

HSB 213
LOCAL GOVERNMENT
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SF/HF 62

Houser, Chair
Van Engelenhoven
Burnett

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
LOCAL GOVERNMENT BILL BY
CHAIRPERSON HOUSER)

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

A BILL FOR

1 An Act relating to mental health, and mental retardation, and
2 other developmental disabilities and providing an effective
3 date.

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

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DIVISION I

MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES COMMISSION

Section 1. Section 225C.4, subsection 1, paragraph p, Code 1999, is amended to read as follows:

p. Recommend ~~and-enforce~~ to the commission minimum accreditation standards for the maintenance and operation of community mental health centers, services, and programs under section 230A.16. The administrator's review and evaluation of the centers, services, and programs for compliance with the adopted standards shall be as provided in section 230A.17.

Sec. 2. Section 225C.4, subsection 1, Code 1999, is amended by adding the following new paragraph:

NEW PARAGRAPH. pp. Recommend to the commission minimum standards for supported community living services. The administrator shall review and evaluate the services for compliance with the adopted standards.

Sec. 3. Section 225C.6, subsection 1, paragraph c, Code 1999, is amended to read as follows:

c. Adopt standards for community mental health centers, services, and programs as recommended under section 230A.16. The commission shall determine whether to grant, deny, or revoke the accreditation of the centers, services, and programs.

Sec. 4. Section 225C.6, subsection 1, paragraph 1, Code 1999, is amended to read as follows:

1. Establish standards for the provision under medical assistance of individual case management services. The commission shall determine whether to grant, deny, or revoke the accreditation of the services.

Sec. 5. Section 225C.21, subsection 2, Code 1999, is amended to read as follows:

2. The ~~department~~ commission shall adopt rules pursuant to chapter 17A establishing minimum standards for ~~the-programming~~ of supported community living services. The department shall ~~approve-all~~ determine whether to grant, deny, or revoke

1 approval for any supported community living services-which
2 meet-the-minimum-standards service.

3 DIVISION II

4 STATE-COUNTY MANAGEMENT COMMITTEE

5 Sec. 6. Section 331.438, subsection 4, paragraph b,
6 unnumbered paragraph 1, Code 1999, is amended to read as
7 follows:

8 The management committee shall consist of ~~not-more-than~~
9 ~~twelve~~ fourteen voting members as follows:

10 Sec. 7. Section 331.438, subsection 4, paragraph b,
11 subparagraph (1), Code 1999, is amended to read as follows:

12 (1) ~~An-equal-number-of-not-more-than-nine~~ Three members
13 shall be appointed by the director of human services and. The
14 director or another employee of the department of human
15 services designated by the director also shall serve as a
16 member. Four members shall be appointed by the Iowa state
17 association of counties and-one. One additional member shall
18 be jointly appointed by both entities. Members The four
19 members appointed by the Iowa state association of counties
20 shall be selected from a pool nominated by the county
21 supervisor affiliate of the association ~~with-four-members-from~~
22 ~~the-affiliate~~. The affiliate shall select the nominees from
23 the affiliate through a secret ballot process.

24 Sec. 8. Section 331.438, subsection 4, paragraph b, Code
25 1999, is amended by adding the following new subparagraph
26 after subparagraph (1) and renumbering the subsequent
27 subparagraphs:

28 NEW SUBPARAGRAPH. (2) The committee shall include two
29 members appointed by the community services affiliate of the
30 Iowa state association of counties.

31 Sec. 9. Section 331.438, subsection 4, paragraph b,
32 subparagraph (4), Code 1999, is amended to read as follows:

33 (4) A member who is not a legislator shall have expenses
34 and other costs paid by the state or the county entity that
35 the member represents. The committee shall ~~establish-terms~~

1 ~~for-its-members,~~ elect officers, adopt operating procedures,
2 and meet as deemed necessary by the committee. Terms of
3 office for the appointed voting members of the committee are
4 three years and shall be staggered. A vacancy on the
5 committee shall be filled in the same manner as the original
6 appointment.

7 Sec. 10. CORE SET OF SERVICES AND OTHER SUPPORT. The
8 state-county management committee shall explore the
9 feasibility of establishing a core set of mental health and
10 mental retardation and other developmental disabilities
11 services and other support that would be available statewide.
12 The committee shall include findings and a recommendation in
13 its annual report to the governor and general assembly on
14 January 1, 2000.

15 Sec. 11. STAGGERED TERMS. Effective July 1, 1999, the
16 appointing authorities for the state-county management
17 committee shall provide by mutual agreement for the staggering
18 of the terms of voting members of the committee so that the
19 terms of at least four members expire each year. Based on
20 this mutual agreement, the terms of individuals who are voting
21 members of the committee as of June 30, 1999, shall either
22 expire June 30, 1999, or be for one, two, or three years
23 beginning on July 1, 1999. The terms of the two
24 representatives of county single entry point process
25 administrators shall commence July 1, 1999. This section
26 takes effect June 30, 1999.

