

HSB 254

Succeeded APPROPRIATIONS
SF/Hr

HOUSE FILE _____

BY (PROPOSED COMMITTEE ON APPROPRIATIONS
BILL BY JOINT APPROPRIATIONS
SUBCOMMITTEE ON HUMAN SERVICES)

Passed House, Date _____ Passed Senate, Date _____

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

Approved _____

A BILL FOR

1 An Act relating to appropriations for the department of human
2 services and including other provisions and appropriations
3 involving human services and health care, and providing
4 effective dates.

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

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1 Section 1. EARLY CHILDHOOD FUNDING.

2 1. The appropriations made in 1998 Iowa Acts, chapter
3 1218, section 2, and 2000 Iowa Acts, chapter 1220, section 2,
4 subsection 1, paragraph "b", from the fund created in section
5 8.41 to the department of human services for the fiscal year
6 beginning July 1, 2001, and ending June 30, 2002, from moneys
7 received under the federal temporary assistance for needy
8 families (TANF) block grant shall be used for funding of
9 community-based programs targeted to children from birth
10 through five years of age, developed by community empowerment
11 areas as provided in this section.

12 2. The department may transfer federal temporary
13 assistance for needy families block grant funding appropriated
14 and allocated in this section to the child care and
15 development block grant in accordance with federal law as
16 necessary to comply with the provisions of this section. The
17 funding shall then be provided to community empowerment areas
18 for the fiscal year beginning July 1, 2001, in accordance with
19 all of the following:

20 a. The area must be approved as a designated community
21 empowerment area by the Iowa empowerment board.

22 b. The maximum funding amount a community empowerment area
23 is eligible to receive shall be determined by applying the
24 area's percentage of the state's average monthly family
25 investment program population in the preceding fiscal year to
26 the total amount appropriated for fiscal year 2001-2002 from
27 the TANF block grant to fund community-based programs targeted
28 to children from birth through five years of age developed by
29 community empowerment areas.

30 c. A community empowerment area receiving funding shall
31 comply with any federal reporting requirements associated with
32 the use of that funding and other results and reporting
33 requirements established by the Iowa empowerment board. The
34 department shall provide technical assistance in identifying
35 and meeting the federal requirements.

1 d. The availability of funding provided under this section
2 is subject to changes in federal requirements and amendments
3 to Iowa law.

4 3. The moneys distributed in accordance with this section
5 shall be used by communities for the purposes of enhancing
6 quality child care capacity in support of parent capability to
7 obtain or retain employment. The moneys shall be used with a
8 primary emphasis on low-income families and children from
9 birth to five years of age. Moneys shall be provided in a
10 flexible manner to communities, and shall be used to implement
11 strategies identified by the communities to achieve such
12 purposes. The strategies may include but are not limited to
13 developing capacity for regular child care, sick child care,
14 night shifts child care, and emergency child care; enhancing
15 linkages between the head start and early head start programs,
16 early childhood development programs, and child care
17 assistance programs; and implementing other strategies to
18 enhance access to child care. The moneys may be used to
19 either build capacity or for support of ongoing efforts. In
20 addition to the full-time equivalent positions funded in this
21 Act, 1.00 full-time equivalent position is authorized and the
22 department may use funding appropriated in this section for
23 provision of technical assistance and other support to
24 communities developing and implementing strategies with moneys
25 distributed in accordance with this section.

26 4. Moneys which are subject to this section which are not
27 distributed to a community empowerment area or otherwise
28 remain unobligated or unexpended at the end of the fiscal year
29 shall revert to the fund created in section 8.41 to be
30 available for appropriation by the general assembly in a
31 subsequent fiscal year.

32 Sec. 2. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK
33 GRANT. There is appropriated from the fund created in section
34 8.41 to the department of human services for the fiscal year
35 beginning July 1, 2001, and ending June 30, 2002, from moneys

1 received under the federal temporary assistance for needy
2 families block grant pursuant to the federal Personal
3 Responsibility and Work Opportunity Reconciliation Act of
4 1996, Pub. L. No. 104-193, which are federally appropriated
5 for the federal fiscal years beginning October 1, 1999, and
6 ending September 30, 2000, beginning October 1, 2000, and
7 ending September 30, 2001, and beginning October 1, 2001, and
8 ending September 30, 2002, the following amounts, or so much
9 thereof as is necessary, to be used for the purposes
10 designated:

11 Moneys appropriated in this section shall be used in
12 accordance with the federal law making the funds available,
13 applicable Iowa law, appropriations made from the general fund
14 of the state in this Act for the purpose designated, and
15 administrative rules adopted to implement the federal and Iowa
16 law. If actual federal revenues credited to the fund created
17 in section 8.41 through June 30, 2002, are less than the
18 amounts appropriated in this section, the amounts appropriated
19 shall be reduced proportionately and the department may reduce
20 expenditures as deemed necessary by the department to meet the
21 reduced funding level:

22 1. To be credited to the family investment program account
23 and used for assistance under the family investment program
24 under chapter 239B:

25 \$ 39,287,318

26 2. To be credited to the family investment program account
27 and used for the job opportunities and basic skills (JOBS)
28 program, and implementing family investment agreements, in
29 accordance with chapter 239B:

30 \$ 20,830,113

31 3. For field operations:

32 \$ 12,885,790

33 4. For general administration:

34 \$ 3,238,614

35 5. For local administrative costs:

1 \$ 2,122,982

2 6. For state child care assistance:

3 \$ 28,638,329

4 Of the funds appropriated in this subsection, \$200,000
5 shall be used for child care emergency and start-up grants in
6 accordance with this paragraph. The funding allocated in this
7 paragraph shall be used to provide emergency grants to
8 existing licensed or registered child care facilities having
9 negative financial circumstances that will cause the
10 facilities to close without outside assistance. The funding
11 shall also be used to provide start-up funding to develop new
12 licensed or registered child care facilities that will
13 increase the availability of child care slots in communities.
14 The department shall establish criteria for distribution of
15 the grant funding. The criteria shall include a requirement
16 that grant funding is used to further the long-term financial
17 survival of grant recipients, a requirement that funding is
18 targeted to facilities providing essential child care services
19 to low-income families, required disclosure of necessary
20 financial information, establishment of a maximum grant amount
21 and a maximum number of grants to be issued in order to make
22 funding available to as many facilities as possible, and other
23 provisions to ensure appropriate use of the funding. The
24 application for a grant shall not exceed two pages in length.

25 7. For emergency assistance:

26 \$ 2,846,432

27 8. For mental health and developmental disabilities
28 community services:

29 \$ 4,349,266

30 9. For child and family services:

31 \$ 23,096,571

32 10. For child abuse prevention:

33 \$ 731,000

34 11. For pregnancy prevention grants on the condition that
35 family planning services are funded:

1 \$ 2,514,413
2 Pregnancy prevention grants shall be awarded to programs in
3 existence on or before July 1, 2001, if the programs are
4 comprehensive in scope and have demonstrated positive
5 outcomes. Grants shall be awarded to pregnancy prevention
6 programs which are developed after July 1, 2001, if the
7 programs are comprehensive in scope and are based on existing
8 models that have demonstrated positive outcomes. Priority in
9 the awarding of grants shall be given to programs that serve
10 areas of the state which demonstrate the highest percentage of
11 unplanned pregnancies of females age 13 or older but younger
12 than age 18 within the geographic area to be served by the
13 grant.

14 12. For technology needs and other resources necessary to
15 meet federal welfare reform reporting, tracking, and case
16 management requirements:
17 \$ 1,182,217

18 13. For supervised community treatment under child and
19 family services:
20 \$ 300,000

21 14. For volunteers:
22 \$ 42,663

23 15. For individual development accounts under chapter
24 541A:
25 \$ 250,000

26 16. For the healthy opportunities for parents to
27 experience success (HOPES) program administered by the Iowa
28 department of public health to target child abuse prevention:
29 \$ 200,000

30 17. For deposit in the Iowa marriage initiative grant fund
31 created in section 234.45:
32 \$ 500,000

33 a. The moneys deposited in the Iowa marriage initiative
34 grant fund pursuant to this subsection are appropriated to the
35 department for the fiscal year beginning July 1, 2001, and

1 ending June 30, 2002, to be used in accordance with this
2 subsection.

3 b. The department shall establish an Iowa marriage
4 initiative grant program to fund services to support marriage
5 and to encourage the formation and maintenance of two-parent
6 families that are secure and nurturing.

7 c. The program shall require that a grantee be a nonprofit
8 organization incorporated in this state with successful
9 experience in facilitating marriage promotion activities,
10 working with various faith-based organizations and the leaders
11 of the organizations, using media resources in promoting
12 marriage, making presentations to service and faith-based
13 organizations, and in raising private funding for activities
14 that support marriage.

15 d. The program activities funded by a grant shall include
16 but are not limited to working with leaders of faith-based
17 organizations to utilize premarital diagnostic tools, to
18 implement marriage agreements developed by the respective
19 faith-based organization that provide for an appropriate
20 engagement period and premarital and postmarital counseling,
21 and to use volunteer mentors in program activities.

22 e. Grants shall be awarded in a manner that results in
23 provision of services in an equal number of urban and rural
24 geographic areas. The department shall implement the grant
25 program so that the request for proposals is issued on or
26 before October 1, 2001, and so that any grants are awarded on
27 or before January 1, 2002.

28 f. The department shall provide a copy of the request for
29 proposals and shall submit a report concerning the proposals
30 received and grants awarded to those persons designated by
31 this Act to receive reports.

32 Of the amounts appropriated in this section, \$11,612,112
33 for the fiscal year beginning July 1, 2001, shall be
34 transferred to the appropriation of the federal social
35 services block grant for that fiscal year. The moneys

1 transferred shall be apportioned among the allocations made in
2 that appropriation in proportion to the amount that each
3 allocation bears to the total amount appropriated.

4 Eligible funding available under the federal temporary
5 assistance for needy families block grant that is not
6 appropriated or not otherwise expended shall be considered
7 reserved for economic downturns and welfare reform purposes
8 and is subject to further state appropriation to support
9 families in their movement toward self-sufficiency.

10 Sec. 3. FAMILY INVESTMENT PROGRAM ACCOUNT.

11 1. Moneys credited to the family investment program (FIP)
12 account for the fiscal year beginning July 1, 2001, and ending
13 June 30, 2002, shall be used in accordance with the following
14 requirements:

15 a. The department shall provide assistance in accordance
16 with chapter 239B.

17 b. The department shall continue the special needs program
18 under the family investment program.

19 c. The department shall continue to comply with federal
20 welfare reform data requirements pursuant to the
21 appropriations made for that purpose.

22 d. The department shall continue to make entrepreneurial
23 training available to families receiving assistance under the
24 family investment program. The department may contract for
25 these services.

26 e. (1) The department shall continue expansion of the
27 electronic benefit transfer program as necessary to comply
28 with federal requirements. Notwithstanding 1998 Iowa Acts,
29 chapter 1218, section 5, subsection 1, paragraph "d", 1999
30 Iowa Acts, chapter 203, section 5, subsection 1, paragraph
31 "d", and 2000 Iowa Acts, chapter 1228, section 4, subsection
32 1, paragraph "e", the target date for statewide implementation
33 of the program is October 1, 2002.

34 (2) It is the intent of the general assembly that the
35 electronic benefits transfer program shall include the

1 capability for medical assistance and child care service
2 providers to submit billings electronically and to receive
3 payment through electronic funds transfer.

4 (3) It is the intent of the general assembly that
5 electronic funds transfer system equipment provided by a
6 retailer participating in the program shall be utilized to the
7 extent practicable for electronic benefits transfer
8 transactions for the purchase of food from the retailer.

9 2. Notwithstanding 2000 Iowa Acts, chapter 1226, section
10 5, subsection 4, moneys allocated for electronic benefit
11 transfer development pursuant to 2000 Iowa Acts, chapter 1226,
12 section 5, subsection 2, paragraph "e", subparagraph (9),
13 which remain unobligated or unexpended at the close of the
14 fiscal year shall not revert to the general fund of the state
15 but shall remain available for the purposes designated in the
16 succeeding fiscal year.

17 3. The department may use a portion of the moneys credited
18 to the family investment account under this section, as
19 necessary for salaries, support, maintenance, and
20 miscellaneous purposes for not more than the following full-
21 time equivalent positions which are in addition to any other
22 full-time equivalent positions authorized by this Act:

23 FTEs 8.00

24 4. The department may transfer funds in accordance with
25 section 8.39, either federal or state, to or from the child
26 care appropriations made for the fiscal year beginning July 1,
27 2001, if the department deems this would be a more effective
28 method of paying for JOBS program child care, to maximize
29 federal funding, or to meet federal maintenance of effort
30 requirements.

31 5. Moneys appropriated in this Act and credited to the
32 family investment program account for the fiscal year
33 beginning July 1, 2001, and ending June 30, 2002, are
34 allocated as follows:

35 a. For the food stamp employment and training program:

1 \$ 150,000

2 b. For the family development and self-sufficiency grant
3 program as provided under section 217.12:

4 \$ 5,697,825

5 (1) Of the funds allocated for the family development and
6 self-sufficiency grant program in this lettered paragraph, not
7 more than 5 percent of the funds shall be used for the
8 administration of the grant program.

9 (2) Based upon the annual evaluation report concerning
10 each grantee funded by previously appropriated funds and
11 through the solicitation of additional grant proposals, the
12 family development and self-sufficiency council may use the
13 allocated funds to renew or expand existing grants or award
14 new grants. In utilizing the increased funding to expand the
15 program, the council shall give consideration, in addition to
16 other criteria established by the council, to a grant
17 proposal's intended use of local funds with a grant and to
18 whether a grant proposal would expand the availability of the
19 program's services to a wider geographic area.

20 (3) Family development and self-sufficiency grantees shall
21 not supplant previous local funding with state or federal
22 funds.

23 (4) The department shall continue to implement the family
24 development and self-sufficiency grant program statewide
25 during FY 2001-2002.

26 c. For income maintenance reengineering:

27 \$ 700,000

28 d. For the diversion program and incentive grants as
29 follows:

30 (1) For the diversion subaccount of the family investment
31 program account:

32 \$ 3,200,000

33 Moneys allocated to the diversion subaccount shall be used
34 to continue the pilot initiative of providing incentives to
35 assist families who meet income eligibility requirements for

1 the family investment program in obtaining or retaining
2 employment, to assist participant families in overcoming
3 barriers to obtaining employment, and to assist families in
4 stabilizing employment and in reducing the likelihood of the
5 family returning to the family investment program. Incentives
6 may be provided in the form of payment or services. The
7 department may limit the availability of the pilot initiative
8 on the basis of geographic area or numbers of individuals
9 provided with incentives. The department shall attempt to
10 assess and screen individuals who would most likely benefit
11 from the services. The department shall continue the
12 diversion initiative in the fiscal year 2001-2002. In
13 addition to the full-time equivalent positions authorized in
14 this Act, 1.00 FTE is authorized and the department may use up
15 to \$50,000 to facilitate community investment in welfare
16 reform and to support continuation of the diversion program.
17 The department may grant diversion moneys to the level of the
18 entity operating an initiative. The department may adopt
19 additional eligibility criteria as necessary for compliance
20 with federal law and for screening those families who would be
21 most likely to become eligible for the family investment
22 program if diversion incentives would not be provided.

23 (2) For continuation of innovative strategies on a
24 statewide or pilot project basis for supporting job retention,
25 family structure, or both, including services to noncustodial
26 parents and young parents:

27 \$ 650,000

28 (3) Of the moneys allocated in subparagraph (2), not more
29 than \$250,000 shall be used to develop or continue community-
30 level parental obligation pilot projects. A pilot project
31 shall be operated with the goal of assisting parents who are
32 living apart in meeting their parental obligations and in
33 supporting their children. A pilot project may also seek to
34 prevent the separation of families by including families at
35 risk of separation in project services. Any pilot project

1 shall maximize the use of existing community resources for
2 family counseling, legal services, mediation, job training and
3 job skills development, substance abuse treatment and
4 prevention, health maintenance, and personal mentoring. Local
5 communities shall also be encouraged to provide financial
6 resources.

7 (a) Notwithstanding any other provision of law to the
8 contrary, the department shall develop procedures for the
9 pilot projects to expedite all of the following:

10 (i) The establishment and adjustment of support
11 obligations, with the consent of both parents, in a manner
12 which may deviate from the child support guidelines.

13 (ii) Changes in income withholding orders based on
14 individual case circumstances.

15 (iii) Satisfaction of a portion of support amounts owed to
16 the state based on cooperation and compliance by the
17 noncustodial parent with project requirements.

18 (iv) Adjustment of visitation and shared custody
19 arrangements in a manner which enhances the ability of each
20 parent to meet parental obligations.

21 (b) The department shall adopt rules for the development,
22 operation, and monitoring of a project; to establish the
23 minimum required amount of community support; to establish
24 expedited procedures; and to establish other criteria and
25 procedures as appropriate.

26 (c) The department shall use the funds authorized in this
27 subparagraph to employ 1.00 full-time equivalent position to
28 manage the pilot project or projects. The department shall
29 also use the authorized funds to employ other full-time
30 equivalent positions or to provide services, as necessary, to
31 assist in the coordination, development, and operation of
32 community-level pilot projects and to achieve the expedited
33 procedures established. Any full-time equivalent positions
34 authorized in this subparagraph subdivision are in addition to
35 any other full-time equivalent positions authorized by law.

1 (4) Of the moneys allocated in subparagraph (2), not more
 2 than \$200,000 shall be used to continue to study the impact
 3 that moving unemployed family investment program parents into
 4 employment has on the well-being of the children, the parent,
 5 and the family. The department shall include in this well-
 6 being study a method of actual contact with the families and
 7 children, and shall consider broad-based impacts, such as
 8 educational achievement, health status, housing stability,
 9 family stability, and use of supportive social services. The
 10 department shall also seek funding through foundations and the
 11 federal government in order to supplement the funding for this
 12 study. The results of the study shall be submitted to the
 13 persons required by this Act to receive reports.

14 (5) Of the moneys allocated in subparagraph (2), not more
 15 than \$100,000 shall be used for providing additional incentive
 16 payments to contracted agencies who demonstrate success at
 17 completing well-being visits for families terminated from the
 18 family investment program under a limited benefit plan. The
 19 department shall use these funds to increase payments to
 20 agencies who complete a higher percentage of well-being
 21 visits, who achieve a significant percentage of visits in a
 22 face-to-face format, or who are able to observe and interact
 23 with the children during a significant percentage of visits.

24 6. Of the child support collections assigned under the
 25 family investment program, an amount equal to the federal
 26 share of support collections shall be credited to the child
 27 support recovery appropriation. The remainder of the assigned
 28 child support collections received by the child support
 29 recovery unit shall be credited to the family investment
 30 program account.

31 7. The department may adopt emergency administrative rules
 32 for the family investment, food stamp, and medical assistance
 33 programs, if necessary, to comply with federal requirements.
 34 Prior to adoption of the rules, the department shall consult
 35 with the welfare reform council and the chairpersons and

1 ranking members of the joint appropriations subcommittee on
2 human services.

3 8. The department may continue the initiative to
4 streamline and simplify the employer verification process for
5 applicants, participants, and employers in the administration
6 of the department's programs. The department may contract
7 with companies collecting data from employers when the
8 information is needed in the administration of these programs.
9 The department may limit the availability of the initiative on
10 the basis of geographic area or number of individuals.

11 Sec. 4. FAMILY INVESTMENT PROGRAM GENERAL FUND. There is
12 appropriated from the general fund of the state to the
13 department of human services for the fiscal year beginning
14 July 1, 2001, and ending June 30, 2002, the following amount,
15 or so much thereof as is necessary, to be used for the purpose
16 designated:

17 To be credited to the family investment program account and
18 used for family investment program assistance under chapter
19 239B:

20 \$ 36,000,000

21 1. The department of workforce development, in
22 consultation with the department of human services, shall
23 continue to utilize recruitment and employment practices to
24 include former and current family investment program
25 recipients.

26 2. The department of human services shall continue to work
27 with the department of workforce development and local
28 community collaborative efforts to provide support services
29 for family investment program participants. The support
30 services shall be directed to those participant families who
31 would benefit from the support services and are likely to have
32 success in achieving economic independence.

33 3. Of the funds appropriated in this section, \$9,564,352
34 is allocated for the JOBS program.

35 4. The department shall continue to work with religious

1 organizations and other charitable institutions to increase
 2 the availability of host homes, referred to as second chance
 3 homes or other living arrangements under the federal Personal
 4 Responsibility and Work Opportunity Reconciliation Act of
 5 1996, Pub. L. No. 104-193, § 103. The purpose of the homes or
 6 arrangements is to provide a supportive and supervised living
 7 arrangement for minor parents receiving assistance under the
 8 family investment program who, under chapter 239B, may receive
 9 assistance while living in an alternative setting other than
 10 with their parent or legal guardian.

11 Sec. 5. EMERGENCY ASSISTANCE. There is appropriated from
 12 the general fund of the state to the department of human
 13 services for the fiscal year beginning July 1, 2001, and
 14 ending June 30, 2002, the following amount, or so much thereof
 15 as is necessary, to be used for the purpose designated:

16 For emergency assistance to families with dependent
 17 children for homeless prevention programs:
 18 \$ 10,000

19 1. The emergency assistance provided for in this section
 20 and federal moneys appropriated for this purpose in this Act
 21 shall be available beginning October 1 of the fiscal year and
 22 shall be provided only if all other publicly funded resources
 23 have been exhausted. Specifically, emergency assistance is
 24 the program of last resort and shall not supplant assistance
 25 provided by the low-income home energy assistance program
 26 (LIHEAP), county general relief, and veterans affairs
 27 programs. The department shall establish a \$500 maximum
 28 payment, per family, in a twelve-month period. The emergency
 29 assistance includes, but is not limited to, assisting people
 30 who face eviction, potential eviction, or foreclosure, utility
 31 shutoff or fuel shortage, loss of heating energy supply or
 32 equipment, homelessness, utility or rental deposits, or other
 33 specified crisis which threatens family or living
 34 arrangements. The emergency assistance shall be available to
 35 migrant families who would otherwise meet eligibility

1 criteria. The department may contract for the administration
2 and delivery of the program. The program shall be terminated
3 when funds are exhausted.

4 2. For the fiscal year beginning July 1, 2001, the
5 department shall continue the process for the state to receive
6 refunds of utility and rent deposits, including any accrued
7 interest, for emergency assistance recipients which were paid
8 by persons other than the state. The department shall also
9 receive refunds, including any accrued interest, of assistance
10 paid with funding available under this program. The refunds
11 received by the department under this subsection shall be
12 deposited with the moneys of the appropriation made in this
13 section and used as additional funds for the emergency
14 assistance program. Notwithstanding section 8.33, moneys
15 received by the department under this subsection which remain
16 after the emergency assistance program is terminated and state
17 or federal moneys in the emergency assistance account which
18 remain unobligated or unexpended at the close of the fiscal
19 year shall not revert to the general fund of the state but
20 shall remain available for expenditure when the program
21 resumes operation on October 1 in the succeeding fiscal year.

22 3. Of the funds appropriated in this section, \$10,000 is
23 allocated to the community voice mail program to continue the
24 existing program. The funds shall be made available beginning
25 July 1, 2001. The community voice mail program shall submit
26 semiannual reports to the department which, at a minimum,
27 specify, on a county basis, the unduplicated number of
28 households participating in the program for the previous six-
29 month period. The report shall be submitted no later than the
30 last business day of the month immediately following the end
31 of the six-month period.

32 Sec. 6. CHILD SUPPORT RECOVERY. There is appropriated
33 from the general fund of the state to the department of human
34 services for the fiscal year beginning July 1, 2001, and
35 ending June 30, 2002, the following amount, or so much thereof

1 as is necessary, to be used for the purposes designated:

2 For child support recovery, including salaries, support,
3 maintenance, and miscellaneous purposes and for not more than
4 the following full-time equivalent positions:

5	\$ 6,700,000
6	FTEs 321.40

7 1. The director of human services, within the limitations
8 of the moneys appropriated in this section, or moneys
9 transferred from the family investment program account for
10 this purpose, shall establish new positions and add employees
11 to the child support recovery unit if the director determines
12 that both the current and additional employees together can
13 reasonably be expected to maintain or increase net state
14 revenue at or beyond the budgeted level.

15 2. Nonpublic assistance application fees and other user
16 fees received by the child support recovery unit are
17 appropriated and shall be used for the purposes of the child
18 support recovery program. The director of human services may
19 add positions within the limitations of the amount
20 appropriated for salaries and support for the positions.

21 3. The director of human services, in consultation with
22 the department of management and the legislative fiscal
23 committee, is authorized to receive and deposit state child
24 support incentive earnings in the manner specified under
25 applicable federal requirements.

26 4. a. The director of human services may establish new
27 positions and add state employees to the child support
28 recovery unit or contract for delivery of services if the
29 director determines the employees are necessary to replace
30 county-funded positions eliminated due to termination,
31 reduction, or nonrenewal of a chapter 28E contract. However,
32 the director must also determine that the resulting increase
33 in the state share of child support recovery incentives
34 exceeds the cost of the positions or contract, the positions
35 or contract are necessary to ensure continued federal funding

1 of the program, or the new positions or contract can
2 reasonably be expected to recover at least twice the amount of
3 money necessary to pay the salaries and support for the new
4 positions or the contract will generate at least 200 percent
5 of the cost of the contract.

6 b. Employees in full-time positions that transition from
7 county government to state government employment under this
8 subsection are exempt from testing, selection, and appointment
9 provisions of chapter 19A and from the provisions of
10 collective bargaining agreements relating to the filling of
11 vacant positions.

12 5. If initiated by the judicial branch, the child support
13 recovery unit shall continue to work with the judicial branch
14 to determine the feasibility of implementing a pilot project
15 utilizing a court-appointed referee for judicial
16 determinations on child support matters. The extent and
17 location of any pilot project shall be jointly developed by
18 the judicial branch and the child support recovery unit.

19 6. Surcharges paid by obligors and received by the unit as
20 a result of the referral of support delinquency by the child
21 support recovery unit to any private collection agency are
22 appropriated to the department and shall be used to pay the
23 costs of any contracts with the collection agencies.

24 7. The department shall expend up to \$51,000, including
25 federal financial participation, for the fiscal year beginning
26 July 1, 2001, for a child support public awareness campaign.
27 The department and the office of the attorney general shall
28 cooperate in continuation of the campaign. The public
29 awareness campaign shall emphasize, through a variety of media
30 activities, the importance of maximum involvement of both
31 parents in the lives of their children as well as the
32 importance of payment of child support obligations.

33 Sec. 7. MEDICAL ASSISTANCE. There is appropriated from
34 the general fund of the state to the department of human
35 services for the fiscal year beginning July 1, 2001, and

1 ending June 30, 2002, the following amount, or so much thereof
2 as is necessary, to be used for the purpose designated:

3 For medical assistance reimbursement and associated costs
4 as specifically provided in the reimbursement methodologies in
5 effect on June 30, 2001 except as otherwise expressly
6 authorized by law, including reimbursement for abortion
7 services, which shall be available under the medical
8 assistance program only for those abortions which are
9 medically necessary:

10 \$412,250,000

11 1. Medically necessary abortions are those performed under
12 any of the following conditions:

13 a. The attending physician certifies that continuing the
14 pregnancy would endanger the life of the pregnant woman.

15 b. The attending physician certifies that the fetus is
16 physically deformed, mentally deficient, or afflicted with a
17 congenital illness.

18 c. The pregnancy is the result of a rape which is reported
19 within 45 days of the incident to a law enforcement agency or
20 public or private health agency which may include a family
21 physician.

22 d. The pregnancy is the result of incest which is reported
23 within 150 days of the incident to a law enforcement agency or
24 public or private health agency which may include a family
25 physician.

26 e. Any spontaneous abortion, commonly known as a
27 miscarriage, if not all of the products of conception are
28 expelled.

29 2. Notwithstanding section 8.39, the department may
30 transfer funds appropriated in this section to a separate
31 account established in the department's case management unit
32 for expenditures required to provide case management services
33 for mental health, mental retardation, and developmental
34 disabilities services under medical assistance which are
35 jointly funded by the state and county, pending final

1 settlement of the expenditures. Funds received by the case
2 management unit in settlement of the expenditures shall be
3 used to replace the transferred funds and are available for
4 the purposes for which the funds were appropriated in this
5 section.

6 3. a. The county of legal settlement shall be billed for
7 50 percent of the nonfederal share of the cost of case
8 management provided for adults, day treatment, and partial
9 hospitalization in accordance with sections 249A.26 and
10 249A.27, and 100 percent of the nonfederal share of the cost
11 of care for adults which is reimbursed under a federally
12 approved home and community-based waiver that would otherwise
13 be approved for provision in an intermediate care facility for
14 persons with mental retardation, provided under the medical
15 assistance program. The state shall have responsibility for
16 the remaining 50 percent of the nonfederal share of the cost
17 of case management provided for adults, day treatment, and
18 partial hospitalization. For persons without a county of
19 legal settlement, the state shall have responsibility for 100
20 percent of the nonfederal share of the costs of case
21 management provided for adults, day treatment, partial
22 hospitalization, and the home and community-based waiver
23 services. The case management services specified in this
24 subsection shall be billed to a county only if the services
25 are provided outside of a managed care contract.

26 b. The state shall pay the entire nonfederal share of the
27 costs for case management services provided to persons 17
28 years of age and younger who are served in a medical
29 assistance home and community-based waiver program for persons
30 with mental retardation.

31 c. Medical assistance funding for case management services
32 for eligible persons 17 years of age and younger shall also be
33 provided to persons residing in counties with child welfare
34 decategorization projects implemented in accordance with
35 section 232.188, provided these projects have included these

1 persons in their service plan and the decategorization project
2 county is willing to provide the nonfederal share of costs.

3 d. When paying the necessary and legal expenses of
4 intermediate care facilities for persons with mental
5 retardation (ICFMR), the cost payment requirements of section
6 222.60 shall be considered fulfilled when payment is made in
7 accordance with the medical assistance payment rates
8 established for ICFMRs by the department and the state or a
9 county of legal settlement is not obligated for any amount in
10 excess of the rates.

11 e. The department shall revise the provisions of the home
12 and community-based waiver for persons with brain injury to
13 eliminate the eligibility requirement that a person must have
14 been a resident of a medical institution for at least thirty
15 consecutive days at the time of initial application. Unless a
16 county has paid or is paying for the nonfederal share of the
17 cost of a person's home and community-based waiver services or
18 ICFMR placement under the county's mental health, mental
19 retardation, and developmental disabilities services fund, the
20 state shall pay the nonfederal share of the costs of an
21 eligible person's services under the home and community-based
22 waiver for persons with brain injury.

23 4. The department shall utilize not more than \$60,000 of
24 the funds appropriated in this section to continue the
25 AIDS/HIV health insurance premium payment program as
26 established in 1992 Iowa Acts, Second Extraordinary Session,
27 Chapter 1001, section 409, subsection 6. Of the funds
28 allocated in this subsection, not more than \$5,000 may be
29 expended for administrative purposes.

30 5. Of the funds appropriated to the Iowa department of
31 public health for substance abuse grants, \$950,000 for the
32 fiscal year beginning July 1, 2001, shall be transferred to
33 the department of human services for an integrated substance
34 abuse managed care system.

35 6. In administering the medical assistance home and

1 community-based waiver for persons with physical disabilities,
2 the department shall aggressively pursue options to expand the
3 waiver to 100 openings and in implementing the expanded waiver
4 the total number of openings for persons with physical
5 disabilities served at any one time shall be limited to the
6 number approved in the waiver by the secretary of the United
7 States department of health and human services. The openings
8 shall be available on a first-come, first-served basis.

9 7. The department of human services, in consultation with
10 the Iowa department of public health and the department of
11 education, shall continue the program to utilize the early and
12 periodic screening, diagnosis, and treatment (EPSDT) funding
13 under medical assistance, to the extent possible, to implement
14 the screening component of the EPSDT program through the
15 school system. The department may enter into contracts to
16 utilize maternal and child health centers, the public health
17 nursing program, or school nurses in implementing this
18 provision.

19 8. The department shall continue the case study for
20 outcome-based performance standards for programs serving
21 persons with mental retardation or other developmental
22 disabilities proposed pursuant to 1994 Iowa Acts, chapter
23 1170, section 56.

24 9. The department shall continue the medical assistance
25 home and community-based services waiver to allow children
26 with mental retardation, who would otherwise require ICF/MR
27 care, to be served in out-of-home settings of up to eight beds
28 which meet standards established by the department. Up to
29 \$1,487,314 of the funds appropriated in this section may be
30 used for the costs of the waiver.

31 10. The department shall continue working with county
32 representatives in aggressively implementing the
33 rehabilitation option for services to persons with chronic
34 mental illness under the medical assistance program, and
35 county funding shall be used to provide the match for the

1 federal funding, except for individuals with state case
2 status, for whom state funding shall provide the match.

3 11. If the health care financing administration approves a
4 waiver request from the department, the department shall
5 provide a period of 24 months of guaranteed eligibility for
6 medical assistance family planning services, regardless of the
7 change in circumstances of a woman who was a medical
8 assistance recipient when a pregnancy ended.

9 12. The department shall aggressively pursue options for
10 providing medical assistance or other assistance to
11 individuals with special needs who become ineligible to
12 continue receiving services under the early and periodic,
13 screening, diagnosis, and treatment program under the medical
14 assistance program due to becoming 21 years of age, who have
15 been approved for additional assistance through the
16 department's exception to policy provisions, but who have
17 health care needs in excess of the funding available through
18 the exception to policy process.

19 Sec. 8. HEALTH INSURANCE PREMIUM PAYMENT PROGRAM. There
20 is appropriated from the general fund of the state to the
21 department of human services for the fiscal year beginning
22 July 1, 2001, and ending June 30, 2002, the following amount,
23 or so much thereof as is necessary, to be used for the purpose
24 designated:

25 For administration of the health insurance premium payment
26 program, including salaries, support, maintenance, and
27 miscellaneous purposes, and for not more than the following
28 full-time equivalent positions:

29	\$	600,000
30	FTEs	22.00

31 Sec. 9. CHILDREN'S HEALTH INSURANCE PROGRAM. There is
32 appropriated from the general fund of the state to the
33 department of human services for the fiscal year beginning
34 July 1, 2001, and ending June 30, 2002, the following amount,
35 or so much thereof as is necessary, to be used for the purpose

1 designated:

2 For maintenance of the healthy and well kids in Iowa (HAWK-
3 I) program pursuant to chapter 514I for receipt of federal
4 financial participation under Title XXI of the federal Social
5 Security Act, which creates the state children's health
6 insurance program:

7 \$ 8,400,000

8 1. The department may transfer funds appropriated in this
9 section to be used for the purpose of expanding health care
10 coverage to children under the medical assistance program.
11 The department shall provide periodic updates to the general
12 assembly of expenditures of funds appropriated in this
13 section.

14 2. The department shall provide a report to the HAWK-I
15 board and to the general assembly by January 15, 2002,
16 specifying the actual cost reported by each participating
17 insurer of providing monthly coverage to eligible children
18 under the children's health insurance program.

19 3. Moneys in the HAWK-I trust fund are appropriated and
20 shall be used to offset any program costs for the fiscal year
21 beginning July 1, 2001, and ending June 30, 2002.

22 4. The department of human services shall seek a waiver
23 from the health care financing administration of the United
24 States department of health and human services to permit
25 families with children who are eligible for medical assistance
26 to elect to participate under the HAWK-I program in lieu of
27 participation in the medical assistance program. If the
28 waiver is approved, the department shall implement the
29 provision.

30 Sec. 10. MEDICAL CONTRACTS. There is appropriated from
31 the general fund of the state to the department of human
32 services for the fiscal year beginning July 1, 2001, and
33 ending June 30, 2002, the following amount, or so much thereof
34 as is necessary, to be used for the purpose designated:

35 For medical contracts:

1 \$ 8,700,000

2 1. In any managed care contract for mental health or
3 substance abuse services entered into or extended by the
4 department on or after July 1, 2001, the request for proposals
5 shall provide for coverage of dual diagnosis mental health and
6 substance abuse treatment provided at the state mental health
7 institute at Mount Pleasant. To the extent possible, the
8 department shall also amend any such contract existing on July
9 1, 2001, to provide for such coverage. The department shall
10 receive input and recommendations from the chairpersons and
11 ranking members of the joint appropriations subcommittee on
12 human services prior to entering into or extending any managed
13 care contract for mental health or substance abuse services.

14 2. The director of human services may establish up to 8.00
15 full-time equivalent positions to be assigned to the medical
16 review unit and pharmacy unit of the fiscal agent if the
17 director determines the employees are necessary to replace
18 fiscal agent positions of the professional medical review
19 staff and pharmacy staff, contingent upon termination of those
20 staff positions with the fiscal agent. Employees in full-time
21 positions that transition from private employment to state
22 government employment under this unnumbered paragraph are
23 exempt from testing, selection, and appointment provisions of
24 chapter 19A and from provisions of collective bargaining
25 agreements relating to the filling of positions.

26 Sec. 11. STATE SUPPLEMENTARY ASSISTANCE. There is
27 appropriated from the general fund of the state to the
28 department of human services for the fiscal year beginning
29 July 1, 2001, and ending June 30, 2002, the following amount,
30 or so much thereof as is necessary, to be used for the
31 purposes designated:

32 For state supplementary assistance, funeral assistance, and
33 the medical assistance home and community-based services
34 waiver rent subsidy program:

35 \$ 19,550,000

1 1. The department shall increase the personal needs
2 allowance for residents of residential care facilities by the
3 same percentage and at the same time as federal supplemental
4 security income and federal social security benefits are
5 increased due to a recognized increase in the cost of living.
6 The department may adopt emergency rules to implement this
7 subsection.

8 2. If during the fiscal year beginning July 1, 2001, the
9 department projects that state supplementary assistance
10 expenditures for a calendar year will not meet the federal
11 pass-along requirement specified in Title XVI of the federal
12 Social Security Act, section 1618, as codified in 42 U.S.C. §
13 1382g, the department may take actions including but not
14 limited to increasing the personal needs allowance for
15 residential care facility residents and making programmatic
16 adjustments or upward adjustments of the residential care
17 facility or in-home health-related care reimbursement rates
18 prescribed in this Act to ensure that federal requirements are
19 met. The department may adopt emergency rules to implement
20 the provisions of this subsection.

21 3. The department may use up to \$75,000 of the funds
22 appropriated in this section for a rent subsidy program for
23 adult persons to whom all of the following apply:

24 a. Are receiving assistance under a medical assistance
25 home and community-based services (HCBS) waiver.

26 b. Were discharged from a medical institution in which
27 they have resided or were at risk of institutional placement,
28 not to exceed 100 slots. Within available funding and
29 demonstrated need, the department may make subsidy funds
30 available to HCBS waiver-eligible adults meeting criteria in
31 paragraph "a" and this paragraph at any time on or after July
32 1, 1995.

33 The goal of the subsidy program shall be to encourage and
34 assist in enabling persons who currently reside in a medical
35 institution to move to a community living arrangement. An

1 eligible person may receive assistance in meeting their rental
2 expense and, in the initial two months of eligibility, in
3 purchasing necessary household furnishings and supplies. The
4 program shall be implemented so that it does not meet the
5 federal definition of state supplementary assistance and will
6 not impact the federal pass-along requirement specified in
7 Title XVI of the federal Social Security Act, section 1618, as
8 codified in 42 U.S.C. § 1382g.

9 Sec. 12. CHILD CARE ASSISTANCE. There is appropriated
10 from the general fund of the state to the department of human
11 services for the fiscal year beginning July 1, 2001, and
12 ending June 30, 2002, the following amount, or so much thereof
13 as is necessary, to be used for the purpose designated:

14 For child care programs:

15 \$ 5,050,752

16 1. a. Of the funds appropriated in this section,
17 \$4,414,111 shall be used for state child care assistance in
18 accordance with section 237A.13.

19 b. During the 2001-2002 fiscal year, the moneys deposited
20 in the child care credit fund created in section 237A.28 are
21 appropriated to the department to be used for state child care
22 assistance in accordance with section 237A.13, in addition to
23 the moneys allocated for that purpose in paragraph "a".

24 2. Nothing in this section shall be construed or is
25 intended as, or shall imply, a grant of entitlement for
26 services to persons who are eligible for assistance due to an
27 income level consistent with the waiting list requirements of
28 section 237A.13. Any state obligation to provide services
29 pursuant to this section is limited to the extent of the funds
30 appropriated in this section.

31 3. Of the funds appropriated in this section, \$636,641 is
32 allocated for the statewide program for child care resource
33 and referral services under section 237A.26.

34 4. The department may use any of the funds appropriated in
35 this section as a match to obtain federal funds for use in

1 expanding child care assistance and related programs. For the
2 purpose of expenditures of state and federal child care
3 funding, funds shall be considered obligated at the time
4 expenditures are projected or are allocated to the
5 department's regions. Projections shall be based on current
6 and projected caseload growth, current and projected provider
7 rates, staffing requirements for eligibility determination and
8 management of program requirements including data systems
9 management, staffing requirements for administration of the
10 program, contractual and grant obligations and any transfers
11 to other state agencies, and obligations for decategorization
12 or innovation projects.

13 Sec. 13. JUVENILE INSTITUTIONS. There is appropriated
14 from the general fund of the state to the department of human
15 services for the fiscal year beginning July 1, 2001, and
16 ending June 30, 2002, the following amounts, or so much
17 thereof as is necessary, to be used for the purposes
18 designated:

- 19 1. For operation of the Iowa juvenile home at Toledo:
- 20 \$ 6,620,000
- 21 FTEs 138.54

22 It is the intent of the general assembly that beginning in
23 the fiscal year commencing on July 1, 2002, the Iowa juvenile
24 home at Toledo will serve only females. The department shall
25 develop a plan which includes options for relocating the males
26 at the Iowa juvenile home at Toledo. The options shall
27 include but are not limited to developing a child in need of
28 assistance program for males at the state training school at
29 Eldora.

- 30 2. For operation of the state training school at Eldora:
- 31 \$ 10,870,000
- 32 FTEs 229.53

33 Of the funding appropriated in this subsection, \$40,000 is
34 designated for aftercare services for persons who were placed
35 at the state training school at Eldora.

1 3. During the fiscal year beginning July 1, 2001, the
2 population levels at the state juvenile institutions shall not
3 exceed the population guidelines established under 1990 Iowa
4 Acts, chapter 1239, section 21, as adjusted for additional
5 beds developed at the institutions.

6 4. A portion of the moneys appropriated in this section
7 shall be used by the state training school and by the Iowa
8 juvenile home for grants for adolescent pregnancy prevention
9 activities at the institutions in the fiscal year beginning
10 July 1, 2001.

11 5. Within the amounts appropriated in this section, the
12 department may transfer funds as necessary to best fulfill the
13 needs of the institutions provided for in the appropriation.

14 6. If the department receives notice from the department
15 of inspections and appeals or any other entity that certifies
16 a juvenile institution's compliance with certification
17 requirements or determines compliance with regulatory
18 requirements, that a juvenile institution has been found or
19 cited for being out of compliance with a requirement, the
20 department shall report the notice to those persons designated
21 by this Act to receive reports. The report shall be made
22 within thirty days of the date the notice was received by the
23 department.

24 Sec. 14. CHILD AND FAMILY SERVICES. There is appropriated
25 from the general fund of the state to the department of human
26 services for the fiscal year beginning July 1, 2001, and
27 ending June 30, 2002, the following amount, or so much thereof
28 as is necessary, to be used for the purpose designated:

29 For child and family services:
30 \$106,000,000

31 1. The department may transfer funds appropriated in this
32 section as necessary to pay the nonfederal costs of services
33 reimbursed under medical assistance or the family investment
34 program which are provided to children who would otherwise
35 receive services paid under the appropriation in this section.

1 The department may transfer funds appropriated in this section
2 to the appropriations in this Act for general administration
3 and for field operations for resources necessary to implement
4 and operate the services funded in this section.

5 2. a. Of the funds appropriated in this section, up to
6 \$28,137,020 is allocated as the statewide expenditure target
7 under section 232.143 for group foster care maintenance and
8 services.

9 b. If at any time after September 30, 2001, annualization
10 of a region's current expenditures indicates a region is at
11 risk of exceeding its group foster care expenditure target
12 under section 232.143 by more than five percent, the
13 department and juvenile court services shall examine all group
14 foster care placements in that region in order to identify
15 those which might be appropriate for termination. In
16 addition, any aftercare services believed to be needed for the
17 children whose placements may be terminated shall be
18 identified. The department and juvenile court services shall
19 initiate action to set dispositional review hearings for the
20 placements identified. In such a dispositional review
21 hearing, the juvenile court shall determine whether needed
22 aftercare services are available and whether termination of
23 the placement is in the best interest of the child and the
24 community.

25 c. (1) Of the funds appropriated in this section, not
26 more than \$6,987,000 is allocated as the state match funding
27 for psychiatric medical institutions for children.

28 (2) The department may transfer all or a portion of the
29 amount allocated in this lettered paragraph for psychiatric
30 medical institutions for children (PMICs) to the appropriation
31 in this Act for medical assistance.

32 d. Of the funds allocated in this subsection, \$1,354,063
33 is allocated as the state match funding for 50 highly
34 structured juvenile program beds. If the number of beds
35 provided for in this lettered paragraph is not utilized, the

1 remaining funds allocated may be used for group foster care.

2 e. For the fiscal year beginning July 1, 2001, the
3 requirements of section 232.143 applicable to the juvenile
4 court and to representatives of the juvenile court shall be
5 applicable instead to juvenile court services and to
6 representatives of juvenile court services. The
7 representatives appointed by the department of human services
8 and by juvenile court services to establish the plan to
9 contain expenditures for children placed in group foster care
10 ordered by the court within the budget target allocated to the
11 region shall establish the plan in a manner so as to ensure
12 the moneys allocated to the region under section 232.143 shall
13 last the entire fiscal year. Funds for a child placed in
14 group foster care shall be considered encumbered for the
15 duration of the child's projected or actual length of stay,
16 whichever is applicable.

17 3. The department shall continue the goal that not more
18 than 15 percent of the children placed in foster care funded
19 under the federal Social Security Act, Title IV-E, may be
20 placed in foster care for a period of more than 24 months.

21 4. In accordance with the provisions of section 232.188,
22 the department shall continue the program to decategorize
23 child welfare services funding in additional counties or
24 clusters of counties.

25 5. A portion of the funding appropriated in this section
26 may be used for emergency family assistance to provide other
27 resources required for a family participating in a family
28 preservation or reunification project to stay together or to
29 be reunified.

30 6. Notwithstanding section 234.35, subsection 1, for the
31 fiscal year beginning July 1, 2001, state funding for shelter
32 care paid pursuant to section 234.35, subsection 1, paragraph
33 "h", shall be limited to \$7,513,084.

34 7. Of the funding appropriated in this section, up to
35 \$617,079 may be used as determined by the department for any

1 of the following purposes:

2 a. For general administration of the department to improve
3 staff training efforts.

4 b. For oversight of termination of parental rights and
5 permanency planning efforts on a statewide basis.

6 c. For personnel, assigned by the attorney general, to
7 provide additional services relating to termination of
8 parental rights and child in need of assistance cases.

9 d. For specialized permanency planning field operations
10 staff.

11 8. The department may adopt administrative rules following
12 consultation with child welfare services providers to
13 implement outcome-based child welfare services pilot projects.
14 The rules may include, but are not limited to, the development
15 of program descriptions, provider licensing and certification
16 standards, reimbursement and payment amounts, contract
17 requirements, assessment and service necessity requirements,
18 eligibility criteria, claims submission procedures, and
19 accountability standards.

20 9. The department shall continue to make adoption
21 presubsidy and adoption subsidy payments to adoptive parents
22 at the beginning of the month for the current month.

23 10. Federal funds received by the state during the fiscal
24 year beginning July 1, 2001, as the result of the expenditure
25 of state funds appropriated during a previous state fiscal
26 year for a service or activity funded under this section,
27 shall be used as additional funding for services provided
28 under this section. Notwithstanding section 8.33, moneys
29 received by the department in accordance with the provisions
30 of this subsection shall remain available for the purposes
31 designated until June 30, 2003.

32 11. The department and juvenile court services shall
33 continue to develop criteria for the department regional
34 administrator and chief juvenile court officer to grant
35 exceptions to extend eligibility, within the funds allocated,

1 for intensive tracking and supervision and for supervised
2 community treatment to delinquent youth beyond age 18 who are
3 subject to release from the state training school, a highly
4 structured juvenile program, or group foster care.

5 12. Of the moneys appropriated in this section, not more
6 than \$627,100 is allocated to provide clinical assessment
7 services as necessary to continue funding of children's
8 rehabilitation services under medical assistance in accordance
9 with federal law and requirements. The funding allocated is
10 the amount projected to be necessary for providing the
11 clinical assessment services.

12 13. Of the funding appropriated in this section,
13 \$3,696,285 shall be used for protective child care assistance.

14 14. Of the moneys appropriated in this section, up to
15 \$3,290,000 is allocated for the payment of the expenses of
16 court-ordered services provided to juveniles which are a
17 charge upon the state pursuant to section 232.141, subsection
18 4.

19 a. Notwithstanding section 232.141 or any other provision
20 of law, the amount allocated in this subsection shall be
21 distributed to the judicial districts as determined by the
22 state court administrator. The state court administrator
23 shall make the determination of the distribution amounts on or
24 before June 15, 2001.

25 b. The department of human services shall develop policies
26 and procedures to ensure that the funds allocated in this
27 subsection are spent only after all other reasonable actions
28 have been taken to utilize other funding sources and
29 community-based services. The policies and procedures shall
30 be designed to achieve the following objectives relating to
31 services provided under chapter 232:

32 (1) Maximize the utilization of funds which may be
33 available from the medical assistance program including usage
34 of the early and periodic screening, diagnosis, and treatment
35 (EPSDT) program.

1 (2) Recover payments from any third-party insurance
2 carrier which is liable for coverage of the services,
3 including health insurance coverage.

4 (3) Pursue development of agreements with regularly
5 utilized out-of-state service providers which are intended to
6 reduce per diem costs paid to those providers.

7 c. Notwithstanding chapter 232 or any other provision of
8 law, a district or juvenile court in a department of human
9 services district shall not order any service which is a
10 charge upon the state pursuant to section 232.141 if there are
11 insufficient court-ordered services funds available in the
12 district distribution amount to pay for the service. The
13 chief juvenile court officer shall work with the judicial
14 district planning group to encourage use of the funds
15 allocated in this subsection such that there are sufficient
16 funds to pay for all court-related services during the entire
17 year. The eight chief juvenile court officers shall attempt
18 to anticipate potential surpluses and shortfalls in the
19 distribution amounts and shall cooperatively request the state
20 court administrator to transfer funds between the districts'
21 distribution amounts as prudent.

22 d. Notwithstanding any provision of law to the contrary, a
23 district or juvenile court shall not order a county to pay for
24 any service provided to a juvenile pursuant to an order
25 entered under chapter 232 which is a charge upon the state
26 under section 232.141, subsection 4.

27 e. Of the funding allocated in this subsection, not more
28 than \$100,000 may be used by the judicial branch for
29 administration of the requirements under this subsection and
30 for travel associated with court-ordered placements which are
31 a charge upon the state pursuant to section 232.141,
32 subsection 4.

