

MAR 23 1999

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741

Place On Calendar

HOUSE FILE  
BY COMMITTEE ON LOCAL  
GOVERNMENT

(SUCCESSOR TO HF 360)

Passed House, Date <sup>(P.962)</sup> 3/31/99      Passed Senate, Date <sup>(P.1066)</sup> 4/12/99  
 Vote: Ayes 98 Nays 0      Vote: Ayes 46 Nays 0  
 Approved April 22, 1999

A BILL FOR

1 An Act relating to the authorization requirements for psychiatric  
 2 medical institutions for children and providing an effective  
 3 date.

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

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HF 741

1 Section 1. Section 135H.6, subsections 4, 5, 6, 7, and 8,  
2 Code 1999, are amended to read as follows:

3 4. The applicant has been awarded a certificate of need  
4 pursuant to chapter 135, unless exempt as provided in this  
5 section.

6 5. The department of human services has submitted written  
7 approval of the application based on the department of human  
8 services' determination of need. The department of human  
9 services shall identify the location and number of children in  
10 the state who require the services of a psychiatric medical  
11 institution for children. Approval of an application shall be  
12 based upon the location of the proposed psychiatric  
13 institution relative to the need for services identified by  
14 the department of human services and an analysis of the  
15 applicant's ability to provide services and support consistent  
16 with requirements under chapter 232, particularly regarding  
17 community-based treatment. If the proposed psychiatric  
18 institution is not freestanding from a facility licensed under  
19 chapter 135B or 135C, approval under this subsection shall not  
20 be given unless the department of human services certifies  
21 that the proposed psychiatric institution is capable of  
22 providing a resident with a living environment similar to the  
23 living environment provided by a licensee which is  
24 freestanding from a facility licensed under chapter 135B or  
25 135C. Unless a psychiatric institution was accredited to  
26 provide psychiatric services by the joint commission on the  
27 accreditation of health care organizations under the  
28 commission's consolidated standards for residential settings  
29 prior to June 1, 1989, the department of human services shall  
30 not approve an application for a license under this chapter  
31 until the federal health care financing administration has  
32 approved a state Title XIX plan amendment to include coverage  
33 of services in a psychiatric medical institution for children.  
34 ~~In-addition, either of the following conditions must be met:~~  
35 a- 6. The department of human services shall not give

1 approval to an application which would cause the total number  
2 of beds licensed under this chapter for services reimbursed by  
3 the medical assistance program under chapter 249A to exceed  
4 three ~~four~~ hundred sixty ~~thirty~~ beds, ~~except as provided in~~  
5 ~~paragraph "b" and paragraph "c", with not more than three~~  
6 ~~hundred of the beds licensed under chapter 237 before January~~  
7 ~~17, 1989, and not more than sixty of the beds licensed under~~  
8 ~~chapter 237 on or after January 17, 1989.~~

9 ~~b. The department of human services shall not give~~  
10 ~~approval to an application which would cause the total number~~  
11 ~~of beds licensed under this chapter after June 30, 1990, which~~  
12 ~~specialize in providing substance abuse treatment to children~~  
13 ~~to exceed seventy beds.~~

14 c. 7. The In addition to the beds authorized under  
15 subsection 6, the department of human services may establish  
16 not more than thirty beds licensed under this chapter at the  
17 state mental health institute at Independence. The beds shall  
18 be exempt from the certificate of need requirement under  
19 subsection 4.

20 ~~6. 8.~~ The department of human services may give approval  
21 to conversion of beds ~~specializing in substance abuse~~  
22 ~~treatment previously~~ approved under subsection 56, paragraph  
23 "b", to beds which are not specialized as referenced in  
24 subsection 57, paragraph "a" to provide substance abuse  
25 treatment. Beds converted under this subsection shall be in  
26 addition to the number of beds authorized under subsection 57,  
27 paragraph "a". However, the total number of beds approved  
28 under subsection 56 and this subsection shall not exceed four  
29 hundred thirty. Conversion of beds under this subsection  
30 shall not require a revision of the certificate of need issued  
31 for the psychiatric institution making the conversion.

32 ~~7. 9.~~ The proposed psychiatric institution is under the  
33 direction of an agency which has operated a facility licensed  
34 under section 237.3, subsection 2, paragraph "a", as a  
35 comprehensive residential facility for children for three

HOUSE FILE 741

H-1312

1 Amend House File 741 as follows:

2 1. Page 1, by striking lines 25 through 33 and  
3 inserting the following: "135C. Unless a psychiatric  
4 institution was accredited to provide psychiatric  
5 services by the joint commission on the accreditation  
6 of health care organizations under the commission's  
7 consolidated standards for residential settings prior  
8 to June 1, 1989, the department of human services  
9 shall not approve an application for a license under  
10 this chapter until the federal health care financing  
11 administration has approved a state Title XIX plan  
12 amendment to include coverage of services in a  
13 psychiatric medical institution for children."