27 DIVISION III

28 ALLOWED GROWTH FACTOR ADJUSTMENT

29 Sec. 12. Section 331.439, subsection 3, paragraph b, Code
30 1999, is amended to read as follows:

31 b. Based upon information contained in county management
32 plans and budgets, the ~~state-county-management-committee~~
33 department of human services shall recommend in the
34 department's estimate of expenditure requirements submitted in
35 accordance with section 8.23, an allowed growth factor

1 adjustment to the governor ~~by November 15~~ for the fiscal year
 2 which commences two years from the beginning date of the
 3 fiscal year in progress at the time the recommendation is
 4 made. The allowed growth factor adjustment shall address
 5 costs associated with new consumers of service, service cost
 6 inflation, and investments for economy and efficiency. In
 7 developing the service cost inflation recommendation, the
 8 committee department shall consider the cost trends indicated
 9 by the gross expenditure amount reported in the expenditure
 10 reports submitted by counties pursuant to subsection 1,
 11 paragraph "a". The governor shall consider the ~~committee's~~
 12 department's recommendation in developing the governor's
 13 recommendation for an allowed growth factor adjustment for
 14 such fiscal year. The governor's recommendation shall be
 15 submitted at the time the governor's proposed budget for the
 16 succeeding fiscal year is submitted in accordance with chapter
 17 8.

DIVISION IV

COUNTY MANAGEMENT PLAN PROVISIONS

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 20 Sec. 13. Section 331.439, subsection 1, paragraph b, Code
 21 1999, is amended to read as follows:

22 b. The county developed and implemented a county
 23 management plan for the county's mental health, mental
 24 retardation, and developmental disabilities services in
 25 accordance with the provisions of this paragraph "b". The
 26 plan shall comply with the administrative rules adopted for
 27 this purpose by the council on human services and is subject
 28 to the approval of the director of human services in
 29 consultation with the state-county management committee
 30 created in section 331.438. The plan shall include a
 31 description of the county's service management provision for
 32 mental health, mental retardation, and developmental
 33 disabilities services. For mental retardation and
 34 developmental disabilities service management, the plan shall
 35 describe the county's development and implementation of a

1 managed system of cost-effective individualized services and
2 shall comply with the provisions of paragraph "d". The goal
3 of this part of the plan shall be to assist the individuals
4 served to be as independent, productive, and integrated into
5 the community as possible. The service management provisions
6 for mental health shall comply with the provisions of
7 paragraph "c". A county is subject to all of the following
8 provisions relating to county's management plan:

9 (1) The county shall have in effect an approved policies
10 and procedures manual for the county's services fund. The
11 manual submitted by the county as part of the county's
12 management plan for the fiscal year beginning July 1, 1999, as
13 approved by the director of human services, shall remain in
14 effect, subject to amendment. Prior to implementation of any
15 amendment to the manual, the amendment must be approved by the
16 director of human services in consultation with the state-
17 county management committee.

18 (2) The county shall submit a management plan review to
19 the department of human services by April 1 of each year. The
20 annual review shall incorporate an analysis of the data
21 associated with the services managed during the preceding
22 fiscal year by the county or by a managed care entity on
23 behalf of the county. The review shall provide the basis for
24 the county's strategic planning process.

25 (3) The county shall submit a strategic plan to the
26 department of human services by April 1 of each year. The
27 strategic plan shall describe how the county will proceed to
28 attain the goals and objectives contained in the strategic
29 plan for the succeeding fiscal year.

30 Sec. 14. Section 331.439, subsection 1, paragraph c,
31 subparagraph (1), Code 1999, is amended to read as follows:

32 (1) For mental health service management, the county may
33 either directly implement a system of service management and
34 contract with service providers, or contract with a private
35 entity to manage the system, provided all requirements of this

1 lettered paragraph are met by the private entity. The mental
 2 health service management shall incorporate a single entry
 3 point and clinical assessment process developed in accordance
 4 with the provisions of section 331.440. ~~The county shall~~
 5 ~~submit this part of the plan to the department of human~~
 6 ~~services for approval by April 1 for the succeeding year.~~
 7 ~~Initially, this part of the plan shall be submitted to the~~
 8 ~~department by April 1, 1996, and the county shall implement~~
 9 ~~the approved plan by July 1, 1996.~~

10 Sec. 15. Section 331.439, subsection 1, paragraphs d and
 11 e, Code 1999, are amended to read as follows:

12 d. For mental retardation and developmental disabilities
 13 services management, the county must either develop and
 14 implement a managed system of care which addresses a full
 15 array of appropriate services and cost-effective delivery of
 16 services or contract with a state-approved managed care
 17 contractor or contractors. Any system or contract implemented
 18 under this paragraph shall incorporate a single entry point
 19 and clinical assessment process developed in accordance with
 20 the provisions of section 331.440. The elements of the
 21 managed system of care and the state-approved managed care
 22 contract or contracts shall be specified in rules developed by
 23 the department of human services in consultation with the
 24 state-county management committee and adopted by the council
 25 on human services. ~~Initially, this part of the plan shall be~~
 26 ~~submitted to the department for approval on or before October~~
 27 ~~1, 1996, and shall be implemented on or before January 1,~~
 28 ~~1997. In fiscal years succeeding the fiscal year of initial~~
 29 ~~implementation, this part of the plan shall be submitted to~~
 30 ~~the department of human services for approval by April 1 for~~
 31 ~~the succeeding fiscal year.~~

