

FEB 13 2002
HUMAN RESOURCES

HOUSE FILE 2330
BY SMITH, WARNSTADT, STEVENS, WITT,
LENSING, WINCKLER, KREIMAN,
JOCHUM, FOEGE, COHOON, LARKIN,
D. TAYLOR, and KUHN

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

A BILL FOR

1 An Act relating to safe and healthy families by providing for
2 mandated health coverage of mental health conditions,
3 community empowerment activities to develop family assets,
4 policy development activities, and creation of an endowment
5 fund for children.

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

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

HF 2330

DIVISION I

MANDATED COVERAGE FOR MENTAL HEALTH CONDITIONS

Section 1. NEW SECTION. 514C.21 MANDATED COVERAGE FOR MENTAL HEALTH CONDITIONS.

1. a. Notwithstanding section 514C.6, a policy or contract providing for third-party payment or prepayment of health or medical expenses shall provide coverage benefits for mental health conditions based on rates, terms, and conditions which are no more restrictive than the rates, terms, and conditions for coverage benefits provided for other health or medical conditions under the policy or contract. Additionally, any rates, terms, and conditions involving deductibles, copayments, coinsurance, and any other cost-sharing requirements shall be cumulative for coverage of both mental health conditions and other health or medical conditions under the policy or contract.

b. Coverage required under this subsection shall be as follows:

(1) For the treatment of mental illness, coverage shall be for services provided by a licensed mental health professional, or services provided in a licensed hospital or health facility.

(2) For the treatment of alcohol or substance abuse, coverage shall be for services provided by a substance abuse counselor, as approved by the department of human services, a licensed health facility providing a program for the treatment of alcohol or substance abuse approved by the department of human services, or a licensed substance abuse treatment and rehabilitation facility.

2. This section applies to the following classes of third-party payment provider contracts or policies delivered, issued for delivery, continued, or renewed in this state on or after January 1, 2003:

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

- 1 b. An individual or group hospital or medical service
2 contract issued pursuant to chapter 509, 514, or 514A.
3 c. An individual or group health maintenance organization
4 contract regulated under chapter 514B.
5 d. An individual or group Medicare supplemental policy,
6 unless coverage pursuant to such policy is preempted by
7 federal law.
8 e. Any other entity engaged in the business of insurance,
9 risk transfer, or risk retention, which is subject to the
10 jurisdiction of the commissioner.
11 f. An organized delivery system licensed by the director
12 of public health.

13 3. For purposes of this section, unless the context
14 otherwise requires:

15 a. "Mental health condition" means a condition or disorder
16 involving mental illness or alcohol or substance abuse that
17 falls under any of the diagnostic categories listed in the
18 mental disorders section of the international classification
19 of disease, as periodically revised.

20 b. "Rates, terms, and conditions" means any lifetime
21 payment limits, deductibles, copayments, coinsurance, and any
22 other cost-sharing requirements, out-of-pocket limits, visit
23 limitations, and any other financial component of benefits
24 coverage that affects the covered individual.

25 DIVISION II

26 COMMUNITY DEVELOPMENT OF YOUTH ASSETS

27 Sec. 2. Section 28.4, Code Supplement 2001, is amended by
28 adding the following new subsection:

29 NEW SUBSECTION. 13. Develop and provide technical
30 assistance for those community empowerment areas implementing
31 collaborative initiatives supporting the critical factors of
32 youth asset development directed to one or more of the
33 following child age groups: infant, toddler, preschool,
34 elementary school, and adolescent.

35 DIVISION III

1 DEPARTMENT OF HUMAN SERVICES ACTIVITIES

2 Sec. 3. Section 232.69, Code Supplement 2001, is amended
3 by adding the following new subsection:

4 NEW SUBSECTION. 4. The department shall work with
5 professional organizations and others in adopting an
6 assessment-based model to assist persons required to make a
7 report under subsection 1 in assessing risk to a child and
8 identifying other factors relating to protection of children.
9 The department shall implement the model in a manner that
10 improves community education relating to detection and
11 intervention of child abuse and neglect.

12 Sec. 4. GROUP FOSTER CARE PLACEMENT RESTRICTIONS. It is
13 the intent of the general assembly to replace the statewide
14 expenditure target and area budget targets for children in
15 group foster care placements under section 232.143 by
16 implementing statutory criteria for authorizing the
17 placements. The department of human services shall develop an
18 implementation plan based upon the criteria for such
19 placements identified by the child welfare league of America.
20 The department shall submit the plan for consideration by the
21 governor and the general assembly in January 2003. The plan
22 shall include a schedule allowing for enactment of full
23 implementation of the criteria and elimination of the current
24 expenditure targets by July 1, 2008.

25 Sec. 5. INCENTIVES AND TRAINING FOR FOSTER AND ADOPTIVE
26 PARENTS. The department of human services shall consult with
27 the Iowa foster and adoptive parents association, providers of
28 support services to foster and adoptive parents, and other
29 knowledgeable persons in developing reasonable strategies for
30 increasing the incentives to become and training available to
31 foster parents and adoptive parents. The department shall
32 submit a report of the strategies, including findings,
33 recommendations, and specific cost projections, to the
34 governor and general assembly in January 2003.