33 15. a. Of the funding appropriated in this section,
34 \$5,292,000 is allocated to provide school-based supervision of
35 children adjudicated under chapter 232, including not more

1 than \$1,764,000 from the allocation in this section for court-
2 ordered services. Not more than \$15,000 of the funding
3 allocated in this subsection may be used for the purpose of
4 training.

5 b. To the extent possible, the personnel providing school-
6 based services shall be prepared with training or experience
7 relating to gender-specific programming to best intervene with
8 youth at risk of being found delinquent or determined to be a
9 child in need of assistance.

10 16. The department shall maximize the capacity to draw
11 federal funding under Title IV-E of the federal Social
12 Security Act.

13 17. Any unanticipated federal funding that is received
14 during the fiscal year due to improvements in the hours
15 counted by the judicial branch under the claiming process for
16 federal Title IV-E funding are appropriated to the department
17 to be used for additional or expanded services and support for
18 court-ordered services pursuant to section 232.141.

19 Notwithstanding section 8.33, moneys appropriated in this
20 subsection that remain unencumbered or unobligated at the
21 close of the fiscal year shall not revert but shall remain
22 available for expenditure for the purposes designated until
23 the close of the succeeding fiscal year.

24 Sec. 15. JUVENILE DETENTION HOME FUND. Moneys deposited
25 in the juvenile detention home fund created in section 232.142
26 during the fiscal year beginning July 1, 2001, and ending June
27 30, 2002, are appropriated to the department of human services
28 for the fiscal year beginning July 1, 2001, and ending June
29 30, 2002, for distribution as follows:

30 1. An amount equal to ten percent of the costs of the
31 establishment, improvement, operation, and maintenance of
32 county or multicounty juvenile detention homes in the fiscal
33 year beginning July 1, 2000. Moneys appropriated for
34 distribution in accordance with this paragraph shall be
35 allocated among eligible detention homes, prorated on the

1 basis of an eligible detention home's proportion of the costs
2 of all eligible detention homes in the fiscal year beginning
3 July 1, 2000. Notwithstanding section 232.142, subsection 3,
4 the financial aid payable by the state under that provision
5 for the fiscal year beginning July 1, 2000, shall be limited
6 to the amount appropriated for the purposes of this paragraph.

7 2. For renewal of a grant to a county with a population
8 between 168,000 and 175,000 for implementation of the county's
9 runaway treatment plan under section 232.195:

10 \$ 80,000

11 3. For grants to counties implementing a runaway treatment
12 plan under section 232.195.

13 4. The remainder for additional allocations to county or
14 multicounty juvenile detention homes, in accordance with the
15 distribution requirements of subsection 1.

16 Sec. 16. COMMUNITY-BASED PROGRAMS -- ADOLESCENT PREGNANCY
17 PREVENTION. There is appropriated from the general fund of
18 the state to the department of human services for the fiscal
19 year beginning July 1, 2001, and ending June 30, 2002, the
20 following amount, or so much thereof as is necessary, to be
21 used for the purpose designated:

22 For community-based programs, on the condition that family
23 planning services are funded, including salaries, support,
24 maintenance, and miscellaneous purposes and for not more than
25 the following full-time equivalent positions:

26 \$ 281,415

27 FTEs 1.00

28 1. Funds appropriated in this section shall be used to
29 provide adolescent pregnancy prevention grants which comply
30 with the requirements provided in 1997 Iowa Acts, chapter 208,
31 section 14, subsections 1 and 2, and shall emphasize programs
32 which target the middle school level.

33 2. It is the intent of the general assembly that the
34 department of human services and the Iowa department of public
35 health shall continue to identify existing abstinence

1 education or community-based programs which comply with the
2 requirements established in section 912, subchapter V, of the
3 federal Social Security Act, as codified in 42 U.S.C. § 701
4 et seq. for the matching of federal funds.

5 Sec. 17. FAMILY SUPPORT SUBSIDY PROGRAM. There is
6 appropriated from the general fund of the state to the
7 department of human services for the fiscal year beginning
8 July 1, 2001, and ending June 30, 2002, the following amount,
9 or so much thereof as is necessary, to be used by the division
10 of children and family services for the purpose designated:

11 For the family support subsidy program:
12 \$ 2,089,858

13 The department may use up to \$267,000 of the moneys
14 appropriated in this section to continue the children-at-home
15 program in current counties, of which not more than \$20,000
16 shall be used for administrative costs.

17 Sec. 18. CONNER DECREE. There is appropriated from the
18 general fund of the state to the department of human services
19 for the fiscal year beginning July 1, 2001, and ending June
20 30, 2002, the following amount, or so much thereof as is
21 necessary, to be used for the purpose designated:

22 For building community capacity through the coordination
23 and provision of training opportunities in accordance with the
24 consent decree of Conner v. Branstad, No. 4-86-CV-30871(S.D.
25 Iowa, July 14, 1994):
26 \$ 46,000

27 Sec. 19. MENTAL HEALTH INSTITUTES. There is appropriated
28 from the general fund of the state to the department of human
29 services for the fiscal year beginning July 1, 2001, and
30 ending June 30, 2002, the following amounts, or so much
31 thereof as is necessary, to be used for the purposes
32 designated:

33 1. For the state mental health institute at Cherokee for
34 salaries, support, maintenance, and miscellaneous purposes and
35 for not more than the following full-time equivalent

1 positions:

2 \$ 13,470,000

3 FTEs 248.44

4 2. For the state mental health institute at Clarinda for
5 salaries, support, maintenance, and miscellaneous purposes and
6 for not more than the following full-time equivalent

7 positions:

8 \$ 7,650,000

9 FTEs 138.59

10 3. For the state mental health institute at Independence
11 for salaries, support, maintenance, and miscellaneous purposes
12 and for not more than the following full-time equivalent

13 positions:

14 \$ 17,930,000

15 FTEs 352.46

16 The state mental health institute at Independence shall
17 continue the 30 psychiatric medical institution for children
18 (PMIC) beds authorized in section 135H.6, in a manner which
19 results in no net state expenditure amount in excess of the
20 amount appropriated in this subsection. Counties are not
21 responsible for the costs of PMIC services described in this
22 subsection. Subject to the approval of the department, with
23 the exception of revenues required under section 249A.11 to be
24 credited to the appropriation in this Act for medical
25 assistance, revenues attributable to the PMIC beds described
26 in this subsection for the fiscal year beginning July 1, 2001,
27 and ending June 30, 2002, shall be deposited in the
28 institute's account, including but not limited to any of the
29 following revenues:

30 a. The federal share of medical assistance revenue
31 received under chapter 249A.

32 b. Moneys received through client participation.

33 c. Any other revenues directly attributable to the PMIC
34 beds.

35 4. For the state mental health institute at Mount Pleasant

1 for salaries, support, maintenance, and miscellaneous purposes
2 and for not more than the following full-time equivalent
3 positions:

4 \$ 5,717,500
5 FTEs 109.47

6 a. Funding is provided in this subsection for the mental
7 health institute at Mount Pleasant to continue the dual
8 diagnosis mental health and substance abuse program on a net
9 budgeting basis in which 50 percent of the actual per diem and
10 ancillary services costs are chargeable to the patient's
11 county of legal settlement or as a state case, as appropriate.
12 Subject to the approval of the department, revenues
13 attributable to the dual diagnosis program for the fiscal year
14 beginning July 1, 2001, and ending June 30, 2002, shall be
15 deposited in the institute's account, including but not
16 limited to all of the following revenues:

17 (1) Moneys received by the state from billings to counties
18 under section 230.20.

19 (2) Moneys received from billings to the Medicare program.

20 (3) Moneys received from a managed care contractor
21 providing services under contract with the department or any
22 private third-party payer.

23 (4) Moneys received through client participation.

24 (5) Any other revenues directly attributable to the dual
25 diagnosis program.

26 b. The following additional provisions are applicable in
27 regard to the dual diagnosis program:

28 (1) A county may split the charges between the county's
29 mental health, mental retardation, and developmental
30 disabilities services fund and the county's budget for
31 substance abuse expenditures.

32 (2) If an individual is committed to the custody of the
33 department of corrections at the time the individual is
34 referred for dual diagnosis treatment, the department of
35 corrections shall be charged for the costs of treatment.

1 (3) Prior to an individual's admission for dual diagnosis
2 treatment, the individual shall have been screened through a
3 county's single entry point process to determine the
4 appropriateness of the treatment.

5 (4) A county shall not be chargeable for the costs of
6 treatment for an individual enrolled in and authorized by or
7 decertified by a managed behavioral care plan under the
8 medical assistance program.

9 (5) Notwithstanding section 8.33, mental health
10 institutions revenues related to the dual diagnosis program
11 that remain unencumbered or unobligated at the close of the
12 fiscal year shall not revert but shall remain available up to
13 the amount which would allow the mental health institute to
14 meet credit obligations owed to counties as a result of year-
15 end per diem adjustments for the dual diagnosis program.

16 5. Within the funds appropriated in this section, the
17 department may transfer funds as necessary to best fulfill the
18 needs of the institutions provided for in the appropriation.

19 6. As part of the discharge planning process at the state
20 mental health institutes, the department shall provide
21 assistance in obtaining eligibility for federal supplemental
22 security income (SSI) to those individuals whose care at a
23 state mental health institute is the financial responsibility
24 of the state or a county.

25 7. If the department receives notice from the department
26 of inspections and appeals or any other entity that certifies
27 a state mental health institute's compliance with
28 certification requirements or determines compliance with
29 regulatory requirements, that a state mental health institute
30 has been found or cited for being out of compliance with a
31 requirement, the department shall report the notice to those
32 persons designated by this Act to receive reports. The report
33 shall be made within thirty days of the date the notice was
34 received by the department.

35 Sec. 20. STATE RESOURCE CENTERS. There is appropriated

1 from the general fund of the state to the department of human
2 services for the fiscal year beginning July 1, 2001, and
3 ending June 30, 2002, the following amounts, or so much
4 thereof as is necessary, to be used for the purposes
5 designated:

6 1. For the state resource center at Glenwood for salaries,
7 support, maintenance, and miscellaneous purposes:
8 \$ 2,625,000

9 2. For the state resource center at Woodward for salaries,
10 support, maintenance, and miscellaneous purposes:
11 \$ 1,790,000

12 3. a. The department shall continue operating the state
13 resource centers at Glenwood and Woodward with a net general
14 fund appropriation. The amounts allocated in this section are
15 the net amounts of state moneys projected to be needed for the
16 state resource centers. The purposes of operating with a net
17 general fund appropriation are to encourage the state resource
18 centers to operate with increased self-sufficiency, to improve
19 quality and efficiency, and to support collaborative efforts
20 between the state resource centers and counties and other
21 funders of services available from the state resource centers.
22 The state resource centers shall not be operated under the net
23 appropriation in a manner which results in a cost increase to
24 the state or cost shifting between the state, the medical
25 assistance program, counties, or other sources of funding for
26 the state resource centers. Moneys allocated in subsection 1
27 may be used throughout the fiscal year in the manner necessary
28 for purposes of cash flow management, and for purposes of cash
29 flow management the state resource centers may temporarily
30 draw more than the amount allocated, provided the amount
31 allocated is not exceeded at the close of the fiscal year.

32 b. Subject to the approval of the department, except for
33 revenues under section 249A.11, revenues attributable to the
34 state resource centers for the fiscal year beginning July 1,
35 2001, shall be deposited into each state resource center's

1 account, including but not limited to all of the following:

2 (1) Moneys received by the state from billings to counties
3 under section 222.73.

4 (2) The federal share of medical assistance revenue
5 received under chapter 249A.

6 (3) Federal Medicare program payments.

7 (4) Moneys received from client financial participation.

8 (5) Other revenues generated from current, new, or
9 expanded services which the state resource center is
10 authorized to provide.

11 c. For the purposes of allocating the salary adjustment
12 fund moneys appropriated in another Act, the state resource
13 centers shall be considered to be funded entirely with state
14 moneys.

15 d. Notwithstanding section 8.33, up to \$500,000 of a state
16 resource center's revenues that remain unencumbered or
17 unobligated at the close of the fiscal year shall not revert
18 but shall remain available to be used in the succeeding fiscal
19 year.

20 4. Within the funds appropriated in this section, the
21 department may transfer funds as necessary to best fulfill the
22 needs of the institutions provided for in the appropriation.

23 5. The department may continue to bill for state resource
24 center services utilizing a scope of services approach used
25 for private providers of ICFMR services, in a manner which
26 does not shift costs between the medical assistance program,
27 counties, or other sources of funding for the state resource
28 centers.

29 6. The state resource centers may expand the time limited
30 assessment and respite services during the fiscal year.

31 7. If the department's administration and the department
32 of management concur with a finding by a state resource
33 center's superintendent that projected revenues can reasonably
34 be expected to pay the salary and support costs for a new
35 employee position, or that such costs for adding a particular

1 number of new positions for the fiscal year would be less than
 2 the overtime costs if new positions would not be added, the
 3 superintendent may add the new position or positions. If the
 4 vacant positions available to a resource center do not include
 5 the position classification desired to be filled, the state
 6 resource center's superintendent may reclassify any vacant
 7 position as necessary to fill the desired position. The
 8 superintendents of the state resource centers may, by mutual
 9 agreement, pool vacant positions and position classifications
 10 during the course of the fiscal year in order to assist one
 11 another in filling necessary positions.

12 8. If the department receives notice from the department
 13 of inspections and appeals or any other entity that certifies
 14 a state resource center's compliance with certification
 15 requirements or determines compliance with regulatory
 16 requirements, that a state resource center has been found or
 17 cited for being out of compliance with a requirement, the
 18 department shall report the notice to those persons designated
 19 by this Act to receive reports. The report shall be made
 20 within thirty days of the date the notice was received by the
 21 department.

22 Sec. 21. SPECIAL NEEDS GRANTS. There is appropriated from
 23 the general fund of the state to the department of human
 24 services for the fiscal year beginning July 1, 2001, and
 25 ending June 30, 2002, the following amount, or so much thereof
 26 as is necessary, to be used for the purpose designated:

27 To provide special needs grants to families with a family
 28 member at home who has a developmental disability or to a
 29 person with a developmental disability:

30 \$ 53,212

31 Grants must be used by a family to defray special costs of
 32 caring for the family member to prevent out-of-home placement
 33 of the family member or to provide for independent living
 34 costs. The grants may be administered by a private nonprofit
 35 agency which serves people statewide provided that no

1 administrative costs are received by the agency.

2 Sec. 22. MI/MR/DD STATE CASES. There is appropriated from
3 the general fund of the state to the department of human
4 services for the fiscal year beginning July 1, 2001, and
5 ending June 30, 2002, the following amounts, or so much
6 thereof as is necessary, to be used for the purposes
7 designated:

8 For purchase of local services for persons with mental
9 illness, mental retardation, and developmental disabilities
10 where the client has no established county of legal
11 settlement:

12 \$ 12,700,000

13 Sec. 23. MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES --
14 COMMUNITY SERVICES FUND. There is appropriated from the
15 general fund of the state to the mental health and
16 developmental disabilities community services fund created in
17 section 225C.7 for the fiscal year beginning July 1, 2001, and
18 ending June 30, 2002, the following amount, or so much thereof
19 as is necessary, to be used for the purpose designated:

20 For mental health and developmental disabilities community
21 services in accordance with this Act:

22 \$ 19,560,000

23 1. Of the funds appropriated in this section, \$19,530,000
24 shall be allocated to counties for funding of community-based
25 mental health and developmental disabilities services. The
26 moneys shall be allocated to a county as follows:

27 a. Fifty percent based upon the county's proportion of the
28 state's population of persons with an annual income which is
29 equal to or less than the poverty guideline established by the
30 federal office of management and budget.

31 b. Fifty percent based upon the county's proportion of the
32 state's general population.

33 2. a. A county shall utilize the funding the county
34 receives pursuant to subsection 1 for services provided to
35 persons with a disability, as defined in section 225C.2.

1 However, no more than 50 percent of the funding shall be used
2 for services provided to any one of the service populations.

3 b. A county shall use at least 50 percent of the funding
4 the county receives under subsection 1 for contemporary
5 services provided to persons with a disability, as described
6 in rules adopted by the department.

7 3. Of the funds appropriated in this section, \$30,000
8 shall be used to support the Iowa compass program providing
9 computerized information and referral services for Iowans with
10 disabilities and their families.

11 4. a. Funding appropriated for purposes of the federal
12 social services block grant is allocated for distribution to
13 counties for local purchase of services for persons with
14 mental illness or mental retardation or other developmental
15 disability.

16 b. The funds allocated in this subsection shall be
17 expended by counties in accordance with the county's approved
18 county management plan. A county without an approved county
19 management plan shall not receive allocated funds until the
20 county's management plan is approved.

21 c. The funds provided by this subsection shall be
22 allocated to each county as follows:

23 (1) Fifty percent based upon the county's proportion of
24 the state's population of persons with an annual income which
25 is equal to or less than the poverty guideline established by
26 the federal office of management and budget.

27 (2) Fifty percent based upon the amount provided to the
28 county for local purchase of services in the preceding fiscal
29 year.

30 5. A county is eligible for funds under this section if
31 the county qualifies for a state payment as described in
32 section 331.439.

33 Sec. 24. PERSONAL ASSISTANCE. There is appropriated from
34 the general fund of the state to the department of human
35 services for the fiscal year beginning July 1, 2001, and

1 ending June 30, 2002, the following amount, or so much thereof
2 as is necessary, to be used for the purpose designated:

3 For continuation of a pilot project for the personal
4 assistance services program in accordance with this section:
5 \$ 264,000

6 1. The funds appropriated in this section shall be used to
7 continue the pilot project for the personal assistance
8 services program under section 225C.46 in an urban and a rural
9 area. Not more than 10 percent of the amount appropriated
10 shall be used for administrative costs. The pilot project and
11 any federal home and community-based waiver developed under
12 the medical assistance program shall not be implemented in a
13 manner which would require additional county or state costs
14 for assistance provided to an individual served under the
15 pilot project or the waiver.

16 2. Beginning July 1, 2001, new applicants shall not be
17 accepted into the pilot project. An individual receiving
18 services under the pilot project as of June 30, 2001, shall
19 continue receiving services until the individual voluntarily
20 leaves the project or until another program with similar
21 services exists.

22 Sec. 25. SEXUALLY VIOLENT PREDATORS.

23 1. There is appropriated from the general fund of the
24 state to the department of human services for the fiscal year
25 beginning July 1, 2001, and ending June 30, 2002, the
26 following amount, or so much thereof as is necessary, to be
27 used for the purpose designated:

28 For costs associated with the commitment and treatment of
29 sexually violent predators including costs of legal services
30 and other associated costs, including salaries, support,
31 maintenance, and miscellaneous purposes and for not more than
32 the following full-time equivalent positions:
33 \$ 1,300,000
34 FTEs 25.00

35 2. Notwithstanding section 8.33, \$350,000 of the moneys

1 appropriated in 2000 Iowa Acts, chapter 1228, section 27, that
2 remain unexpended or unobligated at the close of the fiscal
3 year shall not revert but shall remain available in the
4 succeeding fiscal year to be used for the purposes of this
5 section.

6 Sec. 26. FIELD OPERATIONS. There is appropriated from the
7 general fund of the state to the department of human services
8 for the fiscal year beginning July 1, 2001, and ending June
9 30, 2002, the following amounts, or so much thereof as is
10 necessary, to be used for the purposes designated:

11 1. For field operations, including salaries, support,
12 maintenance, and miscellaneous purposes and for not more than
13 the following full-time equivalent positions:

14 \$ 48,300,000

15 FTEs 2,103.50

16 a. Priority in filling full-time equivalent positions
17 shall be given to those positions related to child protection
18 services.

19 b. The amount appropriated in this section includes
20 increased funding of \$1,212,197 to address staffing issues in
21 regard to child abuse assessment staff, social workers, and
22 support staff performing related functions and for increased
23 activities to improve cooperation between field staff, law
24 enforcement, county attorneys, and mandatory reporters in
25 addressing reports of child abuse.

26 c. The director of human services may establish new
27 positions and add state employees to field operations if the
28 director determines that such action can reasonably be
29 expected to leverage additional federal dollars. The intent
30 of establishing or adding these positions shall be to reduce
31 caseloads to reflect recognized national standards as
32 determined by the department. For purposes of these
33 positions, the department may exceed the number of full-time
34 equivalent positions authorized in this subsection.

35 2. Commencing with the fiscal year beginning July 1, 2001,

1 the department shall eliminate the regional office
2 administrative level within field operations. Essential staff
3 within a regional office shall be transferred to be part of
4 the staff of a county cluster office.

5 Sec. 27. GENERAL ADMINISTRATION. There is appropriated
6 from the general fund of the state to the department of human
7 services for the fiscal year beginning July 1, 2001, and
8 ending June 30, 2002, the following amount, or so much thereof
9 as is necessary, to be used for the purpose designated:

10 For general administration, including salaries, support,
11 maintenance, and miscellaneous purposes and for not more than
12 the following full-time equivalent positions:

13 \$ 7,520,029
14 FTEs 385.00

15 1. Of the funds appropriated in this section, \$57,000 is
16 allocated for the prevention of disabilities policy council
17 established in section 225B.3.

18 2. If an expenditure reduction or other cost-saving
19 measure is deemed necessary to maintain expenditures within
20 the amount appropriated to the department in this section, the
21 department shall not implement the reduction or other measure
22 in a manner which reduces service funding for disability
23 rehabilitation programs, including, but not limited to,
24 statewide supported employment programs.

25 3. The department shall report to the governor, the
26 general assembly, the legislative fiscal bureau, and the
27 legislative service bureau, within thirty days of notice from
28 the source of payment of the future receipt of any bonus,
29 incentive, or other payments received from the federal
30 government, court settlement payments, and any other payments
31 received by the state that may be used to supplement state
32 funds appropriated to the department.

33 Sec. 28. VOLUNTEERS. There is appropriated from the
34 general fund of the state to the department of human services
35 for the fiscal year beginning July 1, 2001, and ending June

1 30, 2002, the following amount, or so much thereof as is
2 necessary, to be used for the purpose designated:

3 For development and coordination of volunteer services:
4 \$ 118,250

5 Sec. 29. MEDICAL ASSISTANCE, STATE SUPPLEMENTARY
6 ASSISTANCE, AND SOCIAL SERVICE PROVIDERS REIMBURSED UNDER THE
7 DEPARTMENT OF HUMAN SERVICES.

8 1. a. For the fiscal year beginning July 1, 2001, the
9 reimbursement rate for nursing facilities shall be determined
10 under a case mix reimbursement system. Nursing facilities
11 reimbursed under the medical assistance program shall submit
12 annual cost reports and additional documentation as required
13 by rules adopted by the department.

14 b. (1) For the fiscal year beginning July 1, 2001, the
15 department shall reimburse pharmacy dispensing fees using a
16 single rate maximum that is consistent with funds projected to
17 be available.

18 (2) The department shall increase the state's efforts to
19 collect pharmaceutical manufacturer rebates in order to meet
20 the national average relative to collection of such rebates.

21 (3) The department shall implement a series of prospective
22 drug utilization review edits on targeted drugs to facilitate
23 the cost effective use of these drugs. The edits shall be
24 implemented in a manner that does not change the therapy or
25 the therapeutic outcome for the patient.

26 (4) The department shall implement a generic incentive
27 patient copayment program to encourage the dispensing and use
28 of less costly pharmaceutical alternatives. The copayment
29 amount shall be 50 cents for a generic medication and \$2 for a
30 brand-name medication.

31 c. For the fiscal year beginning July 1, 2001,
32 reimbursement rates for inpatient and outpatient hospital
33 services shall be reduced by three percent from the rates in
34 effect on June 30, 2001. The department shall continue the
35 outpatient hospital reimbursement system based upon ambulatory

1 patient groups implemented pursuant to 1994 Iowa Acts, chapter
2 1186, section 25, subsection 1, paragraph "f". In addition,
3 the department shall continue the revised medical assistance
4 payment policy implemented pursuant to that paragraph to
5 provide reimbursement for costs of screening and treatment
6 provided in the hospital emergency room if made pursuant to
7 the prospective payment methodology developed by the
8 department for the payment of outpatient services provided
9 under the medical assistance program.

10 d. Reimbursement rates for rural health clinics, hospices,
11 independent laboratories, and acute mental hospitals shall be
12 increased in accordance with increases under the federal
13 Medicare program or as supported by their Medicare audited
14 costs.

15 e. Reimbursement rates for home health agencies shall be
16 reduced by three percent from the rates in effect on June 30,
17 2001.

18 f. Federally qualified health centers shall receive cost-
19 based reimbursement for 100 percent of the reasonable costs
20 for the provision of services to recipients of medical
21 assistance.

22 g. Beginning July 1, 2001, the reimbursement rates for
23 dental services shall be reduced by three percent from the
24 rates in effect on June 30, 2001.

25 h. Beginning July 1, 2001, the reimbursement rates for
26 community mental health centers shall be reduced by three
27 percent from the rates in effect on June 30, 2001.

28 i. For the fiscal year beginning July 1, 2001, the maximum
29 reimbursement rate for psychiatric medical institutions for
30 children shall remain at the rate in effect on June 30, 2001,
31 based on per day rates for actual costs.

32 j. For the fiscal year beginning July 1, 2001, unless
33 otherwise specified in this Act, all noninstitutional medical
34 assistance provider reimbursement rates shall be reduced by
35 three percent from the rates in effect on June 30, 2001,

1 except those providers whose rates are required to be
 2 determined pursuant to section 249A.20. However,
 3 notwithstanding section 249A.20, the average reimbursement
 4 rate increase for health providers eligible for use of the
 5 reimbursement methodology under that section shall be reduced
 6 by three percent from the rates in effect on June 30, 2001.

7 2. For the fiscal year beginning July 1, 2001, the maximum
 8 cost reimbursement rate for residential care facilities
 9 reimbursed by the department shall not be less than \$24.50 per
 10 day for the time period of July 1, 2001, through December 31,
 11 2001, and shall not be less than \$25.14 per day for the time
 12 period of January 1, 2002, through June 30, 2002. The flat
 13 reimbursement rate for facilities electing not to file
 14 semiannual cost reports shall not be less than \$17.50 per day
 15 for the time period of July 1, 2001, through December 31,
 16 2001, and shall not be less than \$17.96 per day for the time
 17 period of January 1, 2002, through June 30, 2002.

18 3. For the fiscal year beginning July 1, 2001, the maximum
 19 reimbursement rate for providers reimbursed under the in-home
 20 health-related care program shall not be less than \$471.06 per
 21 month for the time period of July 1, 2001, through December
 22 31, 2001, and shall not be less than \$483.31 per month for the
 23 time period of January 1, 2002, through June 30, 2002.

24 4. Unless otherwise directed in this section, when the
 25 department's reimbursement methodology for any provider
 26 reimbursed in accordance with this section includes an
 27 inflation factor, this factor shall not exceed the amount by
 28 which the consumer price index for all urban consumers
 29 increased during the calendar year ending December 31, 2000.

30 5. Notwithstanding section 234.38, in the fiscal year
 31 beginning July 1, 2001, the foster family basic daily
 32 maintenance rate and the maximum adoption subsidy rate for
 33 children ages 0 through 5 years shall be \$14.28, the rate for
 34 children ages 6 through 11 years shall be \$15.07, the rate for
 35 children ages 12 through 15 years shall be \$16.83, and the

1 rate for children ages 16 and older shall be \$16.83.

2 6. For the fiscal year beginning July 1, 2001, the maximum
3 reimbursement rates for social service providers shall remain
4 at the rates in effect on June 30, 2001. However, the rates
5 may be adjusted under any of the following circumstances:

6 a. If a new service was added after June 30, 2001, the
7 initial reimbursement rate for the service shall be based upon
8 actual and allowable costs.

9 b. If a social service provider loses a source of income
10 used to determine the reimbursement rate for the provider, the
11 provider's reimbursement rate may be adjusted to reflect the
12 loss of income, provided that the lost income was used to
13 support actual and allowable costs of a service purchased
14 under a purchase of service contract.

15 c. The department revises the reimbursement rates as part
16 of the changes in the mental health and developmental
17 disabilities services system initiated pursuant to 1995 Iowa
18 Acts, chapter 206, and associated legislation.

19 7. The group foster care reimbursement rates paid for
20 placement of children out-of-state shall be calculated
21 according to the same rate-setting principles as those used
22 for in-state providers unless the director determines that
23 appropriate care cannot be provided within the state. The
24 payment of the daily rate shall be based on the number of days
25 in the calendar month in which service is provided.

26 8. For the fiscal year beginning July 1, 2001, the
27 reimbursement rates for rehabilitative treatment and support
28 services providers shall remain at the rates in effect on June
29 30, 2001.

30 9. For the fiscal year beginning July 1, 2001, the
31 combined service and maintenance components of the
32 reimbursement rate paid to a shelter care provider shall be
33 based on the cost report submitted to the department. The
34 maximum reimbursement rate shall be \$83.69 per day. The
35 department shall reimburse a shelter care provider at the

1 provider's actual and allowable unit cost, plus inflation, not
2 to exceed the maximum reimbursement rate.

3 10. For the fiscal year beginning July 1, 2001, the
4 department shall calculate reimbursement rates for
5 intermediate care facilities for persons with mental
6 retardation at the 80th percentile.

7 11. For the fiscal year beginning July 1, 2001, for child
8 care providers, the department shall set provider
9 reimbursement rates based on the rate reimbursement survey
10 completed in December 1998. The department shall set rates in
11 a manner so as to provide incentives for a nonregistered
12 provider to become registered.

13 12. For the fiscal year beginning July 1, 2001,
14 reimbursements for providers reimbursed by the department of
15 human services may be modified if appropriated funding is
16 allocated for that purpose from the senior living trust fund
17 created in section 249H.4, or as specified in appropriations
18 from the tobacco settlement endowment fund created in section
19 12.65, Code 2001.

20 13. The department may adopt emergency rules to implement
21 this section.

22 Sec. 30. TRANSFER AUTHORITY. Subject to the provisions of
23 section 8.39, for the fiscal year beginning July 1, 2001, if
24 necessary to meet federal maintenance of effort requirements
25 or to transfer federal temporary assistance for needy families
26 block grant funding to be used for purposes of the federal
27 social services block grant or to meet cash flow needs
28 resulting from delays in receiving federal funding, the
29 department of human services may transfer within or between
30 any of the appropriations made in this Act and appropriations
31 in law for the federal social services block grant to the
32 department for the following purposes, provided that the
33 combined amount of state and federal temporary assistance for
34 needy families block grant funding for each appropriation
35 remains the same before and after the transfer:

- 1 1. For the family investment program.
- 2 2. For emergency assistance.
- 3 3. For child care assistance.
- 4 4. For child and family services.
- 5 5. For field operations.
- 6 6. For general administration.
- 7 7. MH/MR/DD/BI community services (local purchase).
- 8 This section shall not be construed to prohibit existing
- 9 state transfer authority for other purposes.

10 Sec. 31. FRAUD AND RECOUPMENT ACTIVITIES. During the
11 fiscal year beginning July 1, 2001, notwithstanding the
12 restrictions in section 239B.14, recovered moneys generated
13 through fraud and recoupment activities are appropriated to
14 the department of human services to be used for additional
15 fraud and recoupment activities performed by the department of
16 human services or the department of inspections and appeals,
17 and the department of human services may add not more than
18 five full-time equivalent positions, in addition to those
19 funded in this Act, subject to both of the following
20 conditions:

21 1. The director of human services determines that the
22 investment can reasonably be expected to increase recovery of
23 assistance paid in error, due to fraudulent or nonfraudulent
24 actions, in excess of the amount recovered in the fiscal year
25 beginning July 1, 1997.

26 2. The amount expended for the additional fraud and
27 recoupment activities shall not exceed the amount of the
28 projected increase in assistance recovered.

29 Sec. 32. PRIOR YEAR NONREVERSION.

30 1. Notwithstanding 2000 Iowa Acts, chapter 1221, section
31 5, moneys appropriated in chapter 1221, section 1, subsection
32 1, paragraphs "f", "h", and "i", for home health care
33 services, for home health care services and habilitative day
34 care for children with special needs, and for respite care
35 services provided through home and community-based waiver

1 services which are unexpended or unencumbered at the close of
2 the fiscal year beginning July 1, 2000, and ending June 30,
3 2001, shall not revert but shall remain available to be used
4 in the succeeding fiscal year to supplement the medical
5 assistance appropriation made in this Act.

6 2. Notwithstanding 2000 Iowa Acts, chapter 1221, section
7 5, \$1,000,000 of the moneys appropriated in 2000 Iowa Acts,
8 chapter 1221, section 3, for purchase of service contract
9 providers which is unexpended or unencumbered at the close of
10 the fiscal year beginning July 1, 2000, and ending June 30,
11 2001, shall not revert but shall remain available to be used
12 in the succeeding fiscal year to supplement the medical
13 assistance appropriation made in this Act.

14 Sec. 33. Section 225B.8, Code 2001, is amended to read as
15 follows:

16 225B.8 REPEAL.

17 This chapter is repealed July 1, ~~2001~~ 2006.

18 Sec. 34. NEW SECTION. 234.45 IOWA MARRIAGE INITIATIVE
19 GRANT FUND.

20 1. An Iowa marriage initiative grant fund is established
21 in the state treasury under the authority of the department of
22 human services. The grant fund shall consist of moneys
23 appropriated to the fund and notwithstanding section 8.33 such
24 moneys shall not revert to the fund from which appropriated at
25 the close of the fiscal year but shall remain in the Iowa
26 marriage initiative grant fund. Moneys credited to the fund
27 shall be used as directed in appropriations made by the
28 general assembly for funding of services to support marriage
29 and to encourage the formation and maintenance of two-parent
30 families that are secure and nurturing.

31 2. It is the intent of the general assembly to credit to
32 the Iowa marriage initiative grant fund, federal moneys
33 provided to the state for the express purpose of supporting
34 marriage or two-parent families.

35 Sec. 35. Section 232.142, Code 2001, is amended by adding

1 the following new subsection:

2 NEW SUBSECTION. 6. A juvenile detention home fund is
3 created in the state treasury under the authority of the
4 department. The fund shall consist of moneys deposited in the
5 fund pursuant to sections 321.218A and 321A.32A. The moneys
6 in the fund shall be used for the costs of the establishment,
7 improvement, operation, and maintenance of county or
8 multicounty juvenile detention homes in accordance with annual
9 appropriations made by the general assembly from the fund for
10 these purposes.

11 Sec. 36. Section 234.12A, subsection 1, paragraphs b and
12 c, Code 2001, are amended to read as follows:

13 b. A retailer providing electronic funds transfer system
14 equipment for transactions pursuant to the program shall be
15 reimbursed fifteen seven cents for each approved transaction
16 pursuant to the program utilizing the retailer's equipment.

17 c. A retailer that provides electronic funds transfer
18 system equipment for transactions pursuant to the program and
19 who makes cash disbursements pursuant to the program utilizing
20 the retailer's equipment shall be paid a fee of fifteen seven
21 cents by the department for each cash disbursement transaction
22 by the retailer.

23 Sec. 37. Section 321.218A, Code 2001, is amended to read
24 as follows:

25 321.218A CIVIL PENALTY -- DISPOSITION -- REINSTATEMENT.

26 When the department suspends, revokes, or bars a person's
27 driver's license or nonresident operating privilege for a
28 conviction under this chapter, the department shall assess the
29 person a civil penalty of two hundred dollars. However, for
30 persons age nineteen or under, the civil penalty assessed
31 shall be fifty dollars. The civil penalty does not apply to a
32 suspension issued for a violation of section 321.180B. The
33 money collected by the department under this section shall be
34 transmitted to the treasurer of state who shall deposit the
35 money in the ~~general-fund-of-the-state~~ juvenile detention home

1 fund created in section 232.142. A temporary restricted
2 license shall not be issued or a driver's license or
3 nonresident operating privilege reinstated until the civil
4 penalty has been paid.

5 Sec. 38. Section 321A.32A, Code 2001, is amended to read
6 as follows:

7 321A.32A CIVIL PENALTY -- DISPOSITION -- REINSTATEMENT.

8 When the department suspends, revokes, or bars a person's
9 driver's license or nonresident operating privilege under this
10 chapter, the department shall assess the person a civil
11 penalty of two hundred dollars. However, for persons age
12 nineteen or under, the civil penalty assessed shall be fifty
13 dollars. The money collected by the department under this
14 section shall be transmitted to the treasurer of state who
15 shall deposit the money in the ~~general-fund-of-the-state~~
16 juvenile detention home fund created in section 232.142. A
17 temporary restricted license shall not be issued or a driver's
18 license or nonresident operating privilege reinstated until
19 the civil penalty has been paid.

20 Sec. 39. 2000 Iowa Acts, chapter 1228, section 8, is
21 amended by adding the following new subsection:

22 NEW SUBSECTION. 19. Notwithstanding section 8.33, the
23 state share of funds received by the state in a settlement
24 with a fiscal agent shall not revert or be credited to the
25 general fund but shall be treated as a repayment receipt and
26 remain available to supplement funds appropriated in this
27 section for the fiscal period beginning July 1, 2000, and for
28 any appropriation made for medical assistance for the fiscal
29 year beginning July 1, 2001.

30 Sec. 40. 2000 Iowa Acts, chapter 1228, section 9, is
31 amended by adding the following new unnumbered paragraph:

32 NEW UNNUMBERED PARAGRAPH. Notwithstanding section 8.33,
33 moneys appropriated in this section that remain unencumbered
34 or unobligated at the close of the fiscal year shall not
35 revert but shall remain available for expenditure for the

1 purposes designated until the close of the succeeding fiscal
2 year.

3 Sec. 41. 2000 Iowa Acts, chapter 1232, section 1,
4 unnumbered paragraph 2, is amended to read as follows:

5 For distribution to counties of the county mental health,
6 mental retardation, and developmental disabilities allowed
7 growth factor adjustment, ~~in accordance with~~ in this section
8 in lieu of the provisions of section 331.438, subsection 2,
9 and section 331.439, subsection 3, and chapter 426B:

10 \$ 267492772
11 8,333,121

12 Sec. 42. EMERGENCY RULES. If specifically authorized by a
13 provision of this Act, the department of human services or the
14 mental health and developmental disabilities commission may
15 adopt administrative rules under section 17A.4, subsection 2,
16 and section 17A.5, subsection 2, paragraph "b", to implement
17 the provisions and the rules shall become effective
18 immediately upon filing, unless the effective date is delayed
19 by the administrative rules review committee, notwithstanding
20 section 17A.4, subsection 5, and section 17A.8, subsection 9,
21 or a later effective date is specified in the rules. Any
22 rules adopted in accordance with this section shall not take
23 effect before the rules are reviewed by the administrative
24 rules review committee. Any rules adopted in accordance with
25 the provisions of this section shall also be published as
26 notice of intended action as provided in section 17A.4.

27 Sec. 43. REPORTS. Any reports or information required to
28 be compiled and submitted under this Act shall be submitted to
29 the chairpersons and ranking members of the joint
30 appropriations subcommittee on human services, the legislative
31 fiscal bureau, the legislative service bureau, and to the
32 caucus staffs on or before the dates specified for submission
33 of the reports or information.

34 Sec. 44. EQUIPMENT PURCHASE MORATORIUM. Commencing on the
35 effective date of this section, the department of human

1 services shall eliminate nonessential equipment purchases
 2 otherwise payable from any appropriation or transfer made to
 3 the department for the fiscal years beginning July 1, 2000,
 4 and July 1, 2001. The appropriations made in this Act do not
 5 include any funding for nonessential equipment purchases.
 6 Notwithstanding section 8.33, \$500,000 of the moneys
 7 appropriated and transfers made to the department of human
 8 services for the fiscal year beginning July 1, 2000, in 2000
 9 Iowa Acts, chapters 1004, 1221, 1226, 1228, 1231, and 1232,
 10 and any other provision of law, that may be used for equipment
 11 purposes, that remain unencumbered or unobligated at the close
 12 of the fiscal year shall not revert but shall remain available
 13 for expenditure for the purposes designated in the
 14 appropriations made in this Act until the close of the
 15 succeeding fiscal year.

16 Sec. 45. EFFECTIVE DATES. The following provisions of
 17 this Act, being deemed of immediate importance, take effect
 18 upon enactment:

19 1. Section 3, subsection 2, relating to nonreversion of
 20 moneys allocated for electronic benefits transfer development.

21 2. Section 14, subsection 2, paragraph "e", relating to
 22 requirements of section 232.143, for the 2001-2002 fiscal
 23 year.

24 3. Section 14, subsection 14, paragraph "a", relating to
 25 determining allocation of court-ordered services funding.

26 4. Section 25, subsection 2, relating to nonreversion of
 27 moneys appropriated in 2000 Iowa Acts, chapter 1228, section
 28 27.

29 5. Section 32, relating to nonreversion of moneys
 30 appropriated in 2000 Iowa Acts, chapter 1221, section 1, for
 31 home health care services, for home health care and
 32 habilitative day care for children with special needs, and for
 33 respite care provided through home and community-based waiver
 34 services, and relating to nonreversion of moneys appropriated
 35 in 2000 Iowa Acts, chapter 1221, section 3, for purchase of

1 service contract providers.

2 6. Section 39, relating to nonreversion of moneys
3 appropriated in 2000 Iowa Acts, chapter 1228, section 8, for
4 medical assistance repayment receipts.

5 7. Section 40, relating to nonreversion of moneys
6 appropriated in 2000 Iowa Acts, chapter 1228, section 9, for
7 the pharmaceutical case management study.

8 8. Section 44, relating to the equipment purchase
9 moratorium.

10

EXPLANATION

11 This bill makes appropriations for the 2000-2001 fiscal
12 year for the department of human services and includes other
13 appropriations and provisions involving human services and
14 health care. Various provisions take effect upon enactment.

15 The bill codifies provisions in Code sections 321.32A and
16 321.218A providing for deposit of civil penalties collected
17 for driver's license or nonresident operating penalties that
18 were suspended, revoked, or barred by the state department of
19 transportation. The bill creates a juvenile detention home
20 fund in Code section 232.142 into which the penalties are to
21 be deposited for appropriation by the general assembly. The
22 bill includes an appropriation to the department for the FY
23 2001-2002 amounts deposited in the fund.

24 The bill amends Code section 234.12A, relating to the
25 electronic benefits transfer program. The bill provides that
26 the transaction amounts to be paid to retailers are to be
27 limited to seven cents per transaction.

28 The bill amends Code section 225B.8 to extend the automatic
29 repeal of the prevention of disabilities policy council by
30 five years to July 1, 2006.

31 The bill reduces a previously enacted fiscal year 2001-2002
32 appropriation for county MH/MR/DD services expenditure growth.

33 The bill provides that any moneys remaining at the end of
34 the fiscal year from the appropriation for the fiscal year
35 beginning July 1, 2000, and ending June 30, 2001, for

1 assistance to counties with limited county mental health,
 2 mental retardation, and developmental disabilities services
 3 fund balances to pay reimbursement increases, is to not
 4 revert, but is to remain available to be used in the
 5 succeeding fiscal year to supplement the medical assistance
 6 appropriation.

7 The bill provides that any moneys remaining at the end of
 8 the fiscal year from the appropriation for the fiscal year
 9 beginning July 1, 2000, and ending June 30, 2001, for home
 10 health care services, for home health care services and
 11 habilitative day care for children with special needs, and for
 12 respite care services provided through home and community-
 13 based waiver services which are unexpended or unencumbered at
 14 the end of the fiscal year beginning July 1, 2001, and ending
 15 June 30, 2002, shall remain available to be used in the
 16 succeeding fiscal year to supplement the medical assistance
 17 appropriation.

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RESTRICTED

APR 19 2001

APPROPRIATIONS CALENDAR

HOUSE FILE 732

BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HSB 254)

Passed House, Date ^(P.1533) 4/25/01 Passed Senate, Date ^(P.1435) 5/1/01
 Vote: Ayes 55 Nays 42 Vote: Ayes 28 Nays 19
 Approved 5/31/01
Stam
Veto

A BILL FOR

1 An Act relating to appropriations for the department of human
 2 services and including other provisions and appropriations
 3 involving human services and health care, and providing
 4 effective dates.

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

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1 Section 1. EARLY CHILDHOOD FUNDING.

2 1. The appropriations made in 1998 Iowa Acts, chapter
3 1218, section 2, and 2000 Iowa Acts, chapter 1220, section 2,
4 subsection 1, paragraph "b", from the fund created in section
5 8.41 to the department of human services for the fiscal year
6 beginning July 1, 2001, and ending June 30, 2002, from moneys
7 received under the federal temporary assistance for needy
8 families (TANF) block grant shall be used for funding of
9 community-based programs targeted to children from birth
10 through five years of age, developed by community empowerment
11 areas as provided in this section.

12 2. The department may transfer federal temporary
13 assistance for needy families block grant funding appropriated
14 and allocated in this section to the child care and
15 development block grant in accordance with federal law as
16 necessary to comply with the provisions of this section. The
17 funding shall then be provided to community empowerment areas
18 for the fiscal year beginning July 1, 2001, in accordance with
19 all of the following:

20 a. The area must be approved as a designated community
21 empowerment area by the Iowa empowerment board.

22 b. The maximum funding amount a community empowerment area
23 is eligible to receive shall be determined by applying the
24 area's percentage of the state's average monthly family
25 investment program population in the preceding fiscal year to
26 the total amount appropriated for fiscal year 2001-2002 from
27 the TANF block grant to fund community-based programs targeted
28 to children from birth through five years of age developed by
29 community empowerment areas.

30 c. A community empowerment area receiving funding shall
31 comply with any federal reporting requirements associated with
32 the use of that funding and other results and reporting
33 requirements established by the Iowa empowerment board. The
34 department shall provide technical assistance in identifying
35 and meeting the federal requirements.

1 d. The availability of funding provided under this section
2 is subject to changes in federal requirements and amendments
3 to Iowa law.

4 3. The moneys distributed in accordance with this section
5 shall be used by communities for the purposes of enhancing
6 quality child care capacity in support of parent capability to
7 obtain or retain employment. The moneys shall be used with a
8 primary emphasis on low-income families and children from
9 birth to five years of age. Moneys shall be provided in a
10 flexible manner to communities, and shall be used to implement
11 strategies identified by the communities to achieve such
12 purposes. The strategies may include but are not limited to
13 developing capacity for regular child care, sick child care,
14 night shifts child care, and emergency child care; enhancing
15 linkages between the head start and early head start programs,
16 early childhood development programs, and child care
17 assistance programs; and implementing other strategies to
18 enhance access to child care. The moneys may be used to
19 either build capacity or for support of ongoing efforts. In
20 addition to the full-time equivalent positions funded in this
21 Act, 1.00 full-time equivalent position is authorized and the
22 department may use funding appropriated in this section for
23 provision of technical assistance and other support to
24 communities developing and implementing strategies with moneys
25 distributed in accordance with this section.

26 4. Moneys which are subject to this section which are not
27 distributed to a community empowerment area or otherwise
28 remain unobligated or unexpended at the end of the fiscal year
29 shall revert to the fund created in section 8.41 to be
30 available for appropriation by the general assembly in a
31 subsequent fiscal year.

32 Sec. 2. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK
33 GRANT. There is appropriated from the fund created in section
34 8.41 to the department of human services for the fiscal year
35 beginning July 1, 2001, and ending June 30, 2002, from moneys

1 received under the federal temporary assistance for needy
2 families block grant pursuant to the federal Personal
3 Responsibility and Work Opportunity Reconciliation Act of
4 1996, Pub. L. No. 104-193, which are federally appropriated
5 for the federal fiscal years beginning October 1, 1999, and
6 ending September 30, 2000, beginning October 1, 2000, and
7 ending September 30, 2001, and beginning October 1, 2001, and
8 ending September 30, 2002, the following amounts, or so much
9 thereof as is necessary, to be used for the purposes
10 designated:

11 Moneys appropriated in this section shall be used in
12 accordance with the federal law making the funds available,
13 applicable Iowa law, appropriations made from the general fund
14 of the state in this Act for the purpose designated, and
15 administrative rules adopted to implement the federal and Iowa
16 law. If actual federal revenues credited to the fund created
17 in section 8.41 through June 30, 2002, are less than the
18 amounts appropriated in this section, the amounts appropriated
19 shall be reduced proportionately and the department may reduce
20 expenditures as deemed necessary by the department to meet the
21 reduced funding level:

- 22 1. To be credited to the family investment program account
23 and used for assistance under the family investment program
24 under chapter 239B:
25 \$ 39,287,318
- 26 2. To be credited to the family investment program account
27 and used for the job opportunities and basic skills (JOBS)
28 program, and implementing family investment agreements, in
29 accordance with chapter 239B:
30 \$ 20,830,113
- 31 3. For field operations:
32 \$ 12,885,790
- 33 4. For general administration:
34 \$ 3,238,614
- 35 5. For local administrative costs:

1 \$ 2,122,982

2 6. For state child care assistance:

3 \$ 28,638,329

4 Of the funds appropriated in this subsection, \$200,000
5 shall be used for child care emergency and start-up grants in
6 accordance with this paragraph. The funding allocated in this
7 paragraph shall be used to provide emergency grants to
8 existing licensed or registered child care facilities having
9 negative financial circumstances that will cause the

10 facilities to close without outside assistance. The funding
11 shall also be used to provide start-up funding to develop new
12 licensed or registered child care facilities that will
13 increase the availability of child care slots in communities.
14 The department shall establish criteria for distribution of
15 the grant funding. The criteria shall include a requirement
16 that grant funding is used to further the long-term financial
17 survival of grant recipients, a requirement that funding is
18 targeted to facilities providing essential child care services
19 to low-income families, required disclosure of necessary
20 financial information, establishment of a maximum grant amount
21 and a maximum number of grants to be issued in order to make
22 funding available to as many facilities as possible, and other
23 provisions to ensure appropriate use of the funding. The
24 application for a grant shall not exceed two pages in length.

25 7. For emergency assistance:

26 \$ 2,846,432

27 8. For mental health and developmental disabilities
28 community services:

29 \$ 4,349,266

30 9. For child and family services:

31 \$ 23,096,571

32 10. For child abuse prevention:

33 \$ 731,000

34 11. For pregnancy prevention grants on the condition that
35 family planning services are funded:

1 \$ 2,514,413

2 Pregnancy prevention grants shall be awarded to programs in
3 existence on or before July 1, 2001, if the programs are
4 comprehensive in scope and have demonstrated positive
5 outcomes. Grants shall be awarded to pregnancy prevention
6 programs which are developed after July 1, 2001, if the
7 programs are comprehensive in scope and are based on existing
8 models that have demonstrated positive outcomes. Priority in
9 the awarding of grants shall be given to programs that serve
10 areas of the state which demonstrate the highest percentage of
11 unplanned pregnancies of females age 13 or older but younger
12 than age 18 within the geographic area to be served by the
13 grant.

14 12. For technology needs and other resources necessary to
15 meet federal welfare reform reporting, tracking, and case
16 management requirements:

17 \$ 1,182,217

18 13. For supervised community treatment under child and
19 family services:

20 \$ 300,000

21 14. For volunteers:

22 \$ 42,663

23 15. For individual development accounts under chapter
24 541A:

25 \$ 250,000

26 16. For the healthy opportunities for parents to
27 experience success (HOPES) program administered by the Iowa
28 department of public health to target child abuse prevention:

29 \$ 200,000

30 17. For deposit in the Iowa marriage initiative grant fund
31 created in section 234.45:

32 \$ 500,000

33 a. The moneys deposited in the Iowa marriage initiative
34 grant fund pursuant to this subsection are appropriated to the
35 department for the fiscal year beginning July 1, 2001, and

1 ending June 30, 2002, to be used in accordance with this
2 subsection.

