9 Iowa Acts, House File 2565, is enacted prior to the  
10 enactment of this Act."

11 3. Page 13, by inserting after line 15 the  
12 following:

13 "Sec.     . EFFECTIVE DATE. Sections 101, 102,  
14 103, and 104 of this Act, being deemed of immediate  
15 importance, take effect upon enactment."

16 4. Title page, line 2, by striking the words "an  
17 effective date" and inserting the following:  
18 "effective dates".

19 5. By renumbering as necessary.

By JACK RIFE

RICHARD F. DRAKE

S-5560 FILED APRIL 20, 2000  
WITHDRAWN

(P.1300)

## HOUSE FILE 2555

S-5561

1 Amend House File 2555, as amended, passed, and  
2 reprinted by the House, as follows:

3 1. Page 11, by inserting after line 34 the  
4 following:

5 "Sec. 101. NEW SECTION. 453A.39 TOBACCO PRODUCT  
6 AND CIGARETTE SAMPLES -- RESTRICTIONS --  
7 ADMINISTRATION.

8 1. A manufacturer, distributor, wholesaler,  
9 retailer, or distributing agent or agent thereof shall  
10 not give away cigarettes or tobacco products at any  
11 time in connection with the manufacturer's,  
12 distributor's, wholesaler's, retailer's, or  
13 distributing agent's business or for promotion of the  
14 business or product, except as provided in subsection  
15 2.

16 2. a. A manufacturer, distributor, wholesaler,  
17 retailer, or distributing agent or agent thereof shall  
18 not give away any cigarettes or tobacco products to  
19 any person under eighteen years of age, or within five  
20 hundred feet of any playground, school, high school,  
21 or other facility when such facility is being used  
22 primarily by persons under age eighteen for  
23 recreational, educational, or other purposes.

24 b. Proof of age shall be required if a reasonable  
25 person could conclude on the basis of outward  
26 appearance that a prospective recipient of a sample  
27 may be under eighteen years of age.

28 c. Persons engaged in sampling shall secure stocks  
29 of samples in safe locations in order to avoid  
30 inadvertent distribution of samples contrary to the  
31 provisions of this section.

32 d. Sampling shall cease at a particular location  
33 when circumstances arise that make it apparent that  
34 sampling cannot continue in a manner consistent with  
35 the provisions of this section; however, sampling may  
36 resume at that location when such circumstances abate.

37 e. All cigarette samples shall be shipped to a  
38 distributor that has a permit to stamp cigarettes or  
39 little cigars with Iowa tax. The manufacturer  
40 shipping samples under this section shall send an  
41 affidavit to the director stating the quantity and to  
42 whom the samples were shipped. The distributor  
43 receiving the shipment shall send an affidavit to the  
44 director stating the quantity and from whom the  
45 samples were shipped. These affidavits shall be duly  
46 notarized and submitted to the director at time of  
47 shipment and receipt of the samples. The distributor  
48 shall pay the tax on samples by separate remittance  
49 along with the affidavit.

50 3. The prohibitions in this section do not apply

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Page 2

1 to transactions between manufacturers, distributors,  
2 wholesalers, or retailers."

3 2. Page 13, by inserting after line 3 the  
4 following:

5 "Sec. 102. Section 142A.6, subsection 6, as  
6 enacted by 2000 Iowa Acts, House File 2565, section 6,  
7 is amended by striking the subsection.

8 Sec. 103. 2000 Iowa Acts, House File 2565, section  
9 12, is repealed."

10 3. Page 13, by inserting after line 15 the  
11 following:

12 "Sec. \_\_\_\_ . EFFECTIVE DATE. Sections 101, 102, and  
13 103 of this Act, being deemed of immediate importance,  
14 take effect upon enactment."

15 4. Title page, line 2, by striking the words "an  
16 effective date" and inserting the following:  
17 "effective dates".

18 5. By renumbering as necessary.

By JACK RIFE

RICHARD F. DRAKE

S-5561 FILED APRIL 20, 2000

RULED OUT OF ORDER

(P, 301)



HOUSE FILE 2555

AN ACT

RELATING TO AND MAKING APPROPRIATIONS FROM THE TOBACCO SETTLEMENT FUND, PROVIDING AN EFFECTIVE DATE, AND PROVIDING FOR RETROACTIVE APPLICABILITY.