32 e. ~~Changes to the approved plan are submitted at least~~
 33 ~~sixty days prior to the proposed change and are not to be~~
 34 ~~implemented prior to the director of human services' approval.~~

DIVISION V

1 RESIDENTIAL CARE FACILITIES FOR PERSONS WITH MENTAL
2 RETARDATION

3 Sec. 16. Section 135C.6, subsection 8, paragraph b, Code
4 1999, is amended read as follows:

5 b. A total of ~~twenty~~ forty residential care facilities for
6 persons with mental retardation which are licensed to serve no
7 more than five individuals may be authorized by the department
8 of human services to convert to operation as a residential
9 program under the provisions of a medical assistance home and
10 community-based services waiver for persons with mental
11 retardation. A converted residential program is subject to
12 the conditions stated in paragraph "a" except that the program
13 shall not serve more than five individuals. ~~The department of~~
14 ~~human services shall allocate conversion authorizations to~~
15 ~~provide for four conversions in each of the department's five~~
16 ~~service regions. If a conversion authorization allocated to a~~
17 ~~region is not used for conversion by January 1, 1998, the~~
18 ~~department of human services may reallocate the unused~~
19 ~~conversion authorization to another region. The department of~~
20 ~~human services shall study the cost effectiveness of the~~
21 ~~conversions and provide an initial report to the general~~
22 ~~assembly no later than January 27, 1998, and a final report no~~
23 ~~later than December 15, 1998.~~

24 EXPLANATION

25 This bill relates to mental health, mental retardation, and
26 developmental disabilities (MH/MR/DD) services and other
27 support.

28 Division I of the bill amends Code chapter 225C to provide
29 that the administrator of the division of mental health and
30 developmental disabilities recommends minimum standards for
31 community mental health centers and related services and
32 programs and evaluates compliance with the minimum standards.
33 However, the bill clarifies that the responsibility for
34 approving, denying, or revoking an accreditation is a duty of
35 the mental health and developmental disabilities commission.

1 The bill includes similar provisions for supported community
2 living services.

3 Division II relates to the state-county management
4 committee. Code section 331.438, relating to the MH/MR/DD
5 service delivery system and the state-county management
6 committee, is amended to change the committee's membership
7 provisions. Current law sets a limit on the number of members
8 appointed by the department of human services and the
9 counties. The bill changes these limits to reflect the number
10 of members to be appointed. The bill specifies that the
11 director of human services or a designee is to serve on the
12 committee. The membership of the committee is expanded by two
13 members to be appointed by the community services affiliate of
14 the Iowa state association of counties.

15 The state-county management committee is directed to
16 explore the feasibility of establishing a core set of mental
17 health, and mental retardation and other developmental
18 disabilities services and other support that would be
19 available statewide. The committee is to include findings and
20 a recommendation in its annual report to the governor and
21 general assembly on January 1, 2000.

22 The bill also provides for three-year terms of office for
23 the voting members of the committee. Under current law, the
24 committee itself determines the length of the terms of office.
25 The bill includes transition authority for the members'
26 appointing authorities to stagger the terms so that at least
27 four members' terms expire each year. The terms of the two
28 members appointed by the single entry point process
29 administrators are to commence July 1, 1999. This section of
30 the bill is effective on June 30, 1999.

31 Division III relates to the growth recommendation for
32 MH/MR/DD services. Code section 331.439, relating to county
33 management plans for MH/MR/DD services, is amended with
34 respect to allowed growth recommendations for the services
35 expenditures and state funding. The bill provides that the

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1 department of human services is to make the initial
2 recommendation to the governor as to the amount of allowed
3 growth in the service system in place of the state-county
4 management committee. The recommendation is to be submitted
5 as part of the regular state budget process.

6 Division IV amends Code section 331.439, relating to the
7 county management plans for MH/MR/DD services. The bill
8 provides that the policy and procedures manual submitted by a
9 county with the county management plan for the fiscal year
10 beginning July 1, 1999, and approved by the director of human
11 services shall remain in effect subject to amendment.

12 Amendments to the policies and procedures manual are subject
13 to the director's approval in consultation with the state-
14 county management committee.

15 A county is also to submit an annual management plan review
16 of data concerning the services provided under the management
17 plan in the previous fiscal year. In addition, a county is to
18 submit a strategic plan which is based upon the annual review.
19 These two items are to be submitted annually by April 1.

20 This division also strikes provisions requiring management
21 plan submissions for mental health and for mental retardation
22 and developmental disabilities services to the department of
23 human services annually by April 1, and for changes to be
24 submitted to the director of human services for approval 60
25 days prior to implementation.