3 b. The department shall establish an Iowa marriage
4 initiative grant program to fund services to support marriage
5 and to encourage the formation and maintenance of two-parent
6 families that are secure and nurturing.

7 c. The program shall require that a grantee be a nonprofit
8 organization incorporated in this state with successful
9 experience in facilitating marriage promotion activities,
10 working with various faith-based organizations and the leaders
11 of the organizations, using media resources in promoting
12 marriage, making presentations to service and faith-based
13 organizations, and in raising private funding for activities
14 that support marriage.

15 d. The program activities funded by a grant shall include
16 but are not limited to working with leaders of faith-based
17 organizations to utilize premarital diagnostic tools, to
18 implement marriage agreements developed by the respective
19 faith-based organization that provide for an appropriate
20 engagement period and premarital and postmarital counseling,
21 and to use volunteer mentors in program activities.

22 e. Grants shall be awarded in a manner that results in
23 provision of services in an equal number of urban and rural
24 geographic areas. The department shall implement the grant
25 program so that the request for proposals is issued on or
26 before October 1, 2001, and so that any grants are awarded on
27 or before January 1, 2002.

28 f. The department shall provide a copy of the request for
29 proposals and shall submit a report concerning the proposals
30 received and grants awarded to those persons designated by
31 this Act to receive reports.

32 Of the amounts appropriated in this section, \$11,612,112
33 for the fiscal year beginning July 1, 2001, shall be
34 transferred to the appropriation of the federal social
35 services block grant for that fiscal year. The moneys

1 transferred shall be apportioned among the allocations made in
2 that appropriation in proportion to the amount that each
3 allocation bears to the total amount appropriated.

4 Eligible funding available under the federal temporary
5 assistance for needy families block grant that is not
6 appropriated or not otherwise expended shall be considered
7 reserved for economic downturns and welfare reform purposes
8 and is subject to further state appropriation to support
9 families in their movement toward self-sufficiency.

10 Sec. 3. FAMILY INVESTMENT PROGRAM ACCOUNT.

11 1. Moneys credited to the family investment program (FIP)
12 account for the fiscal year beginning July 1, 2001, and ending
13 June 30, 2002, shall be used in accordance with the following
14 requirements:

15 a. The department shall provide assistance in accordance
16 with chapter 239B.

17 b. The department shall continue the special needs program
18 under the family investment program.

19 c. The department shall continue to comply with federal
20 welfare reform data requirements pursuant to the
21 appropriations made for that purpose.

22 d. The department shall continue to make entrepreneurial
23 training available to families receiving assistance under the
24 family investment program. The department may contract for
25 these services.

26 e. (1) The department shall continue expansion of the
27 electronic benefit transfer program as necessary to comply
28 with federal requirements. Notwithstanding 1998 Iowa Acts,
29 chapter 1218, section 5, subsection 1, paragraph "d", 1999
30 Iowa Acts, chapter 203, section 5, subsection 1, paragraph
31 "d", and 2000 Iowa Acts, chapter 1228, section 4, subsection
32 1, paragraph "e", the target date for statewide implementation
33 of the program is October 1, 2002.

34 (2) It is the intent of the general assembly that the
35 electronic benefits transfer program shall include the

1 capability for medical assistance and child care service
2 providers to submit billings electronically and to receive
3 payment through electronic funds transfer.

4 (3) It is the intent of the general assembly that
5 electronic funds transfer system equipment provided by a
6 retailer participating in the program shall be utilized to the
7 extent practicable for electronic benefits transfer
8 transactions for the purchase of food from the retailer.

9 2. Notwithstanding 2000 Iowa Acts, chapter 1226, section
10 5, subsection 4, moneys allocated for electronic benefit
11 transfer development pursuant to 2000 Iowa Acts, chapter 1226,
12 section 5, subsection 2, paragraph "e", subparagraph (9),
13 which remain unobligated or unexpended at the close of the
14 fiscal year shall not revert to the general fund of the state
15 but shall remain available for the purposes designated in the
16 succeeding fiscal year.

17 3. The department may use a portion of the moneys credited
18 to the family investment account under this section, as
19 necessary for salaries, support, maintenance, and
20 miscellaneous purposes for not more than the following full-
21 time equivalent positions which are in addition to any other
22 full-time equivalent positions authorized by this Act:

23 FTES 8.00

24 4. The department may transfer funds in accordance with
25 section 8.39, either federal or state, to or from the child
26 care appropriations made for the fiscal year beginning July 1,
27 2001, if the department deems this would be a more effective
28 method of paying for JOBS program child care, to maximize
29 federal funding, or to meet federal maintenance of effort
30 requirements.

31 5. Moneys appropriated in this Act and credited to the
32 family investment program account for the fiscal year
33 beginning July 1, 2001, and ending June 30, 2002, are
34 allocated as follows:

35 a. For the food stamp employment and training program:

1 \$ 150,000

2 b. For the family development and self-sufficiency grant
3 program as provided under section 217.12:

4 \$ 5,697,825

5 (1) Of the funds allocated for the family development and
6 self-sufficiency grant program in this lettered paragraph, not
7 more than 5 percent of the funds shall be used for the
8 administration of the grant program.

9 (2) Based upon the annual evaluation report concerning
10 each grantee funded by previously appropriated funds and
11 through the solicitation of additional grant proposals, the
12 family development and self-sufficiency council may use the
13 allocated funds to renew or expand existing grants or award
14 new grants. In utilizing the increased funding to expand the
15 program, the council shall give consideration, in addition to
16 other criteria established by the council, to a grant
17 proposal's intended use of local funds with a grant and to
18 whether a grant proposal would expand the availability of the
19 program's services to a wider geographic area.

20 (3) Family development and self-sufficiency grantees shall
21 not supplant previous local funding with state or federal
22 funds.

23 (4) The department shall continue to implement the family
24 development and self-sufficiency grant program statewide
25 during FY 2001-2002.

26 c. For income maintenance reengineering:

27 \$ 700,000

28 d. For the diversion program and incentive grants as
29 follows:

30 (1) For the diversion subaccount of the family investment
31 program account:

32 \$ 3,200,000

33 Moneys allocated to the diversion subaccount shall be used
34 to continue the pilot initiative of providing incentives to
35 assist families who meet income eligibility requirements for

1 the family investment program in obtaining or retaining
2 employment, to assist participant families in overcoming
3 barriers to obtaining employment, and to assist families in
4 stabilizing employment and in reducing the likelihood of the
5 family returning to the family investment program. Incentives
6 may be provided in the form of payment or services. The
7 department may limit the availability of the pilot initiative
8 on the basis of geographic area or numbers of individuals
9 provided with incentives. The department shall attempt to
10 assess and screen individuals who would most likely benefit
11 from the services. The department shall continue the
12 diversion initiative in the fiscal year 2001-2002. In
13 addition to the full-time equivalent positions authorized in
14 this Act, 1.00 FTE is authorized and the department may use up
15 to \$50,000 to facilitate community investment in welfare
16 reform and to support continuation of the diversion program.
17 The department may grant diversion moneys to the level of the
18 entity operating an initiative. The department may adopt
19 additional eligibility criteria as necessary for compliance
20 with federal law and for screening those families who would be
21 most likely to become eligible for the family investment
22 program if diversion incentives would not be provided.

23 (2) For continuation of innovative strategies on a
24 statewide or pilot project basis for supporting job retention,
25 family structure, or both, including services to noncustodial
26 parents and young parents:

27 \$ 650,000

28 (3) Of the moneys allocated in subparagraph (2), not more
29 than \$250,000 shall be used to develop or continue community-
30 level parental obligation pilot projects. A pilot project
31 shall be operated with the goal of assisting parents who are
32 living apart in meeting their parental obligations and in
33 supporting their children. A pilot project may also seek to
34 prevent the separation of families by including families at
35 risk of separation in project services. Any pilot project

1 shall maximize the use of existing community resources for
2 family counseling, legal services, mediation, job training and
3 job skills development, substance abuse treatment and
4 prevention, health maintenance, and personal mentoring. Local
5 communities shall also be encouraged to provide financial
6 resources.

7 (a) Notwithstanding any other provision of law to the
8 contrary, the department shall develop procedures for the
9 pilot projects to expedite all of the following:

10 (i) The establishment and adjustment of support
11 obligations, with the consent of both parents, in a manner
12 which may deviate from the child support guidelines.

13 (ii) Changes in income withholding orders based on
14 individual case circumstances.

15 (iii) Satisfaction of a portion of support amounts owed to
16 the state based on cooperation and compliance by the
17 noncustodial parent with project requirements.

18 (iv) Adjustment of visitation and shared custody
19 arrangements in a manner which enhances the ability of each
20 parent to meet parental obligations.

21 (b) The department shall adopt rules for the development,
22 operation, and monitoring of a project; to establish the
23 minimum required amount of community support; to establish
24 expedited procedures; and to establish other criteria and
25 procedures as appropriate.

26 (c) The department shall use the funds authorized in this
27 subparagraph to employ 1.00 full-time equivalent position to
28 manage the pilot project or projects. The department shall
29 also use the authorized funds to employ other full-time
30 equivalent positions or to provide services, as necessary, to
31 assist in the coordination, development, and operation of
32 community-level pilot projects and to achieve the expedited
33 procedures established. Any full-time equivalent positions
34 authorized in this subparagraph subdivision are in addition to
35 any other full-time equivalent positions authorized by law.

1 (4) Of the moneys allocated in subparagraph (2), not more
2 than \$200,000 shall be used to continue to study the impact
3 that moving unemployed family investment program parents into
4 employment has on the well-being of the children, the parent,
5 and the family. The department shall include in this well-
6 being study a method of actual contact with the families and
7 children, and shall consider broad-based impacts, such as
8 educational achievement, health status, housing stability,
9 family stability, and use of supportive social services. The
10 department shall also seek funding through foundations and the
11 federal government in order to supplement the funding for this
12 study. The results of the study shall be submitted to the
13 persons required by this Act to receive reports.

14 (5) Of the moneys allocated in subparagraph (2), not more
15 than \$100,000 shall be used for providing additional incentive
16 payments to contracted agencies who demonstrate success at
17 completing well-being visits for families terminated from the
18 family investment program under a limited benefit plan. The
19 department shall use these funds to increase payments to
20 agencies who complete a higher percentage of well-being
21 visits, who achieve a significant percentage of visits in a
22 face-to-face format, or who are able to observe and interact
23 with the children during a significant percentage of visits.

24 6. Of the child support collections assigned under the
25 family investment program, an amount equal to the federal
26 share of support collections shall be credited to the child
27 support recovery appropriation. The remainder of the assigned
28 child support collections received by the child support
29 recovery unit shall be credited to the family investment
30 program account.

31 7. The department may adopt emergency administrative rules
32 for the family investment, food stamp, and medical assistance
33 programs, if necessary, to comply with federal requirements.
34 Prior to adoption of the rules, the department shall consult
35 with the welfare reform council and the chairpersons and

1 ranking members of the joint appropriations subcommittee on
2 human services.

3 8. The department may continue the initiative to
4 streamline and simplify the employer verification process for
5 applicants, participants, and employers in the administration
6 of the department's programs. The department may contract
7 with companies collecting data from employers when the
8 information is needed in the administration of these programs.
9 The department may limit the availability of the initiative on
10 the basis of geographic area or number of individuals.

11 Sec. 4. FAMILY INVESTMENT PROGRAM GENERAL FUND. There is
12 appropriated from the general fund of the state to the
13 department of human services for the fiscal year beginning
14 July 1, 2001, and ending June 30, 2002, the following amount,
15 or so much thereof as is necessary, to be used for the purpose
16 designated:

17 To be credited to the family investment program account and
18 used for family investment program assistance under chapter
19 239B:

20 \$ 36,000,000

21 1. The department of workforce development, in
22 consultation with the department of human services, shall
23 continue to utilize recruitment and employment practices to
24 include former and current family investment program
25 recipients.

26 2. The department of human services shall continue to work
27 with the department of workforce development and local
28 community collaborative efforts to provide support services
29 for family investment program participants. The support
30 services shall be directed to those participant families who
31 would benefit from the support services and are likely to have
32 success in achieving economic independence.

33 3. Of the funds appropriated in this section, \$9,564,352
34 is allocated for the JOBS program.

35 4. The department shall continue to work with religious

1 organizations and other charitable institutions to increase
2 the availability of host homes, referred to as second chance
3 homes or other living arrangements under the federal Personal
4 Responsibility and Work Opportunity Reconciliation Act of
5 1996, Pub. L. No. 104-193, § 103. The purpose of the homes or
6 arrangements is to provide a supportive and supervised living
7 arrangement for minor parents receiving assistance under the
8 family investment program who, under chapter 239B, may receive
9 assistance while living in an alternative setting other than
10 with their parent or legal guardian.

11 Sec. 5. EMERGENCY ASSISTANCE. There is appropriated from
12 the general fund of the state to the department of human
13 services for the fiscal year beginning July 1, 2001, and
14 ending June 30, 2002, the following amount, or so much thereof
15 as is necessary, to be used for the purpose designated:

16 For emergency assistance to families with dependent
17 children for homeless prevention programs:
18 \$ 10,000

19 1. The emergency assistance provided for in this section
20 and federal moneys appropriated for this purpose in this Act
21 shall be available beginning October 1 of the fiscal year and
22 shall be provided only if all other publicly funded resources
23 have been exhausted. Specifically, emergency assistance is
24 the program of last resort and shall not supplant assistance
25 provided by the low-income home energy assistance program
26 (LIHEAP), county general relief, and veterans affairs
27 programs. The department shall establish a \$500 maximum
28 payment, per family, in a twelve-month period. The emergency
29 assistance includes, but is not limited to, assisting people
30 who face eviction, potential eviction, or foreclosure, utility
31 shutoff or fuel shortage, loss of heating energy supply or
32 equipment, homelessness, utility or rental deposits, or other
33 specified crisis which threatens family or living
34 arrangements. The emergency assistance shall be available to
35 migrant families who would otherwise meet eligibility

1 criteria. The department may contract for the administration
2 and delivery of the program. The program shall be terminated
3 when funds are exhausted.

4 2. For the fiscal year beginning July 1, 2001, the
5 department shall continue the process for the state to receive
6 refunds of utility and rent deposits, including any accrued
7 interest, for emergency assistance recipients which were paid
8 by persons other than the state. The department shall also
9 receive refunds, including any accrued interest, of assistance
10 paid with funding available under this program. The refunds
11 received by the department under this subsection shall be
12 deposited with the moneys of the appropriation made in this
13 section and used as additional funds for the emergency
14 assistance program. Notwithstanding section 8.33, moneys
15 received by the department under this subsection which remain
16 after the emergency assistance program is terminated and state
17 or federal moneys in the emergency assistance account which
18 remain unobligated or unexpended at the close of the fiscal
19 year shall not revert to the general fund of the state but
20 shall remain available for expenditure when the program
21 resumes operation on October 1 in the succeeding fiscal year.

22 3. Of the funds appropriated in this section, \$10,000 is
23 allocated to the community voice mail program to continue the
24 existing program. The funds shall be made available beginning
25 July 1, 2001. The community voice mail program shall submit
26 semiannual reports to the department which, at a minimum,
27 specify, on a county basis, the unduplicated number of
28 households participating in the program for the previous six-
29 month period. The report shall be submitted no later than the
30 last business day of the month immediately following the end
31 of the six-month period.

32 Sec. 6. CHILD SUPPORT RECOVERY. There is appropriated
33 from the general fund of the state to the department of human
34 services for the fiscal year beginning July 1, 2001, and
35 ending June 30, 2002, the following amount, or so much thereof

1 as is necessary, to be used for the purposes designated:

2 For child support recovery, including salaries, support,
3 maintenance, and miscellaneous purposes and for not more than
4 the following full-time equivalent positions:

5	\$	6,700,000
6	FTEs	321.40

7 1. The director of human services, within the limitations
8 of the moneys appropriated in this section, or moneys
9 transferred from the family investment program account for
10 this purpose, shall establish new positions and add employees
11 to the child support recovery unit if the director determines
12 that both the current and additional employees together can
13 reasonably be expected to maintain or increase net state
14 revenue at or beyond the budgeted level.

15 2. Nonpublic assistance application fees and other user
16 fees received by the child support recovery unit are
17 appropriated and shall be used for the purposes of the child
18 support recovery program. The director of human services may
19 add positions within the limitations of the amount
20 appropriated for salaries and support for the positions.

21 3. The director of human services, in consultation with
22 the department of management and the legislative fiscal
23 committee, is authorized to receive and deposit state child
24 support incentive earnings in the manner specified under
25 applicable federal requirements.

26 4. a. The director of human services may establish new
27 positions and add state employees to the child support
28 recovery unit or contract for delivery of services if the
29 director determines the employees are necessary to replace
30 county-funded positions eliminated due to termination,
31 reduction, or nonrenewal of a chapter 28E contract. However,
32 the director must also determine that the resulting increase
33 in the state share of child support recovery incentives
34 exceeds the cost of the positions or contract, the positions
35 or contract are necessary to ensure continued federal funding

1 of the program, or the new positions or contract can
2 reasonably be expected to recover at least twice the amount of
3 money necessary to pay the salaries and support for the new
4 positions or the contract will generate at least 200 percent
5 of the cost of the contract.

6 b. Employees in full-time positions that transition from
7 county government to state government employment under this
8 subsection are exempt from testing, selection, and appointment
9 provisions of chapter 19A and from the provisions of
10 collective bargaining agreements relating to the filling of
11 vacant positions.

12 5. If initiated by the judicial branch, the child support
13 recovery unit shall continue to work with the judicial branch
14 to determine the feasibility of implementing a pilot project
15 utilizing a court-appointed referee for judicial
16 determinations on child support matters. The extent and
17 location of any pilot project shall be jointly developed by
18 the judicial branch and the child support recovery unit.

19 6. Surcharges paid by obligors and received by the unit as
20 a result of the referral of support delinquency by the child
21 support recovery unit to any private collection agency are
22 appropriated to the department and shall be used to pay the
23 costs of any contracts with the collection agencies.

24 7. The department shall expend up to \$51,000, including
25 federal financial participation, for the fiscal year beginning
26 July 1, 2001, for a child support public awareness campaign.
27 The department and the office of the attorney general shall
28 cooperate in continuation of the campaign. The public
29 awareness campaign shall emphasize, through a variety of media
30 activities, the importance of maximum involvement of both
31 parents in the lives of their children as well as the
32 importance of payment of child support obligations.

33 Sec. 7. MEDICAL ASSISTANCE. There is appropriated from
34 the general fund of the state to the department of human
35 services for the fiscal year beginning July 1, 2001, and

1 ending June 30, 2002, the following amount, or so much thereof
2 as is necessary, to be used for the purpose designated:

3 For medical assistance reimbursement and associated costs
4 as specifically provided in the reimbursement methodologies in
5 effect on June 30, 2001 except as otherwise expressly
6 authorized by law, including reimbursement for abortion
7 services, which shall be available under the medical
8 assistance program only for those abortions which are
9 medically necessary:

10 \$412,250,000

11 1. Medically necessary abortions are those performed under
12 any of the following conditions:

13 a. The attending physician certifies that continuing the
14 pregnancy would endanger the life of the pregnant woman.

15 b. The attending physician certifies that the fetus is
16 physically deformed, mentally deficient, or afflicted with a
17 congenital illness.

18 c. The pregnancy is the result of a rape which is reported
19 within 45 days of the incident to a law enforcement agency or
20 public or private health agency which may include a family
21 physician.

22 d. The pregnancy is the result of incest which is reported
23 within 150 days of the incident to a law enforcement agency or
24 public or private health agency which may include a family
25 physician.

26 e. Any spontaneous abortion, commonly known as a
27 miscarriage, if not all of the products of conception are
28 expelled.

29 2. Notwithstanding section 8.39, the department may
30 transfer funds appropriated in this section to a separate
31 account established in the department's case management unit
32 for expenditures required to provide case management services
33 for mental health, mental retardation, and developmental
34 disabilities services under medical assistance which are
35 jointly funded by the state and county, pending final

1 settlement of the expenditures. Funds received by the case
2 management unit in settlement of the expenditures shall be
3 used to replace the transferred funds and are available for
4 the purposes for which the funds were appropriated in this
5 section.

6 3. a. The county of legal settlement shall be billed for
7 50 percent of the nonfederal share of the cost of case
8 management provided for adults, day treatment, and partial
9 hospitalization in accordance with sections 249A.26 and
10 249A.27, and 100 percent of the nonfederal share of the cost
11 of care for adults which is reimbursed under a federally
12 approved home and community-based waiver that would otherwise
13 be approved for provision in an intermediate care facility for
14 persons with mental retardation, provided under the medical
15 assistance program. The state shall have responsibility for
16 the remaining 50 percent of the nonfederal share of the cost
17 of case management provided for adults, day treatment, and
18 partial hospitalization. For persons without a county of
19 legal settlement, the state shall have responsibility for 100
20 percent of the nonfederal share of the costs of case
21 management provided for adults, day treatment, partial
22 hospitalization, and the home and community-based waiver
23 services. The case management services specified in this
24 subsection shall be billed to a county only if the services
25 are provided outside of a managed care contract.

26 b. The state shall pay the entire nonfederal share of the
27 costs for case management services provided to persons 17
28 years of age and younger who are served in a medical
29 assistance home and community-based waiver program for persons
30 with mental retardation.

31 c. Medical assistance funding for case management services
32 for eligible persons 17 years of age and younger shall also be
33 provided to persons residing in counties with child welfare
34 decategorization projects implemented in accordance with
35 section 232.188, provided these projects have included these

1 persons in their service plan and the decategorization project
2 county is willing to provide the nonfederal share of costs.

3 d. When paying the necessary and legal expenses of
4 intermediate care facilities for persons with mental
5 retardation (ICFMR), the cost payment requirements of section
6 222.60 shall be considered fulfilled when payment is made in
7 accordance with the medical assistance payment rates
8 established for ICFMRs by the department and the state or a
9 county of legal settlement is not obligated for any amount in
10 excess of the rates.

11 e. The department shall revise the provisions of the home
12 and community-based waiver for persons with brain injury to
13 eliminate the eligibility requirement that a person must have
14 been a resident of a medical institution for at least thirty
15 consecutive days at the time of initial application. Unless a
16 county has paid or is paying for the nonfederal share of the
17 cost of a person's home and community-based waiver services or
18 ICFMR placement under the county's mental health, mental
19 retardation, and developmental disabilities services fund, the
20 state shall pay the nonfederal share of the costs of an
21 eligible person's services under the home and community-based
22 waiver for persons with brain injury.

23 4. The department shall utilize not more than \$60,000 of
24 the funds appropriated in this section to continue the
25 AIDS/HIV health insurance premium payment program as
26 established in 1992 Iowa Acts, Second Extraordinary Session,
27 Chapter 1001, section 409, subsection 6. Of the funds
28 allocated in this subsection, not more than \$5,000 may be
29 expended for administrative purposes.

30 5. Of the funds appropriated to the Iowa department of
31 public health for substance abuse grants, \$950,000 for the
32 fiscal year beginning July 1, 2001, shall be transferred to
33 the department of human services for an integrated substance
34 abuse managed care system.

35 6. In administering the medical assistance home and

1 community-based waiver for persons with physical disabilities,
2 the department shall aggressively pursue options to expand the
3 waiver to 100 openings and in implementing the expanded waiver
4 the total number of openings for persons with physical
5 disabilities served at any one time shall be limited to the
6 number approved in the waiver by the secretary of the United
7 States department of health and human services. The openings
8 shall be available on a first-come, first-served basis.

9 7. The department of human services, in consultation with
10 the Iowa department of public health and the department of
11 education, shall continue the program to utilize the early and
12 periodic screening, diagnosis, and treatment (EPSDT) funding
13 under medical assistance, to the extent possible, to implement
14 the screening component of the EPSDT program through the
15 school system. The department may enter into contracts to
16 utilize maternal and child health centers, the public health
17 nursing program, or school nurses in implementing this
18 provision.

19 8. The department shall continue the case study for
20 outcome-based performance standards for programs serving
21 persons with mental retardation or other developmental
22 disabilities proposed pursuant to 1994 Iowa Acts, chapter
23 1170, section 56.

24 9. The department shall continue the medical assistance
25 home and community-based services waiver to allow children
26 with mental retardation, who would otherwise require ICF/MR
27 care, to be served in out-of-home settings of up to eight beds
28 which meet standards established by the department. Up to
29 \$1,487,314 of the funds appropriated in this section may be
30 used for the costs of the waiver.

31 10. The department shall continue working with county
32 representatives in aggressively implementing the
33 rehabilitation option for services to persons with chronic
34 mental illness under the medical assistance program, and
35 county funding shall be used to provide the match for the

1 federal funding, except for individuals with state case
2 status, for whom state funding shall provide the match.

3 11. If the health care financing administration approves a
4 waiver request from the department, the department shall
5 provide a period of 24 months of guaranteed eligibility for
6 medical assistance family planning services, regardless of the
7 change in circumstances of a woman who was a medical
8 assistance recipient when a pregnancy ended.

9 12. The department shall aggressively pursue options for
10 providing medical assistance or other assistance to
11 individuals with special needs who become ineligible to
12 continue receiving services under the early and periodic,
13 screening, diagnosis, and treatment program under the medical
14 assistance program due to becoming 21 years of age, who have
15 been approved for additional assistance through the
16 department's exception to policy provisions, but who have
17 health care needs in excess of the funding available through
18 the exception to policy process.

19 Sec. 8. HEALTH INSURANCE PREMIUM PAYMENT PROGRAM. There
20 is appropriated from the general fund of the state to the
21 department of human services for the fiscal year beginning
22 July 1, 2001, and ending June 30, 2002, the following amount,
23 or so much thereof as is necessary, to be used for the purpose
24 designated:

25 For administration of the health insurance premium payment
26 program, including salaries, support, maintenance, and
27 miscellaneous purposes, and for not more than the following
28 full-time equivalent positions:

29	\$	600,000
30	FTEs	22.00

31 Sec. 9. CHILDREN'S HEALTH INSURANCE PROGRAM. There is
32 appropriated from the general fund of the state to the
33 department of human services for the fiscal year beginning
34 July 1, 2001, and ending June 30, 2002, the following amount,
35 or so much thereof as is necessary, to be used for the purpose

1 designated:

2 For maintenance of the healthy and well kids in Iowa (HAWK-
3 I) program pursuant to chapter 514I for receipt of federal
4 financial participation under Title XXI of the federal Social
5 Security Act, which creates the state children's health
6 insurance program:

7 \$ 8,400,000

8 1. The department may transfer funds appropriated in this
9 section to be used for the purpose of expanding health care
10 coverage to children under the medical assistance program.
11 The department shall provide periodic updates to the general
12 assembly of expenditures of funds appropriated in this
13 section.

14 2. The department shall provide a report to the HAWK-I
15 board and to the general assembly by January 15, 2002,
16 specifying the actual cost reported by each participating
17 insurer of providing monthly coverage to eligible children
18 under the children's health insurance program.

19 3. Moneys in the HAWK-I trust fund are appropriated and
20 shall be used to offset any program costs for the fiscal year
21 beginning July 1, 2001, and ending June 30, 2002.

22 4. The department of human services shall seek a waiver
23 from the health care financing administration of the United
24 States department of health and human services to permit
25 families with children who are eligible for medical assistance
26 to elect to participate under the HAWK-I program in lieu of
27 participation in the medical assistance program. If the
28 waiver is approved, the department shall implement the
29 provision.

30 Sec. 10. MEDICAL CONTRACTS. There is appropriated from
31 the general fund of the state to the department of human
32 services for the fiscal year beginning July 1, 2001, and
33 ending June 30, 2002, the following amount, or so much thereof
34 as is necessary, to be used for the purpose designated:

35 For medical contracts:

1 \$ 8,700,000

2 1. In any managed care contract for mental health or
3 substance abuse services entered into or extended by the
4 department on or after July 1, 2001, the request for proposals
5 shall provide for coverage of dual diagnosis mental health and
6 substance abuse treatment provided at the state mental health
7 institute at Mount Pleasant. To the extent possible, the
8 department shall also amend any such contract existing on July
9 1, 2001, to provide for such coverage. The department shall
10 receive input and recommendations from the chairpersons and
11 ranking members of the joint appropriations subcommittee on
12 human services prior to entering into or extending any managed
13 care contract for mental health or substance abuse services.

14 2. The director of human services may establish up to 8.00
15 full-time equivalent positions to be assigned to the medical
16 review unit and pharmacy unit of the fiscal agent if the
17 director determines the employees are necessary to replace
18 fiscal agent positions of the professional medical review
19 staff and pharmacy staff, contingent upon termination of those
20 staff positions with the fiscal agent. Employees in full-time
21 positions that transition from private employment to state
22 government employment under this unnumbered paragraph are
23 exempt from testing, selection, and appointment provisions of
24 chapter 19A and from provisions of collective bargaining
25 agreements relating to the filling of positions.

26 Sec. 11. STATE SUPPLEMENTARY ASSISTANCE. There is
27 appropriated from the general fund of the state to the
28 department of human services for the fiscal year beginning
29 July 1, 2001, and ending June 30, 2002, the following amount,
30 or so much thereof as is necessary, to be used for the
31 purposes designated:

32 For state supplementary assistance, funeral assistance, and
33 the medical assistance home and community-based services
34 waiver rent subsidy program:

35 \$ 19,550,000

1 1. The department shall increase the personal needs
2 allowance for residents of residential care facilities by the
3 same percentage and at the same time as federal supplemental
4 security income and federal social security benefits are
5 increased due to a recognized increase in the cost of living.
6 The department may adopt emergency rules to implement this
7 subsection.

8 2. If during the fiscal year beginning July 1, 2001, the
9 department projects that state supplementary assistance
10 expenditures for a calendar year will not meet the federal
11 pass-along requirement specified in Title XVI of the federal
12 Social Security Act, section 1618, as codified in 42 U.S.C. §
13 1382g, the department may take actions including but not
14 limited to increasing the personal needs allowance for
15 residential care facility residents and making programmatic
16 adjustments or upward adjustments of the residential care
17 facility or in-home health-related care reimbursement rates
18 prescribed in this Act to ensure that federal requirements are
19 met. The department may adopt emergency rules to implement
20 the provisions of this subsection.

21 3. The department may use up to \$75,000 of the funds
22 appropriated in this section for a rent subsidy program for
23 adult persons to whom all of the following apply:

24 a. Are receiving assistance under a medical assistance
25 home and community-based services (HCBS) waiver.

26 b. Were discharged from a medical institution in which
27 they have resided or were at risk of institutional placement,
28 not to exceed 100 slots. Within available funding and
29 demonstrated need, the department may make subsidy funds
30 available to HCBS waiver-eligible adults meeting criteria in
31 paragraph "a" and this paragraph at any time on or after July
32 1, 1995.

33 The goal of the subsidy program shall be to encourage and
34 assist in enabling persons who currently reside in a medical
35 institution to move to a community living arrangement. An

1 eligible person may receive assistance in meeting their rental
2 expense and, in the initial two months of eligibility, in
3 purchasing necessary household furnishings and supplies. The
4 program shall be implemented so that it does not meet the
5 federal definition of state supplementary assistance and will
6 not impact the federal pass-along requirement specified in
7 Title XVI of the federal Social Security Act, section 1618, as
8 codified in 42 U.S.C. § 1382g.

9 Sec. 12. CHILD CARE ASSISTANCE. There is appropriated
10 from the general fund of the state to the department of human
11 services for the fiscal year beginning July 1, 2001, and
12 ending June 30, 2002, the following amount, or so much thereof
13 as is necessary, to be used for the purpose designated:

14 For child care programs:
15 \$ 5,050,752

16 1. a. Of the funds appropriated in this section,
17 \$4,414,111 shall be used for state child care assistance in
18 accordance with section 237A.13.

19 b. During the 2001-2002 fiscal year, the moneys deposited
20 in the child care credit fund created in section 237A.28 are
21 appropriated to the department to be used for state child care
22 assistance in accordance with section 237A.13, in addition to
23 the moneys allocated for that purpose in paragraph "a".

24 2. Nothing in this section shall be construed or is
25 intended as, or shall imply, a grant of entitlement for
26 services to persons who are eligible for assistance due to an
27 income level consistent with the waiting list requirements of
28 section 237A.13. Any state obligation to provide services
29 pursuant to this section is limited to the extent of the funds
30 appropriated in this section.

31 3. Of the funds appropriated in this section, \$636,641 is
32 allocated for the statewide program for child care resource
33 and referral services under section 237A.26.

34 4. The department may use any of the funds appropriated in
35 this section as a match to obtain federal funds for use in

1 expanding child care assistance and related programs. For the
2 purpose of expenditures of state and federal child care
3 funding, funds shall be considered obligated at the time
4 expenditures are projected or are allocated to the
5 department's regions. Projections shall be based on current
6 and projected caseload growth, current and projected provider
7 rates, staffing requirements for eligibility determination and
8 management of program requirements including data systems
9 management, staffing requirements for administration of the
10 program, contractual and grant obligations and any transfers
11 to other state agencies, and obligations for decategorization
12 or innovation projects.

13 Sec. 13. JUVENILE INSTITUTIONS. There is appropriated
14 from the general fund of the state to the department of human
15 services for the fiscal year beginning July 1, 2001, and
16 ending June 30, 2002, the following amounts, or so much
17 thereof as is necessary, to be used for the purposes
18 designated:

- 19 1. For operation of the Iowa juvenile home at Toledo:
- 20 \$ 6,620,000
- 21 FTEs 138.54

22 It is the intent of the general assembly that beginning in
23 the fiscal year commencing on July 1, 2002, the Iowa juvenile
24 home at Toledo will serve only females. The department shall
25 develop a plan which includes options for relocating the males
26 at the Iowa juvenile home at Toledo. The options shall
27 include but are not limited to developing a child in need of
28 assistance program for males at the state training school at
29 Eldora.

- 30 2. For operation of the state training school at Eldora:
- 31 \$ 10,870,000
- 32 FTEs 229.53

33 Of the funding appropriated in this subsection, \$40,000 is
34 designated for aftercare services for persons who were placed
35 at the state training school at Eldora.

1 3. During the fiscal year beginning July 1, 2001, the
2 population levels at the state juvenile institutions shall not
3 exceed the population guidelines established under 1990 Iowa
4 Acts, chapter 1239, section 21, as adjusted for additional
5 beds developed at the institutions.

6 4. A portion of the moneys appropriated in this section
7 shall be used by the state training school and by the Iowa
8 juvenile home for grants for adolescent pregnancy prevention
9 activities at the institutions in the fiscal year beginning
10 July 1, 2001.

11 5. Within the amounts appropriated in this section, the
12 department may transfer funds as necessary to best fulfill the
13 needs of the institutions provided for in the appropriation.

14 6. If the department receives notice from the department
15 of inspections and appeals or any other entity that certifies
16 a juvenile institution's compliance with certification
17 requirements or determines compliance with regulatory
18 requirements, that a juvenile institution has been found or
19 cited for being out of compliance with a requirement, the
20 department shall report the notice to those persons designated
21 by this Act to receive reports. The report shall be made
22 within thirty days of the date the notice was received by the
23 department.

24 Sec. 14. CHILD AND FAMILY SERVICES. There is appropriated
25 from the general fund of the state to the department of human
26 services for the fiscal year beginning July 1, 2001, and
27 ending June 30, 2002, the following amount, or so much thereof
28 as is necessary, to be used for the purpose designated:

29 For child and family services:
30 \$106,000,000

31 1. The department may transfer funds appropriated in this
32 section as necessary to pay the nonfederal costs of services
33 reimbursed under medical assistance or the family investment
34 program which are provided to children who would otherwise
35 receive services paid under the appropriation in this section.

1 The department may transfer funds appropriated in this section
2 to the appropriations in this Act for general administration
3 and for field operations for resources necessary to implement
4 and operate the services funded in this section.

5 2. a. Of the funds appropriated in this section, up to
6 \$28,137,020 is allocated as the statewide expenditure target
7 under section 232.143 for group foster care maintenance and
8 services.

9 b. If at any time after September 30, 2001, annualization
10 of a region's current expenditures indicates a region is at
11 risk of exceeding its group foster care expenditure target
12 under section 232.143 by more than five percent, the
13 department and juvenile court services shall examine all group
14 foster care placements in that region in order to identify
15 those which might be appropriate for termination. In
16 addition, any aftercare services believed to be needed for the
17 children whose placements may be terminated shall be
18 identified. The department and juvenile court services shall
19 initiate action to set dispositional review hearings for the
20 placements identified. In such a dispositional review
21 hearing, the juvenile court shall determine whether needed
22 aftercare services are available and whether termination of
23 the placement is in the best interest of the child and the
24 community.

25 c. (1) Of the funds appropriated in this section, not
26 more than \$6,987,000 is allocated as the state match funding
27 for psychiatric medical institutions for children.

28 (2) The department may transfer all or a portion of the
29 amount allocated in this lettered paragraph for psychiatric
30 medical institutions for children (PMICs) to the appropriation
31 in this Act for medical assistance.

32 d. Of the funds allocated in this subsection, \$1,354,063
33 is allocated as the state match funding for 50 highly
34 structured juvenile program beds. If the number of beds
35 provided for in this lettered paragraph is not utilized, the

1 remaining funds allocated may be used for group foster care.

2 e. For the fiscal year beginning July 1, 2001, the
3 requirements of section 232.143 applicable to the juvenile
4 court and to representatives of the juvenile court shall be
5 applicable instead to juvenile court services and to
6 representatives of juvenile court services. The
7 representatives appointed by the department of human services
8 and by juvenile court services to establish the plan to
9 contain expenditures for children placed in group foster care
10 ordered by the court within the budget target allocated to the
11 region shall establish the plan in a manner so as to ensure
12 the moneys allocated to the region under section 232.143 shall
13 last the entire fiscal year. Funds for a child placed in
14 group foster care shall be considered encumbered for the
15 duration of the child's projected or actual length of stay,
16 whichever is applicable.

17 3. The department shall continue the goal that not more
18 than 15 percent of the children placed in foster care funded
19 under the federal Social Security Act, Title IV-E, may be
20 placed in foster care for a period of more than 24 months.

21 4. In accordance with the provisions of section 232.188,
22 the department shall continue the program to decategorize
23 child welfare services funding in additional counties or
24 clusters of counties.

25 5. A portion of the funding appropriated in this section
26 may be used for emergency family assistance to provide other
27 resources required for a family participating in a family
28 preservation or reunification project to stay together or to
29 be reunified.

30 6. Notwithstanding section 234.35, subsection 1, for the
31 fiscal year beginning July 1, 2001, state funding for shelter
32 care paid pursuant to section 234.35, subsection 1, paragraph
33 "h", shall be limited to \$7,513,084.

34 7. Of the funding appropriated in this section, up to
35 \$617,079 may be used as determined by the department for any

1 of the following purposes:

2 a. For general administration of the department to improve
3 staff training efforts.

4 b. For oversight of termination of parental rights and
5 permanency planning efforts on a statewide basis.

6 c. For personnel, assigned by the attorney general, to
7 provide additional services relating to termination of
8 parental rights and child in need of assistance cases.

9 d. For specialized permanency planning field operations
10 staff.

11 8. The department may adopt administrative rules following
12 consultation with child welfare services providers to
13 implement outcome-based child welfare services pilot projects.
14 The rules may include, but are not limited to, the development
15 of program descriptions, provider licensing and certification
16 standards, reimbursement and payment amounts, contract
17 requirements, assessment and service necessity requirements,
18 eligibility criteria, claims submission procedures, and
19 accountability standards.

20 9. The department shall continue to make adoption
21 presubsidy and adoption subsidy payments to adoptive parents
22 at the beginning of the month for the current month.

23 10. Federal funds received by the state during the fiscal
24 year beginning July 1, 2001, as the result of the expenditure
25 of state funds appropriated during a previous state fiscal
26 year for a service or activity funded under this section,
27 shall be used as additional funding for services provided
28 under this section. Notwithstanding section 8.33, moneys
29 received by the department in accordance with the provisions
30 of this subsection shall remain available for the purposes
31 designated until June 30, 2003.

32 11. The department and juvenile court services shall
33 continue to develop criteria for the department regional
34 administrator and chief juvenile court officer to grant
35 exceptions to extend eligibility, within the funds allocated,

1 for intensive tracking and supervision and for supervised
2 community treatment to delinquent youth beyond age 18 who are
3 subject to release from the state training school, a highly
4 structured juvenile program, or group foster care.

5 12. Of the moneys appropriated in this section, not more
6 than \$627,100 is allocated to provide clinical assessment
7 services as necessary to continue funding of children's
8 rehabilitation services under medical assistance in accordance
9 with federal law and requirements. The funding allocated is
10 the amount projected to be necessary for providing the
11 clinical assessment services.

12 13. Of the funding appropriated in this section,
13 \$3,696,285 shall be used for protective child care assistance.

14 14. Of the moneys appropriated in this section, up to
15 \$3,290,000 is allocated for the payment of the expenses of
16 court-ordered services provided to juveniles which are a
17 charge upon the state pursuant to section 232.141, subsection
18 4.

19 a. Notwithstanding section 232.141 or any other provision
20 of law, the amount allocated in this subsection shall be
21 distributed to the judicial districts as determined by the
22 state court administrator. The state court administrator
23 shall make the determination of the distribution amounts on or
24 before June 15, 2001.

25 b. The department of human services shall develop policies
26 and procedures to ensure that the funds allocated in this
27 subsection are spent only after all other reasonable actions
28 have been taken to utilize other funding sources and
29 community-based services. The policies and procedures shall
30 be designed to achieve the following objectives relating to
31 services provided under chapter 232:

32 (1) Maximize the utilization of funds which may be
33 available from the medical assistance program including usage
34 of the early and periodic screening, diagnosis, and treatment
35 (EPSDT) program.

1 (2) Recover payments from any third-party insurance
2 carrier which is liable for coverage of the services,
3 including health insurance coverage.

4 (3) Pursue development of agreements with regularly
5 utilized out-of-state service providers which are intended to
6 reduce per diem costs paid to those providers.

7 c. Notwithstanding chapter 232 or any other provision of
8 law, a district or juvenile court in a department of human
9 services district shall not order any service which is a
10 charge upon the state pursuant to section 232.141 if there are
11 insufficient court-ordered services funds available in the
12 district distribution amount to pay for the service. The
13 chief juvenile court officer shall work with the judicial
14 district planning group to encourage use of the funds
15 allocated in this subsection such that there are sufficient
16 funds to pay for all court-related services during the entire
17 year. The eight chief juvenile court officers shall attempt
18 to anticipate potential surpluses and shortfalls in the
19 distribution amounts and shall cooperatively request the state
20 court administrator to transfer funds between the districts'
21 distribution amounts as prudent.

22 d. Notwithstanding any provision of law to the contrary, a
23 district or juvenile court shall not order a county to pay for
24 any service provided to a juvenile pursuant to an order
25 entered under chapter 232 which is a charge upon the state
26 under section 232.141, subsection 4.

27 e. Of the funding allocated in this subsection, not more
28 than \$100,000 may be used by the judicial branch for
29 administration of the requirements under this subsection and
30 for travel associated with court-ordered placements which are
31 a charge upon the state pursuant to section 232.141,
32 subsection 4.

33 15. a. Of the funding appropriated in this section,
34 \$5,292,000 is allocated to provide school-based supervision of
35 children adjudicated under chapter 232, including not more

1 than \$1,764,000 from the allocation in this section for court-
2 ordered services. Not more than \$15,000 of the funding
3 allocated in this subsection may be used for the purpose of
4 training.

5 b. To the extent possible, the personnel providing school-
6 based services shall be prepared with training or experience
7 relating to gender-specific programming to best intervene with
8 youth at risk of being found delinquent or determined to be a
9 child in need of assistance.

10 16. The department shall maximize the capacity to draw
11 federal funding under Title IV-E of the federal Social
12 Security Act.

13 17. Any unanticipated federal funding that is received
14 during the fiscal year due to improvements in the hours
15 counted by the judicial branch under the claiming process for
16 federal Title IV-E funding are appropriated to the department
17 to be used for additional or expanded services and support for
18 court-ordered services pursuant to section 232.141.

19 Notwithstanding section 8.33, moneys appropriated in this
20 subsection that remain unencumbered or unobligated at the
21 close of the fiscal year shall not revert but shall remain
22 available for expenditure for the purposes designated until
23 the close of the succeeding fiscal year.

24 Sec. 15. JUVENILE DETENTION HOME FUND. Moneys deposited
25 in the juvenile detention home fund created in section 232.142
26 during the fiscal year beginning July 1, 2001, and ending June
27 30, 2002, are appropriated to the department of human services
28 for the fiscal year beginning July 1, 2001, and ending June
29 30, 2002, for distribution as follows:

30 1. An amount equal to ten percent of the costs of the
31 establishment, improvement, operation, and maintenance of
32 county or multicounty juvenile detention homes in the fiscal
33 year beginning July 1, 2000. Moneys appropriated for
34 distribution in accordance with this paragraph shall be
35 allocated among eligible detention homes, prorated on the

1 basis of an eligible detention home's proportion of the costs
2 of all eligible detention homes in the fiscal year beginning
3 July 1, 2000. Notwithstanding section 232.142, subsection 3,
4 the financial aid payable by the state under that provision
5 for the fiscal year beginning July 1, 2000, shall be limited
6 to the amount appropriated for the purposes of this paragraph.

7 2. For renewal of a grant to a county with a population
8 between 168,000 and 175,000 for implementation of the county's
9 runaway treatment plan under section 232.195:

10 \$ 80,000

11 3. For grants to counties implementing a runaway treatment
12 plan under section 232.195.

13 4. The remainder for additional allocations to county or
14 multicounty juvenile detention homes, in accordance with the
15 distribution requirements of subsection 1.

16 Sec. 16. COMMUNITY-BASED PROGRAMS -- ADOLESCENT PREGNANCY
17 PREVENTION. There is appropriated from the general fund of
18 the state to the department of human services for the fiscal
19 year beginning July 1, 2001, and ending June 30, 2002, the
20 following amount, or so much thereof as is necessary, to be
21 used for the purpose designated:

22 For community-based programs, on the condition that family
23 planning services are funded, including salaries, support,
24 maintenance, and miscellaneous purposes and for not more than
25 the following full-time equivalent positions:

26 \$ 281,415

27 FTEs 1.00

28 1. Funds appropriated in this section shall be used to
29 provide adolescent pregnancy prevention grants which comply
30 with the requirements provided in 1997 Iowa Acts, chapter 208,
31 section 14, subsections 1 and 2, and shall emphasize programs
32 which target the middle school level.

33 2. It is the intent of the general assembly that the
34 department of human services and the Iowa department of public
35 health shall continue to identify existing abstinence

1 education or community-based programs which comply with the
2 requirements established in section 912, subchapter V, of the
3 federal Social Security Act, as codified in 42 U.S.C. § 701
4 et seq. for the matching of federal funds.

5 Sec. 17. FAMILY SUPPORT SUBSIDY PROGRAM. There is
6 appropriated from the general fund of the state to the
7 department of human services for the fiscal year beginning
8 July 1, 2001, and ending June 30, 2002, the following amount,
9 or so much thereof as is necessary, to be used by the division
10 of children and family services for the purpose designated:

11 For the family support subsidy program:
12 \$ 2,089,858

13 The department may use up to \$267,000 of the moneys
14 appropriated in this section to continue the children-at-home
15 program in current counties, of which not more than \$20,000
16 shall be used for administrative costs.

17 Sec. 18. CONNER DECREE. There is appropriated from the
18 general fund of the state to the department of human services
19 for the fiscal year beginning July 1, 2001, and ending June
20 30, 2002, the following amount, or so much thereof as is
21 necessary, to be used for the purpose designated:

22 For building community capacity through the coordination
23 and provision of training opportunities in accordance with the
24 consent decree of Conner v. Branstad, No. 4-86-CV-30871(S.D.
25 Iowa, July 14, 1994):
26 \$ 46,000

27 Sec. 19. MENTAL HEALTH INSTITUTES. There is appropriated
28 from the general fund of the state to the department of human
29 services for the fiscal year beginning July 1, 2001, and
30 ending June 30, 2002, the following amounts, or so much
31 thereof as is necessary, to be used for the purposes
32 designated:

33 1. For the state mental health institute at Cherokee for
34 salaries, support, maintenance, and miscellaneous purposes and
35 for not more than the following full-time equivalent

1 positions:

2 \$ 13,470,000

3 FTEs 248.44

4 2. For the state mental health institute at Clarinda for
5 salaries, support, maintenance, and miscellaneous purposes and
6 for not more than the following full-time equivalent

7 positions:

8 \$ 7,650,000

9 FTEs 138.59

10 3. For the state mental health institute at Independence
11 for salaries, support, maintenance, and miscellaneous purposes
12 and for not more than the following full-time equivalent

13 positions:

14 \$ 17,930,000

15 FTEs 352.46

16 The state mental health institute at Independence shall
17 continue the 30 psychiatric medical institution for children
18 (PMIC) beds authorized in section 135H.6, in a manner which
19 results in no net state expenditure amount in excess of the
20 amount appropriated in this subsection. Counties are not
21 responsible for the costs of PMIC services described in this
22 subsection. Subject to the approval of the department, with
23 the exception of revenues required under section 249A.11 to be
24 credited to the appropriation in this Act for medical
25 assistance, revenues attributable to the PMIC beds described
26 in this subsection for the fiscal year beginning July 1, 2001,
27 and ending June 30, 2002, shall be deposited in the
28 institute's account, including but not limited to any of the
29 following revenues:

30 a. The federal share of medical assistance revenue
31 received under chapter 249A.

32 b. Moneys received through client participation.

33 c. Any other revenues directly attributable to the PMIC
34 beds.

35 4. For the state mental health institute at Mount Pleasant

1 for salaries, support, maintenance, and miscellaneous purposes
2 and for not more than the following full-time equivalent
3 positions:

4 \$ 5,717,500
5 FTEs 109.47

6 a. Funding is provided in this subsection for the mental
7 health institute at Mount Pleasant to continue the dual
8 diagnosis mental health and substance abuse program on a net
9 budgeting basis in which 50 percent of the actual per diem and
10 ancillary services costs are chargeable to the patient's
11 county of legal settlement or as a state case, as appropriate.
12 Subject to the approval of the department, revenues
13 attributable to the dual diagnosis program for the fiscal year
14 beginning July 1, 2001, and ending June 30, 2002, shall be
15 deposited in the institute's account, including but not
16 limited to all of the following revenues:

17 (1) Moneys received by the state from billings to counties
18 under section 230.20.

19 (2) Moneys received from billings to the Medicare program.

20 (3) Moneys received from a managed care contractor
21 providing services under contract with the department or any
22 private third-party payer.

23 (4) Moneys received through client participation.

24 (5) Any other revenues directly attributable to the dual
25 diagnosis program.

26 b. The following additional provisions are applicable in
27 regard to the dual diagnosis program:

28 (1) A county may split the charges between the county's
29 mental health, mental retardation, and developmental
30 disabilities services fund and the county's budget for
31 substance abuse expenditures.