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

Section 1. TOBACCO SETTLEMENT FUND -- APPROPRIATIONS TO DEPARTMENTS. There is appropriated from the tobacco settlement fund created in section 12.65 to the following departments for the fiscal year beginning July 1, 2000, and ending June 30, 2001, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. To the department of human services:

a. Beginning November 1, 2000, to increase the reimbursement rate for all noninstitutional medical assistance providers, excluding anesthesia and dental services, to the rate in effect on January 1, 2000, under the fee schedule established for Iowa under the federal Medicare program that incorporates the resource-based relative value scale methodology:

..... \$ 6,000,000

b. To increase the reimbursement rate to 75 percent of the usual and customary rate for the fiscal year July 1, 2000, through June 30, 2001, for dental services under the medical assistance program:

..... \$ 3,600,000

c. To provide a cost-of-living adjustment for the fiscal year July 1, 2000, through June 30, 2001, of 5 percent to rehabilitative treatment and support services providers under the medical assistance program:

..... \$ 3,100,000

The cost-of-living adjustment for rehabilitative treatment and support services providers shall be applied to each individual provider's state negotiated rate.

d. To provide a cost-of-living adjustment for the fiscal year July 1, 2000, through June 30, 2001, of 5 percent to adoption, independent living, shelter care, and home studies services providers:

..... \$ 500,000

The cost-of-living adjustment for licensed or approved shelter care providers shall be applied to each individual licensed or approved shelter care provider's state negotiated rate. On or before August 1, 2000, the department shall recalculate the statewide average cost of shelter care to include the total amount of the individual providers' cost-of-living adjustments. The cost-of-living adjustment percentage specified in this lettered paragraph shall be applied directly to the state's negotiated shelter care per diem reimbursement rate.

e. To increase the reimbursement rate for the fiscal year July 1, 2000, through June 30, 2001, for hospitals under the medical assistance program by 3 percent over the reimbursement rate in effect on June 30, 2000:

..... \$ 2,300,000

f. To increase the reimbursement rate for the fiscal year July 1, 2000, through June 30, 2001, for home health care services under the medical assistance program to the rate provided for such services under the federal Medicare program:

..... \$ 2,400,000

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g. To increase the reimbursement rate for the fiscal year July 1, 2000, through June 30, 2001, for critical access hospitals under the medical assistance program to the rate provided for such hospitals under the federal Medicare program:

..... \$ 250,000

h. To provide for expansion of home health care services and habilitative day care under the medical assistance program for children with special needs:

..... \$ 4,400,000

i. To provide for expansion of respite care services provided through home and community-based waivers under the medical assistance program:

..... \$ 1,200,000

j. To increase the reimbursement rate for the fiscal year July 1, 2000, through June 30, 2001, to service providers under the purview of the department of human services, with the exception of family support subsidy providers, by up to 1 percent over the rates in effect on June 30, 2000:

..... \$ 550,000

Of the funds appropriated to the department of human services under this subsection, \$182,381 shall be used to meet the maintenance of effort requirements under the state supplementary assistance program.

The department of human services shall conduct a review of reimbursement rates and the reimbursement methodology for providers of dental services, including the feasibility of changing from a system that is based upon a percentage of the usual, customary, and reasonable rates to one that is percentile-based, and shall submit a report of its findings to the governor and the general assembly on or before December 1, 2000.

The department of human services may adopt emergency rules to implement this subsection.

2. To the department of human services to supplement the children's health insurance program appropriation: ●

..... \$ 200,000

3. To the department of human services for performance of the evaluation required under this subsection:

..... \$ 35,000

The department of human services shall seek a waiver from the health care financing administration of the United States department of health and human services to implement a pilot project in fiscal year 2000-2001 to study the effects of providing continuous eligibility for children under the medical assistance program. If the waiver is approved, the pilot project shall be implemented in one rural and one urban county, and the department shall enter into a contract with an entity outside of the department to perform an evaluation of the pilot project. The evaluating entity shall coordinate its efforts with efforts of the United States department of health and human services relating to evaluation of continuous eligibility. The evaluating entity shall submit a report to the general assembly on or before December 15, 2000, regarding the findings of the pilot project including, but not limited to, any increased costs which may be incurred through continuous eligibility. The report shall also include recommendations for discontinuation or expansion of the pilot project.