35 Sec. 6. CHILD CARE AVAILABILITY AND QUALITY. The

1 department shall consult with the child care advisory council,
2 child care resource and referral service providers, and other
3 knowledgeable persons in developing strategies for improving
4 child care availability and quality that may implemented in a
5 reasonable manner. The considerations addressed may include
6 but are not limited to discussion of the issues associated
7 with increasing the overall quantity of providers, increasing
8 the quantity of registered and licensed providers, enhancing
9 private and public funding of child care, and addressing the
10 relative affordability of child care to Iowans with young
11 children in both rural and urban areas of the state. The
12 department shall submit a report of the strategies, including
13 findings, recommendations, and specific cost projections, to
14 the governor and general assembly in January 2003.

15 DIVISION IV

16 SUBSTANCE ABUSE TREATMENT

17 Sec. 7. SUPPLY AND UNMET NEED FOR SUBSTANCE ABUSE
18 TREATMENT SERVICES. The Iowa department of public health
19 shall assess the unmet need for substance abuse treatment
20 services in the state as compared to the available supply of
21 the services. The department shall submit a report to the
22 governor and the general assembly in January 2003 providing
23 detailed information on the assessment, including projections
24 of the funding required to meet the identified unmet need for
25 the services.

26 DIVISION V

27 MEDIATION SERVICES

28 Sec. 8. AVAILABILITY OF MEDIATION SERVICES FOR FAMILIES.
29 The judicial branch is requested to perform an assessment of
30 the availability of mediation services as described in chapter
31 679C or of similar services to support families in dispute
32 resolution, including mediation in dissolution of marriage
33 proceedings under section 598.7A. Upon completion of the
34 assessment, the judicial branch is requested to provide a
35 report to the governor and general assembly, along with the

1 judicial branch's conclusions and recommendations for
2 improving the availability of the services.

3 DIVISION VI
4 ENDOWMENT FUND

5 Sec. 9. Section 8.54, subsection 1, unnumbered paragraph
6 1, Code Supplement 2001, is amended to read as follows:

7 For the purposes of section 8.22A, this section, and
8 sections 8.55 through 8-57 8.57B:

9 Sec. 10. Section 8.54, subsection 5, Code Supplement 2001,
10 is amended by striking the subsection.

11 Sec. 11. Section 8.55, subsection 2, Code Supplement 2001,
12 is amended to read as follows:

13 2. The maximum balance of the fund is the amount equal to
14 five percent of the adjusted revenue estimate for the fiscal
15 year. If the amount of moneys in the Iowa economic emergency
16 fund is equal to the maximum balance, moneys in excess of this
17 amount shall be transferred to the ~~general-fund~~ early
18 childhood programs endowment fund created in section 8.57B.

19 Sec. 12. NEW SECTION. 8.57B EARLY CHILDHOOD PROGRAMS
20 ENDOWMENT FUND.

21 1. The early childhood programs endowment fund is created.
22 The fund shall be separate from the general fund of the state
23 and the balance in the fund shall not be considered part of
24 the balance of the general fund of the state. Notwithstanding
25 section 12C.7, subsection 2, interest or earnings on moneys
26 deposited in the fund shall be credited to the fund. The
27 moneys credited to the fund are not subject to section 8.33
28 and shall not be transferred, used, obligated, appropriated,
29 or otherwise encumbered except as provided in this section.

30 2. a. Except as provided in paragraph "b", the interest
31 and earnings on moneys in the early childhood programs
32 endowment fund shall only be used pursuant to an annual
33 appropriation made by the general assembly for purposes of
34 enhancing preschool and early education programs for young
35 children and their families. Otherwise, moneys credited to

1 the early childhood programs endowment fund are not subject to
2 appropriation unless the bill or joint resolution making the
3 appropriation complies with all of the following requirements:

4 (1) The appropriation is contained in a bill or joint
5 resolution in which the appropriation is the only subject
6 matter of the bill or joint resolution.

7 (2) The bill or joint resolution states the reasons the
8 appropriation is necessary.

9 (3) The bill or joint resolution is approved by vote of at
10 least three-fifths of the members of both chambers of the
11 general assembly and is signed by the governor.

12 b. Moneys in the fund may be used for cash flow purposes
13 during a fiscal year provided that any moneys so allocated are
14 returned to the fund by the end of that fiscal year.

15 c. Except as provided in section 8.58, the early childhood
16 programs endowment fund shall be considered a special account
17 for the purposes of section 8.53 in determining the cash
18 position of the general fund of the state for the payment of
19 state obligations.

20 Sec. 13. Section 8.58, Code 2001, is amended to read as
21 follows:

22 8.58 EXEMPTION FROM AUTOMATIC APPLICATION.