32 (2) If an individual is committed to the custody of the
33 department of corrections at the time the individual is
34 referred for dual diagnosis treatment, the department of
35 corrections shall be charged for the costs of treatment.

1 (3) Prior to an individual's admission for dual diagnosis
2 treatment, the individual shall have been screened through a
3 county's single entry point process to determine the
4 appropriateness of the treatment.

5 (4) A county shall not be chargeable for the costs of
6 treatment for an individual enrolled in and authorized by or
7 decertified by a managed behavioral care plan under the
8 medical assistance program.

9 (5) Notwithstanding section 8.33, mental health
10 institutions revenues related to the dual diagnosis program
11 that remain unencumbered or unobligated at the close of the
12 fiscal year shall not revert but shall remain available up to
13 the amount which would allow the mental health institute to
14 meet credit obligations owed to counties as a result of year-
15 end per diem adjustments for the dual diagnosis program.

16 5. Within the funds appropriated in this section, the
17 department may transfer funds as necessary to best fulfill the
18 needs of the institutions provided for in the appropriation.

19 6. As part of the discharge planning process at the state
20 mental health institutes, the department shall provide
21 assistance in obtaining eligibility for federal supplemental
22 security income (SSI) to those individuals whose care at a
23 state mental health institute is the financial responsibility
24 of the state or a county.

25 7. If the department receives notice from the department
26 of inspections and appeals or any other entity that certifies
27 a state mental health institute's compliance with
28 certification requirements or determines compliance with
29 regulatory requirements, that a state mental health institute
30 has been found or cited for being out of compliance with a
31 requirement, the department shall report the notice to those
32 persons designated by this Act to receive reports. The report
33 shall be made within thirty days of the date the notice was
34 received by the department.

35 Sec. 20. STATE RESOURCE CENTERS. There is appropriated

1 from the general fund of the state to the department of human
2 services for the fiscal year beginning July 1, 2001, and
3 ending June 30, 2002, the following amounts, or so much
4 thereof as is necessary, to be used for the purposes
5 designated:

6 1. For the state resource center at Glenwood for salaries,
7 support, maintenance, and miscellaneous purposes:
8 \$ 2,625,000

9 2. For the state resource center at Woodward for salaries,
10 support, maintenance, and miscellaneous purposes:
11 \$ 1,790,000

12 3. a. The department shall continue operating the state
13 resource centers at Glenwood and Woodward with a net general
14 fund appropriation. The amounts allocated in this section are
15 the net amounts of state moneys projected to be needed for the
16 state resource centers. The purposes of operating with a net
17 general fund appropriation are to encourage the state resource
18 centers to operate with increased self-sufficiency, to improve
19 quality and efficiency, and to support collaborative efforts
20 between the state resource centers and counties and other
21 funders of services available from the state resource centers.
22 The state resource centers shall not be operated under the net
23 appropriation in a manner which results in a cost increase to
24 the state or cost shifting between the state, the medical
25 assistance program, counties, or other sources of funding for
26 the state resource centers. Moneys allocated in subsection 1
27 may be used throughout the fiscal year in the manner necessary
28 for purposes of cash flow management, and for purposes of cash
29 flow management the state resource centers may temporarily
30 draw more than the amount allocated, provided the amount
31 allocated is not exceeded at the close of the fiscal year.

32 b. Subject to the approval of the department, except for
33 revenues under section 249A.11, revenues attributable to the
34 state resource centers for the fiscal year beginning July 1,
35 2001, shall be deposited into each state resource center's

1 account, including but not limited to all of the following:

2 (1) Moneys received by the state from billings to counties
3 under section 222.73.

4 (2) The federal share of medical assistance revenue
5 received under chapter 249A.

6 (3) Federal Medicare program payments.

7 (4) Moneys received from client financial participation.

8 (5) Other revenues generated from current, new, or
9 expanded services which the state resource center is
10 authorized to provide.

11 c. For the purposes of allocating the salary adjustment
12 fund moneys appropriated in another Act, the state resource
13 centers shall be considered to be funded entirely with state
14 moneys.

15 d. Notwithstanding section 8.33, up to \$500,000 of a state
16 resource center's revenues that remain unencumbered or
17 unobligated at the close of the fiscal year shall not revert
18 but shall remain available to be used in the succeeding fiscal
19 year.

20 4. Within the funds appropriated in this section, the
21 department may transfer funds as necessary to best fulfill the
22 needs of the institutions provided for in the appropriation.

23 5. The department may continue to bill for state resource
24 center services utilizing a scope of services approach used
25 for private providers of ICFMR services, in a manner which
26 does not shift costs between the medical assistance program,
27 counties, or other sources of funding for the state resource
28 centers.

29 6. The state resource centers may expand the time limited
30 assessment and respite services during the fiscal year.

31 7. If the department's administration and the department
32 of management concur with a finding by a state resource
33 center's superintendent that projected revenues can reasonably
34 be expected to pay the salary and support costs for a new
35 employee position, or that such costs for adding a particular

1 number of new positions for the fiscal year would be less than
2 the overtime costs if new positions would not be added, the
3 superintendent may add the new position or positions. If the
4 vacant positions available to a resource center do not include
5 the position classification desired to be filled, the state
6 resource center's superintendent may reclassify any vacant
7 position as necessary to fill the desired position. The
8 superintendents of the state resource centers may, by mutual
9 agreement, pool vacant positions and position classifications
10 during the course of the fiscal year in order to assist one
11 another in filling necessary positions.

12 8. If the department receives notice from the department
13 of inspections and appeals or any other entity that certifies
14 a state resource center's compliance with certification
15 requirements or determines compliance with regulatory
16 requirements, that a state resource center has been found or
17 cited for being out of compliance with a requirement, the
18 department shall report the notice to those persons designated
19 by this Act to receive reports. The report shall be made
20 within thirty days of the date the notice was received by the
21 department.

22 Sec. 21. SPECIAL NEEDS GRANTS. There is appropriated from
23 the general fund of the state to the department of human
24 services for the fiscal year beginning July 1, 2001, and
25 ending June 30, 2002, the following amount, or so much thereof
26 as is necessary, to be used for the purpose designated:

27 To provide special needs grants to families with a family
28 member at home who has a developmental disability or to a
29 person with a developmental disability:

30 \$ 53,212

31 Grants must be used by a family to defray special costs of
32 caring for the family member to prevent out-of-home placement
33 of the family member or to provide for independent living
34 costs. The grants may be administered by a private nonprofit
35 agency which serves people statewide provided that no

1 administrative costs are received by the agency.

2 Sec. 22. MI/MR/DD STATE CASES. There is appropriated from
3 the general fund of the state to the department of human
4 services for the fiscal year beginning July 1, 2001, and
5 ending June 30, 2002, the following amounts, or so much
6 thereof as is necessary, to be used for the purposes
7 designated:

8 For purchase of local services for persons with mental
9 illness, mental retardation, and developmental disabilities
10 where the client has no established county of legal
11 settlement:

12 \$ 12,700,000

13 Sec. 23. MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES --
14 COMMUNITY SERVICES FUND. There is appropriated from the
15 general fund of the state to the mental health and
16 developmental disabilities community services fund created in
17 section 225C.7 for the fiscal year beginning July 1, 2001, and
18 ending June 30, 2002, the following amount, or so much thereof
19 as is necessary, to be used for the purpose designated:

20 For mental health and developmental disabilities community
21 services in accordance with this Act:

22 \$ 19,560,000

23 1. Of the funds appropriated in this section, \$19,530,000
24 shall be allocated to counties for funding of community-based
25 mental health and developmental disabilities services. The
26 moneys shall be allocated to a county as follows:

27 a. Fifty percent based upon the county's proportion of the
28 state's population of persons with an annual income which is
29 equal to or less than the poverty guideline established by the
30 federal office of management and budget.

31 b. Fifty percent based upon the county's proportion of the
32 state's general population.

33 2. a. A county shall utilize the funding the county
34 receives pursuant to subsection 1 for services provided to
35 persons with a disability, as defined in section 225C.2.

1 However, no more than 50 percent of the funding shall be used
2 for services provided to any one of the service populations.

3 b. A county shall use at least 50 percent of the funding
4 the county receives under subsection 1 for contemporary
5 services provided to persons with a disability, as described
6 in rules adopted by the department.

7 3. Of the funds appropriated in this section, \$30,000
8 shall be used to support the Iowa compass program providing
9 computerized information and referral services for Iowans with
10 disabilities and their families.

11 4. a. Funding appropriated for purposes of the federal
12 social services block grant is allocated for distribution to
13 counties for local purchase of services for persons with
14 mental illness or mental retardation or other developmental
15 disability.

16 b. The funds allocated in this subsection shall be
17 expended by counties in accordance with the county's approved
18 county management plan. A county without an approved county
19 management plan shall not receive allocated funds until the
20 county's management plan is approved.

21 c. The funds provided by this subsection shall be
22 allocated to each county as follows:

23 (1) Fifty percent based upon the county's proportion of
24 the state's population of persons with an annual income which
25 is equal to or less than the poverty guideline established by
26 the federal office of management and budget.

27 (2) Fifty percent based upon the amount provided to the
28 county for local purchase of services in the preceding fiscal
29 year.

30 5. A county is eligible for funds under this section if
31 the county qualifies for a state payment as described in
32 section 331.439.

33 Sec. 24. PERSONAL ASSISTANCE. There is appropriated from
34 the general fund of the state to the department of human
35 services for the fiscal year beginning July 1, 2001, and

1 ending June 30, 2002, the following amount, or so much thereof
2 as is necessary, to be used for the purpose designated:

3 For continuation of a pilot project for the personal
4 assistance services program in accordance with this section:
5 \$ 264,000

6 1. The funds appropriated in this section shall be used to
7 continue the pilot project for the personal assistance
8 services program under section 225C.46 in an urban and a rural
9 area. Not more than 10 percent of the amount appropriated
10 shall be used for administrative costs. The pilot project and
11 any federal home and community-based waiver developed under
12 the medical assistance program shall not be implemented in a
13 manner which would require additional county or state costs
14 for assistance provided to an individual served under the
15 pilot project or the waiver.

16 2. Beginning July 1, 2001, new applicants shall not be
17 accepted into the pilot project. An individual receiving
18 services under the pilot project as of June 30, 2001, shall
19 continue receiving services until the individual voluntarily
20 leaves the project or until another program with similar
21 services exists.

22 Sec. 25. SEXUALLY VIOLENT PREDATORS.

23 1. There is appropriated from the general fund of the
24 state to the department of human services for the fiscal year
25 beginning July 1, 2001, and ending June 30, 2002, the
26 following amount, or so much thereof as is necessary, to be
27 used for the purpose designated:

28 For costs associated with the commitment and treatment of
29 sexually violent predators including costs of legal services
30 and other associated costs, including salaries, support,
31 maintenance, and miscellaneous purposes and for not more than
32 the following full-time equivalent positions:
33 \$ 1,300,000
34 FTEs 25.00

35 2. Notwithstanding section 8.33, \$350,000 of the moneys

1 appropriated in 2000 Iowa Acts, chapter 1228, section 27, that
2 remain unexpended or unobligated at the close of the fiscal
3 year shall not revert but shall remain available in the
4 succeeding fiscal year to be used for the purposes of this
5 section.

6 Sec. 26. FIELD OPERATIONS. There is appropriated from the
7 general fund of the state to the department of human services
8 for the fiscal year beginning July 1, 2001, and ending June
9 30, 2002, the following amounts, or so much thereof as is
10 necessary, to be used for the purposes designated:

11 1. For field operations, including salaries, support,
12 maintenance, and miscellaneous purposes and for not more than
13 the following full-time equivalent positions:

14 \$ 48,300,000
15 FTEs 2,103.50

16 a. Priority in filling full-time equivalent positions
17 shall be given to those positions related to child protection
18 services.

19 b. The amount appropriated in this section includes
20 increased funding of \$1,212,197 to address staffing issues in
21 regard to child abuse assessment staff, social workers, and
22 support staff performing related functions and for increased
23 activities to improve cooperation between field staff, law
24 enforcement, county attorneys, and mandatory reporters in
25 addressing reports of child abuse.

26 c. The director of human services may establish new
27 positions and add state employees to field operations if the
28 director determines that such action can reasonably be
29 expected to leverage additional federal dollars. The intent
30 of establishing or adding these positions shall be to reduce
31 caseloads to reflect recognized national standards as
32 determined by the department. For purposes of these
33 positions, the department may exceed the number of full-time
34 equivalent positions authorized in this subsection.

35 2. Commencing with the fiscal year beginning July 1, 2001,

1 the department shall eliminate the regional office
2 administrative level within field operations. Essential staff
3 within a regional office shall be transferred to be part of
4 the staff of a county cluster office.

5 Sec. 27. GENERAL ADMINISTRATION. There is appropriated
6 from the general fund of the state to the department of human
7 services for the fiscal year beginning July 1, 2001, and
8 ending June 30, 2002, the following amount, or so much thereof
9 as is necessary, to be used for the purpose designated:

10 For general administration, including salaries, support,
11 maintenance, and miscellaneous purposes and for not more than
12 the following full-time equivalent positions:

13	\$	7,520,029
14	FTEs	385.00

15 1. Of the funds appropriated in this section, \$57,000 is
16 allocated for the prevention of disabilities policy council
17 established in section 225B.3.

18 2. If an expenditure reduction or other cost-saving
19 measure is deemed necessary to maintain expenditures within
20 the amount appropriated to the department in this section, the
21 department shall not implement the reduction or other measure
22 in a manner which reduces service funding for disability
23 rehabilitation programs, including, but not limited to,
24 statewide supported employment programs.

25 3. The department shall report to the governor, the
26 general assembly, the legislative fiscal bureau, and the
27 legislative service bureau, within thirty days of notice from
28 the source of payment of the future receipt of any bonus,
29 incentive, or other payments received from the federal
30 government, court settlement payments, and any other payments
31 received by the state that may be used to supplement state
32 funds appropriated to the department.

33 Sec. 28. VOLUNTEERS. There is appropriated from the
34 general fund of the state to the department of human services
35 for the fiscal year beginning July 1, 2001, and ending June

1 30, 2002, the following amount, or so much thereof as is
2 necessary, to be used for the purpose designated:

3 For development and coordination of volunteer services:
4 \$ 118,250

5 Sec. 29. MEDICAL ASSISTANCE, STATE SUPPLEMENTARY
6 ASSISTANCE, AND SOCIAL SERVICE PROVIDERS REIMBURSED UNDER THE
7 DEPARTMENT OF HUMAN SERVICES.

8 1. a. For the fiscal year beginning July 1, 2001, the
9 reimbursement rate for nursing facilities shall be determined
10 under a case mix reimbursement system. Nursing facilities
11 reimbursed under the medical assistance program shall submit
12 annual cost reports and additional documentation as required
13 by rules adopted by the department.

14 b. (1) For the fiscal year beginning July 1, 2001, the
15 department shall reimburse pharmacy dispensing fees using a
16 single rate maximum that is consistent with funds projected to
17 be available.

18 (2) The department shall increase the state's efforts to
19 collect pharmaceutical manufacturer rebates in order to meet
20 the national average relative to collection of such rebates.

21 (3) The department shall implement a series of prospective
22 drug utilization review edits on targeted drugs to facilitate
23 the cost effective use of these drugs. The edits shall be
24 implemented in a manner that does not change the therapy or
25 the therapeutic outcome for the patient.

26 (4) The department shall implement a generic incentive
27 patient copayment program to encourage the dispensing and use
28 of less costly pharmaceutical alternatives. The copayment
29 amount shall be 50 cents for a generic medication and \$2 for a
30 brand-name medication.

31 c. For the fiscal year beginning July 1, 2001,
32 reimbursement rates for inpatient and outpatient hospital
33 services shall be reduced by three percent from the rates in
34 effect on June 30, 2001. The department shall continue the
35 outpatient hospital reimbursement system based upon ambulatory

1 patient groups implemented pursuant to 1994 Iowa Acts, chapter
2 1186, section 25, subsection 1, paragraph "f". In addition,
3 the department shall continue the revised medical assistance
4 payment policy implemented pursuant to that paragraph to
5 provide reimbursement for costs of screening and treatment
6 provided in the hospital emergency room if made pursuant to
7 the prospective payment methodology developed by the
8 department for the payment of outpatient services provided
9 under the medical assistance program.

10 d. Reimbursement rates for rural health clinics, hospices,
11 independent laboratories, and acute mental hospitals shall be
12 increased in accordance with increases under the federal
13 Medicare program or as supported by their Medicare audited
14 costs.

15 e. Reimbursement rates for home health agencies shall be
16 reduced by three percent from the rates in effect on June 30,
17 2001.

18 f. Federally qualified health centers shall receive cost-
19 based reimbursement for 100 percent of the reasonable costs
20 for the provision of services to recipients of medical
21 assistance.

22 g. Beginning July 1, 2001, the reimbursement rates for
23 dental services shall be reduced by three percent from the
24 rates in effect on June 30, 2001.

25 h. Beginning July 1, 2001, the reimbursement rates for
26 community mental health centers shall be reduced by three
27 percent from the rates in effect on June 30, 2001.

28 i. For the fiscal year beginning July 1, 2001, the maximum
29 reimbursement rate for psychiatric medical institutions for
30 children shall remain at the rate in effect on June 30, 2001,
31 based on per day rates for actual costs.

32 j. For the fiscal year beginning July 1, 2001, unless
33 otherwise specified in this Act, all noninstitutional medical
34 assistance provider reimbursement rates shall be reduced by
35 three percent from the rates in effect on June 30, 2001,

1 except those providers whose rates are required to be
2 determined pursuant to section 249A.20. However,
3 notwithstanding section 249A.20, the average reimbursement
4 rate increase for health providers eligible for use of the
5 reimbursement methodology under that section shall be reduced
6 by three percent from the rates in effect on June 30, 2001.

7 2. For the fiscal year beginning July 1, 2001, the maximum
8 cost reimbursement rate for residential care facilities
9 reimbursed by the department shall not be less than \$24.50 per
10 day for the time period of July 1, 2001, through December 31,
11 2001, and shall not be less than \$25.14 per day for the time
12 period of January 1, 2002, through June 30, 2002. The flat
13 reimbursement rate for facilities electing not to file
14 semiannual cost reports shall not be less than \$17.50 per day
15 for the time period of July 1, 2001, through December 31,
16 2001, and shall not be less than \$17.96 per day for the time
17 period of January 1, 2002, through June 30, 2002.

18 3. For the fiscal year beginning July 1, 2001, the maximum
19 reimbursement rate for providers reimbursed under the in-home
20 health-related care program shall not be less than \$471.06 per
21 month for the time period of July 1, 2001, through December
22 31, 2001, and shall not be less than \$483.31 per month for the
23 time period of January 1, 2002, through June 30, 2002.

24 4. Unless otherwise directed in this section, when the
25 department's reimbursement methodology for any provider
26 reimbursed in accordance with this section includes an
27 inflation factor, this factor shall not exceed the amount by
28 which the consumer price index for all urban consumers
29 increased during the calendar year ending December 31, 2000.

30 5. Notwithstanding section 234.38, in the fiscal year
31 beginning July 1, 2001, the foster family basic daily
32 maintenance rate and the maximum adoption subsidy rate for
33 children ages 0 through 5 years shall be \$14.28, the rate for
34 children ages 6 through 11 years shall be \$15.07, the rate for
35 children ages 12 through 15 years shall be \$16.83, and the

1 rate for children ages 16 and older shall be \$16.83.

2 6. For the fiscal year beginning July 1, 2001, the maximum
3 reimbursement rates for social service providers shall remain
4 at the rates in effect on June 30, 2001. However, the rates
5 may be adjusted under any of the following circumstances:

6 a. If a new service was added after June 30, 2001, the
7 initial reimbursement rate for the service shall be based upon
8 actual and allowable costs.

9 b. If a social service provider loses a source of income
10 used to determine the reimbursement rate for the provider, the
11 provider's reimbursement rate may be adjusted to reflect the
12 loss of income, provided that the lost income was used to
13 support actual and allowable costs of a service purchased
14 under a purchase of service contract.

15 c. The department revises the reimbursement rates as part
16 of the changes in the mental health and developmental
17 disabilities services system initiated pursuant to 1995 Iowa
18 Acts, chapter 206, and associated legislation.

19 7. The group foster care reimbursement rates paid for
20 placement of children out-of-state shall be calculated
21 according to the same rate-setting principles as those used
22 for in-state providers unless the director determines that
23 appropriate care cannot be provided within the state. The
24 payment of the daily rate shall be based on the number of days
25 in the calendar month in which service is provided.

26 8. For the fiscal year beginning July 1, 2001, the
27 reimbursement rates for rehabilitative treatment and support
28 services providers shall remain at the rates in effect on June
29 30, 2001.

30 9. For the fiscal year beginning July 1, 2001, the
31 combined service and maintenance components of the
32 reimbursement rate paid to a shelter care provider shall be
33 based on the cost report submitted to the department. The
34 maximum reimbursement rate shall be \$83.69 per day. The
35 department shall reimburse a shelter care provider at the

1 provider's actual and allowable unit cost, plus inflation, not
2 to exceed the maximum reimbursement rate.

3 10. For the fiscal year beginning July 1, 2001, the
4 department shall calculate reimbursement rates for
5 intermediate care facilities for persons with mental
6 retardation at the 80th percentile.

7 11. For the fiscal year beginning July 1, 2001, for child
8 care providers, the department shall set provider
9 reimbursement rates based on the rate reimbursement survey
10 completed in December 1998. The department shall set rates in
11 a manner so as to provide incentives for a nonregistered
12 provider to become registered.

13 12. For the fiscal year beginning July 1, 2001,
14 reimbursements for providers reimbursed by the department of
15 human services may be modified if appropriated funding is
16 allocated for that purpose from the senior living trust fund
17 created in section 249H.4, or as specified in appropriations
18 from the tobacco settlement endowment fund created in section
19 12.65, Code 2001.

20 13. The department may adopt emergency rules to implement
21 this section.

22 Sec. 30. TRANSFER AUTHORITY. Subject to the provisions of
23 section 8.39, for the fiscal year beginning July 1, 2001, if
24 necessary to meet federal maintenance of effort requirements
25 or to transfer federal temporary assistance for needy families
26 block grant funding to be used for purposes of the federal
27 social services block grant or to meet cash flow needs
28 resulting from delays in receiving federal funding, the
29 department of human services may transfer within or between
30 any of the appropriations made in this Act and appropriations
31 in law for the federal social services block grant to the
32 department for the following purposes, provided that the
33 combined amount of state and federal temporary assistance for
34 needy families block grant funding for each appropriation
35 remains the same before and after the transfer:

- 1 1. For the family investment program.
- 2 2. For emergency assistance.
- 3 3. For child care assistance.
- 4 4. For child and family services.
- 5 5. For field operations.
- 6 6. For general administration.
- 7 7. MH/MR/DD/BI community services (local purchase).

8 This section shall not be construed to prohibit existing
9 state transfer authority for other purposes.

10 Sec. 31. FRAUD AND RECOUPMENT ACTIVITIES. During the
11 fiscal year beginning July 1, 2001, notwithstanding the
12 restrictions in section 239B.14, recovered moneys generated
13 through fraud and recoupment activities are appropriated to
14 the department of human services to be used for additional
15 fraud and recoupment activities performed by the department of
16 human services or the department of inspections and appeals,
17 and the department of human services may add not more than
18 five full-time equivalent positions, in addition to those
19 funded in this Act, subject to both of the following
20 conditions:

21 1. The director of human services determines that the
22 investment can reasonably be expected to increase recovery of
23 assistance paid in error, due to fraudulent or nonfraudulent
24 actions, in excess of the amount recovered in the fiscal year
25 beginning July 1, 1997.

26 2. The amount expended for the additional fraud and
27 recoupment activities shall not exceed the amount of the
28 projected increase in assistance recovered.

29 Sec. 32. PRIOR YEAR NONREVERSION.

30 1. Notwithstanding 2000 Iowa Acts, chapter 1221, section
31 5, moneys appropriated in chapter 1221, section 1, subsection
32 1, paragraphs "f", "h", and "i", for home health care
33 services, for home health care services and habilitative day
34 care for children with special needs, and for respite care
35 services provided through home and community-based waiver

1 services which are unexpended or unencumbered at the close of
2 the fiscal year beginning July 1, 2000, and ending June 30,
3 2001, shall not revert but shall remain available to be used
4 in the succeeding fiscal year to supplement the medical
5 assistance appropriation made in this Act.

6 2. Notwithstanding 2000 Iowa Acts, chapter 1221, section
7 5, \$1,000,000 of the moneys appropriated in 2000 Iowa Acts,
8 chapter 1221, section 3, for purchase of service contract
9 providers which is unexpended or unencumbered at the close of
10 the fiscal year beginning July 1, 2000, and ending June 30,
11 2001, shall not revert but shall remain available to be used
12 in the succeeding fiscal year to supplement the medical
13 assistance appropriation made in this Act.

14 Sec. 33. Section 225B.8, Code 2001, is amended to read as
15 follows:

16 225B.8 REPEAL.

17 This chapter is repealed July 1, ~~2001~~ 2006.

18 Sec. 34. NEW SECTION. 234.45 IOWA MARRIAGE INITIATIVE
19 GRANT FUND.

20 1. An Iowa marriage initiative grant fund is established
21 in the state treasury under the authority of the department of
22 human services. The grant fund shall consist of moneys
23 appropriated to the fund and notwithstanding section 8.33 such
24 moneys shall not revert to the fund from which appropriated at
25 the close of the fiscal year but shall remain in the Iowa
26 marriage initiative grant fund. Moneys credited to the fund
27 shall be used as directed in appropriations made by the
28 general assembly for funding of services to support marriage
29 and to encourage the formation and maintenance of two-parent
30 families that are secure and nurturing.

31 2. It is the intent of the general assembly to credit to
32 the Iowa marriage initiative grant fund, federal moneys
33 provided to the state for the express purpose of supporting
34 marriage or two-parent families.

35 Sec. 35. Section 232.142, Code 2001, is amended by adding

1 the following new subsection:

2 NEW SUBSECTION. 6. A juvenile detention home fund is
3 created in the state treasury under the authority of the
4 department. The fund shall consist of moneys deposited in the
5 fund pursuant to sections 321.218A and 321A.32A. The moneys
6 in the fund shall be used for the costs of the establishment,
7 improvement, operation, and maintenance of county or
8 multicounty juvenile detention homes in accordance with annual
9 appropriations made by the general assembly from the fund for
10 these purposes.

11 Sec. 36. Section 234.12A, subsection 1, paragraphs b and
12 c, Code 2001, are amended to read as follows:

13 b. A retailer providing electronic funds transfer system
14 equipment for transactions pursuant to the program shall be
15 reimbursed ~~fifteen~~ seven cents for each approved transaction
16 pursuant to the program utilizing the retailer's equipment.

17 c. A retailer that provides electronic funds transfer
18 system equipment for transactions pursuant to the program and
19 who makes cash disbursements pursuant to the program utilizing
20 the retailer's equipment shall be paid a fee of ~~fifteen~~ seven
21 cents by the department for each cash disbursement transaction
22 by the retailer.

23 Sec. 37. Section 321.218A, Code 2001, is amended to read
24 as follows:

25 321.218A CIVIL PENALTY -- DISPOSITION -- REINSTATEMENT.

26 When the department suspends, revokes, or bars a person's
27 driver's license or nonresident operating privilege for a
28 conviction under this chapter, the department shall assess the
29 person a civil penalty of two hundred dollars. However, for
30 persons age nineteen or under, the civil penalty assessed
31 shall be fifty dollars. The civil penalty does not apply to a
32 suspension issued for a violation of section 321.180B. The
33 money collected by the department under this section shall be
34 transmitted to the treasurer of state who shall deposit the
35 money in the ~~general fund of the state~~ juvenile detention home

1 fund created in section 232.142. A temporary restricted
2 license shall not be issued or a driver's license or
3 nonresident operating privilege reinstated until the civil
4 penalty has been paid.

5 Sec. 38. Section 321A.32A, Code 2001, is amended to read
6 as follows:

7 321A.32A CIVIL PENALTY -- DISPOSITION -- REINSTATEMENT.

8 When the department suspends, revokes, or bars a person's
9 driver's license or nonresident operating privilege under this
10 chapter, the department shall assess the person a civil
11 penalty of two hundred dollars. However, for persons age
12 nineteen or under, the civil penalty assessed shall be fifty
13 dollars. The money collected by the department under this
14 section shall be transmitted to the treasurer of state who
15 shall deposit the money in the ~~general-fund-of-the-state~~
16 juvenile detention home fund created in section 232.142. A
17 temporary restricted license shall not be issued or a driver's
18 license or nonresident operating privilege reinstated until
19 the civil penalty has been paid.

20 Sec. 39. 2000 Iowa Acts, chapter 1228, section 8, is
21 amended by adding the following new subsection:

22 NEW SUBSECTION. 19. Notwithstanding section 8.33, the
23 state share of funds received by the state in a settlement
24 with a fiscal agent shall not revert or be credited to the
25 general fund but shall be treated as a repayment receipt and
26 remain available to supplement funds appropriated in this
27 section for the fiscal period beginning July 1, 2000, and for
28 any appropriation made for medical assistance for the fiscal
29 year beginning July 1, 2001.

30 Sec. 40. 2000 Iowa Acts, chapter 1228, section 9, is
31 amended by adding the following new unnumbered paragraph:

32 NEW UNNUMBERED PARAGRAPH. Notwithstanding section 8.33,
33 moneys appropriated in this section that remain unencumbered
34 or unobligated at the close of the fiscal year shall not
35 revert but shall remain available for expenditure for the

1 purposes designated until the close of the succeeding fiscal
2 year.

3 Sec. 41. 2000 Iowa Acts, chapter 1232, section 1,
4 unnumbered paragraph 2, is amended to read as follows:

5 For distribution to counties of the county mental health,
6 mental retardation, and developmental disabilities allowed
7 growth factor adjustment, ~~in accordance with~~ in this section
8 in lieu of the provisions of section 331.438, subsection 2,
9 and section 331.439, subsection 3, and chapter 426B:

10 \$ ~~26,492,712~~
11 8,333,121

12 Sec. 42. EMERGENCY RULES. If specifically authorized by a
13 provision of this Act, the department of human services or the
14 mental health and developmental disabilities commission may
15 adopt administrative rules under section 17A.4, subsection 2,
16 and section 17A.5, subsection 2, paragraph "b", to implement
17 the provisions and the rules shall become effective
18 immediately upon filing, unless the effective date is delayed
19 by the administrative rules review committee, notwithstanding
20 section 17A.4, subsection 5, and section 17A.8, subsection 9,
21 or a later effective date is specified in the rules. Any
22 rules adopted in accordance with this section shall not take
23 effect before the rules are reviewed by the administrative
24 rules review committee. Any rules adopted in accordance with
25 the provisions of this section shall also be published as
26 notice of intended action as provided in section 17A.4.

27 Sec. 43. REPORTS. Any reports or information required to
28 be compiled and submitted under this Act shall be submitted to
29 the chairpersons and ranking members of the joint
30 appropriations subcommittee on human services, the legislative
31 fiscal bureau, the legislative service bureau, and to the
32 caucus staffs on or before the dates specified for submission
33 of the reports or information.

34 Sec. 44. EQUIPMENT PURCHASE MORATORIUM. Commencing on the
35 effective date of this section, the department of human

1 services shall eliminate nonessential equipment purchases
2 otherwise payable from any appropriation or transfer made to
3 the department for the fiscal years beginning July 1, 2000,
4 and July 1, 2001. The appropriations made in this Act do not
5 include any funding for nonessential equipment purchases.
6 Notwithstanding section 8.33, \$500,000 of the moneys
7 appropriated and transfers made to the department of human
8 services for the fiscal year beginning July 1, 2000, in 2000
9 Iowa Acts, chapters 1004, 1221, 1226, 1228, 1231, and 1232,
10 and any other provision of law, that may be used for equipment
11 purposes, that remain unencumbered or unobligated at the close
12 of the fiscal year shall not revert but shall remain available
13 for expenditure for the purposes designated in the
14 appropriations made in this Act until the close of the
15 succeeding fiscal year.

16 Sec. 45. EFFECTIVE DATES. The following provisions of
17 this Act, being deemed of immediate importance, take effect
18 upon enactment:

19 1. Section 3, subsection 2, relating to nonreversion of
20 moneys allocated for electronic benefits transfer development.

21 2. Section 14, subsection 2, paragraph "e", relating to
22 requirements of section 232.143, for the 2001-2002 fiscal
23 year.

24 3. Section 14, subsection 14, paragraph "a", relating to
25 determining allocation of court-ordered services funding.

26 4. Section 25, subsection 2, relating to nonreversion of
27 moneys appropriated in 2000 Iowa Acts, chapter 1228, section
28 27.

29 5. Section 32, relating to nonreversion of moneys
30 appropriated in 2000 Iowa Acts, chapter 1221, section 1, for
31 home health care services, for home health care and
32 habilitative day care for children with special needs, and for
33 respite care provided through home and community-based waiver
34 services, and relating to nonreversion of moneys appropriated
35 in 2000 Iowa Acts, chapter 1221, section 3, for purchase of

1 service contract providers.

2 6. Section 39, relating to nonreversion of moneys
3 appropriated in 2000 Iowa Acts, chapter 1228, section 8, for
4 medical assistance repayment receipts.

5 7. Section 40, relating to nonreversion of moneys
6 appropriated in 2000 Iowa Acts, chapter 1228, section 9, for
7 the pharmaceutical case management study.

8 8. Section 44, relating to the equipment purchase
9 moratorium.

10 EXPLANATION

11 This bill makes appropriations for the 2000-2001 fiscal
12 year for the department of human services and includes other
13 appropriations and provisions involving human services and
14 health care. Various provisions take effect upon enactment.

15 The bill codifies provisions in Code sections 321.32A and
16 321.218A providing for deposit of civil penalties collected
17 for driver's license or nonresident operating penalties that
18 were suspended, revoked, or barred by the state department of
19 transportation. The bill creates a juvenile detention home
20 fund in Code section 232.142 into which the penalties are to
21 be deposited for appropriation by the general assembly. The
22 bill includes an appropriation to the department for the FY
23 2001-2002 amounts deposited in the fund.

24 The bill amends Code section 234.12A, relating to the
25 electronic benefits transfer program. The bill provides that
26 the transaction amounts to be paid to retailers are to be
27 limited to seven cents per transaction.

28 The bill amends Code section 225B.8 to extend the automatic
29 repeal of the prevention of disabilities policy council by
30 five years to July 1, 2006.

31 The bill reduces a previously enacted fiscal year 2001-2002
32 appropriation for county MH/MR/DD services expenditure growth.

33 The bill provides that any moneys remaining at the end of
34 the fiscal year from the appropriation for the fiscal year
35 beginning July 1, 2000, and ending June 30, 2001, for

1 assistance to counties with limited county mental health,
2 mental retardation, and developmental disabilities services
3 fund balances to pay reimbursement increases, is to not
4 revert, but is to remain available to be used in the
5 succeeding fiscal year to supplement the medical assistance
6 appropriation.

7 The bill provides that any moneys remaining at the end of
8 the fiscal year from the appropriation for the fiscal year
9 beginning July 1, 2000, and ending June 30, 2001, for home
10 health care services, for home health care services and
11 habilitative day care for children with special needs, and for
12 respite care services provided through home and community-
13 based waiver services which are unexpended or unencumbered at
14 the end of the fiscal year beginning July 1, 2001, and ending
15 June 30, 2002, shall remain available to be used in the
16 succeeding fiscal year to supplement the medical assistance
17 appropriation.

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HOUSE FILE 732

H-1628

1 Amend House File 732 as follows:
 2 1. Page 46, line 14, by striking the figure
 3 "48,300,000" and inserting the following:
 4 "56,013,969".
 5 2. Page 46, line 15, by striking the figure
 6 "2,103.50" and inserting the following: "2,201.66".
 7 3. By striking page 46, line 35, through page 47,
 8 line 4, and inserting the following:
 9 "2. The director of human services may establish
 10 new positions and add state employees to field
 11 operations if the director determines that such action
 12 can reasonably be expected to leverage additional
 13 federal dollars. The intent of establishing or adding
 14 these positions shall be to reduce caseloads to
 15 reflect recognized national standards as determined by
 16 the department."

By MURPHY of Dubuque

H-1628 FILED APRIL 23, 2001

*W/P
4/25/01 (P. 1522)*

HOUSE FILE 732

H-1629

1 Amend House File 732 as follows:
 2 1. Page 23, line 7, by striking the figure
 3 "8,400,000" and inserting the following:
 4 "10,107,951".

By OSTERHAUS of Jackson

H-1629 FILED APRIL 23, 2001

*Doct 4/25/01
(P. 1516)*

HOUSE FILE 732

H-1630

1 Amend House File 732 as follows:
 2 1. Page 4, line 33, by striking the figure
 3 "731,000" and inserting the following: "1,231,000".
 4 2. By striking page 5, line 30, through page 6,
 5 line 31.
 6 3. Page 54, by striking lines 18 through 34.

By GREIMANN of Story

H-1630 FILED APRIL 23, 2001

*W/P
4/25/01
(P. 1509)*

HOUSE FILE 732**H-1635**

1 Amend House File 732 as follows:
 2 1. Page 47, line 13, by striking the figure
 3 "7,520,029" and inserting the following:
 4 "15,365,042".
 5 2. Page 47, line 14, by striking the figure
 6 "385.00" and inserting the following: "396.20".
 7 3. Page 47, by inserting after line 32 the
 8 following:
 9 "_____. Of the funds appropriated in this section,
 10 \$129,971 for the fiscal year beginning July 1, 2001,
 11 shall be transferred to the state university of Iowa
 12 for the university-affiliated program for the support
 13 of Iowa creative employment options (CEO)."

By MURPHY of Dubuque

H-1635 FILED APRIL 23, 2001

w/d
4/25/01 (P. 1522)

HOUSE FILE 732**H-1640**

1 Amend House File 732 as follows:
 2 1. Page 6, line 9, by inserting after the word
 3 "activities," the following: "be accredited by the
 4 council on accreditation for children and family
 5 services,".

By FOEGE of Linn
 WISE of Lee

H-1640 FILED APRIL 23, 2001

w/d
4/25/01 (P. 1532)

HOUSE FILE 732**H-1643**

1 Amend House File 732 as follows:
 2 1. Page 46, line 14, by striking the figure
 3 "48,300,000" and inserting the following:
 4 "56,013,969".
 5 2. Page 46, line 15, by striking the figure
 6 "2,103.50" and inserting the following: "2,201.66".
 7 3. By striking page 46, line 26, through page 47,
 8 line 4, and inserting the following:
 9 "2. The director of human services may establish
 10 new positions and add state employees to field
 11 operations if the director determines that such action
 12 can reasonably be expected to leverage additional
 13 federal dollars. The intent of establishing or adding
 14 these positions shall be to reduce caseloads to
 15 reflect recognized national standards as determined by
 16 the department."

By MURPHY of Dubuque

H-1643 FILED APRIL 23, 2001

w/d
4/25/01 (P. 1522)

HOUSE FILE 732**H-1649**

- 1 Amend House File 732 as follows:
- 2 1. Page 57, by striking lines 3 through 11.
- 3 2. By renumbering as necessary.

By SMITH of Marshall**H-1649 FILED APRIL 23, 2001**

W/D
4/25/01
(P. 1527)

HOUSE FILE 732**H-1656**

- 1 Amend House File 732 as follows:
- 2 1. Page 46, by inserting after line 34 the
- 3 following:
- 4 "d. The department shall develop a plan for
- 5 meeting the national standards for the caseloads of
- 6 social workers established by the national association
- 7 of social workers. The plan shall be submitted to the
- 8 governor and the general assembly on or before January
- 9 2, 2002."

By JOCHUM of Dubuque**H-1656 FILED APRIL 24, 2001**

Lost
4/25/01
(P. 1523)

HOUSE FILE 732

H-1658

1 Amend House File 732 as follows:

2 1. Page 4, line 3, by striking the figure
3 "28,638,329" and inserting the following:
4 "24,138,329".

5 2. Page 4, line 4, by striking the word "Of" and
6 inserting the following: "a. Of".

7 3. Page 4, by striking lines 23 and 24, and
8 inserting the following: "provisions to ensure
9 appropriate use of the funding.

10 b. Of the funds appropriated in this subsection,
11 \$200,000 shall be used for assistance to providers of
12 child care to school-age children in accordance with
13 this paragraph. Moneys allocated in this paragraph
14 shall be used for grants to licensed child care
15 facilities providing care to school-age children as of
16 July 1, 2001. The grants shall be used to increase
17 the number of school-age children served, for
18 expansion of slots, or for transportation costs. The
19 grant requirements shall include provision for local
20 match in the form of cash, in-kind services, or other
21 support.

22 c. Of the funds appropriated in this subsection,
23 \$300,000 shall be used for provision of educational
24 opportunities to registered child care home providers
25 in order to improve services and programs offered by
26 this category of providers and to increase the number
27 of providers. The department may contract with
28 institutions of higher education or child care
29 resource and referral centers to provide the
30 educational opportunities. Allowable administrative
31 costs under the contracts shall not exceed 5 percent.

32 d. The application for any of the grants described
33 in the lettered paragraphs of this subsection shall
34 not exceed two pages in length."

35 4. By striking page 5, line 30, through page 6,
36 line 31.

37 5. Page 54, by striking lines 18 through 34.

38 6. By renumbering as necessary.

By PETERSEN of Polk

H-1658 FILED APRIL 24, 2001

W/D 4/25/01

(p. 1506)

HOUSE FILE 732

H-1666

1 Amend House File 732 as follows:

2 1. Page 4, line 3, by striking the figure
3 "28,638,329" and inserting the following:

4 "29,138,329".

5 2. Page 4, line 4, by striking the word "Of" and
6 inserting the following: "a. Of".

7 3. Page 4, by striking lines 23 and 24, and
8 inserting the following: "provisions to ensure
9 appropriate use of the funding.

10 b. Of the funds appropriated in this subsection,
11 \$200,000 shall be used for assistance to providers of
12 child care to school-age children in accordance with
13 this paragraph. Moneys allocated in this paragraph
14 shall be used for grants to licensed child care
15 facilities providing care to school-age children as of
16 July 1, 2001. The grants shall be used to increase
17 the number of school-age children served, for
18 expansion of slots, or for transportation costs. The
19 grant requirements shall include provision for local
20 match in the form of cash, in-kind services, or other
21 support.

22 c. Of the funds appropriated in this subsection,
23 \$300,000 shall be used for provision of educational
24 opportunities to registered child care home providers
25 in order to improve services and programs offered by
26 this category of providers and to increase the number
27 of providers. The department may contract with
28 institutions of higher education or child care
29 resource and referral centers to provide the
30 educational opportunities. Allowable administrative
31 costs under the contracts shall not exceed 5 percent.

32 d. The application for any of the grants described
33 in the lettered paragraphs of this subsection shall
34 not exceed two pages in length."

35 4. By striking page 5, line 30, through page 6,
36 line 31.

37 5. Page 54, by striking lines 18 through 34.

38 6. By renumbering as necessary.

By PETERSEN of Polk

H-1666 FILED APRIL 24, 2001

*Lost
4/25/01
(P. 1508)*

HOUSE FILE 732

H-1668

1 Amend House File 732 as follows:

2 1. Page 48, by striking lines 14 through 17, and
3 inserting the following:

4 "b. (1) For the fiscal year beginning July 1,
5 2001, the department shall reimburse pharmacy
6 dispensing fees using a single rate of \$5.17 per
7 prescription or the pharmacy's usual and customary
8 fee, whichever is lower."

9 2. Page 48, by inserting after line 30, the
10 following:

11 "(5) Beginning October 1, 2001, the department
12 shall implement a state maximum allowable cost list
13 for prescription drugs. The department shall consult
14 with its fiscal agent and the drug utilization review
15 commission, at no additional cost to the department,
16 to determine the drug list that will provide the
17 department with the most significant cost savings in
18 the shortest period of time. In order to expedite
19 implementation, the department may implement the drug
20 list using a sole source contract during the initial
21 year of implementation. The department shall report
22 to the general assembly and the governor, on or before
23 January 14, 2002, identifying the entity with which
24 the department enters the contract to implement the
25 program and whether the contract is a sole source
26 contract. The report shall include a recommendation
27 regarding continuation of the initial contract, and if
28 the initial contract is a sole source contract,
29 whether a sole source process or a request for
30 proposals process should be used to determine the
31 contractor for any subsequent contract entered into
32 during the fiscal year beginning July 1, 2002."

By HEATON of Henry
OSTERHAUS of Jackson

H-1668 FILED APRIL 24, 2001

Adapted
4/25/01
(P. 1524)

HOUSE FILE 732

H-1672

1 Amend House File 732 as follows:

2 1. Page 56, by inserting after line 19, the
3 following:

4 "Sec. ____ . NEW SECTION. 514C.21 MANDATED
5 COVERAGE FOR MENTAL HEALTH CONDITIONS.

6 1. a. Notwithstanding section 514C.6, a policy or
7 contract providing for third-party payment or
8 prepayment of health or medical expenses shall provide
9 coverage benefits for mental health conditions based
10 on rates, terms, and conditions which are no more
11 restrictive than the rates, terms, and conditions for
12 coverage benefits provided for other health or medical
13 conditions under the policy or contract.

14 Additionally, any rates, terms, and conditions
15 involving deductibles, copayments, coinsurance, and
16 any other cost-sharing requirements shall be
17 cumulative for coverage of both mental health
18 conditions and other health or medical conditions
19 under the policy or contract.

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

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

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

34 2. This section applies to the following classes
35 of third-party payment provider contracts or policies
36 delivered, issued for delivery, continued, or renewed
37 in this state on or after January 1, 2002:

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

41 b. An individual or group hospital or medical
42 service contract issued pursuant to chapter 509, 514,
43 or 514A.

44 c. An individual or group health maintenance
45 organization contract regulated under chapter 514B.

46 d. An individual or group Medicare supplemental
47 policy, unless coverage pursuant to such policy is
48 preempted by federal law.

49 e. Any other entity engaged in the business of
50 insurance, risk transfer, or risk retention, which is

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- 1 subject to the jurisdiction of the commissioner.
 2 f. An organized delivery system licensed by the
 3 director of public health.
 4 3. For purposes of this section, unless the
 5 context otherwise requires:
 6 a. "Mental health condition" means a condition or
 7 disorder involving mental illness or alcohol or
 8 substance abuse that falls under any of the diagnostic
 9 categories listed in the mental disorders section of
 10 the international classification of disease, as
 11 periodically revised.
 12 b. "Rates, terms, and conditions" means any
 13 lifetime payment limits, deductibles, copayments,
 14 coinsurance, and any other cost-sharing requirements,
 15 out-of-pocket limits, visit limitations, and any other
 16 financial component of benefits coverage that affects
 17 the covered individual."
 18 2. By renumbering as necessary.

By JOCHUM of Dubuque
 OSTERHAUS of Jackson

H-1672 FILED APRIL 24, 2001

not Hermone - motion to suspend Rules lost
 4-25-01 (p. 1527)

HOUSE FILE 732**H-1673**

- 1 Amend House File 732 as follows:
 2 1. Page 47, line 14, by striking the figure
 3 "385.00" and inserting the following: "245.00".

By MURPHY of Dubuque

H-1673 FILED APRIL 24, 2001

4/25/01 W/D
(p. 1522)

HOUSE FILE 732**H-1674**

- 1 Amend House File 732 as follows:
 2 1. Page 46, line 14, by striking the figure
 3 "48,300,000" and inserting the following:
 4 "56,013,969".
 5 2. Page 46, line 15, by striking the figure
 6 "2,103.50" and inserting the following: "2,201.66".
 7 3. By striking page 46, line 26, through page 47,
 8 line 4, and inserting the following:
 9 "2. The director of human services may establish
 10 new positions and add state employees to field
 11 operations if the director determines that such action
 12 can reasonably be expected to leverage additional
 13 federal dollars. The intent of establishing or adding
 14 these positions shall be to reduce caseloads to
 15 reflect standards established by the national
 16 association of social workers."

By MURPHY of Dubuque

H-1674 FILED APRIL 24, 2001

W/D
4/25/01 (p. 1523)

HOUSE FILE 732

H-1679

1 Amend House File 732 as follows:
2 1. Page 22, by inserting after line 18, the
3 following:
4 "___". If federal funding is received, the
5 department may participate in a federal home telecare
6 pilot program intended to manage health care needs of
7 subpopulations of Iowans and specifically including
8 subpopulations of Iowans who require high utilization
9 of health care services and represent a
10 disproportionate share of consumption of health care
11 services. The program shall be implemented as a
12 collaboration of public, private, and academic
13 participants and may include the participation of the
14 department of human services, the department of elder
15 affairs, and the Iowa department of public health,
16 with the intent of showing cost savings in proactively
17 managing diseases of selective populations through the
18 utilization of communications technology and
19 management protocols. The program may direct telecare
20 services to persons with diagnoses of specific
21 nonacute, chronic illnesses which may include but are
22 not limited to chronic obstructive pulmonary disease,
23 congestive heart disease, diabetes, and asthma. The
24 telecare program may provide a proactive call center
25 staffed by appropriate, licensed health care providers
26 equipped with disease management protocols.
27 Individuals who are participating in an indigent
28 patient care program pursuant to chapter 255 or
29 chapter 255A, are not eligible for participation in
30 the telecare program. The telecare program shall not
31 be eligible for reimbursement under chapter 255 or
32 chapter 255A. For the purposes of this section,
33 "telecare" shall include but is not limited to the
34 interactive delivery of diagnostic, clinical,
35 consultative, data, and educational services utilizing
36 a transmission network which may include but is not
37 limited to the live transmission of audio and video
38 data."
39 2. By renumbering as necessary.

By HEATON of Henry
OSTERHAUS of Jackson

H-1679 FILED APRIL 24, 2001

W/D
4/25/01
(P. 1513)

HOUSE FILE 732**H-1685**

1 Amend House File 732 as follows:
2 1. Page 4, by striking lines 4 through 24, and
3 inserting the following:
4 "Of the funds appropriated in this subsection,
5 \$200,000 shall be used for provision of educational
6 opportunities to registered child care home providers
7 in order to improve services and programs offered by
8 this category of providers and to increase the number
9 of providers. The department may contract with
10 institutions of higher education or child care
11 resource and referral centers to provide the
12 educational opportunities. Allowable administrative
13 costs under the contracts shall not exceed 5 percent.
14 The application for a grant shall not exceed two pages
15 in length."

By HEATON of Henry

H-1685 FILED APRIL 24, 2001

Adopted
4-25-01 (P. 1509)

HOUSE FILE 732**H-1686**

1 Amend House File 732 as follows:
2 1. Page 17, by inserting after line 32, the
3 following:
4 "____. The moneys received through federal access
5 and visitation grants shall be used as follows:
6 a. The first \$200,000 shall be transferred to the
7 judicial branch to implement the mediation provisions
8 of section 598.7A on a statewide basis.
9 b. The remaining funds shall be distributed
10 equitably throughout the state to provide funding for
11 at least one neutral visitation services site in each
12 judicial district. Funding shall be issued directly
13 to private not-for-profit agencies that provide
14 services designed to increase compliance with child
15 access provisions of court orders, including but not
16 limited to neutral visitation site and mediation
17 services."
18 2. By renumbering as necessary.