14 2. Page 3, by striking lines 6 through 16 and  
15 inserting the following:

16 ~~8.~~ 10. A psychiatric institution licensed prior to  
17 ~~January~~ July 1, ~~1996~~ 1999, may exceed the number of  
18 beds authorized under ~~subsections 5 and~~ subsection 6  
19 if the excess beds are used to provide services funded  
20 from a source other than the medical assistance  
21 program under chapter 249A. Notwithstanding  
22 subsections 4, 5, and 6, the provision of services  
23 using such those excess beds does not require a  
24 certificate of need or a review by the department of  
25 human services."

By DOLECHECK of Ringgold  
CHAPMAN of Linn

H-1312 FILED MARCH 30, 1999

*adopted*  
*3/31/99*  
*(P.961)*

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S- 4/1/99 Do Pass

HOUSE FILE 741  
BY COMMITTEE ON LOCAL  
GOVERNMENT

(SUCCESSOR TO HF 360)

(As Amended and Passed by the House, March 31, 1999)

Passed House, Date \_\_\_\_\_ Passed Senate, Date 4/12/99 (P.1066)  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes 46 Nays 0  
Approved April 22, 1999

**A BILL FOR**

1 An Act relating to the authorization requirements for psychiatric  
2 medical institutions for children and providing an effective  
3 date.

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

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House Amendments \_\_\_\_\_

HF 741

1 Section 1. Section 135H.6, subsections 4, 5, 6, 7, and 8,  
2 Code 1999, are amended to read as follows:

3 4. The applicant has been awarded a certificate of need  
4 pursuant to chapter 135, unless exempt as provided in this  
5 section.

6 5. The department of human services has submitted written  
7 approval of the application based on the department of human  
8 services' determination of need. The department of human  
9 services shall identify the location and number of children in  
10 the state who require the services of a psychiatric medical  
11 institution for children. Approval of an application shall be  
12 based upon the location of the proposed psychiatric  
13 institution relative to the need for services identified by  
14 the department of human services and an analysis of the  
15 applicant's ability to provide services and support consistent  
16 with requirements under chapter 232, particularly regarding  
17 community-based treatment. If the proposed psychiatric  
18 institution is not freestanding from a facility licensed under  
19 chapter 135B or 135C, approval under this subsection shall not  
20 be given unless the department of human services certifies  
21 that the proposed psychiatric institution is capable of  
22 providing a resident with a living environment similar to the  
23 living environment provided by a licensee which is  
24 freestanding from a facility licensed under chapter 135B or  
25 ~~135C. Unless a psychiatric institution was accredited to~~  
26 ~~provide psychiatric services by the joint commission on the~~  
27 ~~accreditation of health care organizations under the~~  
28 ~~commission's consolidated standards for residential settings~~  
29 ~~prior to June 17, 1989, the department of human services shall~~  
30 ~~not approve an application for a license under this chapter~~  
31 ~~until the federal health care financing administration has~~  
32 ~~approved a state Title XIX plan amendment to include coverage~~  
33 ~~of services in a psychiatric medical institution for children.~~  
34 ~~In addition, either of the following conditions must be met:~~  
35 a. 6. The department of human services shall not give

1 approval to an application which would cause the total number  
2 of beds licensed under this chapter for services reimbursed by  
3 the medical assistance program under chapter 249A to exceed  
4 three four hundred sixty thirty beds--except-as-provided-in  
5 paragraph-"b"-and-paragraph-"c"--with-not-more-than-three  
6 hundred-of-the-beds-licensed-under-chapter-237-before-January  
7 17-1989-and-not-more-than-sixty-of-the-beds-licensed-under  
8 chapter-237-on-or-after-January-17-1989.

9 b--The-department-of-human-services-shall-not-give  
10 approval-to-an-application-which-would-cause-the-total-number  
11 of-beds-licensed-under-this-chapter-after-June-30-1990-which  
12 specialize-in-providing-substance-abuse-treatment-to-children  
13 to-exceed-seventy-beds-

14 c. 7. The In addition to the beds authorized under  
15 subsection 6, the department of human services may establish  
16 not more than thirty beds licensed under this chapter at the  
17 state mental health institute at Independence. The beds shall  
18 be exempt from the certificate of need requirement under  
19 subsection 4.

20 6. 8. The department of human services may give approval  
21 to conversion of beds specializing-in-substance-abuse  
22 treatment-previously approved under subsection 56, paragraph  
23 "b", to beds which are not specialized as-referenced-in  
24 subsection-57-paragraph-"a" to provide substance abuse  
25 treatment. Beds-converted-under-this-subsection-shall-be-in  
26 addition-to-the-number-of-beds-authorized-under-subsection-57  
27 paragraph-"a". However, the total number of beds approved  
28 under subsection 5 6 and this subsection shall not exceed four  
29 hundred thirty. Conversion of beds under this subsection  
30 shall not require a revision of the certificate of need issued  
31 for the psychiatric institution making the conversion.