26 Division V of the bill amends Code section 135C.6, relating
27 to exemptions from required licensing of health care
28 facilities. Current law exempts up to 20 residential care
29 facilities for persons with mental retardation (RCFMRs) each
30 serving five persons or fewer that are authorized by the
31 department of human services to convert to operation in
32 accordance with a federal home and community-based waiver for
33 persons with mental retardation under medical assistance
34 (Medicaid). The bill expands the conversion authorization to
35 40 facilities and strikes language requiring distribution

1 among the department's regions and for reports due by certain
2 dates.

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MAR 12 1999

Place On Calendar

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HOUSE FILE

BY COMMITTEE ON LOCAL GOVERNMENT

(SUCCESSOR TO HSB 213)

Passed House, Date _____ Passed Senate, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to mental health, mental retardation, and other
2 developmental disabilities and providing an effective date.

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

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HF 655

1 DIVISION I

2 MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES COMMISSION

3 Section 1. Section 225C.4, subsection 1, paragraph p, Code
4 1999, is amended to read as follows:

5 p. Recommend ~~and-enforce~~ to the commission minimum
6 accreditation standards for the maintenance and operation of
7 community mental health centers, services, and programs under
8 section 230A.16. The administrator's review and evaluation of
9 the centers, services, and programs for compliance with the
10 adopted standards shall be as provided in section 230A.17.

11 Sec. 2. Section 225C.4, subsection 1, Code 1999, is
12 amended by adding the following new paragraph:

13 NEW PARAGRAPH. pp. Recommend to the commission minimum
14 standards for supported community living services. The
15 administrator shall review and evaluate the services for
16 compliance with the adopted standards.

17 Sec. 3. Section 225C.6, subsection 1, paragraph c, Code
18 1999, is amended to read as follows:

19 c. Adopt standards for community mental health centers,
20 services, and programs as recommended under section 230A.16.
21 The commission shall determine whether to grant, deny, or
22 revoke the accreditation of the centers, services, and
23 programs.

24 Sec. 4. Section 225C.6, subsection 1, paragraph 1, Code
25 1999, is amended to read as follows:

26 1. Establish standards for the provision under medical
27 assistance of individual case management services. The
28 commission shall determine whether to grant, deny, or revoke
29 the accreditation of the services.

30 Sec. 5. Section 225C.21, subsection 2, Code 1999, is
31 amended to read as follows:

32 2. The department commission shall adopt rules pursuant to
33 chapter 17A establishing minimum standards for ~~the-programming~~
34 ~~of~~ supported community living services. The ~~department~~
35 commission shall ~~approve-all~~ determine whether to grant, deny,

1 or revoke approval for any supported community living services
2 which-meet-the-minimum-standards service.

3 DIVISION II

4 STATE-COUNTY MANAGEMENT COMMITTEE

5 Sec. 6. Section 331.438, subsection 4, paragraph b,
6 unnumbered paragraph 1, Code 1999, is amended to read as
7 follows:

8 The management committee shall consist of ~~not-more-than~~
9 twelve thirteen voting members as follows:

10 Sec. 7. Section 331.438, subsection 4, paragraph b,
11 subparagraph (1), Code 1999, is amended to read as follows:

12 (1) ~~An-equal-number-of-not-more-than-nine~~ Four members
13 shall be appointed by the director of human services and.
14 Four members shall be appointed by the Iowa state association
15 of counties and-one-additional-member-shall-be-jointly
16 appointed-by-both-entities. Members appointed by the Iowa
17 state association of counties shall be selected from a pool
18 nominated by the county supervisor affiliate of the
19 association with four members from the affiliate. The
20 affiliate shall select the nominees through a secret ballot
21 process. In addition, two members shall be appointed by the
22 community services affiliate of the Iowa state association of
23 counties.

24 Sec. 8. SERVICE SYSTEM ISSUES. The state-county
25 management committee shall create a task force to consider
26 issues and options regarding statewide eligibility standards,
27 identification of core or basic services to be made reasonably
28 available statewide, statewide equity and other considerations
29 associated with distributing state funding, implementation of
30 funding decategorization, changes in the membership
31 composition of the committee, legal settlement issues,
32 improved utilization of available funding streams, and the
33 allowed growth recommendation process. The committee shall
34 consider the task force report and incorporate the committee's
35 findings and recommendations on these topics in the

1 committee's annual report to the governor and general assembly
2 on January 1, 2000.

3 Sec. 9. STAGGERED TERMS. Effective July 1, 1999, the
4 appointing authorities for the state-county management
5 committee shall provide by mutual agreement for the staggering
6 of the terms of voting members of the committee so that the
7 terms of at least four members expire each year. Based on
8 this mutual agreement, the terms of individuals who are voting
9 members of the committee as of June 30, 1999, shall either
10 expire June 30, 1999, or be for one, two, or three years
11 beginning on July 1, 1999. The terms of the two
12 representatives of county single entry point process
13 administrators shall commence July 1, 1999. This section
14 takes effect June 30, 1999.