By BODDICKER of Cedar

H-1686 FILED APRIL 24, 2001

W/D
4/25/01
(P. 1513)

HOUSE FILE 732

H-1687

1 Amend House File 732 as follows:

2 1. Page 46, line 9, by striking the word
3 "amounts" and inserting the following: "amount".

4 2. Page 46, by striking lines 26 through 34.

5 3. Page 47, by inserting before line 5 the
6 following:

7 "Sec. ____ . ADDITIONAL FEDERAL FUNDING -- FISCAL
8 YEAR 2001-2002.

9 1. The provisions of this section are applicable
10 for the fiscal year beginning July 1, 2001.

11 2. It is the intent of the general assembly that
12 the director of human services work on expanding the
13 community partnership approach to child protection as
14 established in Linn county with funding support from
15 the Edna McConnell Clark foundation. The general
16 assembly endorses the efforts by the department and
17 local communities to develop community child
18 protection systems that incorporate the four community
19 partnership components used in Linn county and other
20 Clark foundation sites. It is further intended that
21 the director seek additional funding from the Clark
22 foundation for expansion of the community partnership
23 approach to other sites in the state and make use of
24 the additional funding opportunities described in this
25 section for such expansion.

26 3. It is the intent of the general assembly that
27 the director of human services work to secure federal
28 financial participation through Titles IV-E and XIX of
29 the federal Social Security Act for services and
30 activities that are currently funded with state,
31 county, or community moneys. It is further intended
32 that the director initially focus on securing targeted
33 case management funding under medical assistance for
34 state child protection staff and developing proposals
35 for other approaches for targeted case management and
36 Title IV-E administrative claiming for services and
37 activities currently funded with juvenile court
38 services, county, or community moneys.

39 4. Additional federal financial participation
40 secured for the fiscal year beginning July 1, 2001,
41 and ending June 30, 2002, is appropriated to the
42 department of human services for use as provided in
43 this section. All of the following are applicable to
44 the additional federal financial participation and
45 efforts made to secure the federal financial
46 participation:

47 a. The department may pursue federal approval of a
48 state plan amendment to use medical assistance funding
49 for child protection targeted case management
50 services. The population to be served through

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1 targeted case management services is children who are
2 at risk of maltreatment or who are in need of
3 protective services. The funding shall be based on
4 the federal and state moneys available under the
5 medical assistance program. For the additional
6 federal financial participation received under the
7 reimbursement methodology established for the
8 services, a distribution plan shall attribute revenue
9 to the cost sources upon which the reimbursement rates
10 are based. In addition, of the additional federal
11 funds received, a 5 percent set-aside shall be used
12 for funding the revenue enhancement activities and for
13 service delivery and results improvement efforts.

14 b. The director may use part or all of the
15 additional federal financial participation in excess
16 of \$3,000,000 received from medical assistance claims
17 for child protection staff for not more than 93.00
18 full-time equivalent state child protection staff
19 positions, including child abuse assessment positions,
20 social workers, and support positions performing
21 related functions. Positions added in accordance with
22 this paragraph "b" are in addition to those authorized
23 in the appropriation made in this Act for field
24 operations.

25 c. The director may also use up to \$200,000 of the
26 additional federal financial participation in excess
27 of \$3,000,000 received from medical assistance claims
28 for child protection staff for providing grants to
29 communities to support the community partnership
30 approach to child protection. Potential grantees may
31 include child welfare funding decategorization
32 projects, community empowerment area boards, or other
33 community-based entities who, in partnership with the
34 local departmental administrators, agree to implement
35 the four community partnership components.

36 5. It is the intent of the general assembly to
37 consider additional proposals for providing other
38 forms of targeted case management services and Title
39 IV-E administrative claiming through counties,
40 juvenile court services, or other community-based
41 approaches.

42 6. The department may adopt emergency rules to
43 implement the provisions of this section."

44 4. By renumbering as necessary.

By HEATON of Henry

FOEGE of Linn

SMITH of Marshall

HOUSER of Pottawattamie

GRUNDBERG of Polk

H-1687 FILED APRIL 24, 2001

adopted
4/25/01
(p. 1522)

HOUSE FILE 732

H-1690

- 1 Amend House File 732 as follows:
2 1. Page 22, by inserting after line 18, the
3 following:
4 "___". The department shall adopt rules to provide
5 that an individual applying for the medically needy
6 program is not required to reapply for the program
7 unless the individual's income as disclosed in the
8 initial application changes. The rules shall also
9 provide that to the greatest extent possible, the
10 application and continuing eligibility requirements
11 for all medical assistance-related programs shall be
12 consistent."
13 2. By renumbering as necessary.

By HEATON of Henry

H-1690 FILED APRIL 24, 2001

*Adopted 4/25/01
P. 1514*

HOUSE FILE 732

H-1692

- 1 Amend House File 732 as follows:
2 1. Page 6, line 27, by inserting after the figure
3 "2002." the following: "A grantee shall be required
4 to submit a quarterly financial report to the
5 department and to the legislative fiscal bureau and
6 shall be subject to an annual independent evaluation
7 to assess accomplishment of the purposes listed in
8 paragraph "b"."

By JOHNSON of Osceola

H-1692 FILED APRIL 25, 2001

*Adopted
4-25-01 (P. 1570)*

HOUSE FILE 732

H-1693

1 Amend House File 732 as follows:
 2 1. Page 47, by inserting after line 32 the
 3 following:
 4 "____. It is the intent of the general assembly
 5 that the department commence negotiations with the
 6 state of Nebraska to provide a process to assist
 7 interested Nebraska residents in placing their
 8 children at a state resource center in this state and
 9 to allow the department and others to utilize the
 10 child protection center located in Omaha."
 11 2. By renumbering as necessary.

By HOUSER of Pottawattamie
 HEATON of Henry
 FOEGE of Linn

H-1693 FILED APRIL 25, 2001

*w/d
 4/25/01 (P.1523)*

HOUSE FILE 732

H-1694

1 Amend House File 732 as follows:
 2 1. Page 42, by inserting after line 21 the
 3 following:
 4 "Sec. ____ . MENTAL ILLNESS SPECIAL SERVICES. There
 5 is appropriated from the general fund of the state to
 6 the department of human services for the fiscal year
 7 beginning July 1, 2001, and ending June 30, 2002, the
 8 following amount, or so much thereof as is necessary,
 9 to be used for the purpose designated:
 10 For mental illness special services:
 11 \$ 121,220
 12 1. The department and the Iowa finance authority
 13 shall continue the financing for existing community-
 14 based facilities and the financing for the development
 15 of affordable community-based housing facilities. The
 16 department shall assure that clients are referred to
 17 the housing as it is developed.
 18 2. The funds appropriated in this section are to
 19 provide funds for construction and start-up costs to
 20 develop community living arrangements to provide for
 21 persons with mental illness who are homeless. These
 22 funds may be used to match federal Stewart B. McKinney
 23 Homeless Assistance Act grant funds."
 24 2. By renumbering as necessary.

By HATCH of Polk
 OSTERHAUS of Jackson
 FOEGE of Linn

H-1694 FILED APRIL 25, 2001

*Lost
 4/25/01
 (P.1518)*

HOUSE FILE 732

H-1697

1 Amend House File 732 as follows:

2 1. Page 34, by inserting after line 23 the
3 following:

4 "____. The department may adopt emergency rules to
5 modify the qualifications for rehabilitative treatment
6 service providers to allow an individual with a
7 bachelor's degree in social work to provide therapy
8 and counseling and to implement other recommendations
9 of the committee made up of department staff and
10 providers of child welfare services that is charged
11 with the development of proposals for regulatory
12 improvements. The pertinent recommendations may
13 include but are not limited to implementing "deemed"
14 certification status for providers; addressing
15 requirements for staff qualifications, ratios, and
16 supervision; revising requirements for treatment plan
17 development, review, and revision, and for treatment
18 records; applying shared risk or loss provisions for
19 retroactive audits; and access to the department's
20 service review organization."

21 2. Page 54, by inserting after line 13 the
22 following:

23 "Sec. ____ Section 135H.6, subsection 2, Code
24 2001, is amended to read as follows:

25 2. The proposed psychiatric institution is
26 accredited by the joint commission on the
27 accreditation of health care organizations, the
28 commission on accreditation of rehabilitation
29 facilities, the council on accreditation of services
30 for families and children, or by any other ~~federally~~
31 recognized accrediting organization with comparable
32 standards acceptable under federal regulation."

33 3. Page 55, by inserting after line 22 the
34 following:

35 "Sec. ____ Section 235A.16, subsection 2, Code
36 2001, is amended to read as follows:

37 2. a. Requests for child abuse information may be
38 made orally by telephone where a person making such a
39 request believes that the information is needed
40 immediately and where information sufficient to
41 demonstrate authorized access is provided. In the
42 event that a request is made orally by telephone, a
43 written request form shall nevertheless be filed
44 within seventy-two hours.

45 b. The department of human services, in
46 conjunction with other departments and agencies of
47 state government involved with criminal history and
48 abuse registry information, may implement a single
49 contact repository to allow employers and other
50 persons authorized access to child abuse information

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- 1 under section 235A.15 to have electronic access to
- 2 such information in order to perform background checks
- 3 for purposes of employment."
- 4 4. By renumbering as necessary.

By HEATON of Henry

H-1697 FILED APRIL 25, 2001*adopted**(P. 1517)***HOUSE FILE 732****H-1698**

- 1 Amend the amendment, H-1692, to House File 732, as
- 2 follows:
- 3 1. Page 1, line 3, by inserting after the word
- 4 "required" the following: "to be accredited by the
- 5 council on accreditation for children and family
- 6 services and".

By WISE of Lee
FOEGE of Linn**H-1698** FILED APRIL 25, 2001*(P. 1510) Lost 4-25-01***HOUSE FILE 732****H-1696**

- 1 Amend House File 732 as follows:
- 2 1. Page 46, line 18, by inserting after the word
- 3 "services" the following: "in rural areas".

By JOHNSON of Osceola

H-1696 FILED APRIL 25, 2001*w/d
4/25/01 (P. 1523)*

HOUSE FILE 732

H-1699

1 Amend House File 732 as follows:

2 1. Page 13, line 20, by striking the figure
3 "36,000,000" and inserting the following:
4 "36,150,000".

5 2. Page 18, line 10, by striking the figure
6 "412,250,000" and inserting the following:
7 "413,150,000".

8 3. Page 22, by inserting after line 18, the
9 following:

10 "_____. Of the moneys appropriated in this section,
11 \$200,000 shall be used to increase reimbursement of
12 child protection centers."

13 4. Page 27, line 20, by striking the figure
14 "6,620,000" and inserting the following: "6,707,500".

15 5. Page 27, line 21, by striking the figure
16 "138.54" and inserting the following: "140.54".

17 6. Page 27, by inserting after line 29, the
18 following:

19 "The moneys appropriated in this subsection include
20 funding for a parking lot project developed in
21 cooperation with the city of Toledo and for two
22 additional security guard staff positions."

23 7. Page 35, line 26, by striking the figure
24 "281,415" and inserting the following: "531,415".

25 8. Page 36, by inserting after line 4, the
26 following:

27 "_____. Of the funds appropriated in this section,
28 \$250,000 shall be used by the department for child
29 abuse prevention grants."

30 9. Page 37, line 14, by striking the figure
31 "17,930,000" and inserting the following:
32 "17,992,500".

33 10. Page 37, line 15, by striking the figure
34 "352.46" and inserting the following: "354.46".

35 11. Page 37, by inserting after line 34, the
36 following:

37 "The moneys appropriated in this subsection include
38 funding for two additional security guard staff
39 positions at the state mental health institute at
40 Independence."

41 12. Page 46, line 14, by striking the figure
42 "48,300,000" and inserting the following:
43 "49,100,000".

44 13. Page 46, line 15, by striking the figure
45 "2,103.50" and inserting the following: "2,128.50".

46 14. Page 47, line 13, by striking the figure
47 "7,520,029" and inserting the following:
48 "11,020,029".

49 15. Page 57, line 11, by striking the figure
50 "8,333,121" and inserting the following:

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Page 2

1 "10,333,121".

2 16. By renumbering as necessary.

By HEATON of Henry

H-1699 FILED APRIL 25, 2001

*Adopted
4/25/01 (P. 1512)*

HOUSE FILE 732

H-1700

1 Amend House File 732 as follows:

2 1. Page 52, by inserting after line 19 the
3 following:

4 "____. It is the intent of the general assembly
5 that a service provider contracting with the
6 department shall be paid within 30 days of the
7 department receiving an invoice for the service
8 provided. The department may add full-time equivalent
9 positions in addition to those authorized in this Act
10 as necessary to accomplish the intent of this
11 subsection."

12 2. By renumbering as necessary.

By WARNSTADT of Woodbury

H-1700 FILED APRIL 25, 2001

*Lost
4/25/01
(P. 1525)*

HOUSE FILE 732

H-1701

1 Amend House File 732 as follows:

2 1. Page 22, by inserting after line 18, the
3 following:

4 "___". If federal funding is received, the
5 department may participate in a federal home telecare
6 pilot program intended to manage health care needs of
7 subpopulations of Iowans and specifically including
8 subpopulations of Iowans who require high utilization
9 of health care services and represent a
10 disproportionate share of consumption of health care
11 services. The program shall be implemented as a
12 collaboration of public, private, and academic
13 participants and may include the participation of the
14 department of human services, the department of elder
15 affairs, and the Iowa department of public health,
16 with the intent of showing cost savings in proactively
17 managing diseases of selective populations through the
18 utilization of communications technology and
19 management protocols. The program may direct telecare
20 services to persons with diagnoses of specific
21 nonacute, chronic illnesses which may include but are
22 not limited to chronic obstructive pulmonary disease,
23 congestive heart disease, diabetes, and asthma. The
24 telecare program may provide a proactive call center
25 staffed by appropriate, licensed health care providers
26 equipped with disease management protocols. For the
27 purposes of this section, "telecare" shall include but
28 is not limited to the interactive delivery of
29 diagnostic, clinical, consultative, data, and
30 educational services utilizing a transmission network
31 which may include but is not limited to the live
32 transmission of audio and video data."
33 2. By renumbering as necessary.

By HEATON of Henry

OSTERHAUS of Jackson

H-1701 FILED APRIL 25, 2001

*Adopted
4-25-01
(P. 1514)*

HOUSE FILE 732**H-1702**

1 Amend House File 732 as follows:

2 1. Page 43, by inserting after line 32 the
3 following:

4 "Of the funds allocated in this subsection, not
5 more than \$25,000 may be used to provide matching
6 funds for actuarial services and other technical
7 assistance to implement the adult mental health,
8 mental retardation, and developmental disabilities
9 services funding decategorization pilot project
10 implementation provisions as specified in this Act."

11 2. Page 58, by inserting after line 15 the
12 following:

13 "Sec. 100. ADULT MENTAL HEALTH, MENTAL
14 RETARDATION, AND DEVELOPMENTAL DISABILITIES SERVICES
15 FUNDING DECATEGORIZATION PILOT PROJECT IMPLEMENTATION.
16 The following target dates are applicable to
17 implementation of the adult mental health, mental
18 retardation, and developmental disabilities services
19 funding decategorization pilot project under section
20 331.440A:

21 1. May 2001: Representatives of the pilot project
22 and the department of human services shall visit
23 Kansas City offices of the federal health care
24 financing administration to present a concept paper
25 and begin the development process for a section 1915b
26 waiver application and section 1915c waiver amendment
27 under the medical assistance program.

28 2. July 1, 2001: The department of human services
29 shall transfer responsibility for administering state
30 case payments to the pilot project counties, including
31 the monthly payment amount per eligible person
32 provisions under the state's administrative services
33 only contract for state cases and the applicable
34 percentage of field operations staff expenses.

35 3. October 2001: Federal social services block
36 grant local purchase funding shall be directly
37 transferred to the pilot project counties.

38 4. January 2002: State supplementary assistance
39 funding and civil commitment funding shall be
40 transferred to the pilot project counties and the
41 section 1915b waiver application and the section 1915c
42 waiver amendment under the medical assistance program
43 shall be submitted to the health care financing
44 administration of the United States department of
45 health and human services.

46 5. July 2002: The state portion of the costs
47 attributable to placements at a state mental health
48 institute made from the pilot project counties, and
49 the portion of funding for mental health and
50 developmental disabilities services that is not county

H-1702

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Page 2

1 funding, including state and federal medical
2 assistance program funding for such services, shall be
3 transferred to the pilot project counties."

4 3. Page 59, by inserting after line 9 the
5 following:

6 "____. Section 100, relating to adult mental
7 health, mental retardation, and developmental
8 disabilities services funding decategorization pilot
9 project implementation."

10 4. By renumbering as necessary.

By HEATON of Henry
HOUSER of Pottawattamie

H-1702 FILED APRIL 25, 2001

Adopted
4-25-01 (P. 1520)

HOUSE FILE 732

H-1703

1 Amend House File 732 as follows:

2 1. Page 35, by inserting after line 15 the
3 following:

4 "Sec. ____ CENTRAL INTAKE FOR CHILD PROTECTION.

5 If specific statutory authorization is enacted by the
6 Seventy-ninth General Assembly, 2002 Session, to
7 establish a statewide central intake unit for
8 receiving child abuse reports, there is appropriated
9 from the general fund of the state to the department
10 of human services for the fiscal year beginning July
11 1, 2001, and ending June 30, 2002, the following
12 amount, or so much thereof as is necessary, to be used
13 for the purpose designated:

14 For establishment in accordance with law of a
15 statewide central intake unit for receiving child
16 abuse reports:

17 \$ 250,000

18 It is the intent of the general assembly to give
19 prompt consideration to the report of any 2001
20 legislative interim study committee established by the
21 legislative council regarding the establishment of a
22 central intake unit for receiving child abuse
23 reports."

24 2. By renumbering as necessary.

By HEATON of Henry
HOVERSTEN of Woodbury

H-1703 FILED APRIL 25, 2001

Adopted
4-25-01 (P. 1517)

HOUSE FILE 732**H-1704**

1 Amend the amendment, H-1687, to House File 732 as
2 follows:
3 1. Page 2, by striking lines 17 through 19 and
4 inserting the following: "for child protection staff
5 for adding the number of full-time equivalent
6 positions necessary to meet national standards for
7 caseloads. These positions may include child abuse
8 assessment positions,".

By FOEGE of Linn

H-1704 FILED APRIL 25, 2001

lost
4/25/01 (P. 1522)

HOUSE FILE 732**H-1705**

1 Amend House File 732 as follows:
2 1. Page 47, by inserting after line 32 the
3 following:
4 "___". It is the intent of the general assembly
5 that the department commence negotiations with the
6 state of Nebraska to provide a process to assist
7 interested Nebraska residents in placing their
8 children at a state resource center in this state, to
9 allow the department and others to utilize the child
10 protection center located in Omaha, and to explore
11 other ways by which the two states may maximize the
12 use of resources."
13 2. By renumbering as necessary.

By HOUSER of Pottawattamie
HEATON of Henry
FOEGE of Linn

H-1705 FILED APRIL 25, 2001

adopted
4/25/01 (P. 1523)

HOUSE FILE 732**H-1707**

1 Amend House File 732 as follows:
2 1. Page 6, by inserting after line 31 the
3 following:
4 "g. Moneys appropriated in this subsection that
5 remain unencumbered or unobligated for purposes of the
6 Iowa marriage initiative program as of March 1, 2002,
7 shall be used as additional funding for state child
8 care assistance under subsection 6."

By FOEGE of Linn

H-1707 FILED APRIL 25, 2001

lost
4-25-01
(P. 1511)

HOUSE FILE 732**H-1708**

- 1 Amend the amendment, H-1699, to House File 732 as
 2 follows:
 3 1. Page 1, line 4, by striking the figure
 4 "36,150,000" and inserting the following:
 5 "36,684,594".
 6 2. Page 1, by inserting after line 22, the
 7 following:
 8 "____. Page 28, line 30, by striking the figure
 9 "106,000,000" and inserting the following:
 10 "106,500,000".
 11 3. By renumbering as necessary.

By OSTERHAUS of Jackson**H-1708** FILED APRIL 25, 2001*lost
4/25/01 (p. 1512)***HOUSE FILE 732****H-1709**

- 1 Amend House File 732 as follows:
 2 1. Page 48, by striking lines 8 through 13.
 3 2. By renumbering as necessary.

By HEATON of Henry**H-1709** FILED APRIL 25, 2001*w/d
4/25/01 (p 1523)***HOUSE FILE 732****H-1710**

- 1 Amend House File 732 as follows:
 2 1. Page 22, by inserting after line 18, the
 3 following:
 4 "____. The department, in cooperation with the drug
 5 utilization review commission, shall review the use of
 6 non-sedating antihistamines (NSAIDS) for children and
 7 shall submit a report to the governor and the general
 8 assembly on or before November 15, 2001, regarding
 9 such use and providing a recommendation regarding the
 10 application of prior authorization requirements to
 11 these drugs."
 12 2. By renumbering as necessary.

By HEATON of Henry

HANSEN of Pottawattamie

H-1710 FILED APRIL 25, 2001*adapted
4/25/01
(p. 1532)*

HOUSE FILE 732

H-1711

- 1 Amend House File 732 as follows:
- 2 1. Page 17, by inserting after line 32, the
- 3 following:
- 4 "___ Federal access and visitation grant moneys
- 5 shall be issued directly to private not-for-profit
- 6 agencies that provide services designed to increase
- 7 compliance with the child access provisions of court
- 8 orders, including but not limited to neutral
- 9 visitation site and mediation services."
- 10 2. By renumbering as necessary.

By BODDICKER of Cedar

H-1711 FILED APRIL 25, 2001

adopted
4/25/01
(P. 1513)

HOUSE FILE 732

H-1712

- 1 Amend House File 732 as follows:
- 2 1. Page 1, line 3, by striking the figure "1220"
3 and inserting the following: "1228".
- 4 2. Page 5, line 30, by striking the words "For
5 deposit in" and inserting the following: "To be
6 credited to".
- 7 3. Page 5, line 33, by striking the words
8 "deposited in" and inserting the following: "credited
9 to".
- 10 4. Page 6, line 31, by inserting after the word
11 "reports." the following: "The department may adopt
12 emergency rules to implement the provisions of this
13 subsection."
- 14 5. By striking page 6, line 35, through page 7,
15 line 3, and inserting the following: "services block
16 grant for that fiscal year."
- 17 6. Page 8, by striking lines 1 through 3, and
18 inserting the following: "capability for child care
19 service providers to submit billings electronically
20 and to receive payment through electronic funds
21 transfer, and the capability to include electronic
22 verification of medical assistance eligibility."
- 23 7. By striking page 8, line 35 through page 9,
24 line 1.
- 25 8. Page 9, by striking lines 14 through 19 and
26 inserting the following: "new grants. In utilizing
27 the funding allocated in this lettered paragraph, the
28 council shall give consideration, in addition to other
29 criteria established by the council, to a grantee's
30 intended use of local funds with a grant and to
31 whether approval of a grant proposal would expand the
32 availability of the program's services."
- 33 9. Page 10, lines 14 and 15, by striking the
34 words and figure "up to \$50,000" and inserting the
35 following: "funds allocated for the diversion
36 program".
- 37 10. Page 12, line 27, by striking the word "The"
38 and inserting the following: "Of the".
- 39 11. Page 12, line 29, by inserting after the word
40 "unit" the following: ", a portion".
- 41 12. Page 12, line 30, by inserting after the word
42 "account" the following: "and a portion may be used
43 to increase recoveries".
- 44 13. Page 13, by inserting after line 10, the
45 following:
- 46 "____. The department may adopt emergency rules to
47 increase the mileage rate reimbursement paid to JOBS
48 program participants above the current rate of 16
49 cents per mile.
- 50 _____. The department may adopt emergency rules to

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Page 2

1 implement 2001 Iowa Acts, Senate File 198, that
2 extends the time limitation for funding of
3 postsecondary education for family investment program
4 participants, if enacted by the Seventy-ninth General
5 Assembly, 2001 Session."

6 14. Page 20, line 19, by inserting after the word
7 "fund," the following: "or unless a county of legal
8 settlement would become liable for the costs of
9 services at the ICFMR level of care for a person due
10 to the person reaching the age of majority,".

11 15. Page 21, by striking lines 2 and 3.

12 16. Page 24, by striking lines 2 through 9 and
13 inserting the following:

14 "1. The department shall".

15 17. Page 25, lines 27 and 28, by striking the
16 words and figure ", not to exceed 100 slots".

17 18. Page 25, line 30, by inserting after the word
18 "to" the following: "children receiving services
19 under a HCBS waiver for individuals with mental
20 retardation in residential-based supported community
21 living and".

22 19. Page 31, line 22, by inserting after the word
23 "month." the following: "If the department receives
24 any bonus or incentive payments from the federal
25 government relating to adoption that may be used to
26 supplement state funds, the department shall use a
27 minimum of \$44,750 of such moneys for adoption
28 recruitment."

29 20. Page 32, by inserting after line 24 the
30 following:

31 "____. The department shall eliminate the program
32 to provide services or other support to reduce the
33 number or length of out-of-home placements of children
34 known as the "wrap-around funding program". The
35 department may adopt emergency rules to implement this
36 subsection."

37 21. Page 33, by striking lines 13 and 14 and
38 inserting the following: "chief juvenile court
39 officer shall encourage use of the funds".

40 22. Page 34, by inserting after line 23, the
41 following:

42 "____. Notwithstanding section 234.39, subsection
43 5, and 2000 Iowa Acts, chapter 1228, section 43, the
44 department may operate a subsidized guardianship
45 program if the United States department of health and
46 human services approves a waiver under Title IV-E of
47 the federal Social Security Act and the subsidized
48 guardianship program can be operated without loss of
49 Title IV-E funds."

50 23. Page 35, line 5, by striking the figure

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Page 3

1 "2000" and inserting the following: "2001".
2 24. Page 38, line 22, by striking the word
3 "payer" and inserting the following: "payor".
4 25. Page 40, line 26, by striking the words and
5 figure "allocated in subsection 1" and inserting the
6 following: "appropriated in this section".
7 26. Page 40, by striking lines 30 and 31, and
8 inserting the following: "draw more than the amounts
9 appropriated, provided the amounts appropriated are
10 not exceeded at the close of the fiscal year."
11 27. Page 45, by striking lines 10 through 12, and
12 inserting the following: "shall be used for
13 administrative costs. The pilot project shall not be
14 implemented in a".
15 28. Page 45, line 15, by striking the words "or
16 the waiver".
17 29. Page 47, line 4, by inserting after the word
18 "office." the following: "Upon elimination of the
19 regional office administrative level, the geographic
20 areas established as departmental regions as of July
21 1, 2000, shall continue to be used for implementation
22 of Code sections 232.2, 232.52, 232.68, 232.78,
23 232.102, 232.117, 232.127, 232.143, 232.182, 232.188,
24 234.35, and any provision in this Act or other law
25 that utilizes the departmental regions for a
26 geographic purpose. The director of human services
27 shall assign any duties that are otherwise designated
28 as duties of the regional administrator in section
29 232.143, this Act, or other provision of law or
30 administrative rule to an appropriate person."
31 30. Page 49, line 10, by striking the word
32 "Reimbursement" and inserting the following: "For the
33 fiscal year beginning July 1, 2001, reimbursement".
34 31. Page 49, line 15, by striking the word
35 "Reimbursement" and inserting the following: "For the
36 fiscal year beginning July 1, 2001, reimbursement".
37 32. Page 49, line 18, by striking the word
38 "Federally" and inserting the following: "For the
39 fiscal year beginning July 1, 2001, federally".
40 33. Page 50, line 1, by inserting after the word
41 "except" the following: "for area education agencies,
42 local education agencies, infant and toddler services
43 providers, and".
44 34. Page 50, line 2, by striking the word
45 "However,".
46 35. Page 50, by striking lines 3 through 6, and
47 inserting the following:
48 "k. Notwithstanding section 249A.20, the average
49 reimbursement rates for health care providers eligible
50 for use of the reimbursement methodology under that

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Page 4

1 section shall be reduced by three percent from the
2 rate in effect on June 30, 2001."

3 36. Page 55, by inserting after line 22, the
4 following:

5 "Sec. ____ . Section 239B.8, subsection 1, Code
6 2001, is amended to read as follows:

7 1. PARTICIPATION -- EXEMPTIONS. A parent living
8 in a home with a child for whom an application for
9 family investment program assistance has been made or
10 for whom the assistance is provided, and all other
11 individual members of the family whose needs are
12 included in the assistance shall be subject to a
13 family investment agreement unless exempt under rules
14 adopted by the department or unless any of the
15 following conditions exists:

16 ~~a. The individual is completely unable to
17 participate in any agreement option due to disability.~~

18 ~~b. a.~~ The individual is less than sixteen years of
19 age and is not a parent.

20 ~~e. b.~~ The individual is sixteen through eighteen
21 years of age, is not a parent, and is attending
22 elementary or secondary school, or the equivalent
23 level of vocational or technical school, on a full-
24 time basis.

25 ~~d. c.~~ The individual is not a United States
26 citizen and is not a qualified alien as defined in 8
27 U.S.C. § 1641."

28 37. Page 56, line 22, by striking the figure "19"
29 and inserting the following: "18".

30 38. Page 56, line 23, by inserting after the
31 words "the state" the following: "in this fiscal year
32 or the succeeding fiscal year".

33 39. Page 57, line 32, by striking the word
34 "caucus" and inserting the following: "legislative
35 caucus".

36 40. Page 57, line 34, by striking the word
37 "Commencing" and inserting the following:

38 "1. Commencing".

39 41. Page 58, line 3, by striking the figure
40 "2000," and inserting the following: "2000."

41 42. Page 58, by striking lines 4 and 5.

42 43. Page 58, by inserting after line 15 the
43 following:

44 "2. Upon submission to the persons designated by
45 this Act for receiving reports of a report describing
46 the transfers being made, the department may transfer
47 up to \$2,500,000 to the appropriation in this Act for
48 general administration from moneys that are budgeted
49 for purchase of equipment in other appropriations made
50 to the department in this Act."

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Page 5

1 44. By renumbering, relettering, or redesignating
2 and correcting internal references as necessary.

By HEATON of Henry**H-1712** FILED APRIL 25, 2001*Adopted**4/25/01 (P. 1532)* **HOUSE FILE 732****H-1713**

1 Amend the amendment, H-1696, to House File 732 as
2 follows:

3 1. Page 1, line 3, by striking the words "in
4 rural areas" and inserting the following: "as deemed
5 appropriate by the department".

By CHIODO of Polk**H-1713** FILED APRIL 25, 2001*O/O**4/25/01**(P. 1523)*

S. 4/26/01 Approp
S-4/27/01 Do Pass
S-5/3/01 MTR. Lamberti

HOUSE FILE 732
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HSB 254)

(As Amended and Passed by the House April 25, 2001)

Re Passed House, Date 5/3/01 (p.1830) Passed Senate, Date 5/1/01
Vote: Ayes 55 Nays 41 Vote: Ayes 28 Nays 19
Approved 5/3/01 (p.1435)
Repassed 5/3/01 (p.1507)
Vote 30-20

A BILL FOR

1 An Act relating to appropriations for the department of human
2 services and including other provisions and appropriations
3 involving human services and health care, and providing
4 effective dates.

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

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House Amendments _____
Deleted Language *

1 Section 1. EARLY CHILDHOOD FUNDING.

2 1. The appropriations made in 1998 Iowa Acts, chapter
3 1218, section 2, and 2000 Iowa Acts, chapter 1228, section 2,
4 subsection 1, paragraph "b", from the fund created in section
5 8.41 to the department of human services for the fiscal year
6 beginning July 1, 2001, and ending June 30, 2002, from moneys
7 received under the federal temporary assistance for needy
8 families (TANF) block grant shall be used for funding of
9 community-based programs targeted to children from birth
10 through five years of age, developed by community empowerment
11 areas as provided in this section.

12 2. The department may transfer federal temporary
13 assistance for needy families block grant funding appropriated
14 and allocated in this section to the child care and
15 development block grant in accordance with federal law as
16 necessary to comply with the provisions of this section. The
17 funding shall then be provided to community empowerment areas
18 for the fiscal year beginning July 1, 2001, in accordance with
19 all of the following:

20 a. The area must be approved as a designated community
21 empowerment area by the Iowa empowerment board.

22 b. The maximum funding amount a community empowerment area
23 is eligible to receive shall be determined by applying the
24 area's percentage of the state's average monthly family
25 investment program population in the preceding fiscal year to
26 the total amount appropriated for fiscal year 2001-2002 from
27 the TANF block grant to fund community-based programs targeted
28 to children from birth through five years of age developed by
29 community empowerment areas.

30 c. A community empowerment area receiving funding shall
31 comply with any federal reporting requirements associated with
32 the use of that funding and other results and reporting
33 requirements established by the Iowa empowerment board. The
34 department shall provide technical assistance in identifying
35 and meeting the federal requirements.

1 d. The availability of funding provided under this section
2 is subject to changes in federal requirements and amendments
3 to Iowa law.

4 3. The moneys distributed in accordance with this section
5 shall be used by communities for the purposes of enhancing
6 quality child care capacity in support of parent capability to
7 obtain or retain employment. The moneys shall be used with a
8 primary emphasis on low-income families and children from
9 birth to five years of age. Moneys shall be provided in a
10 flexible manner to communities, and shall be used to implement
11 strategies identified by the communities to achieve such
12 purposes. The strategies may include but are not limited to
13 developing capacity for regular child care, sick child care,
14 night shifts child care, and emergency child care; enhancing
15 linkages between the head start and early head start programs,
16 early childhood development programs, and child care
17 assistance programs; and implementing other strategies to
18 enhance access to child care. The moneys may be used to
19 either build capacity or for support of ongoing efforts. In
20 addition to the full-time equivalent positions funded in this
21 Act, 1.00 full-time equivalent position is authorized and the
22 department may use funding appropriated in this section for
23 provision of technical assistance and other support to
24 communities developing and implementing strategies with moneys
25 distributed in accordance with this section.

26 4. Moneys which are subject to this section which are not
27 distributed to a community empowerment area or otherwise
28 remain unobligated or unexpended at the end of the fiscal year
29 shall revert to the fund created in section 8.41 to be
30 available for appropriation by the general assembly in a
31 subsequent fiscal year.

32 Sec. 2. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK
33 GRANT. There is appropriated from the fund created in section
34 8.41 to the department of human services for the fiscal year
35 beginning July 1, 2001, and ending June 30, 2002, from moneys

1 received under the federal temporary assistance for needy
2 families block grant pursuant to the federal Personal
3 Responsibility and Work Opportunity Reconciliation Act of
4 1996, Pub. L. No. 104-193, which are federally appropriated
5 for the federal fiscal years beginning October 1, 1999, and
6 ending September 30, 2000, beginning October 1, 2000, and
7 ending September 30, 2001, and beginning October 1, 2001, and
8 ending September 30, 2002, the following amounts, or so much
9 thereof as is necessary, to be used for the purposes
10 designated:

11 Moneys appropriated in this section shall be used in
12 accordance with the federal law making the funds available,
13 applicable Iowa law, appropriations made from the general fund
14 of the state in this Act for the purpose designated, and
15 administrative rules adopted to implement the federal and Iowa
16 law. If actual federal revenues credited to the fund created
17 in section 8.41 through June 30, 2002, are less than the
18 amounts appropriated in this section, the amounts appropriated
19 shall be reduced proportionately and the department may reduce
20 expenditures as deemed necessary by the department to meet the
21 reduced funding level:

- 22 1. To be credited to the family investment program account
23 and used for assistance under the family investment program
24 under chapter 239B:
25 \$ 39,287,318
- 26 2. To be credited to the family investment program account
27 and used for the job opportunities and basic skills (JOBS)
28 program, and implementing family investment agreements, in
29 accordance with chapter 239B:
30 \$ 20,830,113
- 31 3. For field operations:
32 \$ 12,885,790
- 33 4. For general administration:
34 \$ 3,238,614
- 35 5. For local administrative costs:

1 \$ 2,122,982

2 6. For state child care assistance:

3 \$ 28,638,329

4 Of the funds appropriated in this subsection, \$200,000
5 shall be used for provision of educational opportunities to
6 registered child care home providers in order to improve
7 services and programs offered by this category of providers
8 and to increase the number of providers. The department may
9 contract with institutions of higher education or child care
10 resource and referral centers to provide the educational
11 opportunities. Allowable administrative costs under the
12 contracts shall not exceed 5 percent. The application for a
13 grant shall not exceed two pages in length.

14 7. For emergency assistance:

15 \$ 2,846,432

16 8. For mental health and developmental disabilities
17 community services:

18 \$ 4,349,266

19 9. For child and family services:

20 \$ 23,096,571

21 10. For child abuse prevention:

22 \$ 731,000

23 11. For pregnancy prevention grants on the condition that
24 family planning services are funded:

25 \$ 2,514,413

26 Pregnancy prevention grants shall be awarded to programs in
27 existence on or before July 1, 2001, if the programs are
28 comprehensive in scope and have demonstrated positive
29 outcomes. Grants shall be awarded to pregnancy prevention
30 programs which are developed after July 1, 2001, if the
31 programs are comprehensive in scope and are based on existing
32 models that have demonstrated positive outcomes. Priority in
33 the awarding of grants shall be given to programs that serve
34 areas of the state which demonstrate the highest percentage of
35 unplanned pregnancies of females age 13 or older but younger

1 than age 18 within the geographic area to be served by the
2 grant.

3 12. For technology needs and other resources necessary to
4 meet federal welfare reform reporting, tracking, and case
5 management requirements:

6 \$ 1,182,217

7 13. For supervised community treatment under child and
8 family services:

9 \$ 300,000

10 14. For volunteers:

11 \$ 42,663

12 15. For individual development accounts under chapter
13 541A:

14 \$ 250,000

15 16. For the healthy opportunities for parents to
16 experience success (HOPES) program administered by the Iowa
17 department of public health to target child abuse prevention:

18 \$ 200,000

19 17. To be credited to the Iowa marriage initiative grant
20 fund created in section 234.45:

21 \$ 500,000

22 a. The moneys credited to the Iowa marriage initiative
23 grant fund pursuant to this subsection are appropriated to the
24 department for the fiscal year beginning July 1, 2001, and
25 ending June 30, 2002, to be used in accordance with this
26 subsection.

27 b. The department shall establish an Iowa marriage
28 initiative grant program to fund services to support marriage
29 and to encourage the formation and maintenance of two-parent
30 families that are secure and nurturing.

31 c. The program shall require that a grantee be a nonprofit
32 organization incorporated in this state with successful
33 experience in facilitating marriage promotion activities,
34 working with various faith-based organizations and the leaders
35 of the organizations, using media resources in promoting

1 marriage, making presentations to service and faith-based
2 organizations, and in raising private funding for activities
3 that support marriage.

4 d. The program activities funded by a grant shall include
5 but are not limited to working with leaders of faith-based
6 organizations to utilize premarital diagnostic tools, to
7 implement marriage agreements developed by the respective
8 faith-based organization that provide for an appropriate
9 engagement period and premarital and postmarital counseling,
10 and to use volunteer mentors in program activities.

11 e. Grants shall be awarded in a manner that results in
12 provision of services in an equal number of urban and rural
13 geographic areas. The department shall implement the grant
14 program so that the request for proposals is issued on or
15 before October 1, 2001, and so that any grants are awarded on
16 or before January 1, 2002. A grantee shall be required to
17 submit a quarterly financial report to the department and to
18 the legislative fiscal bureau and shall be subject to an
19 annual independent evaluation to assess accomplishment of the
20 purposes listed in paragraph "b".

21 f. The department shall provide a copy of the request for
22 proposals and shall submit a report concerning the proposals
23 received and grants awarded to those persons designated by
24 this Act to receive reports. The department may adopt
25 emergency rules to implement the provisions of this
26 subsection.

27 Of the amounts appropriated in this section, \$11,612,112
28 for the fiscal year beginning July 1, 2001, shall be
29 transferred to the appropriation of the federal social
30 services block grant for that fiscal year.

31 Eligible funding available under the federal temporary
32 assistance for needy families block grant that is not
33 appropriated or not otherwise expended shall be considered
34 reserved for economic downturns and welfare reform purposes
35 and is subject to further state appropriation to support

1 families in their movement toward self-sufficiency.

2 Sec. 3. FAMILY INVESTMENT PROGRAM ACCOUNT.

3 1. Moneys credited to the family investment program (FIP)
4 account for the fiscal year beginning July 1, 2001, and ending
5 June 30, 2002, shall be used in accordance with the following
6 requirements:

7 a. The department shall provide assistance in accordance
8 with chapter 239B.

9 b. The department shall continue the special needs program
10 under the family investment program.

11 c. The department shall continue to comply with federal
12 welfare reform data requirements pursuant to the
13 appropriations made for that purpose.

14 d. The department shall continue to make entrepreneurial
15 training available to families receiving assistance under the
16 family investment program. The department may contract for
17 these services.

18 e. (1) The department shall continue expansion of the
19 electronic benefit transfer program as necessary to comply
20 with federal requirements. Notwithstanding 1998 Iowa Acts,
21 chapter 1218, section 5, subsection 1, paragraph "d", 1999
22 Iowa Acts, chapter 203, section 5, subsection 1, paragraph
23 "d", and 2000 Iowa Acts, chapter 1228, section 4, subsection
24 1, paragraph "e", the target date for statewide implementation
25 of the program is October 1, 2002.

26 (2) It is the intent of the general assembly that the
27 electronic benefits transfer program shall include the
28 capability for child care service providers to submit billings
29 electronically and to receive payment through electronic funds
30 transfer, and the capability to include electronic
31 verification of medical assistance eligibility.

32 (3) It is the intent of the general assembly that
33 electronic funds transfer system equipment provided by a
34 retailer participating in the program shall be utilized to the
35 extent practicable for electronic benefits transfer

1 transactions for the purchase of food from the retailer.

2 2. Notwithstanding 2000 Iowa Acts, chapter 1226, section
3 5, subsection 4, moneys allocated for electronic benefit
4 transfer development pursuant to 2000 Iowa Acts, chapter 1226,
5 section 5, subsection 2, paragraph "e", subparagraph (9),
6 which remain unobligated or unexpended at the close of the
7 fiscal year shall not revert to the general fund of the state
8 but shall remain available for the purposes designated in the
9 succeeding fiscal year.

10 3. The department may use a portion of the moneys credited
11 to the family investment account under this section, as
12 necessary for salaries, support, maintenance, and
13 miscellaneous purposes for not more than the following full-
14 time equivalent positions which are in addition to any other
15 full-time equivalent positions authorized by this Act:

16 FTEs 8.00

17 4. The department may transfer funds in accordance with
18 section 8.39, either federal or state, to or from the child
19 care appropriations made for the fiscal year beginning July 1,
20 2001, if the department deems this would be a more effective
21 method of paying for JOBS program child care, to maximize
22 federal funding, or to meet federal maintenance of effort
23 requirements.

24 5. Moneys appropriated in this Act and credited to the
25 family investment program account for the fiscal year
26 beginning July 1, 2001, and ending June 30, 2002, are
27 allocated as follows:

* 28 a. For the family development and self-sufficiency grant
29 program as provided under section 217.12:
30 \$ 5,697,825

31 (1) Of the funds allocated for the family development and
32 self-sufficiency grant program in this lettered paragraph, not
33 more than 5 percent of the funds shall be used for the
34 administration of the grant program.

35 (2) Based upon the annual evaluation report concerning

1 each grantee funded by previously appropriated funds and
2 through the solicitation of additional grant proposals, the
3 family development and self-sufficiency council may use the
4 allocated funds to renew or expand existing grants or award
5 new grants. In utilizing the funding allocated in this
6 lettered paragraph, the council shall give consideration, in
7 addition to other criteria established by the council, to a
8 grantee's intended use of local funds with a grant and to
9 whether approval of a grant proposal would expand the
10 availability of the program's services.

11 (3) Family development and self-sufficiency grantees shall
12 not supplant previous local funding with state or federal
13 funds.

14 (4) The department shall continue to implement the family
15 development and self-sufficiency grant program statewide
16 during FY 2001-2002.

17 b. For income maintenance reengineering:
18 \$ 700,000

19 c. For the diversion program and incentive grants as
20 follows:

21 (1) For the diversion subaccount of the family investment
22 program account:
23 \$ 3,200,000

24 Moneys allocated to the diversion subaccount shall be used
25 to continue the pilot initiative of providing incentives to
26 assist families who meet income eligibility requirements for
27 the family investment program in obtaining or retaining
28 employment, to assist participant families in overcoming
29 barriers to obtaining employment, and to assist families in
30 stabilizing employment and in reducing the likelihood of the
31 family returning to the family investment program. Incentives
32 may be provided in the form of payment or services. The
33 department may limit the availability of the pilot initiative
34 on the basis of geographic area or numbers of individuals
35 provided with incentives. The department shall attempt to

1 assess and screen individuals who would most likely benefit
2 from the services. The department shall continue the
3 diversion initiative in the fiscal year 2001-2002. In
4 addition to the full-time equivalent positions authorized in
5 this Act, 1.00 FTE is authorized and the department may use
6 funds allocated for the diversion program to facilitate
7 community investment in welfare reform and to support
8 continuation of the diversion program. The department may
9 grant diversion moneys to the level of the entity operating an
10 initiative. The department may adopt additional eligibility
11 criteria as necessary for compliance with federal law and for
12 screening those families who would be most likely to become
13 eligible for the family investment program if diversion
14 incentives would not be provided.

15 (2) For continuation of innovative strategies on a
16 statewide or pilot project basis for supporting job retention,
17 family structure, or both, including services to noncustodial
18 parents and young parents:

19 \$ 650,000

20 (3) Of the moneys allocated in subparagraph (2), not more
21 than \$250,000 shall be used to develop or continue community-
22 level parental obligation pilot projects. A pilot project
23 shall be operated with the goal of assisting parents who are
24 living apart in meeting their parental obligations and in
25 supporting their children. A pilot project may also seek to
26 prevent the separation of families by including families at
27 risk of separation in project services. Any pilot project
28 shall maximize the use of existing community resources for
29 family counseling, legal services, mediation, job training and
30 job skills development, substance abuse treatment and
31 prevention, health maintenance, and personal mentoring. Local
32 communities shall also be encouraged to provide financial
33 resources.

34 (a) Notwithstanding any other provision of law to the
35 contrary, the department shall develop procedures for the

1 pilot projects to expedite all of the following:

2 (i) The establishment and adjustment of support
3 obligations, with the consent of both parents, in a manner
4 which may deviate from the child support guidelines.

5 (ii) Changes in income withholding orders based on
6 individual case circumstances.

7 (iii) Satisfaction of a portion of support amounts owed to
8 the state based on cooperation and compliance by the
9 noncustodial parent with project requirements.

10 (iv) Adjustment of visitation and shared custody
11 arrangements in a manner which enhances the ability of each
12 parent to meet parental obligations.

13 (b) The department shall adopt rules for the development,
14 operation, and monitoring of a project; to establish the
15 minimum required amount of community support; to establish
16 expedited procedures; and to establish other criteria and
17 procedures as appropriate.

18 (c) The department shall use the funds authorized in this
19 subparagraph to employ 1.00 full-time equivalent position to
20 manage the pilot project or projects. The department shall
21 also use the authorized funds to employ other full-time
22 equivalent positions or to provide services, as necessary, to
23 assist in the coordination, development, and operation of
24 community-level pilot projects and to achieve the expedited
25 procedures established. Any full-time equivalent positions
26 authorized in this subparagraph subdivision are in addition to
27 any other full-time equivalent positions authorized by law.

28 (4) Of the moneys allocated in subparagraph (2), not more
29 than \$200,000 shall be used to continue to study the impact
30 that moving unemployed family investment program parents into
31 employment has on the well-being of the children, the parent,
32 and the family. The department shall include in this well-
33 being study a method of actual contact with the families and
34 children, and shall consider broad-based impacts, such as
35 educational achievement, health status, housing stability,

1 family stability, and use of supportive social services. The
2 department shall also seek funding through foundations and the
3 federal government in order to supplement the funding for this
4 study. The results of the study shall be submitted to the
5 persons required by this Act to receive reports.

6 (5) Of the moneys allocated in subparagraph (2), not more
7 than \$100,000 shall be used for providing additional incentive
8 payments to contracted agencies who demonstrate success at
9 completing well-being visits for families terminated from the
10 family investment program under a limited benefit plan. The
11 department shall use these funds to increase payments to
12 agencies who complete a higher percentage of well-being
13 visits, who achieve a significant percentage of visits in a
14 face-to-face format, or who are able to observe and interact
15 with the children during a significant percentage of visits.

16 6. Of the child support collections assigned under the
17 family investment program, an amount equal to the federal
18 share of support collections shall be credited to the child
19 support recovery appropriation. Of the remainder of the
20 assigned child support collections received by the child
21 support recovery unit, a portion shall be credited to the
22 family investment program account and a portion may be used to
23 increase recoveries.

24 7. The department may adopt emergency administrative rules
25 for the family investment, food stamp, and medical assistance
26 programs, if necessary, to comply with federal requirements.
27 Prior to adoption of the rules, the department shall consult
28 with the welfare reform council and the chairpersons and
29 ranking members of the joint appropriations subcommittee on
30 human services.

31 8. The department may continue the initiative to
32 streamline and simplify the employer verification process for
33 applicants, participants, and employers in the administration
34 of the department's programs. The department may contract
35 with companies collecting data from employers when the

1 information is needed in the administration of these programs.
2 The department may limit the availability of the initiative on
3 the basis of geographic area or number of individuals.

4 9. The department may adopt emergency rules to increase
5 the mileage rate reimbursement paid to JOBS program
6 participants above the current rate of 16 cents per mile.

7 10. The department may adopt emergency rules to implement
8 2001 Iowa Acts, Senate File 198, that extends the time
9 limitation for funding of postsecondary education for family
10 investment program participants, if enacted by the Seventy-
11 ninth General Assembly, 2001 Session.

12 Sec. 4. FAMILY INVESTMENT PROGRAM GENERAL FUND. There is
13 appropriated from the general fund of the state to the
14 department of human services for the fiscal year beginning
15 July 1, 2001, and ending June 30, 2002, the following amount,
16 or so much thereof as is necessary, to be used for the purpose
17 designated:

18 To be credited to the family investment program account and
19 used for family investment program assistance under chapter
20 239B:

21 \$ 36,150,000

22 1. The department of workforce development, in
23 consultation with the department of human services, shall
24 continue to utilize recruitment and employment practices to
25 include former and current family investment program
26 recipients.

27 2. The department of human services shall continue to work
28 with the department of workforce development and local
29 community collaborative efforts to provide support services
30 for family investment program participants. The support
31 services shall be directed to those participant families who
32 would benefit from the support services and are likely to have
33 success in achieving economic independence.

34 3. Of the funds appropriated in this section, \$9,564,352
35 is allocated for the JOBS program.

1 4. The department shall continue to work with religious
2 organizations and other charitable institutions to increase
3 the availability of host homes, referred to as second chance
4 homes or other living arrangements under the federal Personal
5 Responsibility and Work Opportunity Reconciliation Act of
6 1996, Pub. L. No. 104-193, § 103. The purpose of the homes or
7 arrangements is to provide a supportive and supervised living
8 arrangement for minor parents receiving assistance under the
9 family investment program who, under chapter 239B, may receive
10 assistance while living in an alternative setting other than
11 with their parent or legal guardian.