23 To the extent that moneys appropriated under section 8.57
24 or transferred to the early childhood programs endowment fund
25 under section 8.55, subsection 2, do not result in moneys
26 being credited to the general fund ~~under-section-8-55,~~
27 ~~subsection-2,~~ moneys appropriated under section 8.57 and
28 moneys contained in the cash reserve fund, rebuild Iowa
29 infrastructure fund, environment first fund, early childhood
30 programs endowment fund, and Iowa economic emergency fund
31 shall not be considered in the application of any formula,
32 index, or other statutory triggering mechanism which would
33 affect appropriations, payments, or taxation rates, contrary
34 provisions of the Code notwithstanding.

35 To the extent that moneys appropriated under section 8.57

1 or transferred to the early childhood programs endowment fund
2 under section 8.55, subsection 2, do not result in moneys
3 being credited to the general fund ~~under-section-8-55,~~
4 ~~subsection-2,~~ moneys appropriated under section 8.57 and
5 moneys contained in the cash reserve fund, rebuild Iowa
6 infrastructure fund, environment first fund, early childhood
7 programs endowment fund, and Iowa economic emergency fund
8 shall not be considered by an arbitrator or in negotiations
9 under chapter 20.

10

EXPLANATION

11 This bill relates to safe and healthy families by providing
12 for mandated health coverage of mental health conditions,
13 community empowerment activities to develop family assets,
14 policy development activities, and creation of an endowment
15 fund for children.

16 Division I creates new Code section 514C.21 and provides
17 that a policy or contract providing on or after January 1,
18 2003, for third-party payment or prepayment of health or
19 medical expenses must provide coverage benefits for mental
20 health conditions based on rates, terms, and conditions which
21 are no more restrictive than the rates, terms, and conditions
22 associated with coverage benefits provided for other
23 conditions under the policy or contract. Mental health
24 conditions are defined to mean a condition or disorder
25 involving mental illness or alcohol or substance abuse that
26 falls under any of the diagnostic categories listed in the
27 mental disorders section of the international classification
28 of disease, as periodically updated.

29 Division II includes as a duty of the Iowa empowerment
30 board under Code section 28.4 the development and provision of
31 technical assistance for community empowerment areas
32 implementing collaborative initiatives supporting the critical
33 factors of youth asset development directed to specific child
34 age groups.

35 Division III directs the department of human services to

1 perform various activities. Code section 232.69, relating to
2 mandatory reporters of child abuse, is amended to direct the
3 department to work with professional organizations and others
4 in adopting an assessment-based model to assist mandatory
5 reporters in assessing risk to a child and identifying other
6 factors relating to protection of children. The model is to
7 be implemented in a manner that improves community education.

8 Division III also states legislative intent to replace the
9 current restrictions on expenditures for group foster care
10 placements with criteria for making the placements. The
11 department is directed to develop a plan for full
12 implementation by July 1, 2008.

13 Division III directs the department to consult with foster
14 and adoptive parents and others in developing reasonable
15 strategies for increasing the incentives to become and
16 training available to foster parents and adoptive parents. A
17 report is to be submitted to the governor and general assembly
18 in January 2003.

19 Division III directs the department to consult with various
20 persons knowledgeable concerning child care in developing
21 strategies for improving child care availability and quality.
22 Various considerations are listed that may be addressed. A
23 report is to be submitted to the governor and general assembly
24 in January 2003.

25 Division IV directs the Iowa department of public health to
26 assess the availability of substance abuse services as
27 compared to the unmet need for the services. The department's
28 report to the governor and general assembly in January 2003 is
29 to include projections on the funding required to meet the
30 need.

31 Division V requests the judicial branch to assess the
32 availability of mediation and other dispute resolution
33 services available to families, including services during
34 dissolution of marriage, and to submit a report to the
35 governor and general assembly.

1 Division VI creates an early childhood programs endowment
2 fund in the state treasury. Moneys remaining at the close of
3 the fiscal year, after both the cash reserve fund and the Iowa
4 economic emergency fund have achieved their maximum balances,
5 are credited to the endowment fund.

6 Moneys in the endowment fund may be used for cash flow
7 purposes, provided the moneys are returned to the fund by the
8 end of the fiscal year. The interest and earnings on the fund
9 can only be used through an annual appropriation for purposes
10 of enhancing preschool and early education programs for young
11 children and their families. Otherwise, other moneys in the
12 fund are not subject to appropriation unless the appropriation
13 meets all of these conditions: the appropriation is the only
14 subject of the bill or joint resolution making the
15 appropriation, the reasons the appropriation is necessary are
16 stated, and at least three-fifths of the members of both
17 chambers of the general assembly vote for approval and the
18 bill or joint resolution is approved by the governor.

19 The bill includes conforming changes in Code section 8.54
20 to strike the transfer of general fund ending balance moneys
21 back to the general fund once the cash reserve and Iowa
22 economic emergency funds have achieved their maximum balance,
23 and to provide in Code section 8.58, that the endowment fund
24 moneys shall not be considered in any formula or other
25 statutory triggering mechanism or in collective bargaining
26 negotiations or arbitration.

27
28
29
30
31
32
33
34
35