15 DIVISION III

16 COUNTY MANAGEMENT PLAN PROVISIONS

17 Sec. 10. Section 331.439, subsection 1, paragraph b, Code
18 1999, is amended to read as follows:

19 b. The county developed and implemented a county
20 management plan for the county's mental health, mental
21 retardation, and developmental disabilities services in
22 accordance with the provisions of this paragraph "b". The
23 plan shall comply with the administrative rules adopted for
24 this purpose by the council on human services and is subject
25 to the approval of the director of human services in
26 consultation with the state-county management committee
27 created in section 331.438. The plan shall include a
28 description of the county's service management provision for
29 mental health, mental retardation, and developmental
30 disabilities services. For mental retardation and
31 developmental disabilities service management, the plan shall
32 describe the county's development and implementation of a
33 managed system of cost-effective individualized services and
34 shall comply with the provisions of paragraph "d". The goal
35 of this part of the plan shall be to assist the individuals

1 served to be as independent, productive, and integrated into
2 the community as possible. The service management provisions
3 for mental health shall comply with the provisions of
4 paragraph "c". A county is subject to all of the following
5 provisions in regard to the county's management plan and
6 planning process:

7 (1) The county shall have in effect an approved policies
8 and procedures manual for the county's services fund. The
9 county management plan shall be defined in the manual. The
10 manual submitted by the county as part of the county's
11 management plan for the fiscal year beginning July 1, 1999, as
12 approved by the director of human services, shall remain in
13 effect, subject to amendment. An amendment to the manual
14 shall be submitted to the department of human services at
15 least forty-five days prior to the date of implementation.
16 Prior to implementation of any amendment to the manual, the
17 amendment must be approved by the director of human services
18 in consultation with the state-county management committee.

19 (2) For informational purposes, the county shall submit a
20 management plan review to the department of human services by
21 April 1 of each year. The annual review shall incorporate an
22 analysis of the data associated with the services managed
23 during the preceding fiscal year by the county or by a managed
24 care entity on behalf of the county.

25 (3) For informational purposes, every three years the
26 county shall submit to the department of human services a
27 three-year strategic plan. The strategic plan shall describe
28 how the county will proceed to attain the goals and objectives
29 contained in the strategic plan for the duration of the plan.
30 The three-year strategic plan shall be submitted by April 1,
31 2000, and by April 1 of every third year thereafter.

32 Sec. 11. Section 331.439, subsection 1, ~~paragraph c,~~
33 ~~subparagraph (1),~~ Code 1999, is amended to read as follows:

34 (1) For mental health service management, the county may
35 either directly implement a system of service management and

1 contract with service providers, or contract with a private
2 entity to manage the system, provided all requirements of this
3 lettered paragraph are met by the private entity. The mental
4 health service management shall incorporate a single entry
5 point and clinical assessment process developed in accordance
6 with the provisions of section 331.440. ~~The county shall~~
7 ~~submit this part of the plan to the department of human~~
8 ~~services for approval by April 1 for the succeeding year.~~
9 ~~Initially, this part of the plan shall be submitted to the~~
10 ~~department by April 17, 1996, and the county shall implement~~
11 ~~the approved plan by July 1, 1996.~~

12 Sec. 12. Section 331.439, subsection 1, paragraphs d and
13 e, Code 1999, are amended to read as follows:

14 d. For mental retardation and developmental disabilities
15 services management, the county must either develop and
16 implement a managed system of care which addresses a full
17 array of appropriate services and cost-effective delivery of
18 services or contract with a state-approved managed care
19 contractor or contractors. Any system or contract implemented
20 under this paragraph shall incorporate a single entry point
21 and clinical assessment process developed in accordance with
22 the provisions of section 331.440. The elements of the
23 managed system of care and the state-approved managed care
24 contract or contracts shall be specified in rules developed by
25 the department of human services in consultation with the
26 state-county management committee and adopted by the council
27 on human services. ~~Initially, this part of the plan shall be~~
28 ~~submitted to the department for approval on or before October~~
29 ~~17, 1996, and shall be implemented on or before January 1,~~
30 ~~1997. In fiscal years succeeding the fiscal year of initial~~
31 ~~implementation, this part of the plan shall be submitted to~~
32 ~~the department of human services for approval by April 1 for~~
33 ~~the succeeding fiscal year.~~

34 e. ~~Changes to the approved plan are submitted at least~~
35 ~~sixty days prior to the proposed change and are not to be~~

1 ~~implemented prior to the director of human services' approval~~

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DIVISION IV

3

RESIDENTIAL CARE FACILITIES FOR PERSONS WITH MENTAL

4

RETARDATION

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Sec. 13. Section 135C.6, subsection 8, paragraph b, Code
6 ~~1999~~, is amended read as follows:

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b. A total of twenty forty residential care facilities for
8 persons with mental retardation which are licensed to serve no
9 more than five individuals may be ~~authorized~~ by the department
10 of human services to ~~convert~~ to operation as a residential
11 program under the provisions of a medical assistance home and
12 community-based services waiver for persons with mental
13 retardation. A converted residential program is subject to
14 the conditions stated in paragraph "a" except that the program
15 shall not serve more than five individuals. ~~The department of~~
16 ~~human services shall allocate conversion authorizations to~~
17 ~~provide for four conversions in each of the department's five~~
18 ~~service regions. If a conversion authorization allocated to a~~
19 ~~region is not used for conversion by January 1, 1998, the~~
20 ~~department of human services may reallocate the unused~~
21 ~~conversion authorization to another region. The department of~~
22 ~~human services shall study the cost effectiveness of the~~
23 ~~conversions and provide an initial report to the general~~
24 ~~assembly no later than January 2, 1998, and a final report no~~
25 ~~later than December 15, 1998.~~

26

EXPLANATION

27 This bill relates to mental health, mental retardation, and
28 developmental disabilities (MH/MR/DD) services and other
29 support.