12 Sec. 5. EMERGENCY ASSISTANCE. There is appropriated from
13 the general fund of the state to the department of human
14 services for the fiscal year beginning July 1, 2001, and
15 ending June 30, 2002, the following amount, or so much thereof
16 as is necessary, to be used for the purpose designated:

17 For emergency assistance to families with dependent
18 children for homeless prevention programs:
19 \$ 10,000

20 1. The emergency assistance provided for in this section
21 and federal moneys appropriated for this purpose in this Act
22 shall be available beginning October 1 of the fiscal year and
23 shall be provided only if all other publicly funded resources
24 have been exhausted. Specifically, emergency assistance is
25 the program of last resort and shall not supplant assistance
26 provided by the low-income home energy assistance program
27 (LIHEAP), county general relief, and veterans affairs
28 programs. The department shall establish a \$500 maximum
29 payment, per family, in a twelve-month period. The emergency
30 assistance includes, but is not limited to, assisting people
31 who face eviction, potential eviction, or foreclosure, utility
32 shutoff or fuel shortage, loss of heating energy supply or
33 equipment, homelessness, utility or rental deposits, or other
34 specified crisis which threatens family or living
35 arrangements. The emergency assistance shall be available to

1 migrant families who would otherwise meet eligibility
2 criteria. The department may contract for the administration
3 and delivery of the program. The program shall be terminated
4 when funds are exhausted.

5 2. For the fiscal year beginning July 1, 2001, the
6 department shall continue the process for the state to receive
7 refunds of utility and rent deposits, including any accrued
8 interest, for emergency assistance recipients which were paid
9 by persons other than the state. The department shall also
10 receive refunds, including any accrued interest, of assistance
11 paid with funding available under this program. The refunds
12 received by the department under this subsection shall be
13 deposited with the moneys of the appropriation made in this
14 section and used as additional funds for the emergency
15 assistance program. Notwithstanding section 8.33, moneys
16 received by the department under this subsection which remain
17 after the emergency assistance program is terminated and state
18 or federal moneys in the emergency assistance account which
19 remain unobligated or unexpended at the close of the fiscal
20 year shall not revert to the general fund of the state but
21 shall remain available for expenditure when the program
22 resumes operation on October 1 in the succeeding fiscal year.

23 3. Of the funds appropriated in this section, \$10,000 is
24 allocated to the community voice mail program to continue the
25 existing program. The funds shall be made available beginning
26 July 1, 2001. The community voice mail program shall submit
27 semiannual reports to the department which, at a minimum,
28 specify, on a county basis, the unduplicated number of
29 households participating in the program for the previous six-
30 month period. The report shall be submitted no later than the
31 last business day of the month immediately following the end
32 of the six-month period.

33 Sec. 6. CHILD SUPPORT RECOVERY. There is appropriated
34 from the general fund of the state to the department of human
35 services for the fiscal year beginning July 1, 2001, and

1 ending June 30, 2002, the following amount, or so much thereof
2 as is necessary, to be used for the purposes designated:

3 For child support recovery, including salaries, support,
4 maintenance, and miscellaneous purposes and for not more than
5 the following full-time equivalent positions:

6	\$	6,700,000
7	FTEs	321.40

8 1. The director of human services, within the limitations
9 of the moneys appropriated in this section, or moneys
10 transferred from the family investment program account for
11 this purpose, shall establish new positions and add employees
12 to the child support recovery unit if the director determines
13 that both the current and additional employees together can
14 reasonably be expected to maintain or increase net state
15 revenue at or beyond the budgeted level.

16 2. Nonpublic assistance application fees and other user
17 fees received by the child support recovery unit are
18 appropriated and shall be used for the purposes of the child
19 support recovery program. The director of human services may
20 add positions within the limitations of the amount
21 appropriated for salaries and support for the positions.

22 3. The director of human services, in consultation with
23 the department of management and the legislative fiscal
24 committee, is authorized to receive and deposit state child
25 support incentive earnings in the manner specified under
26 applicable federal requirements.

27 4. a. The director of human services may establish new
28 positions and add state employees to the child support
29 recovery unit or contract for delivery of services if the
30 director determines the employees are necessary to replace
31 county-funded positions eliminated due to termination,
32 reduction, or nonrenewal of a chapter 28E contract. However,
33 the director must also determine that the resulting increase
34 in the state share of child support recovery incentives
35 exceeds the cost of the positions or contract, the positions

1 or contract are necessary to ensure continued federal funding
2 of the program, or the new positions or contract can
3 reasonably be expected to recover at least twice the amount of
4 money necessary to pay the salaries and support for the new
5 positions or the contract will generate at least 200 percent
6 of the cost of the contract.

7 b. Employees in full-time positions that transition from
8 county government to state government employment under this
9 subsection are exempt from testing, selection, and appointment
10 provisions of chapter 19A and from the provisions of
11 collective bargaining agreements relating to the filling of
12 vacant positions.

13 5. If initiated by the judicial branch, the child support
14 recovery unit shall continue to work with the judicial branch
15 to determine the feasibility of implementing a pilot project
16 utilizing a court-appointed referee for judicial
17 determinations on child support matters. The extent and
18 location of any pilot project shall be jointly developed by
19 the judicial branch and the child support recovery unit.

20 6. Surcharges paid by obligors and received by the unit as
21 a result of the referral of support delinquency by the child
22 support recovery unit to any private collection agency are
23 appropriated to the department and shall be used to pay the
24 costs of any contracts with the collection agencies.

25 7. The department shall expend up to \$51,000, including
26 federal financial participation, for the fiscal year beginning
27 July 1, 2001, for a child support public awareness campaign.
28 The department and the office of the attorney general shall
29 cooperate in continuation of the campaign. The public
30 awareness campaign shall emphasize, through a variety of media
31 activities, the importance of maximum involvement of both
32 parents in the lives of their children as well as the
33 importance of payment of child support obligations.

34 8. Federal access and visitation grant moneys shall be
35 issued directly to private not-for-profit agencies that

1 provide services designed to increase compliance with the
2 child access provisions of court orders, including but not
3 limited to neutral visitation site and mediation services.

4 Sec. 7. MEDICAL ASSISTANCE. There is appropriated from
5 the general fund of the state to the department of human
6 services for the fiscal year beginning July 1, 2001, and
7 ending June 30, 2002, the following amount, or so much thereof
8 as is necessary, to be used for the purpose designated:

9 For medical assistance reimbursement and associated costs
10 as specifically provided in the reimbursement methodologies in
11 effect on June 30, 2001 except as otherwise expressly
12 authorized by law, including reimbursement for abortion
13 services, which shall be available under the medical
14 assistance program only for those abortions which are
15 medically necessary:

16 \$413,150,000

17 1. Medically necessary abortions are those performed under
18 any of the following conditions:

19 a. The attending physician certifies that continuing the
20 pregnancy would endanger the life of the pregnant woman.

21 b. The attending physician certifies that the fetus is
22 physically deformed, mentally deficient, or afflicted with a
23 congenital illness.

24 c. The pregnancy is the result of a rape which is reported
25 within 45 days of the incident to a law enforcement agency or
26 public or private health agency which may include a family
27 physician.

28 d. The pregnancy is the result of incest which is reported
29 within 150 days of the incident to a law enforcement agency or
30 public or private health agency which may include a family
31 physician.

32 e. Any spontaneous abortion, commonly known as a
33 miscarriage, if not all of the products of conception are
34 expelled.

35 2. Notwithstanding section 8.39, the department may

1 transfer funds appropriated in this section to a separate
2 account established in the department's case management unit
3 for expenditures required to provide case management services
4 for mental health, mental retardation, and developmental
5 disabilities services under medical assistance which are
6 jointly funded by the state and county, pending final
7 settlement of the expenditures. Funds received by the case
8 management unit in settlement of the expenditures shall be
9 used to replace the transferred funds and are available for
10 the purposes for which the funds were appropriated in this
11 section.

12 3. a. The county of legal settlement shall be billed for
13 50 percent of the nonfederal share of the cost of case
14 management provided for adults, day treatment, and partial
15 hospitalization in accordance with sections 249A.26 and
16 249A.27, and 100 percent of the nonfederal share of the cost
17 of care for adults which is reimbursed under a federally
18 approved home and community-based waiver that would otherwise
19 be approved for provision in an intermediate care facility for
20 persons with mental retardation, provided under the medical
21 assistance program. The state shall have responsibility for
22 the remaining 50 percent of the nonfederal share of the cost
23 of case management provided for adults, day treatment, and
24 partial hospitalization. For persons without a county of
25 legal settlement, the state shall have responsibility for 100
26 percent of the nonfederal share of the costs of case
27 management provided for adults, day treatment, partial
28 hospitalization, and the home and community-based waiver
29 services. The case management services specified in this
30 subsection shall be billed to a county only if the services
31 are provided outside of a managed care contract.

32 b. The state shall pay the entire nonfederal share of the
33 costs for case management services provided to persons 17
34 years of age and younger who are served in a medical
35 assistance home and community-based waiver program for persons

1 with mental retardation.

2 c. Medical assistance funding for case management services
3 for eligible persons 17 years of age and younger shall also be
4 provided to persons residing in counties with child welfare
5 decategorization projects implemented in accordance with
6 section 232.188, provided these projects have included these
7 persons in their service plan and the decategorization project
8 county is willing to provide the nonfederal share of costs.

9 d. When paying the necessary and legal expenses of
10 intermediate care facilities for persons with mental
11 retardation (ICFMR), the cost payment requirements of section
12 222.60 shall be considered fulfilled when payment is made in
13 accordance with the medical assistance payment rates
14 established for ICFMRs by the department and the state or a
15 county of legal settlement is not obligated for any amount in
16 excess of the rates.

17 e. The department shall revise the provisions of the home
18 and community-based waiver for persons with brain injury to
19 eliminate the eligibility requirement that a person must have
20 been a resident of a medical institution for at least thirty
21 consecutive days at the time of initial application. Unless a
22 county has paid or is paying for the nonfederal share of the
23 cost of a person's home and community-based waiver services or
24 ICFMR placement under the county's mental health, mental
25 retardation, and developmental disabilities services fund, or
26 unless a county of legal settlement would become liable for
27 the costs of services at the ICFMR level of care for a person
28 due to the person reaching the age of majority, the state
29 shall pay the nonfederal share of the costs of an eligible
30 person's services under the home and community-based waiver
31 for persons with brain injury.

32 4. The department shall utilize not more than \$60,000 of
33 the funds appropriated in this section to continue the
34 AIDS/HIV health insurance premium payment program as
35 established in 1992 Iowa Acts, Second Extraordinary Session,

1 Chapter 1001, section 409, subsection 6. Of the funds
2 allocated in this subsection, not more than \$5,000 may be
3 expended for administrative purposes.

4 5. Of the funds appropriated to the Iowa department of
5 public health for substance abuse grants, \$950,000 for the
6 fiscal year beginning July 1, 2001, shall be transferred to
7 the department of human services for an integrated substance
8 abuse managed care system.

9 6. In administering the medical assistance home and
10 community-based waiver for persons with physical disabilities,
* 11 the total number of openings for persons with physical
12 disabilities served at any one time shall be limited to the
13 number approved in the waiver by the secretary of the United
14 States department of health and human services. The openings
15 shall be available on a first-come, first-served basis.

16 7. The department of human services, in consultation with
17 the Iowa department of public health and the department of
18 education, shall continue the program to utilize the early and
19 periodic screening, diagnosis, and treatment (EPSDT) funding
20 under medical assistance, to the extent possible, to implement
21 the screening component of the EPSDT program through the
22 school system. The department may enter into contracts to
23 utilize maternal and child health centers, the public health
24 nursing program, or school nurses in implementing this
25 provision.

26 8. The department shall continue the case study for
27 outcome-based performance standards for programs serving
28 persons with mental retardation or other developmental
29 disabilities proposed pursuant to 1994 Iowa Acts, chapter
30 1170, section 56.

31 9. The department shall continue the medical assistance
32 home and community-based services waiver to allow children
33 with mental retardation, who would otherwise require ICF/MR
34 care, to be served in out-of-home settings of up to eight beds
35 which meet standards established by the department. Up to

1 \$1,487,314 of the funds appropriated in this section may be
2 used for the costs of the waiver.

3 10. The department shall continue working with county
4 representatives in aggressively implementing the
5 rehabilitation option for services to persons with chronic
6 mental illness under the medical assistance program, and
7 county funding shall be used to provide the match for the
8 federal funding, except for individuals with state case
9 status, for whom state funding shall provide the match.

10 11. If the health care financing administration approves a
11 waiver request from the department, the department shall
12 provide a period of 24 months of guaranteed eligibility for
13 medical assistance family planning services, regardless of the
14 change in circumstances of a woman who was a medical
15 assistance recipient when a pregnancy ended.

16 12. The department shall aggressively pursue options for
17 providing medical assistance or other assistance to
18 individuals with special needs who become ineligible to
19 continue receiving services under the early and periodic,
20 screening, diagnosis, and treatment program under the medical
21 assistance program due to becoming 21 years of age, who have
22 been approved for additional assistance through the
23 department's exception to policy provisions, but who have
24 health care needs in excess of the funding available through
25 the exception to policy process.

26 13. Of the moneys appropriated in this section, \$200,000
27 shall be used to increase reimbursement of child protection
28 centers.

29 14. The department shall adopt rules to provide that an
30 individual applying for the medically needy program is not
31 required to reapply for the program unless the individual's
32 income as disclosed in the initial application changes. The
33 rules shall also provide that to the greatest extent possible,
34 the application and continuing eligibility requirements for
35 all medical assistance-related programs shall be consistent.

1 15. If federal funding is received, the department may
2 participate in a federal home telecare pilot program intended
3 to manage health care needs of subpopulations of Iowans and
4 specifically including subpopulations of Iowans who require
5 high utilization of health care services and represent a
6 disproportionate share of consumption of health care services.
7 The program shall be implemented as a collaboration of public,
8 private, and academic participants and may include the
9 participation of the department of human services, the
10 department of elder affairs, and the Iowa department of public
11 health, with the intent of showing cost savings in proactively
12 managing diseases of selective populations through the
13 utilization of communications technology and management
14 protocols. The program may direct telecare services to
15 persons with diagnoses of specific nonacute, chronic illnesses
16 which may include but are not limited to chronic obstructive
17 pulmonary disease, congestive heart disease, diabetes, and
18 asthma. The telecare program may provide a proactive call
19 center staffed by appropriate, licensed health care providers
20 equipped with disease management protocols. For the purposes
21 of this section, "telecare" shall include but is not limited
22 to the interactive delivery of diagnostic, clinical,
23 consultative, data, and educational services utilizing a
24 transmission network which may include but is not limited to
25 the live transmission of audio and video data.

26 16. The department, in cooperation with the drug
27 utilization review commission, shall review the use of
28 nonsedating antihistamines (NSAIDS) for children and shall
29 submit a report to the governor and the general assembly on or
30 before November 15, 2001, regarding such use and providing a
31 recommendation regarding the application of prior
32 authorization requirements to these drugs.

33 Sec. 8. HEALTH INSURANCE PREMIUM PAYMENT PROGRAM. There
34 is appropriated from the general fund of the state to the
35 department of human services for the fiscal year beginning

1 July 1, 2001, and ending June 30, 2002, the following amount,
2 or so much thereof as is necessary, to be used for the purpose
3 designated:

4 For administration of the health insurance premium payment
5 program, including salaries, support, maintenance, and
6 miscellaneous purposes, and for not more than the following
7 full-time equivalent positions:

8	\$	600,000
9	FTEs	22.00

10 Sec. 9. CHILDREN'S HEALTH INSURANCE PROGRAM. There is
11 appropriated from the general fund of the state to the
12 department of human services for the fiscal year beginning
13 July 1, 2001, and ending June 30, 2002, the following amount,
14 or so much thereof as is necessary, to be used for the purpose
15 designated:

16 For maintenance of the healthy and well kids in Iowa (HAWK-
17 I) program pursuant to chapter 514I for receipt of federal
18 financial participation under Title XXI of the federal Social
19 Security Act, which creates the state children's health
20 insurance program:

21	\$	8,400,000
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22 1. The department may transfer funds appropriated in this
23 section to be used for the purpose of expanding health care
24 coverage to children under the medical assistance program.
25 The department shall provide periodic updates to the general
26 assembly of expenditures of funds appropriated in this
27 section.

28 2. The department shall provide a report to the HAWK-I
29 board and to the general assembly by January 15, 2002,
30 specifying the actual cost reported by each participating
31 insurer of providing monthly coverage to eligible children
32 under the children's health insurance program.

33 3. Moneys in the HAWK-I trust fund are appropriated and
34 shall be used to offset any program costs for the fiscal year
35 beginning July 1, 2001, and ending June 30, 2002.

1 4. The department of human services shall seek a waiver
2 from the health care financing administration of the United
3 States department of health and human services to permit
4 families with children who are eligible for medical assistance
5 to elect to participate under the HAWK-I program in lieu of
6 participation in the medical assistance program. If the
7 waiver is approved, the department shall implement the
8 provision.

9 Sec. 10. MEDICAL CONTRACTS. There is appropriated from
10 the general fund of the state to the department of human
11 services for the fiscal year beginning July 1, 2001, and
12 ending June 30, 2002, the following amount, or so much thereof
13 as is necessary, to be used for the purpose designated:

14 For medical contracts:
15 \$ 8,700,000

16 1. The department shall receive input and recommendations
17 from the chairpersons and ranking members of the joint
18 appropriations subcommittee on human services prior to
19 entering into or extending any managed care contract for
20 mental health or substance abuse services.

21 2. The director of human services may establish up to 8.00
22 full-time equivalent positions to be assigned to the medical
23 review unit and pharmacy unit of the fiscal agent if the
24 director determines the employees are necessary to replace
25 fiscal agent positions of the professional medical review
26 staff and pharmacy staff, contingent upon termination of those
27 staff positions with the fiscal agent. Employees in full-time
28 positions that transition from private employment to state
29 government employment under this unnumbered paragraph are
30 exempt from testing, selection, and appointment provisions of
31 chapter 19A and from provisions of collective bargaining
32 agreements relating to the filling of positions.

33 Sec. 11. STATE SUPPLEMENTARY ASSISTANCE. There is
34 appropriated from the general fund of the state to the
35 department of human services for the fiscal year beginning

1 July 1, 2001, and ending June 30, 2002, the following amount,
2 or so much thereof as is necessary, to be used for the
3 purposes designated:

4 For state supplementary assistance, funeral assistance, and
5 the medical assistance home and community-based services
6 waiver rent subsidy program:

7 \$ 19,550,000

8 1. The department shall increase the personal needs
9 allowance for residents of residential care facilities by the
10 same percentage and at the same time as federal supplemental
11 security income and federal social security benefits are
12 increased due to a recognized increase in the cost of living.
13 The department may adopt emergency rules to implement this
14 subsection.

15 2. If during the fiscal year beginning July 1, 2001, the
16 department projects that state supplementary assistance
17 expenditures for a calendar year will not meet the federal
18 pass-along requirement specified in Title XVI of the federal
19 Social Security Act, section 1618, as codified in 42 U.S.C. §
20 1382g, the department may take actions including but not
21 limited to increasing the personal needs allowance for
22 residential care facility residents and making programmatic
23 adjustments or upward adjustments of the residential care
24 facility or in-home health-related care reimbursement rates
25 prescribed in this Act to ensure that federal requirements are
26 met. The department may adopt emergency rules to implement
27 the provisions of this subsection.

28 3. The department may use up to \$75,000 of the funds
29 appropriated in this section for a rent subsidy program for
30 adult persons to whom all of the following apply:

31 a. Are receiving assistance under a medical assistance
32 home and community-based services (HCBS) waiver.

33 b. Were discharged from a medical institution in which
34 they have resided or were at risk of institutional placement.

35 Within available funding and demonstrated need, the department

1 may make subsidy funds available to children receiving
2 services under a HCBS waiver for individuals with mental
3 retardation in residential-based supported community living
4 and HCBS waiver-eligible adults meeting criteria in paragraph
5 "a" and this paragraph at any time on or after July 1, 1995.

6 The goal of the subsidy program shall be to encourage and
7 assist in enabling persons who currently reside in a medical
8 institution to move to a community living arrangement. An
9 eligible person may receive assistance in meeting their rental
10 expense and, in the initial two months of eligibility, in
11 purchasing necessary household furnishings and supplies. The
12 program shall be implemented so that it does not meet the
13 federal definition of state supplementary assistance and will
14 not impact the federal pass-along requirement specified in
15 Title XVI of the federal Social Security Act, section 1618, as
16 codified in 42 U.S.C. § 1382g.

17 Sec. 12. CHILD CARE ASSISTANCE. There is appropriated
18 from the general fund of the state to the department of human
19 services for the fiscal year beginning July 1, 2001, and
20 ending June 30, 2002, the following amount, or so much thereof
21 as is necessary, to be used for the purpose designated:

22 For child care programs:

23 \$ 5,050,752

24 1. a. Of the funds appropriated in this section,
25 \$4,414,111 shall be used for state child care assistance in
26 accordance with section 237A.13.

27 b. During the 2001-2002 fiscal year, the moneys deposited
28 in the child care credit fund created in section 237A.28 are
29 appropriated to the department to be used for state child care
30 assistance in accordance with section 237A.13, in addition to
31 the moneys allocated for that purpose in paragraph "a".

32 2. Nothing in this section shall be construed or is
33 intended as, or shall imply, a grant of entitlement for
34 services to persons who are eligible for assistance due to an
35 income level consistent with the waiting list requirements of

1 section 237A.13. Any state obligation to provide services
2 pursuant to this section is limited to the extent of the funds
3 appropriated in this section.

4 3. Of the funds appropriated in this section, \$636,641 is
5 allocated for the statewide program for child care resource
6 and referral services under section 237A.26.

7 4. The department may use any of the funds appropriated in
8 this section as a match to obtain federal funds for use in
9 expanding child care assistance and related programs. For the
10 purpose of expenditures of state and federal child care
11 funding, funds shall be considered obligated at the time
12 expenditures are projected or are allocated to the
13 department's regions. Projections shall be based on current
14 and projected caseload growth, current and projected provider
15 rates, staffing requirements for eligibility determination and
16 management of program requirements including data systems
17 management, staffing requirements for administration of the
18 program, contractual and grant obligations and any transfers
19 to other state agencies, and obligations for decategorization
20 or innovation projects.

21 Sec. 13. JUVENILE INSTITUTIONS. There is appropriated
22 from the general fund of the state to the department of human
23 services for the fiscal year beginning July 1, 2001, and
24 ending June 30, 2002, the following amounts, or so much
25 thereof as is necessary, to be used for the purposes
26 designated:

- 27 1. For operation of the Iowa juvenile home at Toledo:
- 28 \$ 6,707,500
- 29 FTEs 140.54

30 It is the intent of the general assembly that beginning in
31 the fiscal year commencing on July 1, 2002, the Iowa juvenile
32 home at Toledo will serve only females. The department shall
33 develop a plan which includes options for relocating the males
34 at the Iowa juvenile home at Toledo. The options shall
35 include but are not limited to developing a child in need of

1 assistance program for males at the state training school at
2 Eldora.

3 The moneys appropriated in this subsection include funding
4 for a parking lot project developed in cooperation with the
5 city of Toledo and for two additional security guard staff
6 positions.

7 2. For operation of the state training school at Eldora:
8 \$ 10,870,000
9 FTEs 229.53

10 Of the funding appropriated in this subsection, \$40,000 is
11 designated for aftercare services for persons who were placed
12 at the state training school at Eldora.

13 3. During the fiscal year beginning July 1, 2001, the
14 population levels at the state juvenile institutions shall not
15 exceed the population guidelines established under 1990 Iowa
16 Acts, chapter 1239, section 21, as adjusted for additional
17 beds developed at the institutions.

18 4. A portion of the moneys appropriated in this section
19 shall be used by the state training school and by the Iowa
20 juvenile home for grants for adolescent pregnancy prevention
21 activities at the institutions in the fiscal year beginning
22 July 1, 2001.

23 5. Within the amounts appropriated in this section, the
24 department may transfer funds as necessary to best fulfill the
25 needs of the institutions provided for in the appropriation.

26 6. If the department receives notice from the department
27 of inspections and appeals or any other entity that certifies
28 a juvenile institution's compliance with certification
29 requirements or determines compliance with regulatory
30 requirements, that a juvenile institution has been found or
31 cited for being out of compliance with a requirement, the
32 department shall report the notice to those persons designated
33 by this Act to receive reports. The report shall be made
34 within thirty days of the date the notice was received by the
35 department.

1 Sec. 14. CHILD AND FAMILY SERVICES. There is appropriated
2 from the general fund of the state to the department of human
3 services for the fiscal year beginning July 1, 2001, and
4 ending June 30, 2002, the following amount, or so much thereof
5 as is necessary, to be used for the purpose designated:

6 For child and family services:
7 \$106,000,000

8 1. The department may transfer funds appropriated in this
9 section as necessary to pay the nonfederal costs of services
10 reimbursed under medical assistance or the family investment
11 program which are provided to children who would otherwise
12 receive services paid under the appropriation in this section.
13 The department may transfer funds appropriated in this section
14 to the appropriations in this Act for general administration
15 and for field operations for resources necessary to implement
16 and operate the services funded in this section.

17 2. a. Of the funds appropriated in this section, up to
18 \$28,137,020 is allocated as the statewide expenditure target
19 under section 232.143 for group foster care maintenance and
20 services.

21 b. If at any time after September 30, 2001, annualization
22 of a region's current expenditures indicates a region is at
23 risk of exceeding its group foster care expenditure target
24 under section 232.143 by more than five percent, the
25 department and juvenile court services shall examine all group
26 foster care placements in that region in order to identify
27 those which might be appropriate for termination. In
28 addition, any aftercare services believed to be needed for the
29 children whose placements may be terminated shall be
30 identified. The department and juvenile court services shall
31 initiate action to set dispositional review hearings for the
32 placements identified. In such a dispositional review
33 hearing, the juvenile court shall determine whether needed
34 aftercare services are available and whether termination of
35 the placement is in the best interest of the child and the

1 community.

2 c. (1) Of the funds appropriated in this section, not
3 more than \$6,987,000 is allocated as the state match funding
4 for psychiatric medical institutions for children.

5 (2) The department may transfer all or a portion of the
6 amount allocated in this lettered paragraph for psychiatric
7 medical institutions for children (PMICs) to the appropriation
8 in this Act for medical assistance.

9 d. Of the funds allocated in this subsection, \$1,354,063
10 is allocated as the state match funding for 50 highly
11 structured juvenile program beds. If the number of beds
12 provided for in this lettered paragraph is not utilized, the
13 remaining funds allocated may be used for group foster care.

14 e. For the fiscal year beginning July 1, 2001, the
15 requirements of section 232.143 applicable to the juvenile
16 court and to representatives of the juvenile court shall be
17 applicable instead to juvenile court services and to
18 representatives of juvenile court services. The
19 representatives appointed by the department of human services
20 and by juvenile court services to establish the plan to
21 contain expenditures for children placed in group foster care
22 ordered by the court within the budget target allocated to the
23 region shall establish the plan in a manner so as to ensure
24 the moneys allocated to the region under section 232.143 shall
25 last the entire fiscal year. Funds for a child placed in
26 group foster care shall be considered encumbered for the
27 duration of the child's projected or actual length of stay,
28 whichever is applicable.

29 3. The department shall continue the goal that not more
30 than 15 percent of the children placed in foster care funded
31 under the federal Social Security Act, Title IV-E, may be
32 placed in foster care for a period of more than 24 months.

33 4. In accordance with the provisions of section 232.188,
34 the department shall continue the program to decategorize
35 child welfare services funding in additional counties or

1 clusters of counties.

2 5. A portion of the funding appropriated in this section
3 may be used for emergency family assistance to provide other
4 resources required for a family participating in a family
5 preservation or reunification project to stay together or to
6 be reunified.

7 6. Notwithstanding section 234.35, subsection 1, for the
8 fiscal year beginning July 1, 2001, state funding for shelter
9 care paid pursuant to section 234.35, subsection 1, paragraph
10 "h", shall be limited to \$7,513,084.

11 7. Of the funding appropriated in this section, up to
12 \$617,079 may be used as determined by the department for any
13 of the following purposes:

14 a. For general administration of the department to improve
15 staff training efforts.

16 b. For oversight of termination of parental rights and
17 permanency planning efforts on a statewide basis.

18 c. For personnel, assigned by the attorney general, to
19 provide additional services relating to termination of
20 parental rights and child in need of assistance cases.

21 d. For specialized permanency planning field operations
22 staff.

23 8. The department may adopt administrative rules following
24 consultation with child welfare services providers to
25 implement outcome-based child welfare services pilot projects.
26 The rules may include, but are not limited to, the development
27 of program descriptions, provider licensing and certification
28 standards, reimbursement and payment amounts, contract
29 requirements, assessment and service necessity requirements,
30 eligibility criteria, claims submission procedures, and
31 accountability standards.

32 9. The department shall continue to make adoption
33 presubsidy and adoption subsidy payments to adoptive parents
34 at the beginning of the month for the current month. If the
35 department receives any bonus or incentive payments from the

1 federal government relating to adoption that may be used to
2 supplement state funds, the department shall use a minimum of
3 \$44,750 of such moneys for adoption recruitment.

4 10. Federal funds received by the state during the fiscal
5 year beginning July 1, 2001, as the result of the expenditure
6 of state funds appropriated during a previous state fiscal
7 year for a service or activity funded under this section,
8 shall be used as additional funding for services provided
9 under this section. Notwithstanding section 8.33, moneys
10 received by the department in accordance with the provisions
11 of this subsection shall remain available for the purposes
12 designated until June 30, 2003.

13 11. The department and juvenile court services shall
14 continue to develop criteria for the department regional
15 administrator and chief juvenile court officer to grant
16 exceptions to extend eligibility, within the funds allocated,
17 for intensive tracking and supervision and for supervised
18 community treatment to delinquent youth beyond age 18 who are
19 subject to release from the state training school, a highly
20 structured juvenile program, or group foster care.

21 12. Of the moneys appropriated in this section, not more
22 than \$627,100 is allocated to provide clinical assessment
23 services as necessary to continue funding of children's
24 rehabilitation services under medical assistance in accordance
25 with federal law and requirements. The funding allocated is
26 the amount projected to be necessary for providing the
27 clinical assessment services.

28 13. Of the funding appropriated in this section,
29 \$3,696,285 shall be used for protective child care assistance.

30 14. Of the moneys appropriated in this section, up to
31 \$3,290,000 is allocated for the payment of the expenses of
32 court-ordered services provided to juveniles which are a
33 charge upon the state pursuant to section 232.141, subsection
34 4.

35 a. Notwithstanding section 232.141 or any other provision

1 of law, the amount allocated in this subsection shall be
2 distributed to the judicial districts as determined by the
3 state court administrator. The state court administrator
4 shall make the determination of the distribution amounts on or
5 before June 15, 2001.

6 b. The department shall eliminate the program to provide
7 services or other support to reduce the number or length of
8 out-of-home placements of children known as the "wrap-around
9 funding program". The department may adopt emergency rules to
10 implement this subsection.

11 c. The department of human services shall develop policies
12 and procedures to ensure that the funds allocated in this
13 subsection are spent only after all other reasonable actions
14 have been taken to utilize other funding sources and
15 community-based services. The policies and procedures shall
16 be designed to achieve the following objectives relating to
17 services provided under chapter 232:

18 (1) Maximize the utilization of funds which may be
19 available from the medical assistance program including usage
20 of the early and periodic screening, diagnosis, and treatment
21 (EPSDT) program.

22 (2) Recover payments from any third-party insurance
23 carrier which is liable for coverage of the services,
24 including health insurance coverage.

25 (3) Pursue development of agreements with regularly
26 utilized out-of-state service providers which are intended to
27 reduce per diem costs paid to those providers.

28 d. Notwithstanding chapter 232 or any other provision of
29 law, a district or juvenile court in a department of human
30 services district shall not order any service which is a
31 charge upon the state pursuant to section 232.141 if there are
32 insufficient court-ordered services funds available in the
33 district distribution amount to pay for the service. The
34 chief juvenile court officer shall encourage use of the funds
35 allocated in this subsection such that there are sufficient

1 funds to pay for all court-related services during the entire
2 year. The eight chief juvenile court officers shall attempt
3 to anticipate potential surpluses and shortfalls in the
4 distribution amounts and shall cooperatively request the state
5 court administrator to transfer funds between the districts'
6 distribution amounts as prudent.

7 e. Notwithstanding any provision of law to the contrary, a
8 district or juvenile court shall not order a county to pay for
9 any service provided to a juvenile pursuant to an order
10 entered under chapter 232 which is a charge upon the state
11 under section 232.141, subsection 4.

12 f. Of the funding allocated in this subsection, not more
13 than \$100,000 may be used by the judicial branch for
14 administration of the requirements under this subsection and
15 for travel associated with court-ordered placements which are
16 a charge upon the state pursuant to section 232.141,
17 subsection 4.

18 15. a. Of the funding appropriated in this section,
19 \$5,292,000 is allocated to provide school-based supervision of
20 children adjudicated under chapter 232, including not more
21 than \$1,764,000 from the allocation in this section for court-
22 ordered services. Not more than \$15,000 of the funding
23 allocated in this subsection may be used for the purpose of
24 training.

25 b. To the extent possible, the personnel providing school-
26 based services shall be prepared with training or experience
27 relating to gender-specific programming to best intervene with
28 youth at risk of being found delinquent or determined to be a
29 child in need of assistance.

30 16. The department shall maximize the capacity to draw
31 federal funding under Title IV-E of the federal Social
32 Security Act.

33 17. Any unanticipated federal funding that is received
34 during the fiscal year due to improvements in the hours
35 counted by the judicial branch under the claiming process for

1 federal Title IV-E funding are appropriated to the department
2 to be used for additional or expanded services and support for
3 court-ordered services pursuant to section 232.141.

4 Notwithstanding section 8.33, moneys appropriated in this
5 subsection that remain unencumbered or unobligated at the
6 close of the fiscal year shall not revert but shall remain
7 available for expenditure for the purposes designated until
8 the close of the succeeding fiscal year.

9 18. The department may adopt emergency rules to modify the
10 qualifications for rehabilitative treatment service providers
11 to allow an individual with a bachelor's degree in social work
12 to provide therapy and counseling and to implement other
13 recommendations of the committee made up of department staff
14 and providers of child welfare services that is charged with
15 the development of proposals for regulatory improvements. The
16 pertinent recommendations may include but are not limited to
17 implementing "deemed" certification status for providers;
18 addressing requirements for staff qualifications, ratios, and,
19 supervision; revising requirements for treatment plan
20 development, review, and revision, and for treatment records;
21 applying shared risk or loss provisions for retroactive
22 audits; and access to the department's service review
23 organization.

24 19. Notwithstanding section 234.39, subsection 5, and 2000
25 Iowa Acts, chapter 1228, section 43, the department may
26 operate a subsidized guardianship program if the United States
27 department of health and human services approves a waiver
28 under Title IV-E of the federal Social Security Act and the
29 subsidized guardianship program can be operated without loss
30 of Title IV-E funds.

31 Sec. 15. JUVENILE DETENTION HOME FUND. Moneys deposited
32 in the juvenile detention home fund created in section 232.142
33 during the fiscal year beginning July 1, 2001, and ending June
34 30, 2002, are appropriated to the department of human services
35 for the fiscal year beginning July 1, 2001, and ending June

1 30, 2002, for distribution as follows:

2 1. An amount equal to ten percent of the costs of the
3 establishment, improvement, operation, and maintenance of
4 county or multicounty juvenile detention homes in the fiscal
5 year beginning July 1, 2000. Moneys appropriated for
6 distribution in accordance with this paragraph shall be
7 allocated among eligible detention homes, prorated on the
8 basis of an eligible detention home's proportion of the costs
9 of all eligible detention homes in the fiscal year beginning
10 July 1, 2000. Notwithstanding section 232.142, subsection 3,
11 the financial aid payable by the state under that provision
12 for the fiscal year beginning July 1, 2001, shall be limited
13 to the amount appropriated for the purposes of this paragraph.

14 2. For renewal of a grant to a county with a population
15 between 168,000 and 175,000 for implementation of the county's
16 runaway treatment plan under section 232.195:

17 \$ 80,000

18 3. For grants to counties implementing a runaway treatment
19 plan under section 232.195.

20 4. The remainder for additional allocations to county or
21 multicounty juvenile detention homes, in accordance with the
22 distribution requirements of subsection 1.

23 Sec. 16. CENTRAL INTAKE FOR CHILD PROTECTION. If specific
24 statutory authorization is enacted by the Seventy-ninth
25 General Assembly, 2002 Session, to establish a statewide
26 central intake unit for receiving child abuse reports, there
27 is appropriated from the general fund of the state to the
28 department of human services for the fiscal year beginning
29 July 1, 2001, and ending June 30, 2002, the following amount,
30 or so much thereof as is necessary, to be used for the purpose
31 designated:

32 For establishment in accordance with law of a statewide
33 central intake unit for receiving child abuse reports:

34 \$ 250,000

35 It is the intent of the general assembly to give prompt

1 consideration to the report of any 2001 legislative interim
2 study committee established by the legislative council
3 regarding the establishment of a central intake unit for
4 receiving child abuse reports.

5 Sec. 17. COMMUNITY-BASED PROGRAMS -- ADOLESCENT PREGNANCY
6 PREVENTION. There is appropriated from the general fund of
7 the state to the department of human services for the fiscal
8 year beginning July 1, 2001, and ending June 30, 2002, the
9 following amount, or so much thereof as is necessary, to be
10 used for the purpose designated:

11 For community-based programs, on the condition that family
12 planning services are funded, including salaries, support,
13 maintenance, and miscellaneous purposes and for not more than
14 the following full-time equivalent positions:

15	\$	<u>531,415</u>
16	FTEs	1.00

17 1. Funds appropriated in this section shall be used to
18 provide adolescent pregnancy prevention grants which comply
19 with the requirements provided in 1997 Iowa Acts, chapter 208,
20 section 14, subsections 1 and 2, and shall emphasize programs
21 which target the middle school level.

22 2. It is the intent of the general assembly that the
23 department of human services and the Iowa department of public
24 health shall continue to identify existing abstinence
25 education or community-based programs which comply with the
26 requirements established in section 912, subchapter V, of the
27 federal Social Security Act, as codified in 42 U.S.C. § 701
28 et seq. for the matching of federal funds.

29 3. Of the funds appropriated in this section, \$250,000
30 shall be used by the department for child abuse prevention
31 grants.

32 Sec. 18. FAMILY SUPPORT SUBSIDY PROGRAM. There is
33 appropriated from the general fund of the state to the
34 department of human services for the fiscal year beginning
35 July 1, 2001, and ending June 30, 2002, the following amount,

1 or so much thereof as is necessary, to be used by the division
2 of children and family services for the purpose designated:

3 For the family support subsidy program:

4 \$ 2,089,858

5 The department may use up to \$267,000 of the moneys
6 appropriated in this section to continue the children-at-home
7 program in current counties, of which not more than \$20,000
8 shall be used for administrative costs.

9 Sec. 19. CONNER DECREE. There is appropriated from the
10 general fund of the state to the department of human services
11 for the fiscal year beginning July 1, 2001, and ending June
12 30, 2002, the following amount, or so much thereof as is
13 necessary, to be used for the purpose designated:

14 For building community capacity through the coordination
15 and provision of training opportunities in accordance with the
16 consent decree of Conner v. Branstad, No. 4-86-CV-30871(S.D.
17 Iowa, July 14, 1994):

18 \$ 46,000

19 Sec. 20. MENTAL HEALTH INSTITUTES. There is appropriated
20 from the general fund of the state to the department of human
21 services for the fiscal year beginning July 1, 2001, and
22 ending June 30, 2002, the following amounts, or so much
23 thereof as is necessary, to be used for the purposes
24 designated:

25 1. For the state mental health institute at Cherokee for
26 salaries, support, maintenance, and miscellaneous purposes and
27 for not more than the following full-time equivalent
28 positions:

29 \$ 13,470,000

30 FTEs 248.44

31 2. For the state mental health institute at Clarinda for
32 salaries, support, maintenance, and miscellaneous purposes and
33 for not more than the following full-time equivalent
34 positions:

35 \$ 7,650,000

1 FTEs 138.59

2 3. For the state mental health institute at Independence
3 for salaries, support, maintenance, and miscellaneous purposes
4 and for not more than the following full-time equivalent
5 positions:

6 \$ 17,992,500

7 FTEs 354.46

8 The state mental health institute at Independence shall
9 continue the 30 psychiatric medical institution for children
10 (PMIC) beds authorized in section 135H.6, in a manner which
11 results in no net state expenditure amount in excess of the
12 amount appropriated in this subsection. Counties are not
13 responsible for the costs of PMIC services described in this
14 subsection. Subject to the approval of the department, with
15 the exception of revenues required under section 249A.11 to be
16 credited to the appropriation in this Act for medical
17 assistance, revenues attributable to the PMIC beds described
18 in this subsection for the fiscal year beginning July 1, 2001,
19 and ending June 30, 2002, shall be deposited in the
20 institute's account, including but not limited to any of the
21 following revenues:

- 22 a. The federal share of medical assistance revenue
23 received under chapter 249A.
- 24 b. Moneys received through client participation.
- 25 c. Any other revenues directly attributable to the PMIC
26 beds.

27 The moneys appropriated in this subsection include funding
28 for two additional security guard staff positions at the state
29 mental health institute at Independence.

30 4. For the state mental health institute at Mount Pleasant
31 for salaries, support, maintenance, and miscellaneous purposes
32 and for not more than the following full-time equivalent
33 positions:

34 \$ 5,717,500

35 FTEs 109.47

1 a. Funding is provided in this subsection for the mental
2 health institute at Mount Pleasant to continue the dual
3 diagnosis mental health and substance abuse program on a net
4 budgeting basis in which 50 percent of the actual per diem and
5 ancillary services costs are chargeable to the patient's
6 county of legal settlement or as a state case, as appropriate.
7 Subject to the approval of the department, revenues
8 attributable to the dual diagnosis program for the fiscal year
9 beginning July 1, 2001, and ending June 30, 2002, shall be
10 deposited in the institute's account, including but not
11 limited to all of the following revenues:

12 (1) Moneys received by the state from billings to counties
13 under section 230.20.

14 (2) Moneys received from billings to the Medicare program.

15 (3) Moneys received from a managed care contractor
16 providing services under contract with the department or any
17 private third-party payor.

18 (4) Moneys received through client participation.

19 (5) Any other revenues directly attributable to the dual
20 diagnosis program.

21 b. The following additional provisions are applicable in
22 regard to the dual diagnosis program:

23 (1) A county may split the charges between the county's
24 mental health, mental retardation, and developmental
25 disabilities services fund and the county's budget for
26 substance abuse expenditures.

27 (2) If an individual is committed to the custody of the
28 department of corrections at the time the individual is
29 referred for dual diagnosis treatment, the department of
30 corrections shall be charged for the costs of treatment.

31 (3) Prior to an individual's admission for dual diagnosis
32 treatment, the individual shall have been screened through a
33 county's single entry point process to determine the
34 appropriateness of the treatment.

35 (4) A county shall not be chargeable for the costs of

1 treatment for an individual enrolled in and authorized by or
2 decertified by a managed behavioral care plan under the
3 medical assistance program.

4 (5) Notwithstanding section 8.33, mental health
5 institutions revenues related to the dual diagnosis program
6 that remain unencumbered or unobligated at the close of the
7 fiscal year shall not revert but shall remain available up to
8 the amount which would allow the mental health institute to
9 meet credit obligations owed to counties as a result of year-
10 end per diem adjustments for the dual diagnosis program.

11 5. Within the funds appropriated in this section, the
12 department may transfer funds as necessary to best fulfill the
13 needs of the institutions provided for in the appropriation.

14 6. As part of the discharge planning process at the state
15 mental health institutes, the department shall provide
16 assistance in obtaining eligibility for federal supplemental
17 security income (SSI) to those individuals whose care at a
18 state mental health institute is the financial responsibility
19 of the state or a county.

20 7. If the department receives notice from the department
21 of inspections and appeals or any other entity that certifies
22 a state mental health institute's compliance with
23 certification requirements or determines compliance with
24 regulatory requirements, that a state mental health institute
25 has been found or cited for being out of compliance with a
26 requirement, the department shall report the notice to those
27 persons designated by this Act to receive reports. The report
28 shall be made within thirty days of the date the notice was
29 received by the department.

30 Sec. 21. STATE RESOURCE CENTERS. There is appropriated
31 from the general fund of the state to the department of human
32 services for the fiscal year beginning July 1, 2001, and
33 ending June 30, 2002, the following amounts, or so much
34 thereof as is necessary, to be used for the purposes
35 designated:

1 1. For the state resource center at Glenwood for salaries,
2 support, maintenance, and miscellaneous purposes:
3 \$ 2,625,000

4 2. For the state resource center at Woodward for salaries,
5 support, maintenance, and miscellaneous purposes:
6 \$ 1,790,000

7 3. a. The department shall continue operating the state
8 resource centers at Glenwood and Woodward with a net general
9 fund appropriation. The amounts allocated in this section are
10 the net amounts of state moneys projected to be needed for the
11 state resource centers. The purposes of operating with a net
12 general fund appropriation are to encourage the state resource
13 centers to operate with increased self-sufficiency, to improve
14 quality and efficiency, and to support collaborative efforts
15 between the state resource centers and counties and other
16 funders of services available from the state resource centers.
17 The state resource centers shall not be operated under the net
18 appropriation in a manner which results in a cost increase to
19 the state or cost shifting between the state, the medical
20 assistance program, counties, or other sources of funding for
21 the state resource centers. Moneys appropriated in this
22 section may be used throughout the fiscal year in the manner
23 necessary for purposes of cash flow management, and for
24 purposes of cash flow management the state resource centers
25 may temporarily draw more than the amounts appropriated,
26 provided the amounts appropriated are not exceeded at the
27 close of the fiscal year.

28 b. Subject to the approval of the department, except for
29 revenues under section 249A.11, revenues attributable to the
30 state resource centers for the fiscal year beginning July 1,
31 2001, shall be deposited into each state resource center's
32 account, including but not limited to all of the following:

33 (1) Moneys received by the state from billings to counties
34 under section 222.73.

35 (2) The federal share of medical assistance revenue

1 received under chapter 249A.

2 (3) Federal Medicare program payments.

3 (4) Moneys received from client financial participation.

4 (5) Other revenues generated from current, new, or
5 expanded services which the state resource center is
6 authorized to provide.

7 c. For the purposes of allocating the salary adjustment
8 fund moneys appropriated in another Act, the state resource
9 centers shall be considered to be funded entirely with state
10 moneys.

11 d. Notwithstanding section 8.33, up to \$500,000 of a state
12 resource center's revenues that remain unencumbered or
13 unobligated at the close of the fiscal year shall not revert
14 but shall remain available to be used in the succeeding fiscal
15 year.

16 4. Within the funds appropriated in this section, the
17 department may transfer funds as necessary to best fulfill the
18 needs of the institutions provided for in the appropriation.

19 5. The department may continue to bill for state resource
20 center services utilizing a scope of services approach used
21 for private providers of ICFMR services, in a manner which
22 does not shift costs between the medical assistance program,
23 counties, or other sources of funding for the state resource
24 centers.

25 6. The state resource centers may expand the time limited
26 assessment and respite services during the fiscal year.

27 7. If the department's administration and the department
28 of management concur with a finding by a state resource
29 center's superintendent that projected revenues can reasonably
30 be expected to pay the salary and support costs for a new
31 employee position, or that such costs for adding a particular
32 number of new positions for the fiscal year would be less than
33 the overtime costs if new positions would not be added, the
34 superintendent may add the new position or positions. If the
35 vacant positions available to a resource center do not include

1 the position classification desired to be filled, the state
2 resource center's superintendent may reclassify any vacant
3 position as necessary to fill the desired position. The
4 superintendents of the state resource centers may, by mutual
5 agreement, pool vacant positions and position classifications
6 during the course of the fiscal year in order to assist one
7 another in filling necessary positions.

8 8. If the department receives notice from the department
9 of inspections and appeals or any other entity that certifies
10 a state resource center's compliance with certification
11 requirements or determines compliance with regulatory
12 requirements, that a state resource center has been found or
13 cited for being out of compliance with a requirement, the
14 department shall report the notice to those persons designated
15 by this Act to receive reports. The report shall be made
16 within thirty days of the date the notice was received by the
17 department.

18 Sec. 22. SPECIAL NEEDS GRANTS. There is appropriated from
19 the general fund of the state to the department of human
20 services for the fiscal year beginning July 1, 2001, and
21 ending June 30, 2002, the following amount, or so much thereof
22 as is necessary, to be used for the purpose designated:

23 To provide special needs grants to families with a family
24 member at home who has a developmental disability or to a
25 person with a developmental disability:
26 \$ 53,212

27 Grants must be used by a family to defray special costs of
28 caring for the family member to prevent out-of-home placement
29 of the family member or to provide for independent living
30 costs. The grants may be administered by a private nonprofit
31 agency which serves people statewide provided that no
32 administrative costs are received by the agency.

33 Sec. 23. MI/MR/DD STATE CASES. There is appropriated from
34 the general fund of the state to the department of human
35 services for the fiscal year beginning July 1, 2001, and

1 ending June 30, 2002, the following amounts, or so much
2 thereof as is necessary, to be used for the purposes
3 designated:

4 For purchase of local services for persons with mental
5 illness, mental retardation, and developmental disabilities
6 where the client has no established county of legal
7 settlement:
8 \$ 12,700,000

9 Sec. 24. MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES --
10 COMMUNITY SERVICES FUND. There is appropriated from the
11 general fund of the state to the mental health and
12 developmental disabilities community services fund created in
13 section 225C.7 for the fiscal year beginning July 1, 2001, and
14 ending June 30, 2002, the following amount, or so much thereof
15 as is necessary, to be used for the purpose designated:

16 For mental health and developmental disabilities community
17 services in accordance with this Act:
18 \$ 19,560,000

19 1. Of the funds appropriated in this section, \$19,530,000
20 shall be allocated to counties for funding of community-based
21 mental health and developmental disabilities services. The
22 moneys shall be allocated to a county as follows:

23 a. Fifty percent based upon the county's proportion of the
24 state's population of persons with an annual income which is
25 equal to or less than the poverty guideline established by the
26 federal office of management and budget.

27 b. Fifty percent based upon the county's proportion of the
28 state's general population.

29 Of the funds allocated in this subsection, not more than
30 \$25,000 may be used to provide matching funds for actuarial
31 services and other technical assistance to implement the adult
32 mental health, mental retardation, and developmental
33 disabilities services funding decategorization pilot project
34 implementation provisions as specified in this Act.

5 2. a. A county shall utilize the funding the county

1 receives pursuant to subsection 1 for services provided to
2 persons with a disability, as defined in section 225C.2.
3 However, no more than 50 percent of the funding shall be used
4 for services provided to any one of the service populations.

5 b. A county shall use at least 50 percent of the funding
6 the county receives under subsection 1 for contemporary
7 services provided to persons with a disability, as described
8 in rules adopted by the department.

9 3. Of the funds appropriated in this section, \$30,000
10 shall be used to support the Iowa compass program providing
11 computerized information and referral services for Iowans with
12 disabilities and their families.

13 4. a. Funding appropriated for purposes of the federal
14 social services block grant is allocated for distribution to
15 counties for local purchase of services for persons with
16 mental illness or mental retardation or other developmental
17 disability.