4. To the Iowa department of public health:

a. For additional substance abuse treatment under the substance abuse treatment program:

..... \$ 11,900,000

(1) The department shall use funds appropriated in this paragraph to enhance the quality of and to expand the capacity to provide 24-hour substance abuse treatment programs.

(2) The department shall use funds appropriated in this paragraph to expand the length of individual client substance abuse treatment plans, as necessary to reduce program recidivism.

(3) The department shall use funds appropriated in this paragraph to share research-based best practices for treatment with substance abuse treatment facilities.

(4) The department shall use funds appropriated in this paragraph to develop a results-based funding approach for substance abuse treatment services.

(5) The department shall use funds appropriated in this paragraph to develop a program to encourage individuals who are successfully managing their substance abuse problems to serve as role models.

b. For development of a healthy Iowans 2010 plan within the Iowa department of public health and for not more than the following full-time equivalent positions:

..... \$ 2,800,000  
..... FTEs 4.00

(1) Of the funds appropriated in this paragraph, not more than \$1,500,000 shall be used for core public health functions, including home health care and public health nursing services, contracted through a formula by local boards of health, to enhance disease and injury prevention services.

(2) Of the funds appropriated in this paragraph, not more than \$400,000 shall be used for the implementation and support of a coordinated system of delivery of trauma and emergency medical services.

(3) Of the funds appropriated in this paragraph, not more than \$437,000 shall be used for the establishment of a state poison control center.

(4) Of the funds appropriated in this paragraph, not more than \$300,000 shall be used for the development of scientific and medical expertise in environmental epidemiology.

(5) Of the funds appropriated in this paragraph, not more than \$163,000 shall be used to implement prevention strategies of healthy Iowans 2010 to address the leading causes of death in Iowa.

5. To the department of corrections:

..... \$ 610,000

a. Of the funds appropriated in this subsection, \$127,217 is allocated to the second judicial district department of correctional services to replace expired federal funding for day programming.

b. Of the funds appropriated in this subsection, \$35,359 is allocated to the third judicial district department of correctional services to replace expired federal funding for the drug court program.

c. Of the funds appropriated in this subsection, \$191,731 is allocated to the fourth judicial district department of correctional services for a drug court program.

d. Of the funds appropriated in this subsection, \$255,693 is allocated to the fifth judicial district department of correctional services to replace expired funding for the drug court program.

Sec. 2. TOBACCO SETTLEMENT FUND -- APPROPRIATION -- IOWA DEPARTMENT OF PUBLIC HEALTH. There is appropriated from the tobacco settlement fund created in section 12.65 to the Iowa department of public health for the fiscal period beginning April 1, 2000, and ending June 30, 2001, the following amounts, or so much thereof as is necessary, for the purpose designated, and for not more than the following full-time equivalent positions:

For a tobacco use prevention and control program, including efforts at the state and local levels, as provided by the 2000 Session of the Seventy-eighth General Assembly:

..... \$ 9,345,394  
..... FTEs 7.00

1. Of the funds appropriated in this section, \$1,782,420 shall be used to expand activities that ensure compliance with section 453A.2 and other laws and ordinances prohibiting the sale of tobacco products to persons under 18 years of age. Funds allocated in this subsection and used for the purposes of this subsection shall supplement, not supplant, other funds received or used to enforce these laws and ordinances.

(3) The department shall use funds appropriated in this paragraph to share research-based best practices for treatment with substance abuse treatment facilities.

(4) The department shall use funds appropriated in this paragraph to develop a results-based funding approach for substance abuse treatment services.

(5) The department shall use funds appropriated in this paragraph to develop a program to encourage individuals who are successfully managing their substance abuse problems to serve as role models.

b. For development of a healthy Iowans 2010 plan within the Iowa department of public health and for not more than the following full-time equivalent positions:

..... \$ 2,800,000  
..... FTEs 4.00

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(2) Of the funds appropriated in this paragraph, not more than \$400,000 shall be used for the implementation and support of a coordinated system of delivery of trauma and emergency medical services.