30 Division I of the bill amends Code Chapter 225C to provide
31 that the administrator of the division of mental health and
32 developmental disabilities recommends minimum standards for
33 community mental health centers and related services and
34 programs and evaluates compliance with the minimum standards.
35 However, the bill specifies that the responsibility for

1 approving, denying, or revoking an accreditation is a duty of
2 the mental health and developmental disabilities commission.
3 The bill includes similar provisions for supported community
4 living services.

5 Division II relates to the state-county management
6 committee. Code section 331.438, relating to the MH/MR/DD
7 service delivery system and the state-county management
8 committee, is amended to change the committee's membership
9 provisions. Current law sets a limit on the number of members
10 appointed by the department of human services and the
11 counties. The bill changes these limits to reflect the number
12 of members to be appointed. The member jointly appointed by
13 the director of human services and the Iowa state association
14 of counties is eliminated. The membership of the committee is
15 expanded by two members to be appointed by the community
16 services affiliate of the Iowa state association of counties.

17 The state-county management committee is directed to create
18 a task force to consider issues and options regarding
19 statewide eligibility standards, identification of core or
20 basic services to be made reasonably available statewide, and
21 a number of other issues. The committee is to include
22 findings and a recommendation in its annual report to the
23 governor and general assembly on January 1, 2000.

24 The bill includes transition ~~authority for the members'~~
25 appointing authorities to stagger the terms of office of
26 members so that at least four members' terms expire each year.
27 The terms of the two members appointed by the single entry
28 point process administrators are to commence July 1, 1999.
29 This section of the bill is effective on June 30, 1999.

30 Division III amends Code section 331.439, relating to the
31 county management plans for MH/MR/DD services. The bill
32 provides that the policies and procedures manual submitted by
33 a county with the county management plan for the fiscal year
34 beginning July 1, 1999, and approved by the director of human
35 services shall remain in effect subject to amendment. The

1 policies and procedures manual defines the county's management
2 plan. Amendments to the policies and procedures manual are
3 subject to the director's approval in consultation with the
4 state-county management committee.

5 A county is also to submit, for informational purposes, an
6 annual management plan review of data concerning the services
7 provided under the management plan in the previous fiscal
8 year. In addition, a county is to submit, for informational
9 purposes, a three-year strategic plan which is based upon the
10 annual review.

11 This division also strikes provisions requiring management
12 plan submissions for mental health and for mental retardation
13 and developmental disabilities services to the department of
14 human services annually by April 1, and for changes to be
15 submitted to the director of human services for approval 60
16 days prior to implementation.

17 Division IV of the bill amends Code section 135C.6,
18 relating to exemptions from required licensing of health care
19 facilities. Current law exempts up to 20 residential care
20 facilities for persons with mental retardation (RCFMRs) each
21 serving five persons or fewer that are authorized by the
22 department of human services to convert to operation in
23 accordance with a federal home and community-based waiver for
24 persons with mental retardation under medical assistance
25 (Medicaid). The bill expands the conversion authorization to
26 40 facilities and strikes language requiring distribution
27 among the department's regions and for reports due by certain
28 dates.

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HOUSE FILE 655

H-1260

- 1 Amend House File 655 as follows:
2 1. Page 2, by inserting after line 23 the
3 following:
4 "Sec. ____ . Section 331.438, subsection 4,
5 paragraph b, subparagraph (4), Code 1999, is amended
6 to read as follows:
7 (4) A member who is not a legislator shall have
8 expenses and other costs paid by the state or the
9 county entity that the member represents. The
10 committee shall ~~establish terms for its members~~, elect
11 officers, adopt operating procedures, and meet as
12 deemed necessary by the committee. Terms of office
13 for the appointed voting members of the committee are
14 three years and shall be staggered. A vacancy on the
15 committee shall be filled in the same manner as the
16 original appointment."
17 2. Page 2, line 33, by inserting after the word
18 "process." the following: "In considering the allowed
19 growth recommendation process, the task force shall
20 review the divergence between unmet needs in the
21 service delivery system and county expenditure trends
22 and shall make specific recommendations as to how
23 allowed growth funding can best be distributed to
24 address services that are not adequately funded and
25 population groups that are not served or are
26 underserved."
27 3. Page 3, by striking lines 11 through 14 and
28 inserting the following: "beginning on July 1, 1999.
29 The terms of the two members appointed by the
30 community services affiliate of the Iowa state
31 association of counties shall commence July 1, 1999.
32 This section takes effect June 30, 1999."
33 4. By renumbering as necessary.

