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SENATE FILE 2123

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CONNOLLY, DEARDEN, DELUHERY,  
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HARPER, KIBBIE, McCOY, SHEARER,  
SOUKUP, JUDGE, and GRONSTAL

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

**A BILL FOR**

1 An Act relating to and making an appropriation from the tobacco  
2 settlement fund to the department of human services for  
3 reimbursement of providers under the medical assistance  
4 program and providing an effective date and providing for  
5 retroactive applicability.

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

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SF 2123 HUMAN RESOURCES

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

8 To the department of human services to implement  
9 reimbursement increases and reimbursement methodology changes  
10 for program providers under the purview of the department of  
11 human services:

12 ..... \$ 11,250,000

13 1. The department shall review reimbursements and  
14 reimbursement methodology for program providers under the  
15 purview of the department of human services and shall  
16 determine appropriate changes. These changes may be  
17 implemented with funding available under this section.

18 2. The department may transfer funds appropriated in this  
19 section to other appropriations made to the department as  
20 necessary to carry out the purpose of this section.

21 Sec. 2. Section 12.65, Code 1999, is amended to read as  
22 follows:

23 12.65 TOBACCO SETTLEMENT FUND.

24 1. A tobacco settlement fund is created in the office of  
25 the treasurer of state. After payment of litigation costs,  
26 the state portion of any moneys paid to the state by tobacco  
27 companies in settlement of the state's lawsuit for recovery of  
28 public expenditures associated with tobacco use shall be  
29 deposited in the tobacco settlement fund. Moneys deposited in  
30 the fund shall be used only as provided in appropriations from  
31 the fund ~~to-the-department-of-human-services-for-the-medical~~  
32 ~~assistance-program-and-to-the-iowa-department-of-public-health~~  
33 for health care-related programs ~~to-reduce-smoking-by-teenage~~  
34 youth. For purposes of this section, "litigation costs" are  
35 those costs itemized by the attorney general and submitted to



1 prior to deposit of moneys in the fund, are to be submitted to  
2 and approved by the executive council. The executive council,  
3 under Code section 7D.1, includes the governor, secretary of  
4 state, auditor of state, treasurer of state, and the secretary  
5 of agriculture. The bill also amends Code section 12.65 to  
6 provide that the balance remaining in the tobacco settlement  
7 fund shall be transferred to the general fund of the state  
8 effective June 30, 2001. Additionally, beginning July 1,  
9 2001, the tobacco settlement fund is to be considered part of  
10 the general fund of the state. However, the state portion of  
11 the tobacco settlement funds are to continue to only be  
12 appropriated for health care-related programs. Code section  
13 12.65 as amended in the bill is effective upon enactment and  
14 is retroactively applicable to July 1, 1999.

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