(3) Of the funds appropriated in this paragraph, not more than \$437,000 shall be used for the establishment of a state poison control center.

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c. Of the funds appropriated in this subsection, \$191,731 is allocated to the fourth judicial district department of correctional services for a drug court program.

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Sec. 2. TOBACCO SETTLEMENT FUND -- APPROPRIATION -- IOWA DEPARTMENT OF PUBLIC HEALTH. There is appropriated from the tobacco settlement fund created in section 12.65 to the Iowa department of public health for the fiscal period beginning April 1, 2000, and ending June 30, 2001, the following amounts, or so much thereof as is necessary, for the purpose designated, and for not more than the following full-time equivalent positions:

For a tobacco use prevention and control program, including efforts at the state and local levels, as provided by the 2000 Session of the Seventy-eighth General Assembly:

..... \$ 9,345,394  
..... FTEs 7.00

1. Of the funds appropriated in this section, \$1,782,420 shall be used to expand activities that ensure compliance with section 453A.2 and other laws and ordinances prohibiting the sale of tobacco products to persons under 18 years of age. Funds allocated in this subsection and used for the purposes of this subsection shall supplement, not supplant, other funds received or used to enforce these laws and ordinances.

The director of public health shall dedicate sufficient resources to promote and ensure retailer compliance with tobacco laws and ordinances relating to persons under 18 years of age, and shall prioritize the state's compliance in the allocation of available funds with section 218 of H.R. 3424 as enacted in Division B, Section 1000(a)(4) of H.R. 3194, and as incorporated by cross-reference in the conference report, H. Rept. 106-479 to H.R. 3194, as enacted in Pub. L. No. 106-113.

2. Of the funds appropriated in this section, not more than \$300,000 shall be used to conduct a statewide youth summit on tobacco use prevention and control. The summit shall be held no later than August 15, 2000.

3. Of the full-time equivalent positions authorized under this section, two full-time equivalent positions shall be utilized to provide for enforcement of tobacco laws and regulations under contracts entered into between the Iowa department of public health and the alcoholic beverages division of the department of commerce.

4. Of the funds appropriated in this section, not more than \$525,759 shall be expended on administration and management of the program.

Sec. 3. PURCHASE OF SERVICE CONTRACT PROVIDERS -- REIMBURSEMENT INCREASE. There is appropriated from the tobacco settlement fund created in section 12.65 to the property tax relief fund created in section 426B.1 for the fiscal year beginning July 1, 2000, and ending June 30, 2001, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For assistance to certain counties with limited county mental health, mental retardation, and developmental disabilities services fund balances to pay reimbursement increases in accordance with this section:

..... \$ 2,000,000

1. For the purposes of this section unless the context otherwise requires:

a. "Adjusted actual cost" means a POS provider's cost as computed using the financial and statistical report for the provider's fiscal year which ended during the state fiscal year beginning July 1, 1998, as adjusted by multiplying those actual costs by 103.4 percent or the percentage adopted by the risk pool board in accordance with subsection 3, paragraph "c".

b. "Host county" means the county in which the primary offices of a POS provider are located. However, if a POS provider operates a separate program in more than one county, "host county" means the county in which the separate program is operated.

c. "Purchase of service provider" or "POS provider" means a provider of sheltered work, work activity, supported employment, job placement, enclave services, adult day care, transportation, supported community living services, or adult residential services paid by a county from the county's services fund created in section 331.424A under a state purchase of service or county contract.

d. "Risk pool board" means the same as used in section 426B.5, subsection 3.

e. "Services fund" means the same as defined in section 331.424A.