18 b. The funds allocated in this subsection shall be
19 expended by counties in accordance with the county's approved
20 county management plan. A county without an approved county
21 management plan shall not receive allocated funds until the
22 county's management plan is approved.

23 c. The funds provided by this subsection shall be
24 allocated to each county as follows:

25 (1) Fifty percent based upon the county's proportion of
26 the state's population of persons with an annual income which
27 is equal to or less than the poverty guideline established by
28 the federal office of management and budget.

29 (2) Fifty percent based upon the amount provided to the
30 county for local purchase of services in the preceding fiscal
31 year.

32 5. A county is eligible for funds under this section if
33 the county qualifies for a state payment as described in
34 section 331.439.

35 Sec. 25. PERSONAL ASSISTANCE. There is appropriated from

1 the general fund of the state to the department of human
2 services for the fiscal year beginning July 1, 2001, and
3 ending June 30, 2002, the following amount, or so much thereof
4 as is necessary, to be used for the purpose designated:

5 For continuation of a pilot project for the personal
6 assistance services program in accordance with this section:
7 \$ 264,000

8 1. The funds appropriated in this section shall be used to
9 continue the pilot project for the personal assistance
10 services program under section 225C.46 in an urban and a rural
11 area. Not more than 10 percent of the amount appropriated
12 shall be used for administrative costs. The pilot project
13 shall not be implemented in a manner which would require
14 additional county or state costs for assistance provided to an
15 individual served under the pilot project.

16 2. Beginning July 1, 2001, new applicants shall not be
17 accepted into the pilot project. An individual receiving
18 services under the pilot project as of June 30, 2001, shall
19 continue receiving services until the individual voluntarily
20 leaves the project or until another program with similar
21 services exists.

22 Sec. 26. SEXUALLY VIOLENT PREDATORS.

23 1. There is appropriated from the general fund of the
24 state to the department of human services for the fiscal year
25 beginning July 1, 2001, and ending June 30, 2002, the
26 following amount, or so much thereof as is necessary, to be
27 used for the purpose designated:

28 For costs associated with the commitment and treatment of
29 sexually violent predators including costs of legal services
30 and other associated costs, including salaries, support,
31 maintenance, and miscellaneous purposes and for not more than
32 the following full-time equivalent positions:
33 \$ 1,300,000
34 FTEs 25.00

35 2. Notwithstanding section 8.33, \$350,000 of the moneys

1 appropriated in 2000 Iowa Acts, chapter 1228, section 27, that
2 remain unexpended or unobligated at the close of the fiscal
3 year shall not revert but shall remain available in the
4 succeeding fiscal year to be used for the purposes of this
5 section.

6 Sec. 27. FIELD OPERATIONS. There is appropriated from the
7 general fund of the state to the department of human services
8 for the fiscal year beginning July 1, 2001, and ending June
9 30, 2002, the following amount, or so much thereof as is
10 necessary, to be used for the purposes designated:

11 1. For field operations, including salaries, support,
12 maintenance, and miscellaneous purposes and for not more than
13 the following full-time equivalent positions:

14	\$ <u>49,100,000</u>
15	FTEs <u>2,128.50</u>

16 a. Priority in filling full-time equivalent positions
17 shall be given to those positions related to child protection
18 services.

19 b. The amount appropriated in this section includes
20 increased funding of \$1,212,197 to address staffing issues in
21 regard to child abuse assessment staff, social workers, and
22 support staff performing related functions and for increased
23 activities to improve cooperation between field staff, law
24 enforcement, county attorneys, and mandatory reporters in
25 addressing reports of child abuse.

*26 2. Commencing with the fiscal year beginning July 1, 2001,
27 the department shall eliminate the regional office
28 administrative level within field operations. Essential staff
29 within a regional office shall be transferred to be part of
30 the staff of a county cluster office. Upon elimination of the
31 regional office administrative level, the geographic areas
32 established as departmental regions as of July 1, 2000, shall
33 continue to be used for implementation of Code sections 232.2,
34 232.52, 232.68, 232.78, 232.102, 232.117, 232.127, 232.143,
35 232.182, 232.188, 234.35, and any provision in this Act or

1 other law that utilizes the departmental regions for a
2 geographic purpose. The director of human services shall
3 assign any duties that are otherwise designated as duties of
4 the regional administrator in section 232.143, this Act, or
5 other provision of law or administrative rule to an
6 appropriate person.

7 Sec. 28. ADDITIONAL FEDERAL FUNDING -- FISCAL YEAR 2001-
8 2002.

9 1. The provisions of this section are applicable for the
10 fiscal year beginning July 1, 2001.

11 2. It is the intent of the general assembly that the
12 director of human services work on expanding the community
13 partnership approach to child protection as established in
14 Linn county with funding support from the Edna McConnell Clark
15 foundation. The general assembly endorses the efforts by the
16 department and local communities to develop community child
17 protection systems that incorporate the four community
18 partnership components used in Linn county and other Clark
19 foundation sites. It is further intended that the director
20 seek additional funding from the Clark foundation for
21 expansion of the community partnership approach to other sites
22 in the state and make use of the additional funding
23 opportunities described in this section for such expansion.

24 3. It is the intent of the general assembly that the
25 director of human services work to secure federal financial
26 participation through Titles IV-E and XIX of the federal
27 Social Security Act for services and activities that are
28 currently funded with state, county, or community moneys. It
29 is further intended that the director initially focus on
30 securing targeted case management funding under medical
31 assistance for state child protection staff and developing
32 proposals for other approaches for targeted case management
33 and Title IV-E administrative claiming for services and
34 activities currently funded with juvenile court services,
35 county, or community moneys.

1 4. Additional federal financial participation secured for
2 the fiscal year beginning July 1, 2001, and ending June 30,
3 2002, is appropriated to the department of human services for
4 use as provided in this section. All of the following are
5 applicable to the additional federal financial participation
6 and efforts made to secure the federal financial
7 participation:

8 a. The department may pursue federal approval of a state
9 plan amendment to use medical assistance funding for child
10 protection targeted case management services. The population
11 to be served through targeted case management services is
12 children who are at risk of maltreatment or who are in need of
13 protective services. The funding shall be based on the
14 federal and state moneys available under the medical
15 assistance program. For the additional federal financial
16 participation received under the reimbursement methodology
17 established for the services, a distribution plan shall
18 attribute revenue to the cost sources upon which the
19 reimbursement rates are based. In addition, of the additional
20 federal funds received, a 5 percent set-aside shall be used
21 for funding the revenue enhancement activities and for service
22 delivery and results improvement efforts.

23 b. The director may use part or all of the additional
24 federal financial participation in excess of \$3,000,000
25 received from medical assistance claims for child protection
26 staff for not more than 93.00 full-time equivalent state child
27 protection staff positions, including child abuse assessment
28 positions, social workers, and support positions performing
29 related functions. Positions added in accordance with this
30 paragraph "b" are in addition to those authorized in the
31 appropriation made in this Act for field operations.

32 c. The director may also use up to \$200,000 of the
33 additional federal financial participation in excess of
34 \$3,000,000 received from medical assistance claims for child
35 protection staff for providing grants to communities to

1 support the community partnership approach to child
2 protection. Potential grantees may include child welfare
3 funding decategorization projects, community empowerment area
4 boards, or other community-based entities who, in partnership
5 with the local departmental administrators, agree to implement
6 the four community partnership components.

7 5. It is the intent of the general assembly to consider
8 additional proposals for providing other forms of targeted
9 case management services and Title IV-E administrative
10 claiming through counties, juvenile court services, or other
11 community-based approaches.

12 6. The department may adopt emergency rules to implement
13 the provisions of this section.

14 Sec. 29. GENERAL ADMINISTRATION. There is appropriated
15 from the general fund of the state to the department of human
16 services for the fiscal year beginning July 1, 2001, and
17 ending June 30, 2002, the following amount, or so much thereof
18 as is necessary, to be used for the purpose designated:

19 For general administration, including salaries, support,
20 maintenance, and miscellaneous purposes and for not more than
21 the following full-time equivalent positions:
22 \$ 11,020,029
23 FTEs 385.00

24 1. Of the funds appropriated in this section, \$57,000 is
25 allocated for the prevention of disabilities policy council
26 established in section 225B.3.

27 2. If an expenditure reduction or other cost-saving
28 measure is deemed necessary to maintain expenditures within
29 the amount appropriated to the department in this section, the
30 department shall not implement the reduction or other measure
31 in a manner which reduces service funding for disability
32 rehabilitation programs, including, but not limited to,
33 statewide supported employment programs.

34 3. The department shall report to the governor, the
35 general assembly, the legislative fiscal bureau, and the

1 legislative service bureau, within thirty days of notice from
2 the source of payment of the future receipt of any bonus,
3 incentive, or other payments received from the federal
4 government, court settlement payments, and any other payments
5 received by the state that may be used to supplement state
6 funds appropriated to the department.

7 4. It is the intent of the general assembly that the
8 department commence negotiations with the state of Nebraska to
9 provide a process to assist interested Nebraska residents in
10 placing their children at a state resource center in this
11 state, to allow the department and others to utilize the child
12 protection center located in Omaha, and to explore other ways
13 by which the two states may maximize the use of resources.

14 Sec. 30. VOLUNTEERS. There is appropriated from the
15 general fund of the state to the department of human services
16 for the fiscal year beginning July 1, 2001, and ending June
17 30, 2002, the following amount, or so much thereof as is
18 necessary, to be used for the purpose designated:

19 For development and coordination of volunteer services:
20 \$ 118,250

21 Sec. 31. MEDICAL ASSISTANCE, STATE SUPPLEMENTARY
22 ASSISTANCE, AND SOCIAL SERVICE PROVIDERS REIMBURSED UNDER THE
23 DEPARTMENT OF HUMAN SERVICES.

24 1. a. For the fiscal year beginning July 1, 2001, the
25 reimbursement rate for nursing facilities shall be determined
26 under a case mix reimbursement system. Nursing facilities
27 reimbursed under the medical assistance program shall submit
28 annual cost reports and additional documentation as required
29 by rules adopted by the department.

30 b. (1) For the fiscal year beginning July 1, 2001, the
31 department shall reimburse pharmacy dispensing fees using a
32 single rate of \$5.17 per prescription or the pharmacy's usual
33 and customary fee, whichever is lower.

34 (2) The department shall increase the state's efforts to
35 collect pharmaceutical manufacturer rebates in order to meet

1 the national average relative to collection of such rebates.

2 (3) The department shall implement a series of prospective
3 drug utilization review edits on targeted drugs to facilitate
4 the cost effective use of these drugs. The edits shall be
5 implemented in a manner that does not change the therapy or
6 the therapeutic outcome for the patient.

7 (4) The department shall implement a generic incentive
8 patient copayment program to encourage the dispensing and use
9 of less costly pharmaceutical alternatives. The copayment
10 amount shall be 50 cents for a generic medication and \$2 for a
11 brand-name medication.

12 (5) Beginning October 1, 2001, the department shall
13 implement a state maximum allowable cost list for prescription
14 drugs. The department shall consult with its fiscal agent and
15 the drug utilization review commission, at no additional cost
16 to the department, to determine the drug list that will
17 provide the department with the most significant cost savings
18 in the shortest period of time. In order to expedite
19 implementation, the department may implement the drug list
20 using a sole source contract during the initial year of
21 implementation. The department shall report to the general
22 assembly and the governor, on or before January 14, 2002,
23 identifying the entity with which the department enters the
24 contract to implement the program and whether the contract is
25 a sole source contract. The report shall include a
26 recommendation regarding continuation of the initial contract,
27 and if the initial contract is a sole source contract, whether
28 a sole source process or a request for proposals process
29 should be used to determine the contractor for any subsequent
30 contract entered into during the fiscal year beginning July 1,
31 2002.

32 c. For the fiscal year beginning July 1, 2001,
33 reimbursement rates for inpatient and outpatient hospital
34 services shall be reduced by three percent from the rates in
35 effect on June 30, 2001. The department shall continue the

1 outpatient hospital reimbursement system based upon ambulatory
2 patient groups implemented pursuant to 1994 Iowa Acts, chapter
3 1186, section 25, subsection 1, paragraph "f". In addition,
4 the department shall continue the revised medical assistance
5 payment policy implemented pursuant to that paragraph to
6 provide reimbursement for costs of screening and treatment
7 provided in the hospital emergency room if made pursuant to
8 the prospective payment methodology developed by the
9 department for the payment of outpatient services provided
10 under the medical assistance program.

11 d. For the fiscal year beginning July 1, 2001,
12 reimbursement rates for rural health clinics, hospices,
13 independent laboratories, and acute mental hospitals shall be
14 increased in accordance with increases under the federal
15 Medicare program or as supported by their Medicare audited
16 costs.

17 e. For the fiscal year beginning July 1, 2001,
18 reimbursement rates for home health agencies shall be reduced
19 by three percent from the rates in effect on June 30, 2001.

20 f. For the fiscal year beginning July 1, 2001, federally
21 qualified health centers shall receive cost-based
22 reimbursement for 100 percent of the reasonable costs for the
23 provision of services to recipients of medical assistance.

24 g. Beginning July 1, 2001, the reimbursement rates for
25 dental services shall be reduced by three percent from the
26 rates in effect on June 30, 2001.

27 h. Beginning July 1, 2001, the reimbursement rates for
28 community mental health centers shall be reduced by three
29 percent from the rates in effect on June 30, 2001.

30 i. For the fiscal year beginning July 1, 2001, the maximum
31 reimbursement rate for psychiatric medical institutions for
32 children shall remain at the rate in effect on June 30, 2001,
33 based on per day rates for actual costs.

34 j. For the fiscal year beginning July 1, 2001, unless
35 otherwise specified in this Act, all noninstitutional medical

1 assistance provider reimbursement rates shall be reduced by
2 three percent from the rates in effect on June 30, 2001,
3 except for area education agencies, local education agencies,
4 infant and toddler services providers, and those providers
5 whose rates are required to be determined pursuant to section
6 249A.20.

7 k. Notwithstanding section 249A.20, the average
8 reimbursement rates for health care providers eligible for use
9 of the reimbursement methodology under that section shall be
10 reduced by three percent from the rate in effect on June 30,
11 2001.

12 2. For the fiscal year beginning July 1, 2001, the maximum
13 cost reimbursement rate for residential care facilities
14 reimbursed by the department shall not be less than \$24.50 per
15 day for the time period of July 1, 2001, through December 31,
16 2001, and shall not be less than \$25.14 per day for the time
17 period of January 1, 2002, through June 30, 2002. The flat
18 reimbursement rate for facilities electing not to file
19 semiannual cost reports shall not be less than \$17.50 per day
20 for the time period of July 1, 2001, through December 31,
21 2001, and shall not be less than \$17.96 per day for the time
22 period of January 1, 2002, through June 30, 2002.

23 3. For the fiscal year beginning July 1, 2001, the maximum
24 reimbursement rate for providers reimbursed under the in-home
25 health-related care program shall not be less than \$471.06 per
26 month for the time period of July 1, 2001, through December
27 31, 2001, and shall not be less than \$483.31 per month for the
28 time period of January 1, 2002, through June 30, 2002.

29 4. Unless otherwise directed in this section, when the
30 department's reimbursement methodology for any provider
31 reimbursed in accordance with this section includes an
32 inflation factor, this factor shall not exceed the amount by
33 which the consumer price index for all urban consumers
34 increased during the calendar year ending December 31, 2000.

35 5. Notwithstanding section 234.38, in the fiscal year

1 beginning July 1, 2001, the foster family basic daily
2 maintenance rate and the maximum adoption subsidy rate for
3 children ages 0 through 5 years shall be \$14.28, the rate for
4 children ages 6 through 11 years shall be \$15.07, the rate for
5 children ages 12 through 15 years shall be \$16.83, and the
6 rate for children ages 16 and older shall be \$16.83.

7 6. For the fiscal year beginning July 1, 2001, the maximum
8 reimbursement rates for social service providers shall remain
9 at the rates in effect on June 30, 2001. However, the rates
10 may be adjusted under any of the following circumstances:

11 a. If a new service was added after June 30, 2001, the
12 initial reimbursement rate for the service shall be based upon
13 actual and allowable costs.

14 b. If a social service provider loses a source of income
15 used to determine the reimbursement rate for the provider, the
16 provider's reimbursement rate may be adjusted to reflect the
17 loss of income, provided that the lost income was used to
18 support actual and allowable costs of a service purchased
19 under a purchase of service contract.

20 c. The department revises the reimbursement rates as part
21 of the changes in the mental health and developmental
22 disabilities services system initiated pursuant to 1995 Iowa
23 Acts, chapter 206, and associated legislation.

24 7. The group foster care reimbursement rates paid for
25 placement of children out-of-state shall be calculated
26 according to the same rate-setting principles as those used
27 for in-state providers unless the director determines that
28 appropriate care cannot be provided within the state. The
29 payment of the daily rate shall be based on the number of days
30 in the calendar month in which service is provided.

31 8. For the fiscal year beginning July 1, 2001, the
32 reimbursement rates for rehabilitative treatment and support
33 services providers shall remain at the rates in effect on June
34 30, 2001.

35 9. For the fiscal year beginning July 1, 2001, the

1 combined service and maintenance components of the
2 reimbursement rate paid to a shelter care provider shall be
3 based on the cost report submitted to the department. The
4 maximum reimbursement rate shall be \$83.69 per day. The
5 department shall reimburse a shelter care provider at the
6 provider's actual and allowable unit cost, plus inflation, not
7 to exceed the maximum reimbursement rate.

8 10. For the fiscal year beginning July 1, 2001, the
9 department shall calculate reimbursement rates for
10 intermediate care facilities for persons with mental
11 retardation at the 80th percentile.

12 11. For the fiscal year beginning July 1, 2001, for child
13 care providers, the department shall set provider
14 reimbursement rates based on the rate reimbursement survey
15 completed in December 1998. The department shall set rates in
16 a manner so as to provide incentives for a nonregistered
17 provider to become registered.

18 12. For the fiscal year beginning July 1, 2001,
19 reimbursements for providers reimbursed by the department of
20 human services may be modified if appropriated funding is
21 allocated for that purpose from the senior living trust fund
22 created in section 249H.4, or as specified in appropriations
23 from the tobacco settlement endowment fund created in section
24 12.65, Code 2001.

25 13. The department may adopt emergency rules to implement
26 this section.

27 Sec. 32. TRANSFER AUTHORITY. Subject to the provisions of
28 section 8.39, for the fiscal year beginning July 1, 2001, if
29 necessary to meet federal maintenance of effort requirements
30 or to transfer federal temporary assistance for needy families
31 block grant funding to be used for purposes of the federal
32 social services block grant or to meet cash flow needs
33 resulting from delays in receiving federal funding, the
34 department of human services may transfer within or between
35 any of the appropriations made in this Act and appropriations

1 in law for the federal social services block grant to the
2 department for the following purposes, provided that the
3 combined amount of state and federal temporary assistance for
4 needy families block grant funding for each appropriation
5 remains the same before and after the transfer:

- 6 1. For the family investment program.
- 7 2. For emergency assistance.
- 8 3. For child care assistance.
- 9 4. For child and family services.
- 10 5. For field operations.
- 11 6. For general administration.
- 12 7. MH/MR/DD/BI community services (local purchase).

13 This section shall not be construed to prohibit existing
14 state transfer authority for other purposes.

15 Sec. 33. FRAUD AND RECOUPMENT ACTIVITIES. During the
16 fiscal year beginning July 1, 2001, notwithstanding the
17 restrictions in section 239B.14, recovered moneys generated
18 through fraud and recoupment activities are appropriated to
19 the department of human services to be used for additional
20 fraud and recoupment activities performed by the department of
21 human services or the department of inspections and appeals,
22 and the department of human services may add not more than
23 five full-time equivalent positions, in addition to those
24 funded in this Act, subject to both of the following
25 conditions:

26 1. The director of human services determines that the
27 investment can reasonably be expected to increase recovery of
28 assistance paid in error, due to fraudulent or nonfraudulent
29 actions, in excess of the amount recovered in the fiscal year
30 beginning July 1, 1997.

31 2. The amount expended for the additional fraud and
32 recoupment activities shall not exceed the amount of the
33 projected increase in assistance recovered.

34 Sec. 34. PRIOR YEAR NONREVERSION.

35 1. Notwithstanding 2000 Iowa Acts, chapter 1221, section

1 5, moneys appropriated in chapter 1221, section 1, subsection
2 1, paragraphs "f", "h", and "i", for home health care
3 services, for home health care services and habilitative day
4 care for children with special needs, and for respite care
5 services provided through home and community-based waiver
6 services which are unexpended or unencumbered at the close of
7 the fiscal year beginning July 1, 2000, and ending June 30,
8 2001, shall not revert but shall remain available to be used
9 in the succeeding fiscal year to supplement the medical
10 assistance appropriation made in this Act.

11 2. Notwithstanding 2000 Iowa Acts, chapter 1221, section
12 5, \$1,000,000 of the moneys appropriated in 2000 Iowa Acts,
13 chapter 1221, section 3, for purchase of service contract
14 providers which is unexpended or unencumbered at the close of
15 the fiscal year beginning July 1, 2000, and ending June 30,
16 2001, shall not revert but shall remain available to be used
17 in the succeeding fiscal year to supplement the medical
18 assistance appropriation made in this Act.

19 Sec. 35. Section 135H.6, subsection 2, Code 2001, is
20 amended to read as follows:

21 2. The proposed psychiatric institution is accredited by
22 the joint commission on the accreditation of health care
23 organizations, the commission on accreditation of
24 rehabilitation facilities, the council on accreditation of
25 services for families and children, or by any other ~~federally~~
26 recognized accrediting organization with comparable standards
27 acceptable under federal regulation.

28 Sec. 36. Section 225B.8, Code 2001, is amended to read as
29 follows:

30 225B.8 REPEAL.

31 This chapter is repealed July 1, ~~2001~~ 2006.

32 Sec. 37. NEW SECTION. 234.45 IOWA MARRIAGE INITIATIVE
33 GRANT FUND.

34 1. An Iowa marriage initiative grant fund is established
35 in the state treasury under the authority of the department of

1 human services. The grant fund shall consist of moneys
2 appropriated to the fund and notwithstanding section 8.33 such
3 moneys shall not revert to the fund from which appropriated at
4 the close of the fiscal year but shall remain in the Iowa
5 marriage initiative grant fund. Moneys credited to the fund
6 shall be used as directed in appropriations made by the
7 general assembly for funding of services to support marriage
8 and to encourage the formation and maintenance of two-parent
9 families that are secure and nurturing.

10 2. It is the intent of the general assembly to credit to
11 the Iowa marriage initiative grant fund, federal moneys
12 provided to the state for the express purpose of supporting
13 marriage or two-parent families.

14 Sec. 38. Section 232.142, Code 2001, is amended by adding
15 the following new subsection:

16 NEW SUBSECTION. 6. A juvenile detention home fund is
17 created in the state treasury under the authority of the
18 department. The fund shall consist of moneys deposited in the
19 fund pursuant to sections 321.218A and 321A.32A. The moneys
20 in the fund shall be used for the costs of the establishment,
21 improvement, operation, and maintenance of county or
22 multicounty juvenile detention homes in accordance with annual
23 appropriations made by the general assembly from the fund for
24 these purposes.

25 Sec. 39. Section 234.12A, subsection 1, paragraphs b and
26 c, Code 2001, are amended to read as follows:

27 b. A retailer providing electronic funds transfer system
28 equipment for transactions pursuant to the program shall be
29 reimbursed ~~fifteen~~ seven cents for each approved transaction
30 pursuant to the program utilizing the retailer's equipment.

31 c. A retailer that provides electronic funds transfer
32 system equipment for transactions pursuant to the program and
33 who makes cash disbursements pursuant to the program utilizing
34 the retailer's equipment shall be paid a fee of ~~fifteen~~ seven
35 cents by the department for each cash disbursement transaction

1 by the retailer.

2 Sec. 40. Section 235A.16, subsection 2, Code 2001, is
3 amended to read as follows:

4 2. a. Requests for child abuse information may be made
5 orally by telephone where a person making such a request
6 believes that the information is needed immediately and where
7 information sufficient to demonstrate authorized access is
8 provided. In the event that a request is made orally by
9 telephone, a written request form shall nevertheless be filed
10 within seventy-two hours.

11 b. The department of human services, in conjunction with
12 other departments and agencies of state government involved
13 with criminal history and abuse registry information, may
14 implement a single contact repository to allow employers and
15 other persons authorized access to child abuse information
16 under section 235A.15 to have electronic access to such
17 information in order to perform background checks for purposes
18 of employment.

19 Sec. 41. Section 239B.8, subsection 1, Code 2001, is
20 amended to read as follows:

21 1. PARTICIPATION -- EXEMPTIONS. A parent living in a home
22 with a child for whom an application for family investment
23 program assistance has been made or for whom the assistance is
24 provided, and all other individual members of the family whose
25 needs are included in the assistance shall be subject to a
26 family investment agreement unless exempt under rules adopted
27 by the department or unless any of the following conditions
28 exists:

29 ~~a. -- The individual is completely unable to participate in~~
30 ~~any agreement option due to disability.~~

31 ~~b. a. The individual is less than sixteen years of age and~~
32 ~~is not a parent.~~

33 ~~c. b. The individual is sixteen through eighteen years of~~
34 ~~age, is not a parent, and is attending elementary or secondary~~
35 ~~school, or the equivalent level of vocational or technical~~

1 school, on a full-time basis.

2 d- c. The individual is not a United States citizen and is
3 not a qualified alien as defined in 8 U.S.C. § 1641.

4 Sec. 42. Section 321.218A, Code 2001, is amended to read
5 as follows:

6 321.218A CIVIL PENALTY -- DISPOSITION -- REINSTATEMENT.

7 When the department suspends, revokes, or bars a person's
8 driver's license or nonresident operating privilege for a
9 conviction under this chapter, the department shall assess the
10 person a civil penalty of two hundred dollars. However, for
11 persons age nineteen or under, the civil penalty assessed
12 shall be fifty dollars. The civil penalty does not apply to a
13 suspension issued for a violation of section 321.180B. The
14 money collected by the department under this section shall be
15 transmitted to the treasurer of state who shall deposit the
16 money in the ~~general-fund-of-the-state~~ juvenile detention home
17 fund created in section 232.142. A temporary restricted
18 license shall not be issued or a driver's license or
19 nonresident operating privilege reinstated until the civil
20 penalty has been paid.

21 Sec. 43. Section 321A.32A, Code 2001, is amended to read
22 as follows:

23 321A.32A CIVIL PENALTY -- DISPOSITION -- REINSTATEMENT.

24 When the department suspends, revokes, or bars a person's
25 driver's license or nonresident operating privilege under this
26 chapter, the department shall assess the person a civil
27 penalty of two hundred dollars. However, for persons age
28 nineteen or under, the civil penalty assessed shall be fifty
29 dollars. The money collected by the department under this
30 section shall be transmitted to the treasurer of state who
31 shall deposit the money in the ~~general-fund-of-the-state~~
32 juvenile detention home fund created in section 232.142. A
33 temporary restricted license shall not be issued or a driver's
34 license or nonresident operating privilege reinstated until
35 the civil penalty has been paid.

1 Sec. 44. 2000 Iowa Acts, chapter 1228, section 8, is
2 amended by adding the following new subsection:
3 NEW SUBSECTION. 18. Notwithstanding section 8.33, the
4 state share of funds received by the state in this fiscal year
5 or the succeeding fiscal year in a settlement with a fiscal
6 agent shall not revert or be credited to the general fund but
7 shall be treated as a repayment receipt and remain available
8 to supplement funds appropriated in this section for the
9 fiscal period beginning July 1, 2000, and for any
10 appropriation made for medical assistance for the fiscal year
11 beginning July 1, 2001.

12 Sec. 45. 2000 Iowa Acts, chapter 1228, section 9, is
13 amended by adding the following new unnumbered paragraph:
14 NEW UNNUMBERED PARAGRAPH. Notwithstanding section 8.33,
15 moneys appropriated in this section that remain unencumbered
16 or unobligated at the close of the fiscal year shall not
17 revert but shall remain available for expenditure for the
18 purposes designated until the close of the succeeding fiscal
19 year.

20 Sec. 46. 2000 Iowa Acts, chapter 1232, section 1,
21 unnumbered paragraph 2, is amended to read as follows:
22 For distribution to counties of the county mental health,
23 mental retardation, and developmental disabilities allowed
24 growth factor adjustment, ~~in accordance with~~ in this section
25 in lieu of the provisions of section 331.438, subsection 2,
26 and section 331.439, subsection 3, and chapter 426B:

27 \$ 26,492,712
28 10,333,121

29 Sec. 47. EMERGENCY RULES. If specifically authorized by a
30 provision of this Act, the department of human services or the
31 mental health and developmental disabilities commission may
32 adopt administrative rules under section 17A.4, subsection 2,
33 and section 17A.5, subsection 2, paragraph "b", to implement
34 the provisions and the rules shall become effective
35 immediately upon filing, unless the effective date is delayed

1 by the administrative rules review committee, notwithstanding
2 section 17A.4, subsection 5, and section 17A.8, subsection 9,
3 or a later effective date is specified in the rules. Any
4 rules adopted in accordance with this section shall not take
5 effect before the rules are reviewed by the administrative
6 rules review committee. Any rules adopted in accordance with
7 the provisions of this section shall also be published as
8 notice of intended action as provided in section 17A.4.

9 Sec. 48. REPORTS. Any reports or information required to
10 be compiled and submitted under this Act shall be submitted to
11 the chairpersons and ranking members of the joint
12 appropriations subcommittee on human services, the legislative
13 fiscal bureau, the legislative service bureau, and to the
14 legislative caucus staffs on or before the dates specified for
15 submission of the reports or information.

16 Sec. 49. EQUIPMENT PURCHASE MORATORIUM.

17 1. Commencing on the effective date of this section, the
18 department of human services shall eliminate nonessential
19 equipment purchases otherwise payable from any appropriation
20 or transfer made to the department for the fiscal years
21 beginning July 1, 2000. Notwithstanding section 8.33,
22 * \$500,000 of the moneys appropriated and transfers made to the
23 department of human services for the fiscal year beginning
24 July 1, 2000, in 2000 Iowa Acts, chapters 1004, 1221, 1226,
25 1228, 1231, and 1232, and any other provision of law, that may
26 be used for equipment purposes, that remain unencumbered or
27 unobligated at the close of the fiscal year shall not revert
28 but shall remain available for expenditure for the purposes
29 designated in the appropriations made in this Act until the
30 close of the succeeding fiscal year.

31 Sec. 50. ADULT MENTAL HEALTH, MENTAL RETARDATION, AND
32 DEVELOPMENTAL DISABILITIES SERVICES FUNDING DECATEGORIZATION
33 PILOT PROJECT IMPLEMENTATION. The following target dates are
34 applicable to implementation of the adult mental health,
35 mental retardation, and developmental disabilities services

1 funding decategorization pilot project under section 331.440A:

2 1. May 2001: Representatives of the pilot project and the
3 department of human services shall visit Kansas City offices
4 of the federal health care financing administration to present
5 a concept paper and begin the development process for a
6 section 1915b waiver application and section 1915c waiver
7 amendment under the medical assistance program.

8 2. July 1, 2001: The department of human services shall
9 transfer responsibility for administering state case payments
10 to the pilot project counties, including the monthly payment
11 amount per eligible person provisions under the state's
12 administrative services only contract for state cases and the
13 applicable percentage of field operations staff expenses.

14 3. October 2001: Federal social services block grant
15 local purchase funding shall be directly transferred to the
16 pilot project counties.

17 4. January 2002: State supplementary assistance funding
18 and civil commitment funding shall be transferred to the pilot
19 project counties and the section 1915b waiver application and
20 the section 1915c waiver amendment under the medical
21 assistance program shall be submitted to the health care
22 financing administration of the United States department of
23 health and human services.

24 5. July 2002: The state portion of the costs attributable
25 to placements at a state mental health institute made from the
26 pilot project counties, and the portion of funding for mental
27 health and developmental disabilities services that is not
28 county funding, including state and federal medical assistance
29 program funding for such services, shall be transferred to the
30 pilot project counties.

31 2. Upon submission to the persons designated by this Act
32 for receiving reports of a report describing the transfers
33 being made, the department may transfer up to \$2,500,000 to
34 the appropriation in this Act for general administration from
35 moneys that are budgeted for purchase of equipment in other

1 appropriations made to the department in this Act.

2 Sec. 51. EFFECTIVE DATES. The following provisions of
3 this Act, being deemed of immediate importance, take effect
4 upon enactment:

5 1. Section 3, subsection 2, relating to nonreversion of
6 moneys allocated for electronic benefits transfer development.

7 2. Section 14, subsection 2, paragraph "e", relating to
8 requirements of section 232.143, for the 2001-2002 fiscal
9 year.

10 3. Section 14, subsection 14, paragraph "a", relating to
11 determining allocation of court-ordered services funding.

12 4. Section 26, subsection 2, relating to nonreversion of
13 moneys appropriated in 2000 Iowa Acts, chapter 1228, section
14 27.

15 5. Section 34, relating to nonreversion of moneys
16 appropriated in 2000 Iowa Acts, chapter 1221, section 1, for
17 home health care services, for home health care and
18 habilitative day care for children with special needs, and for
19 respite care provided through home and community-based waiver
20 services, and relating to nonreversion of moneys appropriated
21 in 2000 Iowa Acts, chapter 1221, section 3, for purchase of
22 service contract providers.

23 6. Section 44, relating to nonreversion of moneys
24 appropriated in 2000 Iowa Acts, chapter 1228, section 8, for
25 medical assistance repayment receipts.

26 7. Section 45, relating to nonreversion of moneys
27 appropriated in 2000 Iowa Acts, chapter 1228, section 9, for
28 the pharmaceutical case management study.

29 8. Section 49, relating to the equipment purchase
30 moratorium.

31 9. Section 50, relating to adult mental health, mental
32 retardation, and developmental disabilities services funding
33 decategorization pilot project implementation.

34

35

HOUSE FILE 732

S-3579

1 Amend House File 732, as amended, passed, and
 2 reprinted by the House, as follows:
 3 1. Page 42, by inserting after line 29, the
 4 following:
 5 "____. It is the intent of the general assembly
 6 that one of the state mental health institutes under
 7 this section be closed on or before January 1, 2002,
 8 and that any funds remaining unobligated and
 9 unencumbered under the appropriation in this section
 10 for that state mental health institute be transferred
 11 to the appropriation in this Act for child and family
 12 services."

13 2. By renumbering as necessary.
 By JOHNIE HAMMOND JACK HOLVECK
 MICHAEL E. GRONSTAL TOM FLYNN
 DENNIS H. BLACK PATRICIA HARPER

S-3579 FILED APRIL 30, 2001

*W/D
5/1/01 (p. 1426)*

HOUSE FILE 732

S-3574

1 Amend House File 732, as amended, passed, and
 2 reprinted by the House, as follows:
 3 1. Page 45, by inserting after line 17 the
 4 following:
 5 "Sec. ____ . MENTAL ILLNESS SPECIAL SERVICES. There
 6 is appropriated from the general fund of the state to
 7 the department of human services for the fiscal year
 8 beginning July 1, 2001, and ending June 30, 2002, the
 9 following amount, or so much thereof as is necessary,
 10 to be used for the purpose designated:

11 For mental illness special services:
 12 \$ 121,220

13 1. The department and the Iowa finance authority
 14 shall continue the financing for existing community-
 15 based facilities and the financing for the development
 16 of affordable community-based housing facilities. The
 17 department shall assure that clients are referred to
 18 the housing as it is developed.

19 2. The funds appropriated in this section are to
 20 provide funds for construction and start-up costs to
 21 develop community living arrangements to provide for
 22 persons with mental illness who are homeless. These
 23 funds may be used to match federal Stewart B. McKinney
 24 Homeless Assistance Act grant funds."

25 2. By renumbering as necessary.
 By ROBERT E. DVORSKY
 JOHNIE HAMMOND

S-3574 FILED APRIL 30, 2001

*Lost
5/1/01
(p. 1427)*

HOUSE FILE 732

S-3576

1 Amend House File 732 as amended, passed, and
 2 reprinted by the House, as follows:
 3 1. Page 36, by inserting after line 30, the
 4 following:
 5 "____. Of the funds appropriated in this section,
 6 the department shall use \$700,000 for day treatment
 7 and aftercare services for juvenile females with
 8 provider selection made through a request for
 9 proposals process. The goal of providing the services
 10 is to ensure permanency, safety, and self-sufficiency
 11 for juvenile females."
 12 2. By renumbering as necessary.

By MAGGIE TINSMAN
 JOHNIE HAMMOND

S-3576 FILED APRIL 30, 2001

Adopted 5/1/01 (p. 1426)

HOUSE FILE 732

S-3577

1 Amend House File 732, as amended, passed, and
 2 reprinted by the House, as follows:
 3 1. Page 24, line 21, by striking the figure
 4 "8,400,000" and inserting the following:
 5 "10,107,951".

By JOHNIE HAMMOND	MIKE CONNOLLY
MICHAEL E. GRONSTAL	PATRICIA HARPER
DENNIS H. BLACK	ROBERT E. DVORSKY
JACK HOLVECK	EUGENE S. FRAISE
BETTY A. SOUKUP	JOE BOLKCOM
MARK SHEARER	JOHN P. KIBBIE
TOM FLYNN	BILL FINK
PATRICK J. DELUHERY	

S-3577 FILED APRIL 30, 2001

Lost 5/1/01 (p. 1426)

HOUSE FILE 732

S-3578

1 Amend House File 732 as follows:
 2 1. Page 49, line 14, by striking the figure
 3 "49,100,000" and inserting the following:
 4 "51,600,000".
 5 2. Page 49, line 15, by striking the figure
 6 "2,128.50" and inserting the following: "2,182.66".
 7 3. By striking page 49, line 26 through page 50,
 8 line 6.

By JOHNIE HAMMOND	ROBERT E. DVORSKY
MICHAEL E. GRONSTAL	EUGENE S. FRAISE
DENNIS H. BLACK	JOE BOLKCOM
JACK HOLVECK	JOHN P. KIBBIE
TOM FLYNN	BILL FINK
PATRICIA HARPER	

S-3578 FILED APRIL 30, 2001

Lost 5/1/01 (p. 1428)

HOUSE FILE 732

S-3580

1 Amend House File 732, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 53, by inserting after line 13 the
4 following:

5 "Sec. ____ CHILD PROTECTION INITIATIVE.

6 1. Notwithstanding section 8.55, subsection 3,
7 there is appropriated from the Iowa economic emergency
8 fund, to the department of human services for the
9 fiscal year beginning July 1, 2001, and ending June
10 30, 2002, the following amounts, or so much thereof as
11 is necessary, to be used for the purposes designated:

12 a. For supplementation of the appropriation made
13 in this Act for child and family services in
14 accordance with this lettered paragraph:

15 \$ 573,307

16 ____ Of the funds appropriated in this lettered
17 paragraph, up to \$335,866 shall be used to implement a
18 quality assurance team for child protection services
19 and up to \$237,441 shall be used to provide training
20 to mandatory reporters of child abuse and to provide
21 consultation services with mandatory reporters to
22 improve the appropriate reporting of child abuse.

23 b. For supplementation of the appropriation made
24 in this Act for field operations for additional social
25 workers and social worker supervisors in order to
26 reduce or prevent future occurrences of child abuse,
27 including salaries, support, maintenance,
28 miscellaneous purposes, worker training, and reduction
29 of caseload per worker and for not more than the
30 following full-time equivalent positions:

31 \$ 4,883,486

32 FTES 44.00

33 2. In addition to the full-time equivalent
34 positions authorized in the appropriation made in this
35 Act for general administration, the department is
36 authorized 7.00 FTEs."

By JOHNIE HAMMOND
BETTY A. SOUKUP
PATRICIA HARPER
THOMAS FIEGEN
MARK SHEARER
ROBERT E. DVORSKY
TOM FLYNN
EUGENE S. FRAISE
JOHN P. KIBBIE
MIKE CONNOLLY

PATRICK J. DELUHERY
JOE BOLKCOM
JACK HOLVECK
MICHAEL E. GRONSTAL
DICK L. DEARDEN
MATT McCOY
WALLY E. HORN
BILL FINK
STEVEN D. HANSEN
DENNIS H. BLACK

S-3580 FILED APRIL 30, 2001

Lost
5/1/01
(P. 1429)

HOUSE FILE 732

S-3581

- 1 Amend House File 732, as amended, passed, and
- 2 reprinted by the House, as follows:
- 3 1. Page 4, line 22, by striking the figure
- 4 "731,000" and inserting the following: "1,231,000".
- 5 2. By striking page 5, line 19, through page 6,
- 6 line 26.
- 7 3. By striking page 60, line 32, through page 61,
- 8 line 13.
- 9 4. By renumbering as necessary.

By JOHNIE HAMMOND
PATRICIA HARPER
MARK SHEARER

BETTY A. SOUKUP
JACK HOLVECK

S-3581 FILED APRIL 30, 2001

*Lost
5/1/01
(p. 1425)*

HOUSE FILE 732

S-3582

1 Amend House File 732, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 6, by inserting after line 26, the
4 following:

5 "18. The department shall report on or before
6 December 15, 2001, to the governor and to the persons
7 designated by this Act to receive reports providing a
8 detailed analysis as to how federal temporary
9 assistance for needy families block grant funding was
10 expended during the previous fiscal year to achieve
11 the four purposes for the funding as outlined in 42
12 U.S.C. § 601(a). For each category of expenditure,
13 the analysis shall identify which of the four purposes
14 was addressed and the amount expended."

15 2. Page 12, by inserting after line 15, the
16 following:

17 "d. For the food stamp employment and training
18 program:

19 \$ 150,000"

20 3. Page 29, by striking lines 10 through 12.

21 4. Page 38, by striking lines 5 and 6 and
22 inserting the following:

23 "Sec. 17. COMMUNITY-BASED PROGRAMS.
24 There is appropriated from the general fund of".

25 5. Page 62, by striking lines 11 through 18, and
26 inserting the following:

27 "b. The department of inspections and appeals may
28 provide access to the single contact repository
29 established under section 135C.33, subsection 6, for
30 criminal and abuse history checks made by those
31 employers, agencies, and other persons that are
32 authorized access to child abuse information under
33 section 235A.15 and are required by law to perform
34 such checks."

35 6. Page 65, by inserting after line 30 the
36 following:

37 "2. Upon submission to the persons designated by
38 this Act for receiving reports of a report describing
39 the transfers being made, the department may transfer
40 up to \$2,500,000 to the appropriation in this Act for
41 general administration from moneys that are budgeted
42 for purchase of equipment in other appropriations made
43 to the department in this Act."

44 7. By striking page 66, line 31 through page 67,
45 line 1.

46 8. By renumbering as necessary.

By KEN VEENSTRA

S-3582 FILED APRIL 30, 2001

o/o
5/1/01

HOUSE FILE 732

S-3585

1 Amend House File 732, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 6, lines 5 and 6, by striking the words
4 "leaders of faith-based organizations to utilize" and
5 inserting the following: "individuals who are
6 authorized to solemnize a marriage under section
7 595.10 in utilizing".
8 2. Page 6, lines 7 and 8, by striking the words
9 "the respective faith-based organization" and
10 inserting the following: "such individuals".

By KEN VEENSTRA

S-3585 FILED APRIL 30, 2001

0/0

5/1/01

HOUSE FILE 732

S-3586

1 Amend House File 732, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 58, by inserting after line 24 the
4 following:
5 "____. The department of human services shall
6 review the disparity between the compensation provided
7 to public employees who provide child welfare services
8 relative to employees of private providers who have
9 qualifications or job responsibilities that are
10 comparable to the public employees'. The department
11 shall submit to the governor and to those persons
12 designated by this Act to be provided with reports, a
13 report of its review, including findings and a plan
14 for reducing the disparity."

15 2. By renumbering as necessary.
16

By KEN VEENSTRA

S-3586 FILED APRIL 30, 2001

0/0

5/1/01

(P. 1425)

HOUSE FILE 732

S-3587

1 Amend House File 732 as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 58, by inserting after line 26, the
4 following:

5 "Sec. ____ . REBUILD IOWA INFRASTRUCTURE FUND-
6 APPROPRIATION.

7 Notwithstanding provisions to the contrary in
8 section 8.57, subsection 5, paragraph "e", there is
9 appropriated from the rebuild Iowa infrastructure fund
10 created in section 8.57, subsection 5, to the
11 department of human services, for the fiscal year
12 beginning July 1, 2001, and ending June 30, 2002, the
13 following amounts or so much thereof as is necessary
14 for utility costs:

- 15 1. For the Iowa juvenile home at Toledo:
16 \$ 30,000
- 17 2. For the state training school at Eldora:
18 \$ 136,032
- 19 3. For the state mental health institute at
20 Cherokee:
21 \$ 158,176
- 22 4. For the state mental health institute at
23 Clarinda:
24 \$ 46,000
- 25 5. For the state mental health institute at
26 Independence:
27 \$ 108,781
- 28 6. For the state mental health institute at Mount
29 Pleasant:
30 \$ 42,000
- 31 7. For the state resource center at Glenwood:
32 \$ 117,200
- 33 8. For the state resource center at Woodward:
34 \$ 348,992"
- 35 2. By renumbering as necessary.

By KITTY REHBERG

S-3587 FILED APRIL 30, 2001

5/1/01 W/D

(P. 1429)

HOUSE FILE 732

S-3589

1 Amend House File 732, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 4, line 32, by inserting after the word
4 "outcomes." the following: "Grants shall comply with
5 the requirements provided in 1997 Iowa Acts, chapter
6 208, section 14, subsections 1 and 2, including the
7 requirement that grant programs must emphasize sexual
8 abstinence."

9 2. Page 6, lines 5 and 6, by striking the words
10 "leaders of faith-based organizations to utilize" and
11 inserting the following: "individuals who are
12 authorized to solemnize a marriage under section
13 595.10 in utilizing".

14 3. Page 6, lines 7 and 8, by striking the words
15 "the respective faith-based organization" and
16 inserting the following: "such individuals".

17 4. Page 6, by inserting after line 26, the
18 following:

19 "18. The department shall report on or before
20 December 15, 2001, to the governor and to the persons
21 designated by this Act to receive reports providing a
22 detailed analysis as to how federal temporary
23 assistance for needy families block grant funding was
24 expended during the previous fiscal year to achieve
25 the four purposes for the funding as outlined in 42
26 U.S.C. § 601(a). For each category of expenditure,
27 the analysis shall identify which of the four purposes
28 was addressed and the amount expended."

29 5. Page 12, by inserting after line 15, the
30 following:

31 "d. For the food stamp employment and training
32 program:

33 \$ 150,000"

34 6. Page 23, line 28, by striking the word
35 "(NSAIDS)".

36 7. Page 25, by inserting after line 32 the
37 following:

38 "In any managed care contract for mental health or
39 substance abuse services entered into or extended by
40 the department on or after July 1, 2001, the request
41 for proposals shall provide for coverage of dual
42 diagnosis mental health and substance abuse treatment
43 provided at the state mental health institute at Mount
44 Pleasant. To the extent possible, the department
45 shall also amend any such contract existing on July 1,
46 2001, to provide for such coverage."

47 8. Page 29, by striking lines 10 through 12.

48 9. Page 38, by striking lines 5 and 6 and
49 inserting the following:

50 "Sec. 17. COMMUNITY-BASED PROGRAMS.

S-3589

S-3589

Page 2

1 There is appropriated from the general fund of".

2 10. Page 58, by inserting after line 24 the

3 following:

4 "____. The department of human services shall

5 review the disparity between the compensation provided

6 to public employees who provide child welfare services

7 relative to employees of private providers who have

8 qualifications or job responsibilities that are

9 comparable to the public employees. The department

10 shall submit to the governor and to those persons

11 designated by this Act to be provided with reports, a

12 report of its review, including findings and a plan

13 for reducing the disparity."

14 11. Page 62, by striking lines 11 through 18, and

15 inserting the following:

16 "b. The department of inspections and appeals may

17 provide access to the single contact repository

18 established under section 135C.33, subsection 6, for

19 criminal and abuse history checks made by those

20 employers, agencies, and other persons that are

21 authorized access to child abuse information under

22 section 235A.15 and are required by law to perform

23 such checks."

24 12. Page 65, by inserting after line 30 the

25 following:

26 "2. Upon submission to the persons designated by

27 this Act for receiving reports of a report describing

28 the transfers being made, the department may transfer

29 up to \$2,500,000 to the appropriation in this Act for

30 general administration from moneys that are budgeted

31 for purchase of equipment in other appropriations made

32 to the department in this Act."

33 13. By striking page 66, line 31 through page 67,

34 line 1.

35 14. By renumbering as necessary.

By KEN VEENSTRA

S-3589 FILED MAY 1, 2001

ADOPTED

(p. 1425)

HOUSE FILE 732

S-3593

1 Amend House File 732, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 63, by inserting after line 35 the
4 following:

5 "Sec. ____ . Section 426B.2, subsection 3, Code
6 2001, is amended to read as follows:

7 3. The director of human services shall draw
8 warrants on the property tax relief fund, payable to
9 the county treasurer in the amount due to a county in
10 accordance with subsection 1 and mail the warrants to
11 the county auditors in ~~September~~ July and ~~March~~
12 January of each year."

13 2. Page 64, by striking lines 20 through 28 and
14 inserting the following:

15 "Sec. 101. 2000 Iowa Acts, chapter 1232, section
16 1, is amended to read as follows:

17 SECTION 1. COUNTY MENTAL HEALTH, MENTAL
18 RETARDATION, AND DEVELOPMENTAL DISABILITIES ALLOWED
19 GROWTH FACTOR ADJUSTMENT ~~AND ALLOCATIONS~~. There is
20 appropriated from the general fund of the state to the
21 department of human services for the fiscal year
22 beginning July 1, 2001, and ending June 30, 2002, the
23 following amount, or so much thereof as is necessary,
24 to be used for the purpose designated:

25 For distribution to counties of the county mental
26 health, mental retardation, and developmental
27 disabilities allowed growth factor adjustment, ~~in~~
28 ~~accordance with section 331.438, subsection 2, and~~
29 ~~section 331.439, subsection 3, and chapter 426B in~~
30 accordance with law:

31 \$ ~~26,492,712~~
32 24,887,428

33 The funding appropriated in this section is the
34 allowed growth factor adjustment for fiscal year 2001-
35 2002, and is allocated as follows:

36 1. For distribution to counties for fiscal year
37 2001-2002 in accordance with the formula in section
38 331.438, subsection 2, paragraph "b":

39 \$ 12,000,000

40 2. For deposit in the per capita expenditure
41 target pool created in the property tax relief fund
42 pursuant to section 426B.5, subsection 1:

43 \$ ~~10,492,712~~
44 12,492,712

45 ~~In addition to the requirement of section 426B.5,~~
46 ~~subsection 1, paragraph "c", limiting eligibility for~~
47 ~~moneys appropriated in this paragraph to counties~~
48 ~~levying the maximum amount allowed, both of the~~
49 ~~following eligibility requirements are applicable:~~

50 a. ~~In the fiscal year beginning July 1, 2000, the~~

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~~1 county's services fund ending balance under generally
2 accepted accounting principles was equal to or less
3 than 35 percent of the county's projected expenditures
4 for that fiscal year.~~

~~5 b. The county is in compliance with the filing
6 date requirements under section 331.403.~~

~~7 3. For deposit in the incentive and efficiency
8 pool created in the property tax relief fund pursuant
9 to section 426B.5, subsection 2:~~

10 \$ ~~2,000,000~~

11 4. 3. For deposit in the risk pool created in the
12 property tax relief fund pursuant to section 426B.5,
13 subsection 3:

14 \$ ~~2,000,000~~

15 394,716

16 Sec. ____ COUNTY MENTAL HEALTH, MENTAL
17 RETARDATION, AND DEVELOPMENTAL DISABILITIES (MH/MR/DD)
18 ALLOWED GROWTH FACTOR ADJUSTMENT AND ALLOCATIONS --
19 REVISED ALLOCATIONS FOR FY 2001-2002.