By HOUSER of Pottawattamie

H-1260 FILED MARCH 25, 1999

Adopted
3/30/99
(P.934)

HOUSE FILE 655

H-1232

1 Amend House File 655 as follows:

2 1. Page 6, by inserting after line 25 the
3 following:

4 "DIVISION

5 THIRD-PARTY PAYMENT -- MENTAL HEALTH TREATMENT

6 Sec. ____ . NEW SECTION. 514C.14 COMPARABLE

7 COVERAGE FOR MENTAL HEALTH TREATMENT.

8 1. Notwithstanding section 514C.6, a policy or
9 contract providing for third-party payment or
10 prepayment of health or medical expenses shall provide
11 coverage benefits for services for clinical disorders
12 related to mental health which shall be on terms and
13 conditions which are comparable to the terms and
14 conditions for coverage benefits provided for other
15 health or medical disorders under the policy or
16 contract.

17 2. For purposes of this section, clinical
18 disorders related to mental health for which coverage
19 benefits are to be provided under this section are
20 biological brain diseases including schizophrenia,
21 schizoaffective disorder, major depressive disorder,
22 bipolar disorder, paranoia and other psychotic
23 disorders, obsessive-compulsive disorder, panic
24 disorder, and pervasive developmental disorder or
25 autism.

26 3. This section applies to the following classes
27 of third-party payment provider contracts or policies
28 delivered, issued for delivery, continued, or renewed
29 in this state on or after July 1, 1999:

30 a. Individual or group accident and sickness
31 insurance providing coverage on an expense-incurred
32 basis.

33 b. An individual or group hospital or medical
34 service contract issued pursuant to chapter 509, 514,
35 or 514A.

36 c. An individual or group health maintenance
37 organization contract regulated under chapter 514B.

38 d. An individual or group Medicare supplemental
39 policy, unless coverage pursuant to such policy is
40 preempted by federal law.

41 e. Any other entity engaged in the business of
42 insurance, risk transfer, or risk retention, which is
43 subject to the jurisdiction of the commissioner.

44 f. An organized delivery system licensed by the
45 director of public health."

46 2. By renumbering as necessary.

By GRUNDBERG of Polk

H-1232 FILED MARCH 24, 1999

*Not germane
motion to Suspend Rules Prevailed
3/30/98 (P.935)*

H-1272

1 Amend House File 655 as follows:

2 1. Page 6, by inserting after line 25 the
3 following:

4 "Sec. ____ . Section 222.68, Code 1999, is amended
5 to read as follows:

6 222.68 COSTS PAID IN FIRST INSTANCE.

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

21 2. If a county notifies the director of revenue
22 and finance that a person for whom the county has been
23 billed has legal settlement in another county or the
24 person has no legal settlement or the legal settlement
25 is unknown, the administrator shall request that the
26 attorney general cause an action to be brought in
27 accordance with section 222.70 to determine legal
28 settlement. If an action to determine legal
29 settlement is not brought within forty-five days of
30 the date by which the county notified the director of
31 revenue and finance, the billed county shall not be
32 liable for the billing, no further claim for the
33 billed expenses shall be made to that county, and the
34 state shall be liable for the billing. If the
35 administrator fails to respond within forty-five days
36 of being notified of a dispute of any other expense
37 billed to a county under this chapter, that county
38 shall not be liable for the billed expense and no
39 further claim for the expenses shall be made, and the
40 state shall be liable for the billing.

41 Sec. ____ . Section 230.12, subsection 3, Code 1999,
42 is amended to read as follows:

43 3. If an action under this section involves a
44 dispute between counties or between the administrator
45 and a county, the county determined to be the county
46 of legal settlement or the state, if it is determined
47 that the person has no legal settlement or the legal
48 settlement is unknown, shall reimburse a county for
49 the amount of costs paid by that county on behalf of
50 the person and for interest on this amount in

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1 accordance with section 535.3. In addition, the court
2 may order the county determined to be the county of
3 legal settlement, or the state, to reimburse any other
4 county involved in the dispute for the other county's
5 reasonable legal costs related to the dispute and may
6 tax the reasonable legal costs as court costs. The
7 court may order the county determined to be the county
8 of legal settlement, or the state, to pay a penalty to
9 the other county, in an amount which does not exceed
10 twenty percent of the total amount of reimbursement
11 and interest.

12 Sec. _____. Section 230.22, Code 1999, is amended to
13 read as follows:

14 230.22 PENALTY.

15 1. Should-any If a county fail fails to pay the
16 amount billed by a statement submitted pursuant to
17 section 230.20 within forty-five days from the date
18 the statement is received by the county, the director
19 of revenue and finance shall charge the delinquent
20 county the penalty of one percent per month on and
21 after forty-five days from the date the statement is
22 received by the county until paid. ~~Provided, however,~~
23 ~~that~~ However, the penalty shall not be imposed if the
24 county has notified the director of revenue and
25 finance of error or questionable items in the billing,
26 in which event, the director of revenue and finance
27 shall suspend the penalty only during the period of
28 negotiation.