32 7. 9. The proposed psychiatric institution is under the  
33 direction of an agency which has operated a facility licensed  
34 under section 237.3, subsection 2, paragraph "a", as a  
35 comprehensive residential facility for children for three

1 years or of an agency which has operated a facility for three  
2 years providing psychiatric services exclusively to children  
3 or adolescents and the facility meets or exceeds requirements  
4 for licensure under section 237.3, subsection 2, paragraph  
5 "a", as a comprehensive residential facility for children.

6 8- 10. A psychiatric institution licensed prior to January  
7 July 1, 1996 1999, may exceed the number of beds authorized  
8 under subsections-5-and subsection 6 if the excess beds are  
9 used to provide services funded from a source other than the  
10 medical assistance program under chapter 249A.

11 Notwithstanding subsections 4, 5, and 6, the provision of  
12 services using such those excess beds does not require a  
13 certificate of need or a review by the department of human  
14 services.

15 Sec. 2. EFFECTIVE DATE. This Act, being deemed of  
16 immediate importance, takes effect upon enactment.

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AN ACT  
RELATING TO THE AUTHORIZATION REQUIREMENTS FOR PSYCHIATRIC  
MEDICAL INSTITUTIONS FOR CHILDREN AND PROVIDING AN  
EFFECTIVE DATE.

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

Section 1. Section 135H.6, subsections 4, 5, 6, 7, and 8, Code 1999, are amended to read as follows:

4. The applicant has been awarded a certificate of need pursuant to chapter 135, unless exempt as provided in this section.

5. The department of human services has submitted written approval of the application based on the department of human services' determination of need. The department of human services shall identify the location and number of children in the state who require the services of a psychiatric medical institution for children. Approval of an application shall be based upon the location of the proposed psychiatric institution relative to the need for services identified by

the department of human services and an analysis of the applicant's ability to provide services and support consistent with requirements under chapter 232, particularly regarding community-based treatment. If the proposed psychiatric institution is not freestanding from a facility licensed under chapter 135B or 135C, approval under this subsection shall not be given unless the department of human services certifies that the proposed psychiatric institution is capable of providing a resident with a living environment similar to the living environment provided by a licensee which is freestanding from a facility licensed under chapter 135B or 135C. ~~Unless a psychiatric institution was accredited to provide psychiatric services by the joint commission on the accreditation of health care organizations under the commission's consolidated standards for residential settings prior to June 17, 1989, the department of human services shall not approve an application for a license under this chapter until the federal health care financing administration has approved a state Title XIX plan amendment to include coverage of services in a psychiatric medical institution for children. In addition, either of the following conditions must be met:~~

a. 6. The department of human services shall not give approval to an application which would cause the total number of beds licensed under this chapter for services reimbursed by the medical assistance program under chapter 249A to exceed three four hundred sixty thirty beds, ~~except as provided in paragraph "b" and paragraph "c", with not more than three hundred of the beds licensed under chapter 237 before January 17, 1989, and not more than sixty of the beds licensed under chapter 237 on or after January 17, 1989.~~

b. ~~The department of human services shall not give approval to an application which would cause the total number of beds licensed under this chapter after June 30, 1990, which specialize in providing substance abuse treatment to children to exceed seventy beds.~~

~~e- 7.~~ The In addition to the beds authorized under subsection 6, the department of human services may establish not more than thirty beds licensed under this chapter at the state mental health institute at Independence. The beds shall be exempt from the certificate of need requirement under subsection 4.

~~6- 8.~~ The department of human services may give approval to conversion of beds ~~specializing in substance abuse treatment previously approved under subsection 56, paragraph "b",~~ to beds which are not specialized ~~as referenced in subsection 57, paragraph "a" to provide substance abuse treatment.~~ ~~Beds converted under this subsection shall be in addition to the number of beds authorized under subsection 57 paragraph "a".~~ However, the total number of beds approved under subsection 5 6 and this subsection shall not exceed four hundred thirty. Conversion of beds under this subsection shall not require a revision of the certificate of need issued for the psychiatric institution making the conversion.

~~7- 9.~~ The proposed psychiatric institution is under the direction of an agency which has operated a facility licensed under section 237.3, subsection 2, paragraph "a", as a comprehensive residential facility for children for three years or of an agency which has operated a facility for three years providing psychiatric services exclusively to children or adolescents and the facility meets or exceeds requirements for licensure under section 237.3, subsection 2, paragraph "a", as a comprehensive residential facility for children.

~~8- 10.~~ A psychiatric institution licensed prior to January July 1, 1996 1999, may exceed the number of beds authorized under ~~subsections 5 and subsection 6~~ if the excess beds are used to provide services funded from a source other than the medical assistance program under chapter 249A. Notwithstanding subsections 4, 5, and 6, the provision of services using such those excess beds does not require a certificate of need or a review by the department of human services.

Sec. 2. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

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RON J. CORBETT  
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 741, Seventy-eighth General Assembly.

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ELIZABETH ISAACSON  
Chief Clerk of the House

Approved *Cipri 22*, 1999

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THOMAS J. VILSACK  
Governor