2. a. For the fiscal year beginning July 1, 2000, the counties receiving state payments from the property tax relief fund shall provide a reimbursement rate increase for the fiscal year to eligible POS providers. The purpose of the reimbursement rate increase is to assist POS providers that have increased the compensation of their service staff. The reimbursement rate increase shall apply to POS services provided during the entire fiscal year beginning July 1, 2000.

b. In order to be eligible, a POS provider's adjusted actual cost of providing a service must be in excess of the reimbursement rate paid to the provider by the county as of June 30, 2000, and the excess cost must be attributable, at

least in part, to service staff compensation. The documentation used in determining whether actual costs have increased for a POS provider shall be the applicable amounts submitted to the host county in the provider's annual financial and statistical reports, completed in accordance with department of human services' rules for purchase of services. The determination shall be made by comparing the applicable amounts in the report for the POS provider's fiscal year which ended during state fiscal year 1998-1999, with the applicable amounts in the report for the POS provider's fiscal year which ended during state fiscal year 1999-2000.

c. The host county shall increase the POS provider's reimbursement rate to the POS provider's adjusted actual cost, subject to a maximum of 5 percent over the reimbursement rates paid by the host county to that POS provider as of June 30, 2000. The reimbursement rate increase approved by the host county shall be accepted by all other counties that have an arrangement with the POS provider for provision of the program or service.

3. a. If a county projects that payment of the reimbursement rate increase required pursuant to this section will cause the county to expend from the services fund during the fiscal year beginning July 1, 2000, an amount in excess of the sum of 100 percent of the county's budgeted expenses for that fiscal year and any amount of the county's previous fiscal year ending services fund balance in excess of 25 percent of the county's gross expenditures from the services fund in the previous fiscal year, the county may apply for assistance from the moneys appropriated in this section. The board may accept or reject an application for assistance in whole or in part. The decision of the board is final.

b. The funding appropriated in this section shall be administered separately from other funding administered by the risk pool board pursuant to section 426B.5, subsection 3. On or before September 1, 2000, the risk pool board shall adopt

rules, and implement forms, deadlines, application procedures, and other provisions necessary for distributing assistance moneys to such counties. The risk pool board may adopt the rules on an emergency basis under section 17A.4, subsection 2, and section 17A.5, subsection 2, paragraph "b", to implement the procedures and requirements and the rules shall be effective immediately upon filing unless a later date is specified in the rules. Any rules adopted in accordance with this paragraph shall also be published as a notice of intended action as provided in section 17A.4.

c. If the funds appropriated in this section are insufficient to pay the total amount of assistance to all counties that are determined by the risk pool board to be eligible for assistance under this subsection, the total amount of assistance shall be prorated among the eligible counties by the risk pool board. However, if the risk pool board determines that prorating the amount of assistance would be required, in addition to or in lieu of prorating the amount of assistance, the risk pool board may adopt a different percentage for the definition of "adjusted actual cost" used in this section. If a different percentage is adopted, the percentage shall be applicable to reimbursement rates payable throughout the fiscal year. A county may delay payment of the reimbursement rate increase required by this section until the risk pool board has completed action as to adopting or not adopting a different percentage for the definition of "adjusted actual cost". Moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall revert to the tobacco settlement fund.

d. If a county receiving assistance in accordance with this subsection does not levy the maximum amount allowed for the county's mental health, mental retardation, and developmental disabilities services fund under section 331.424A for the fiscal year beginning July 1, 2000, the county shall repay the assistance provided to the county in

accordance with this subsection in the succeeding fiscal year. The repayment amount shall be limited to the amount by which the actual amount levied was less than the maximum amount allowed. Repayments shall be credited to the tobacco settlement fund.

4. The department of human services, in consultation with the risk pool board, shall develop and submit a recommendation on or before December 1, 2000, to the governor and the general assembly addressing provisions for counties receiving assistance under this section to continue receiving that assistance in subsequent fiscal years.

Sec. 4. SAVINGS ACCOUNT FOR HEALTHY IOWANS. There is appropriated from the tobacco settlement fund created in section 12.65 to the savings account for healthy Iowans established within the tobacco settlement fund, for the fiscal year beginning July 1, 2000, and ending June 30, 2001, the following amount:

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

Sec. 5. REVERSION. Any moneys appropriated under this Act which are unexpended or unencumbered at the end of the fiscal period ending June 30, 2001, shall revert to the tobacco settlement fund.