29 2. If a county notifies the director of revenue
30 and finance that a person for whom the county has been
31 billed has legal settlement in another county or the
32 person has no legal settlement or the legal settlement
33 is unknown, the administrator shall request that the
34 attorney general cause an action to be brought in
35 accordance with section 230.12 to determine legal
36 settlement. If an action to determine legal
37 settlement is not brought within forty-five days of
38 the date by which the county notified the director of
39 revenue and finance, that county shall not be liable
40 for the expenses and no further claim for the expenses
41 shall be made. If the administrator fails to respond
42 within forty-five days to a dispute of any other claim
43 billed to a county under this chapter, that county
44 shall not be liable for the billed expenses and no
45 further claim for the expenses shall be made.

46 Sec. _____. Section 249A.12, subsection 2, Code
47 1999, is amended to read as follows:

48 2. a. A county shall reimburse the department on
49 a monthly basis for that portion of the cost of
50 assistance provided under this section to a recipient

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1 with legal settlement in the county, which is not paid
2 from federal funds, if the recipient's placement has
3 been approved by the appropriate review organization
4 as medically necessary and appropriate. Any claim
5 submitted by the department to a county must be
6 complete and accurately itemized according to the
7 names of the persons who received services, types of
8 services and dates received, and amount billed for
9 each unit of service.

10 b. The department's goal for the maximum time
11 period for submission of a complete and accurate claim
12 to a county is not more than sixty forty-five days
13 following the submission of the claim by the provider
14 of the service to the department. If the department
15 submits a claim to a county more than forty-five days
16 following the submission of the claim by the provider,
17 the county may reduce the amount due by one percent
18 per calendar month or portion of a month that the
19 claim was submitted to the county beyond the forty-
20 five-day goal.

21 c. If a county notifies the director of revenue
22 and finance that a person for whom the county has been
23 billed for costs of assistance under this chapter has
24 legal settlement in another county or the person has
25 no legal settlement or the legal settlement is
26 unknown, the department shall request that the
27 attorney general cause an action to be brought to
28 determine legal settlement. If an action to determine
29 legal settlement is not brought within forty-five days
30 of the date by which the county notified the director
31 of revenue and finance, that county shall not be
32 liable for the billed costs and no further claim for
33 the costs shall be made. If the department fails to
34 respond within forty-five days to a dispute of any
35 other costs billed to a county under this chapter,
36 that county shall not be liable for the costs and no
37 further claim for the costs shall be made.

38 d. The department's goal for completion and
39 crediting of a county for cost settlement for the
40 actual costs of a home and community-based waiver
41 service is within two hundred seventy days of the
42 close of a fiscal year for which cost reports are due
43 from providers. In calculating the amount of cost
44 settlement due a county under this paragraph, the
45 department shall increase the amount credited by one
46 percent per calendar month or portion of a month that
47 the cost settlement was credited to the county beyond
48 the two hundred seventy-day goal.

49 e. The department shall annually report on or
50 before December 15 to the governor and the general

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1 assembly regarding the department's performance during
 2 the previous fiscal year in complying with the goals
 3 for submitting claims and crediting for cost
 4 settlement. If the goals were not achieved, the
 5 report shall include a corrective action plan
 6 detailing the actions to be taken for achieving the
 7 goals in the succeeding fiscal year.

8 f. Effective July 1, 2000, if a claim is not
 9 submitted to the county of legal settlement within the
 10 forty-five-day goal period under this section, the
 11 department shall be liable for the claim in place of
 12 the county.

13 g. The department shall place credit all
 14 reimbursements received from counties in under this
 15 section to the appropriation for medical assistance,
 16 and may use the reimbursed funds in the same manner
 17 and for any purpose for which the appropriation for
 18 medical assistance may be used.

19 Sec. ____ . DISPUTED BILLINGS. If a billing
 20 submitted before July 1, 1997, to a county for state
 21 hospital-school or state mental health institute
 22 service expenses is not settled as of June 30, 1999,
 23 effective July 1, 1999, the billing is null and void,
 24 the county shall not be liable for the expenses, and
 25 no further claim for the expenses associated with the
 26 billing shall be made."

27 2. By renumbering as necessary.

By HEATON of Henry

H-1272 FILED MARCH 26, 1999

HOUSE FILE 655

H-1293

1 Amend House File 655 as follows:

2 1. Page 4, line 11, by striking the figure "1999"
 3 and inserting the following: "2000".

4 2. Page 6, by inserting after line 1 the
 5 following:

6 "Sec. ____ . EFFECTIVE DATE -- APPLICABILITY. This
 7 division of this Act takes effect July 1, 2000, except
 8 that the management plan and planning process
 9 provisions under section 331.439, as amended by this
 10 division of this Act, take effect upon enactment and
 11 are applicable for purposes of preparation and
 12 submission of the management plan by April 1, 2000,
 13 for the fiscal year beginning July 1, 2000."

14 3. Title page, line 2, by striking the words
 15 "providing an effective date" and inserting the
 16 following: "including effective date and
 17 applicability provisions".

18 4. By renumbering as necessary.

By HOUSER of Pottawattamie

H-1293 FILED MARCH 30, 1999