Sec. 6. Section 249A.3, subsection 1, Code Supplement 1999, is amended by adding the following new paragraph after paragraph k:

NEW PARAGRAPH. kk. Is an infant whose income is not more than two hundred percent of the federal poverty level, as defined by the most recently revised income guidelines published by the United States department of health and human services.

Sec. 7. NEW SECTION. 249A.20 NONINSTITUTIONAL HEALTH PROVIDERS -- REIMBURSEMENT.

Beginning November 1, 2000, the department shall use the federal Medicare resource-based relative value scale methodology to reimburse all applicable noninstitutional

health providers, excluding anesthesia and dental services, that on June 30, 2000, are reimbursed on a fee-for-service basis for provision of services under the medical assistance program. The department shall apply the federal Medicare resource-based relative value scale methodology to such health providers in the same manner as the methodology is applied under the federal Medicare program and shall not utilize the resource-based relative value scale methodology in a manner that discriminates between such health providers. The reimbursement schedule shall be adjusted, annually, on July 1, and shall provide for reimbursement that is not less than the reimbursement provided under the fee schedule established for Iowa under the federal Medicare program in effect on January 1 of that calendar year.

Sec. 8. Section 514I.8, subsection 1, Code 1999, is amended to read as follows:

1. Effective July 1, 1998, and notwithstanding any medical assistance program eligibility criteria to the contrary, medical assistance shall be provided to, or on behalf of, an eligible child under the age of nineteen whose family income does not exceed one hundred thirty-three percent of the federal poverty level, as defined by the most recently revised poverty income guidelines published by the United States department of health and human services. Additionally, effective July 1, 2000, and notwithstanding any medical assistance program eligibility criteria to the contrary, medical assistance shall be provided to, or on behalf of, an eligible infant whose family income does not exceed two hundred percent of the federal poverty level, as defined by the most recently revised poverty income guidelines published by the United States department of health and human services.

Sec. 9. Section 514I.8, subsection 2, paragraph c, Code 1999, is amended to read as follows:

c. Is a member of a family whose adjusted-gross income does not exceed one two hundred eighty-five percent of the

federal poverty level, as defined in 42 U.S.C. § 9902(2), including any revision required by such section.

Sec. 10. Section 5141.10, Code 1999, is amended to read as follows:

5141.10 COST SHARING.

1. Cost sharing for eligible children whose family adjusted-gross income is at or below one hundred fifty percent of the federal poverty level shall not exceed the standards permitted under 42 U.S.C. § 1396(o)(a)(3) or § 1396(o)(b)(1).

2. Cost sharing for eligible children whose family adjusted-gross income is between one hundred fifty percent and one two hundred eighty-five percent of the federal poverty level shall include a premium or copayment amount which is at least a minimum amount but which does not exceed five percent of the annual family adjusted-gross income. The amount of the premium or the copayment amount shall be based on ~~a sliding fee-scale-established-by-rule-which-is-based-on~~ family adjusted-gross income and the size of ~~the-family~~.

Sec. 11. EMERGENCY RULES. If specifically authorized by a provision of this Act, the department of human services may adopt administrative rules under section 17A.4, subsection 2, and section 17A.5, subsection 2, paragraph "b", to implement the provisions and the rules shall become effective immediately upon filing, unless the effective date is delayed by the administrative rules review committee, notwithstanding section 17A.4, subsection 5, and section 17A.8, subsection 9, or a later effective date is specified in the rules. Any rules adopted in accordance with the provisions of this section shall also be published as notice of intended action as provided in section 17A.4 no later than June 14, 2000.

Sec. 12. EFFECTIVE DATE -- RETROACTIVE APPLICABILITY. Section 2 of this Act, relating to appropriation of funding for the appropriation of funds to the Iowa department of public health for a tobacco use prevention and control program, being deemed of immediate importance, takes effect

upon enactment and is retroactively applicable to April 1, 2000. Section 11 of this Act, being deemed of immediate importance, takes effect upon enactment.

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BRENT SIEGRIST  
Speaker of the House

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MARY E. KRAMER  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2555, Seventy-eighth General Assembly.

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ELIZABETH ISAACSON  
Chief Clerk of the House

Approved Mays, 2000

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THOMAS J. VILSACK  
Governor