20 1. Notwithstanding any contrary provisions of
21 sections 225C.7, 331.438, subsection 2, 331.439,
22 subsection 3, and 426B.5, and 2000 Iowa Acts, chapter
23 1232, section 1, as amended by this Act, the moneys
24 appropriated in this Act, for distribution to counties
25 in the fiscal year beginning July 1, 2001, for
26 purposes of the mental health and developmental
27 disabilities (MH/DD) community services fund under
28 section 225C.7, and for the allowed growth factor
29 adjustment for services paid under a county's section
30 331.424A mental health, mental retardation, and
31 developmental disabilities services fund shall be
32 subject to withholding as provided in this section.

33 2. After applying the applicable statutory
34 distribution formulas to the amounts specified in the
35 appropriations made in this Act for the MH/DD
36 community services fund and for allowed growth in
37 section 101, as amended by this Act, the department of
38 human services shall apply a withholding factor to
39 adjust the actual amount of the funding to be
40 distributed to an eligible individual county. An
41 ending balance percentage for each county shall be
42 determined by calculating the county's ending balance
43 on a modified accrual basis under generally accepted
44 accounting principles for the fiscal year beginning
45 July 1, 2000, in the county's mental health, mental
46 retardation, and developmental disabilities services
47 fund created under section 331.424A, as a percentage
48 of the county's gross expenditures from that fund for
49 the fiscal year. The withholding factor for a county
50 shall be the following applicable percent:

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- 1 a. For an ending balance percentage of less than
2 15 percent, a withholding factor of 0 percent.
3 b. For an ending balance percentage of 15 through
4 24 percent, a withholding factor of 12.8 percent.
5 c. For an ending balance percentage of 25 through
6 34 percent, a withholding factor of 35 percent.
7 d. For an ending balance percentage of 35 through
8 44 percent, a withholding factor of 67.25 percent.
9 e. For an ending balance percentage of 45 percent
10 or more, a withholding factor of 100 percent.
- 11 3. The total withholding amounts applied pursuant
12 to subsection 2 shall be equal to a withholding target
13 amount of \$15,554,307 and the appropriations made in
14 this Act for the MH/DD community services fund and for
15 MH/MR/DD allowed growth as amended in section 101 of
16 this Act, shall each be reduced by 50 percent of the
17 withholding target amount. If the department of human
18 services determines that the amount to be withheld in
19 accordance with subsection 2 is not equal to the
20 target withholding amount, the department shall adjust
21 the ending balance percentage ranges listed in
22 subsection 2, as necessary to achieve the withholding
23 target amount.
- 24 4. Only those counties that are in compliance with
25 the December 1, 2001, filing deadline for the county
26 annual financial report in accordance with section
27 331.403 are eligible to receive a funding distribution
28 under this section. The amount that would otherwise
29 be available for distribution to a county that fails
30 to so comply shall be proportionately distributed
31 among the eligible counties.
- 32 5. The department of human services shall
33 authorize the issuance of warrants payable to the
34 county treasurer for the distribution amounts due to
35 the counties eligible under this section and
36 notwithstanding prior practice for the MH/DD community
37 services fund, the warrants shall be issued in January
38 2002."
- 39 3. By renumbering as necessary.

By KEN VEENSTRA**S-3593 FILED MAY 1, 2001**

ADOPTED

(P. 1434)

HOUSE FILE 732

S-3594

1 Amend the amendment, S-3587 to House File 732, as
2 amended, passed, and reprinted by the House, as
3 follows:

4 1. Page 1, by striking lines 13 through 34, and
5 inserting the following: "following amount or so much
6 thereof as is necessary for transfer to the department
7 of human rights to be used for the low-income home
8 energy assistance program:

9 \$ 987,181"

By ROBERT E. DVORSKY

S-3594 FILED MAY 1, 2001
RULED OUT OF ORDER

(P.1429)

SENATE AMENDMENT TO HOUSE FILE 732

H-1855

1 Amend House File 732, as amended, passed, and
 2 reprinted by the House, as follows:
 3 1. Page 4, line 32, by inserting after the word
 4 "outcomes." the following: "Grants shall comply with
 5 the requirements provided in 1997 Iowa Acts, chapter
 6 208, section 14, subsections 1 and 2, including the
 7 requirement that grant programs must emphasize sexual
 8 abstinence."

9 2. Page 6, lines 5 and 6, by striking the words
 10 "leaders of faith-based organizations to utilize" and
 11 inserting the following: "individuals who are
 12 authorized to solemnize a marriage under section
 13 595.10 in utilizing".

14 3. Page 6, lines 7 and 8, by striking the words
 15 "the respective faith-based organization" and
 16 inserting the following: "such individuals".

17 4. Page 6, by inserting after line 26, the
 18 following:

19 "18. The department shall report on or before
 20 December 15, 2001, to the governor and to the persons
 21 designated by this Act to receive reports providing a
 22 detailed analysis as to how federal temporary
 23 assistance for needy families block grant funding was
 24 expended during the previous fiscal year to achieve
 25 the four purposes for the funding as outlined in 42
 26 U.S.C. § 601(a). For each category of expenditure,
 27 the analysis shall identify which of the four purposes
 28 was addressed and the amount expended."

29 5. Page 12, by inserting after line 15, the
 30 following:

31 "d. For the food stamp employment and training
 32 program:

33 \$ 150,000"

34 6. Page 23, line 28, by striking the word
 35 "(NSAIDS)".

36 7. Page 25, by inserting after line 32 the
 37 following:

38 "In any managed care contract for mental health or
 39 substance abuse services entered into or extended by
 40 the department on or after July 1, 2001, the request
 41 for proposals shall provide for coverage of dual
 42 diagnosis mental health and substance abuse treatment
 43 provided at the state mental health institute at Mount
 44 Pleasant. To the extent possible, the department
 45 shall also amend any such contract existing on July 1,
 46 2001, to provide for such coverage."

47 8. Page 29, by striking lines 10 through 12.

48 9. Page 36, by inserting after line 30, the
 49 following:

50 "____. Of the funds appropriated in this section,

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1 the department shall use \$700,000 for day treatment
2 and aftercare services for juvenile females with
3 provider selection made through a request for
4 proposals process. The goal of providing the services
5 is to ensure permanency, safety, and self-sufficiency
6 for juvenile females."

7 10. Page 38, by striking lines 5 and 6 and
8 inserting the following:

9 "Sec. 17. COMMUNITY-BASED PROGRAMS.

10 There is appropriated from the general fund of".

11 11. Page 58, by inserting after line 24 the
12 following:

13 "____. The department of human services shall
14 review the disparity between the compensation provided
15 to public employees who provide child welfare services
16 relative to employees of private providers who have
17 qualifications or job responsibilities that are
18 comparable to the public employees. The department
19 shall submit to the governor and to those persons
20 designated by this Act to be provided with reports, a
21 report of its review, including findings and a plan
22 for reducing the disparity."

23 12. Page 62, by striking lines 11 through 18, and
24 inserting the following:

25 "b. The department of inspections and appeals may
26 provide access to the single contact repository
27 established under section 135C.33, subsection 6, for
28 criminal and abuse history checks made by those
29 employers, agencies, and other persons that are
30 authorized access to child abuse information under
31 section 235A.15 and are required by law to perform
32 such checks."

33 13. Page 63, by inserting after line 35 the
34 following:

35 "Sec. _____. Section 426B.2, subsection 3, Code
36 2001, is amended to read as follows:

37 3. The director of human services shall draw
38 warrants on the property tax relief fund, payable to
39 the county treasurer in the amount due to a county in
40 accordance with subsection 1 and mail the warrants to
41 the county auditors in ~~September~~ July and ~~March~~
42 January of each year."

43 14. Page 64, by striking lines 20 through 28 and
44 inserting the following:

45 "Sec. 101. 2000 Iowa Acts, chapter 1232, section
46 1, is amended to read as follows:

47 SECTION 1. COUNTY MENTAL HEALTH, MENTAL
48 RETARDATION, AND DEVELOPMENTAL DISABILITIES ALLOWED
49 GROWTH FACTOR ADJUSTMENT ~~AND ALLOCATIONS~~. There is
50 appropriated from the general fund of the state to the

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1 department of human services for the fiscal year
2 beginning July 1, 2001, and ending June 30, 2002, the
3 following amount, or so much thereof as is necessary,
4 to be used for the purpose designated:

5 For distribution to counties of the county mental
6 health, mental retardation, and developmental
7 disabilities allowed growth factor adjustment, ~~in~~
8 ~~accordance with section 331.438, subsection 2, and~~
9 ~~section 331.439, subsection 3, and chapter 426B in~~
10 accordance with law:

11 \$ 26,492,712
12 24,887,428

13 The funding appropriated in this section is the
14 allowed growth factor adjustment for fiscal year 2001-
15 2002, and is allocated as follows:

16 1. For distribution to counties for fiscal year
17 2001-2002 in accordance with the formula in section
18 331.438, subsection 2, paragraph "b":
19 \$ 12,000,000

20 2. For deposit in the per capita expenditure
21 target pool created in the property tax relief fund
22 pursuant to section 426B.5, subsection 1:
23 \$ 10,492,712
24 12,492,712

25 ~~In addition to the requirement of section 426B.5,~~
26 ~~subsection 1, paragraph "e", limiting eligibility for~~
27 ~~moneys appropriated in this paragraph to counties~~
28 ~~levying the maximum amount allowed, both of the~~
29 ~~following eligibility requirements are applicable:~~

30 a. ~~In the fiscal year beginning July 1, 2000, the~~
31 ~~county's services fund ending balance under generally~~
32 ~~accepted accounting principles was equal to or less~~
33 ~~than 35 percent of the county's projected expenditures~~
34 ~~for that fiscal year.~~

35 b. ~~The county is in compliance with the filing~~
36 ~~date requirements under section 331.403.~~

37 3. ~~For deposit in the incentive and efficiency~~
38 ~~pool created in the property tax relief fund pursuant~~
39 ~~to section 426B.5, subsection 2:~~
40 \$ 2,000,000

41 4. 3. For deposit in the risk pool created in the
42 property tax relief fund pursuant to section 426B.5,
43 subsection 3:
44 \$ 2,000,000
45 394,716

46 Sec. ____ COUNTY MENTAL HEALTH, MENTAL
47 RETARDATION, AND DEVELOPMENTAL DISABILITIES (MH/MR/DD)
48 ALLOWED GROWTH FACTOR ADJUSTMENT AND ALLOCATIONS --
49 REVISED ALLOCATIONS FOR FY 2001-2002.

50 1. Notwithstanding any contrary provisions of

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1 sections 225C.7, 331.438, subsection 2, 331.439,
2 subsection 3, and 426B.5, and 2000 Iowa Acts, chapter
3 1232, section 1, as amended by this Act, the moneys
4 appropriated in this Act, for distribution to counties
5 in the fiscal year beginning July 1, 2001, for
6 purposes of the mental health and developmental
7 disabilities (MH/DD) community services fund under
8 section 225C.7, and for the allowed growth factor
9 adjustment for services paid under a county's section
10 331.424A mental health, mental retardation, and
11 developmental disabilities services fund shall be
12 subject to withholding as provided in this section.

13 2. After applying the applicable statutory
14 distribution formulas to the amounts specified in the
15 appropriations made in this Act for the MH/DD
16 community services fund and for allowed growth in
17 section 101, as amended by this Act, the department of
18 human services shall apply a withholding factor to
19 adjust the actual amount of the funding to be
20 distributed to an eligible individual county. An
21 ending balance percentage for each county shall be
22 determined by calculating the county's ending balance
23 on a modified accrual basis under generally accepted
24 accounting principles for the fiscal year beginning
25 July 1, 2000, in the county's mental health, mental
26 retardation, and developmental disabilities services
27 fund created under section 331.424A, as a percentage
28 of the county's gross expenditures from that fund for
29 the fiscal year. The withholding factor for a county
30 shall be the following applicable percent:

- 31 a. For an ending balance percentage of less than
32 15 percent, a withholding factor of 0 percent.
33 b. For an ending balance percentage of 15 through
34 24 percent, a withholding factor of 12.8 percent.
35 c. For an ending balance percentage of 25 through
36 34 percent, a withholding factor of 35 percent.
37 d. For an ending balance percentage of 35 through
38 44 percent, a withholding factor of 67.25 percent.
39 e. For an ending balance percentage of 45 percent
40 or more, a withholding factor of 100 percent.

41 3. The total withholding amounts applied pursuant
42 to subsection 2 shall be equal to a withholding target
43 amount of \$15,554,307 and the appropriations made in
44 this Act for the MH/DD community services fund and for
45 MH/MR/DD allowed growth as amended in section 101 of
46 this Act, shall each be reduced by 50 percent of the
47 withholding target amount. If the department of human
48 services determines that the amount to be withheld in
49 accordance with subsection 2 is not equal to the
50 target withholding amount, the department shall adjust

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1 the ending balance percentage ranges listed in
2 subsection 2, as necessary to achieve the withholding
3 target amount.

4 4. Only those counties that are in compliance with
5 the December 1, 2001, filing deadline for the county
6 annual financial report in accordance with section
7 331.403 are eligible to receive a funding distribution
8 under this section. The amount that would otherwise
9 be available for distribution to a county that fails
10 to so comply shall be proportionately distributed
11 among the eligible counties.

12 5. The department of human services shall
13 authorize the issuance of warrants payable to the
14 county treasurer for the distribution amounts due to
15 the counties eligible under this section and
16 notwithstanding prior practice for the MH/DD community
17 services fund, the warrants shall be issued in January
18 2002."

19 15. Page 65, by inserting after line 30 the
20 following:

21 "2. Upon submission to the persons designated by
22 this Act for receiving reports of a report describing
23 the transfers being made, the department may transfer
24 up to \$2,500,000 to the appropriation in this Act for
25 general administration from moneys that are budgeted
26 for purchase of equipment in other appropriations made
27 to the department in this Act."

28 16. By striking page 66, line 31 through page 67,
29 line 1.

30 17. By renumbering, relettering, or redesignating
31 and correcting internal references as necessary.

RECEIVED FROM THE SENATE

H-1855 FILED MAY 1, 2001*Concurred, as amended 5/3/01 (p. 1839)*

HOUSE FILE 732**H-1934**

1 Amend the Senate amendment, H-1855, to House File
2 732, as amended, passed, and reprinted by the House,
3 as follows:
4 1. Page 2, by inserting after line 10, the
5 following:
6 "____. Page 50, by striking lines 31 through 35,
7 and inserting the following: "assistance for state
8 child protection staff and for services and activities
9 currently funded with juvenile court services, county,
10 or community moneys and state moneys used in
11 combination with such moneys."
12 "____. Page 51, lines 9 and 10, by striking the
13 words "child protection".
14 2. Page 2, by inserting after line 22, the
15 following:
16 "____. Page 58, line 33, by inserting after the
17 word "funding" the following: "or to implement, in
18 accordance with this Act, targeted case management for
19 child protection and for activities currently funded
20 with juvenile court services, county, or community
21 moneys and state moneys used in combination with such
22 moneys".
23 3. By renumbering as necessary.

By HEATON of Henry

H-1934 FILED MAY 2, 2001

Adapted 5/3/01 (p. 1838)

HOUSE FILE 732**H-1982**

1 Amend the Senate amendment, H-1855, to House File
2 732, as amended, passed, and reprinted by the House,
3 as follows:
4 1. Page 4, by striking lines 46 and 47, and
5 inserting the following: "this Act, shall be reduced
6 by the amounts necessary to attain the withholding
7 target amount. If the department of human".
8 2. Page 5, by striking lines 1 through 3, and
9 inserting the following: "the withholding factors
10 listed in subsection 2 as necessary to achieve the
11 withholding target amount. However, in making such
12 adjustments to the withholding factors the department
13 shall strive to minimize changes to the withholding
14 factors for those ending balance percentage ranges
15 that are lower than others and shall not adjust the
16 zero withholding factor specified in subsection 2,
17 paragraph "a".

By CARROLL of Poweshiek

H-1982 FILED MAY 3, 2001

Adapted (p. 1839)

HOUSE AMENDMENT TO SENATE AMENDMENT TO
HOUSE FILE 732

S-3651

1 Amend the Senate amendment, H-1855, to House File
2 732, as amended, passed, and reprinted by the House,
3 as follows:

4 1. Page 2, by inserting after line 10, the
5 following:

6 "____. Page 50, by striking lines 31 through 35,
7 and inserting the following: "assistance for state
8 child protection staff and for services and activities
9 currently funded with juvenile court services, county,
10 or community moneys and state moneys used in
11 combination with such moneys."

12 "____. Page 51, lines 9 and 10, by striking the
13 words "child protection".

14 2. Page 2, by inserting after line 22, the
15 following:

16 "____. Page 58, line 33, by inserting after the
17 word "funding" the following: "or to implement, in
18 accordance with this Act, targeted case management for
19 child protection and for activities currently funded
20 with juvenile court services, county, or community
21 moneys and state moneys used in combination with such
22 moneys".

23 3. Page 4, by striking lines 46 and 47, and
24 inserting the following: "this Act, shall be reduced
25 by the amounts necessary to attain the withholding
26 target amount. If the department of human".

27 4. Page 5, by striking lines 1 through 3, and
28 inserting the following: "the withholding factors
29 listed in subsection 2 as necessary to achieve the
30 withholding target amount. However, in making such
31 adjustments to the withholding factors the department
32 shall strive to minimize changes to the withholding
33 factors for those ending balance percentage ranges
34 that are lower than others and shall not adjust the
35 zero withholding factor specified in subsection 2,
36 paragraph "a".

37 5. By renumbering, relettering, or redesignating
38 and correcting internal references as necessary.

RECEIVED FROM THE HOUSE

S-3651 FILED MAY 3, 2001

CONCURRED (p.1506)



THOMAS J. VILSACK
GOVERNOR

OFFICE OF THE GOVERNOR

SALLY J. PEDERSON
LT. GOVERNOR

May 31, 2001

The Honorable Chester Culver
Secretary of State of Iowa
State Capitol Building
LOCAL

JUN 1 1 2001

Dear Mr. Secretary:

I hereby transmit House File 732, an Act relating to appropriations for the Department of Human Services and including other provisions and appropriations involving human services and health care, and providing effective dates.

The human services appropriations bill is a vitally important measure for literally hundreds of thousands of Iowans. For many of our neighbors, family members, and friends, it provides the services they most need to assist families, assure basic health care for children, nursing home care for senior citizens, treatment for those with mental illness, and assistance for those with mental retardation or developmental disabilities.

I am deeply saddened that House File 732 is the best that the legislature was willing to enact. In many ways, this bill is a cruel hoax on Iowans. The legislature purports to provide additional resources to help abused children, but the reality is that funding for child protection services is reduced. It allocates an additional 75 social workers to the department, giving the appearance that they were serious about addressing the need to have adequate staffing to protect children. However, the total number of staff allotted to the department to work on child protection and to provide services that help strengthen families has been reduced. They include language that appears to appropriate funds for a central intake center to receive child abuse reports. However, those funds are not available unless the legislature takes specific action in 2002. The reality is that the total state funding to assist children who are vulnerable to abuse has been reduced, not increased. In addition, funding for health care services for children and people with special needs has also been reduced and is not adequate to meet expected needs.

House File 732 provides general fund appropriations that are \$19.4 million below the revised level that I recommended and \$7.5M below FY01 funding. These cuts will negatively impact the Department's ability to carry out its duties in an effective manner. It also adds responsibilities to the department at the same time it cuts funding. Therefore, I am unable to approve House File 732 in its entirety.

House File 732 is, therefore, signed on this date with the following exceptions, which I hereby disapprove.

I am unable to approve the item designated as Section 2, subsection 17 in its entirety. A new marriage initiative program is proposed with \$500,000 from the Temporary Assistance to Needy Families Block Grant. Funding currently available to the state for child care programs was reduced to begin this program. The need for child care is vitally important for many Iowans as it provides them the ability to remain employed and support their families. A waiting list currently exists for child care assistance and the demand for those services continues to grow. I am unable to justify beginning a new program when the state has a waiting list for people who need child care assistance. I would also note that under the Accountable Government Act, state programs must set standards of accountability. This language does not indicate that such standards would be required, thus providing no clear means for Iowans to determine that this is a wise use of state resources. However, I am approving section 37 of this bill that establishes the Iowa Marriage Initiative Grant Fund. This fund will allow any federal funds specifically made available for this purpose could be used for that program.

I am unable to approve the item designated as Section 2, subsection 18, first paragraph. This language requires the department to report on how federal Temporary Assistance to Needy Families complies with the four purposes outlined in federal law. The Legislature is required to appropriate TANF funds to meet these guidelines. Information is currently available on how it is spent and is available to the public without the need for an additional report.

I am unable to approve the item designated as Section 3, subsection 1(e)(2) in its entirety. This language leads to expectations that a system will be available for payment for child care services and health care services electronically. This appears to be an idea worth considering but the legislature did not provide resources to implement it.

I am unable to approve the item designated as Section 7, subsection 8 in its entirety. This language proposes that the department continue a case study for outcome based performance standards. This study has already been completed and delivered to the Legislature, thus this language is no longer needed.

I am unable to approve the item designated as Section 7, subsection 16 in its entirety. This language proposes that the drug utilization review commission review the use of non-sedating antihistamines. The drug utilization review commission has already reviewed these drugs and a further review would not be productive. This would require the department to take on additional work at a time when funding has been reduced.

I am unable to approve the item designated as Section 9, subsection 2 in its entirety. This language directs the department to provide a report on actual costs of providing coverage reported by each insurer participating in the HAWK-I program. This would require the department to take on additional work at a time when funding has been reduced.

I am unable to approve the item designated as Section 9, subsection 4 in its entirety. This language directs the department to seek a waiver to permit families eligible for Medicaid to participate in HAWK-I. This same language was included in previous legislation and the proposal was submitted to the federal government and rejected. Until such time as the federal statute changes, it would be pointless to continue to spend staff time with this directive.

I am unable to approve the item designated as Section 10, subsection 1 in its entirety. This subsection would require the department to seek input and recommendations from legislative members prior to entering into or extending a managed care contract for mental health or substance abuse services. The process for securing contracts provides that vendors will be evaluated on a specific set of criteria to assure fairness and eliminate potential conflicts of interest. The process includes a period of securing comments without giving the appearance of conflict of interest. Therefore, this section is not necessary.

I am unable to approve the item designated as Section 13, subsection 1, the designated paragraph. This item requires the department to submit a plan for relocating males at the Toledo Juvenile Home to other facilities, thus making Toledo a female only institution. This language has been included in the appropriation bill for the past three years and the Legislature has failed to fund the proposal each of those years. My recommendation in a previous year had included funding for this change and the Legislature chose to use that funding for other programs. If the Legislature wants this change in services to take place, it needs to provide the funds to enable it to happen.

I am unable to approve the item designated as Section 13, subsection 1, the designated paragraph. This directs funding for two security guards and paving a parking lot at the state juvenile home in Toledo. Given the reduction in funding the legislature enacted in this bill, the state will benefit more from utilizing appropriations for services that directly affect Iowa children and families.

I am unable to approve the item designated as Section 13, subsection 6 in its entirety. This item requires the department to develop an additional reporting and tracking system for citations at institutions. This information is already available to the public, and in some instances can be accessed on the Department of Inspections and Appeals website.

I am unable to approve the item designated as Section 14, subsection 18 in its entirety. The rules related to social worker qualifications are already in process before

the Human Services Council. The remainder of the items enumerated in this section require resources at a time when the department's resources have been severely reduced.

I am unable to approve the item designated as Section 14, subsection 20 in its entirety. This item allocates \$700,000 for day treatment and aftercare services for juvenile females. I am supportive of providing these services to both males and females. The department is already allocating funds to the local level for various programs, including day treatment and aftercare services. The department should continue to work with the local providers to determine the type of services that will best serve these young people.

I am unable to approve the item designated as Section 20, subsection 3(c), unnumbered paragraph 2 in its entirety. This directs funding for two security guards at the state mental health institute in Independence. Given the reduction in funding the legislature enacted in this bill, the state will benefit more from utilizing appropriations for services that directly affect Iowa children and families.

I am unable to approve the item designated as Section 20, subsection 7 in its entirety. This item requires the department to develop an additional reporting and tracking system for citations at institutions. This information is already available to the public, and in some instances can be accessed on the Department of Inspections and Appeals website.

I am unable to approve the item designated as Section 21, subsection 8 in its entirety. This item requires the department to develop an additional reporting and tracking system for citations at institutions. This information is already available to the public, and in some instances can be accessed on the Department of Inspections and Appeals website.

I am unable to approve the items designated as a portion of Section 24, subsection 1 (b), Section 52 in its entirety and Section 53, subsection 9 in its entirety. These sections establish a process for a pilot project for decategorization of funding for adult mental health, mental retardation, and developmental disabilities services. While I support the interest of the four pilot counties in creating a better system and believe it may have merit, the department simply does not have the resources to staff this endeavor. It must put its resources where it will benefit all 99 counties.

I am unable to approve the item designated as Section 27, subsection 2 in its entirety. This language reduces the department's appropriation by \$2.5M to eliminate their regional offices. Yet no reduction in the duties required by law of the department were made. All the duties that were being done must still be done with significantly fewer people to do them. Under this proposal, the duties currently being done by regional office staff must now be done at the local level. This not only sets up a potentially less efficient system, but it will also reduce the amount of time that local workers have to work with families and to protect children. I fully believe that state government as a whole must review the way it is organized to serve Iowans. That is why I have initiated a restructuring process with all state agencies. The language in this bill, however, does not allow for a restructuring that will promote the best results for Iowans.

I am unable to approve the items designated as Section 28, subsections 2, 3 and 5 in their entirety. This language directs the director to expand the community partnership approach to child protection services, and to work to secure additional federal funding. These activities are currently taking place, making this language unnecessary. The community partnership approach in child protection is being expanded in the more than 65 counties in Iowa.

I am unable to approve the item designated as Section 29, subsections 2, 3 and 4 in their entirety. These items require additional duties for the department relating to requirement for reports to the Legislature and negotiations with the state of Nebraska at a time when dollars and staffing have been severely reduced. Remaining resources should be directed towards providing services to needy Iowans.

I am unable to approve the item designated as Section 31, subsection 1(b)(2) in its entirety. This language requires the department to increase its efforts to collect pharmaceutical manufacturer rebates in order to meet the national average. Based upon industry data, the state is already collecting 99.1% of the national average. Thus, this language appears to be unnecessary and would require the department to take on additional work at a time when funding has been reduced.

I am unable to approve the item designated as Section 31, subsection 1(b)(4) in its entirety. This language attempts to encourage greater use of generic drugs by increasing the co-pay for brand name drugs. Based on claims paid for the previous six months, 54% of the prescriptions paid by the Medicaid program are for generic drugs, 41% are for brand name drugs for which there is no generic equivalent and 4.7% are for brand name drugs where the prescribing authority has directed that they are medically necessary. **Bottom line - this proposal increases fees for Iowa seniors, children, and people with special needs who do not have other choices besides using a brand name drug.**

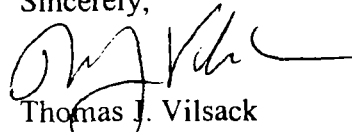
Another section of this bill proposes the implementation of a maximum allowable cost list for prescription drugs. While I am supportive of this effort, the time frame specified in the statute is very ambitious. I will direct the department to pursue implementation of this proposal as quickly as reasonably possible but would caution legislators about the viability of meeting the implementation date and anticipated savings expected from this proposal for fiscal year 2002.

I am unable to approve the item designated as Section 31, subsection 13 in its entirety. This item requires the department to conduct a study on pay disparity between state and private child welfare workers. This would require the department to take on additional work at a time when funding has been reduced.

I am unable to approve the designated portion of Section 51, subsection 1. This language is not necessary as I have already directed all departments to cease the purchase of non-essential equipment.

For the above reasons, I hereby respectfully approve House File 732 with the exceptions noted above.

Sincerely,



Thomas J. Vilsack
Governor

Cc: Secretary of the Senate
Chief Clerk of the House

Item Voted

HOUSE FILE 732

AN ACT

RELATING TO APPROPRIATIONS FOR THE DEPARTMENT OF HUMAN SERVICES AND INCLUDING OTHER PROVISIONS AND APPROPRIATIONS INVOLVING HUMAN SERVICES AND HEALTH CARE, AND PROVIDING EFFECTIVE DATES.

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

Section 1. EARLY CHILDHOOD FUNDING.

1. The appropriations made in 1998 Iowa Acts, chapter 1218, section 2, and 2000 Iowa Acts, chapter 1228, section 2, subsection 1, paragraph "b", from the fund created in section 8.41 to the department of human services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, from moneys received under the federal temporary assistance for needy families (TANF) block grant shall be used for funding of community-based programs targeted to children from birth through five years of age, developed by community empowerment areas as provided in this section.

2. The department may transfer federal temporary assistance for needy families block grant funding appropriated and allocated in this section to the child care and development block grant in accordance with federal law as necessary to comply with the provisions of this section. The funding shall then be provided to community empowerment areas

for the fiscal year beginning July 1, 2001, in accordance with all of the following:

- a. The area must be approved as a designated community empowerment area by the Iowa empowerment board.
 - b. The maximum funding amount a community empowerment area is eligible to receive shall be determined by applying the area's percentage of the state's average monthly family investment program population in the preceding fiscal year to the total amount appropriated for fiscal year 2001-2002 from the TANF block grant to fund community-based programs targeted to children from birth through five years of age developed by community empowerment areas.
 - c. A community empowerment area receiving funding shall comply with any federal reporting requirements associated with the use of that funding and other results and reporting requirements established by the Iowa empowerment board. The department shall provide technical assistance in identifying and meeting the federal requirements.
 - d. The availability of funding provided under this section is subject to changes in federal requirements and amendments to Iowa law.
3. The moneys distributed in accordance with this section shall be used by communities for the purposes of enhancing quality child care capacity in support of parent capability to obtain or retain employment. The moneys shall be used with a primary emphasis on low-income families and children from birth to five years of age. Moneys shall be provided in a flexible manner to communities, and shall be used to implement strategies identified by the communities to achieve such purposes. The strategies may include but are not limited to developing capacity for regular child care, sick child care, night shifts child care, and emergency child care; enhancing linkages between the head start and early head start programs, early childhood development programs, and child care assistance programs; and implementing other strategies to enhance access to child care. The moneys may be used to either build capacity or for support of ongoing efforts. In

addition to the full-time equivalent positions funded in this Act, 1.00 full-time equivalent position is authorized and the department may use funding appropriated in this section for provision of technical assistance and other support to communities developing and implementing strategies with moneys distributed in accordance with this section.

4. Moneys which are subject to this section which are not distributed to a community empowerment area or otherwise remain unobligated or unexpended at the end of the fiscal year shall revert to the fund created in section 8.41 to be available for appropriation by the general assembly in a subsequent fiscal year.

Sec. 2. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT. There is appropriated from the fund created in section 8.41 to the department of human services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, from moneys received under the federal temporary assistance for needy families block grant pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, which are federally appropriated for the federal fiscal years beginning October 1, 1999, and ending September 30, 2000, beginning October 1, 2000, and ending September 30, 2001, and beginning October 1, 2001, and ending September 30, 2002, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

Moneys appropriated in this section shall be used in accordance with the federal law making the funds available, applicable Iowa law, appropriations made from the general fund of the state in this Act for the purpose designated, and administrative rules adopted to implement the federal and Iowa law. If actual federal revenues credited to the fund created in section 8.41 through June 30, 2002, are less than the amounts appropriated in this section, the amounts appropriated shall be reduced proportionately and the department may reduce expenditures as deemed necessary by the department to meet the reduced funding level:

- 1. To be credited to the family investment program account and used for assistance under the family investment program under chapter 239B:
 - \$ 39,287,318
 - 2. To be credited to the family investment program account and used for the job opportunities and basic skills (JOBS) program, and implementing family investment agreements, in accordance with chapter 239B:
 - \$ 20,830,113
 - 3. For field operations:
 - \$ 12,885,790
 - 4. For general administration:
 - \$ 3,238,614
 - 5. For local administrative costs:
 - \$ 2,122,982
 - 6. For state child care assistance:
 - \$ 28,638,329
- Of the funds appropriated in this subsection, \$200,000 shall be used for provision of educational opportunities to registered child care home providers in order to improve services and programs offered by this category of providers and to increase the number of providers. The department may contract with institutions of higher education or child care resource and referral centers to provide the educational opportunities. Allowable administrative costs under the contracts shall not exceed 5 percent. The application for a grant shall not exceed two pages in length.
- 7. For emergency assistance:
 - \$ 2,846,432
 - 8. For mental health and developmental disabilities community services:
 - \$ 4,349,266
 - 9. For child and family services:
 - \$ 23,096,571
 - 10. For child abuse prevention:
 - \$ 731,000

11. For pregnancy prevention grants on the condition that family planning services are funded:

..... \$ 2,514,413

Pregnancy prevention grants shall be awarded to programs in existence on or before July 1, 2001, if the programs are comprehensive in scope and have demonstrated positive outcomes. Grants shall be awarded to pregnancy prevention programs which are developed after July 1, 2001, if the programs are comprehensive in scope and are based on existing models that have demonstrated positive outcomes. Grants shall comply with the requirements provided in 1997 Iowa Acts, chapter 208, section 14, subsections 1 and 2, including the requirement that grant programs must emphasize sexual abstinence. Priority in the awarding of grants shall be given to programs that serve areas of the state which demonstrate the highest percentage of unplanned pregnancies of females age 13 or older but younger than age 18 within the geographic area to be served by the grant.

12. For technology needs and other resources necessary to meet federal welfare reform reporting, tracking, and case management requirements:

..... \$ 1,182,217

13. For supervised community treatment under child and family services:

..... \$ 300,000

14. For volunteers:

..... \$ 42,663

15. For individual development accounts under chapter 541A:

..... \$ 250,000

16. For the healthy opportunities for parents to experience success (HOPES) program administered by the Iowa department of public health to target child abuse prevention:

..... \$ 200,000

17. To be credited to the Iowa marriage initiative grant fund created in section 234.45:

..... \$ 500,000

Vetoed

Vetoed

a. The moneys credited to the Iowa marriage initiative grant fund pursuant to this subsection are appropriated to the department for the fiscal year beginning July 1, 2001, and ending June 30, 2002, to be used in accordance with this subsection.

b. The department shall establish an Iowa marriage initiative grant program to fund services to support marriage and to encourage the formation and maintenance of two-parent families that are secure and nurturing.

c. The program shall require that a grantee be a nonprofit organization incorporated in this state with successful experience in facilitating marriage promotion activities, working with various faith-based organizations and the leaders of the organizations, using media resources in promoting marriage, making presentations to service and faith-based organizations, and in raising private funding for activities that support marriage.

d. The program activities funded by a grant shall include but are not limited to working with individuals who are authorized to solemnize a marriage under section 595.10 in utilizing premarital diagnostic tools, to implement marriage agreements developed by such individuals that provide for an appropriate engagement period and premarital and postmarital counseling, and to use volunteer mentors in program activities.

e. Grants shall be awarded in a manner that results in provision of services in an equal number of urban and rural geographic areas. The department shall implement the grant program so that the request for proposals is issued on or before October 1, 2001, and so that any grants are awarded on or before January 1, 2002. A grantee shall be required to submit a quarterly financial report to the department and to the legislative fiscal bureau and shall be subject to an annual independent evaluation to assess accomplishment of the purposes listed in paragraph "b".

f. The department shall provide a copy of the request for proposals and shall submit a report concerning the proposals

received and grants awarded to those persons designated by this Act to receive reports. The department may adopt emergency rules to implement the provisions of this subsection.

18. The department shall report on or before December 15, 2001, to the governor and to the persons designated by this Act to receive reports providing a detailed analysis as to how federal temporary assistance for needy families block grant funding was expended during the previous fiscal year to achieve the four purposes for the funding as outlined in 42 U.S.C. § 601(a). For each category of expenditure, the analysis shall identify which of the four purposes was addressed and the amount expended.

Of the amounts appropriated in this section, \$11,612,112 for the fiscal year beginning July 1, 2001, shall be transferred to the appropriation of the federal social services block grant for that fiscal year.

Eligible funding available under the federal temporary assistance for needy families block grant that is not appropriated or not otherwise expended shall be considered reserved for economic downturns and welfare reform purposes and is subject to further state appropriation to support families in their movement toward self-sufficiency.

Sec. 3. FAMILY INVESTMENT PROGRAM ACCOUNT.

1. Moneys credited to the family investment program (FIP) account for the fiscal year beginning July 1, 2001, and ending June 30, 2002, shall be used in accordance with the following requirements:

- a. The department shall provide assistance in accordance with chapter 239B.
- b. The department shall continue the special needs program under the family investment program.
- c. The department shall continue to comply with federal welfare reform data requirements pursuant to the appropriations made for that purpose.
- d. The department shall continue to make entrepreneurial training available to families receiving assistance under the

Handwritten notes:
Vetoed
Vetoed
Vetoed

family investment program. The department may contract for these services.

e. (1) The department shall continue expansion of the electronic benefit transfer program as necessary to comply with federal requirements. Notwithstanding 1998 Iowa Acts, chapter 1218, section 5, subsection 1, paragraph "d", 1999 Iowa Acts, chapter 203, section 5, subsection 1, paragraph "d", and 2000 Iowa Acts, chapter 1228, section 4, subsection 1, paragraph "e", the target date for statewide implementation of the program is October 1, 2002.

(2) It is the intent of the general assembly that the electronic benefits transfer program shall include the capability for child care service providers to submit billings electronically and to receive payment through electronic funds transfer, and the capability to include electronic verification of medical assistance eligibility.

(3) It is the intent of the general assembly that electronic funds transfer system equipment provided by a retailer participating in the program shall be utilized to the extent practicable for electronic benefits transfer transactions for the purchase of food from the retailer.

2. Notwithstanding 2000 Iowa Acts, chapter 1226, section 5, subsection 4, moneys allocated for electronic benefit transfer development pursuant to 2000 Iowa Acts, chapter 1226, section 5, subsection 2, paragraph "e", subparagraph (9), which remain unobligated or unexpended at the close of the fiscal year shall not revert to the general fund of the state but shall remain available for the purposes designated in the succeeding fiscal year.

3. The department may use a portion of the moneys credited to the family investment account under this section, as necessary for salaries, support, maintenance, and miscellaneous purposes for not more than the following full-time equivalent positions which are in addition to any other full-time equivalent positions authorized by this Act:

..... FTEs 8.00

4. The department may transfer funds in accordance with section 8.39, either federal or state, to or from the child care appropriations made for the fiscal year beginning July 1, 2001, if the department deems this would be a more effective method of paying for JOBS program child care, to maximize federal funding, or to meet federal maintenance of effort requirements.

5. Moneys appropriated in this Act and credited to the family investment program account for the fiscal year beginning July 1, 2001, and ending June 30, 2002, are allocated as follows:

a. For the family development and self-sufficiency grant program as provided under section 217.12:
..... \$ 5,697,825

(1) Of the funds allocated for the family development and self-sufficiency grant program in this lettered paragraph, not more than 5 percent of the funds shall be used for the administration of the grant program.

(2) Based upon the annual evaluation report concerning each grantee funded by previously appropriated funds and through the solicitation of additional grant proposals, the family development and self-sufficiency council may use the allocated funds to renew or expand existing grants or award new grants. In utilizing the funding allocated in this lettered paragraph, the council shall give consideration, in addition to other criteria established by the council, to a grantee's intended use of local funds with a grant and to whether approval of a grant proposal would expand the availability of the program's services.

(3) Family development and self-sufficiency grantees shall not supplant previous local funding with state or federal funds.

(4) The department shall continue to implement the family development and self-sufficiency grant program statewide during FY 2001-2002.

b. For income maintenance reengineering:
..... \$ 700,000

c. For the diversion program and incentive grants as follows:

(1) For the diversion subaccount of the family investment program account:
..... \$ 3,200,000

Moneys allocated to the diversion subaccount shall be used to continue the pilot initiative of providing incentives to assist families who meet income eligibility requirements for the family investment program in obtaining or retaining employment, to assist participant families in overcoming barriers to obtaining employment, and to assist families in stabilizing employment and in reducing the likelihood of the family returning to the family investment program. Incentives may be provided in the form of payment or services. The department may limit the availability of the pilot initiative on the basis of geographic area or numbers of individuals provided with incentives. The department shall attempt to assess and screen individuals who would most likely benefit from the services. The department shall continue the diversion initiative in the fiscal year 2001-2002. In addition to the full-time equivalent positions authorized in this Act, 1.00 FTE is authorized and the department may use funds allocated for the diversion program to facilitate community investment in welfare reform and to support continuation of the diversion program. The department may grant diversion moneys to the level of the entity operating an initiative. The department may adopt additional eligibility criteria as necessary for compliance with federal law and for screening those families who would be most likely to become eligible for the family investment program if diversion incentives would not be provided.

(2) For continuation of innovative strategies on a statewide or pilot project basis for supporting job retention, family structure, or both, including services to noncustodial parents and young parents:
..... \$ 650,000

(3) Of the moneys allocated in subparagraph (2), not more than \$250,000 shall be used to develop or continue community-level parental obligation pilot projects. A pilot project shall be operated with the goal of assisting parents who are living apart in meeting their parental obligations and in supporting their children. A pilot project may also seek to prevent the separation of families by including families at risk of separation in project services. Any pilot project shall maximize the use of existing community resources for family counseling, legal services, mediation, job training and job skills development, substance abuse treatment and prevention, health maintenance, and personal mentoring. Local communities shall also be encouraged to provide financial resources.

(a) Notwithstanding any other provision of law to the contrary, the department shall develop procedures for the pilot projects to expedite all of the following:

- (i) The establishment and adjustment of support obligations, with the consent of both parents, in a manner which may deviate from the child support guidelines.
- (ii) Changes in income withholding orders based on individual case circumstances.
- (iii) Satisfaction of a portion of support amounts owed to the state based on cooperation and compliance by the noncustodial parent with project requirements.
- (iv) Adjustment of visitation and shared custody arrangements in a manner which enhances the ability of each parent to meet parental obligations.

(b) The department shall adopt rules for the development, operation, and monitoring of a project; to establish the minimum required amount of community support; to establish expedited procedures; and to establish other criteria and procedures as appropriate.

(c) The department shall use the funds authorized in this subparagraph to employ 1.00 full-time equivalent position to manage the pilot project or projects. The department shall also use the authorized funds to employ other full-time

equivalent positions or to provide services, as necessary, to assist in the coordination, development, and operation of community-level pilot projects and to achieve the expedited procedures established. Any full-time equivalent positions authorized in this subparagraph subdivision are in addition to any other full-time equivalent positions authorized by law.

(4) Of the moneys allocated in subparagraph (2), not more than \$200,000 shall be used to continue to study the impact that moving unemployed family investment program parents into employment has on the well-being of the children, the parent, and the family. The department shall include in this well-being study a method of actual contact with the families and children, and shall consider broad-based impacts, such as educational achievement, health status, housing stability, family stability, and use of supportive social services. The department shall also seek funding through foundations and the federal government in order to supplement the funding for this study. The results of the study shall be submitted to the persons required by this Act to receive reports.

(5) Of the moneys allocated in subparagraph (2), not more than \$100,000 shall be used for providing additional incentive payments to contracted agencies who demonstrate success at completing well-being visits for families terminated from the family investment program under a limited benefit plan. The department shall use these funds to increase payments to agencies who complete a higher percentage of well-being visits, who achieve a significant percentage of visits in a face-to-face format, or who are able to observe and interact with the children during a significant percentage of visits.

d. For the food stamp employment and training program:
..... \$ 150,000

6. Of the child support collections assigned under the family investment program, an amount equal to the federal share of support collections shall be credited to the child support recovery appropriation. Of the remainder of the assigned child support collections received by the child support recovery unit, a portion shall be credited to the

family investment program account and a portion may be used to increase recoveries.

7. The department may adopt emergency administrative rules for the family investment, food stamp, and medical assistance programs, if necessary, to comply with federal requirements. Prior to adoption of the rules, the department shall consult with the welfare reform council and the chairpersons and ranking members of the joint appropriations subcommittee on human services.

8. The department may continue the initiative to streamline and simplify the employer verification process for applicants, participants, and employers in the administration of the department's programs. The department may contract with companies collecting data from employers when the information is needed in the administration of these programs. The department may limit the availability of the initiative on the basis of geographic area or number of individuals.

9. The department may adopt emergency rules to increase the mileage rate reimbursement paid to JOBS program participants above the current rate of 16 cents per mile.

10. The department may adopt emergency rules to implement 2001 Iowa Acts, Senate File 198, that extends the time limitation for funding of postsecondary education for family investment program participants, if enacted by the Seventy-ninth General Assembly, 2001 Session.

Sec. 4. FAMILY INVESTMENT PROGRAM GENERAL FUND. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

To be credited to the family investment program account and used for family investment program assistance under chapter 239B:
..... \$ 36,150,000

1. The department of workforce development, in consultation with the department of human services, shall

continue to utilize recruitment and employment practices to include former and current family investment program recipients.

2. The department of human services shall continue to work with the department of workforce development and local community collaborative efforts to provide support services for family investment program participants. The support services shall be directed to those participant families who would benefit from the support services and are likely to have success in achieving economic independence.

3. Of the funds appropriated in this section, \$9,564,352 is allocated for the JOBS program.

4. The department shall continue to work with religious organizations and other charitable institutions to increase the availability of host homes, referred to as second chance homes or other living arrangements under the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, § 103. The purpose of the homes or arrangements is to provide a supportive and supervised living arrangement for minor parents receiving assistance under the family investment program who, under chapter 239B, may receive assistance while living in an alternative setting other than with their parent or legal guardian.

Sec. 5. EMERGENCY ASSISTANCE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For emergency assistance to families with dependent children for homeless prevention programs:
..... \$ 10,000

1. The emergency assistance provided for in this section and federal moneys appropriated for this purpose in this Act shall be available beginning October 1 of the fiscal year and shall be provided only if all other publicly funded resources have been exhausted. Specifically, emergency assistance is the program of last resort and shall not supplant assistance

provided by the low-income home energy assistance program (LIHEAP), county general relief, and veterans affairs programs. The department shall establish a \$500 maximum payment, per family, in a twelve-month period. The emergency assistance includes, but is not limited to, assisting people who face eviction, potential eviction, or foreclosure, utility shutoff or fuel shortage, loss of heating energy supply or equipment, homelessness, utility or rental deposits, or other specified crisis which threatens family or living arrangements. The emergency assistance shall be available to migrant families who would otherwise meet eligibility criteria. The department may contract for the administration and delivery of the program. The program shall be terminated when funds are exhausted.

2. For the fiscal year beginning July 1, 2001, the department shall continue the process for the state to receive refunds of utility and rent deposits, including any accrued interest, for emergency assistance recipients which were paid by persons other than the state. The department shall also receive refunds, including any accrued interest, of assistance paid with funding available under this program. The refunds received by the department under this subsection shall be deposited with the moneys of the appropriation made in this section and used as additional funds for the emergency assistance program. Notwithstanding section 8.33, moneys received by the department under this subsection which remain after the emergency assistance program is terminated and state or federal moneys in the emergency assistance account which remain unobligated or unexpended at the close of the fiscal year shall not revert to the general fund of the state but shall remain available for expenditure when the program resumes operation on October 1 in the succeeding fiscal year.

3. Of the funds appropriated in this section, \$10,000 is allocated to the community voice mail program to continue the existing program. The funds shall be made available beginning July 1, 2001. The community voice mail program shall submit semiannual reports to the department which, at a minimum,

specify, on a county basis, the unduplicated number of households participating in the program for the previous six-month period. The report shall be submitted no later than the last business day of the month immediately following the end of the six-month period.

Sec. 6. CHILD SUPPORT RECOVERY. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For child support recovery, including salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent positions:
..... \$ 6,700,000
..... FTEs 321.40

1. The director of human services, within the limitations of the moneys appropriated in this section, or moneys transferred from the family investment program account for this purpose, shall establish new positions and add employees to the child support recovery unit if the director determines that both the current and additional employees together can reasonably be expected to maintain or increase net state revenue at or beyond the budgeted level.

2. Nonpublic assistance application fees and other user fees received by the child support recovery unit are appropriated and shall be used for the purposes of the child support recovery program. The director of human services may add positions within the limitations of the amount appropriated for salaries and support for the positions.

3. The director of human services, in consultation with the department of management and the legislative fiscal committee, is authorized to receive and deposit state child support incentive earnings in the manner specified under applicable federal requirements.

4. a. The director of human services may establish new positions and add state employees to the child support recovery unit or contract for delivery of services if the

director determines the employees are necessary to replace county-funded positions eliminated due to termination, reduction, or nonrenewal of a chapter 28E contract. However, the director must also determine that the resulting increase in the state share of child support recovery incentives exceeds the cost of the positions or contract, the positions or contract are necessary to ensure continued federal funding of the program, or the new positions or contract can reasonably be expected to recover at least twice the amount of money necessary to pay the salaries and support for the new positions or the contract will generate at least 200 percent of the cost of the contract.

b. Employees in full-time positions that transition from county government to state government employment under this subsection are exempt from testing, selection, and appointment provisions of chapter 19A and from the provisions of collective bargaining agreements relating to the filling of vacant positions.

5. If initiated by the judicial branch, the child support recovery unit shall continue to work with the judicial branch to determine the feasibility of implementing a pilot project utilizing a court-appointed referee for judicial determinations on child support matters. The extent and location of any pilot project shall be jointly developed by the judicial branch and the child support recovery unit.

6. Surcharges paid by obligors and received by the unit as a result of the referral of support delinquency by the child support recovery unit to any private collection agency are appropriated to the department and shall be used to pay the costs of any contracts with the collection agencies.

7. The department shall expend up to \$51,000, including federal financial participation, for the fiscal year beginning July 1, 2001, for a child support public awareness campaign. The department and the office of the attorney general shall cooperate in continuation of the campaign. The public awareness campaign shall emphasize, through a variety of media activities, the importance of maximum involvement of both

parents in the lives of their children as well as the importance of payment of child support obligations.

8. Federal access and visitation grant moneys shall be issued directly to private not-for-profit agencies that provide services designed to increase compliance with the child access provisions of court orders, including but not limited to neutral visitation site and mediation services.

Sec. 7. MEDICAL ASSISTANCE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For medical assistance reimbursement and associated costs as specifically provided in the reimbursement methodologies in effect on June 30, 2001 except as otherwise expressly authorized by law, including reimbursement for abortion services, which shall be available under the medical assistance program only for those abortions which are medically necessary:

..... \$413,150,000

1. Medically necessary abortions are those performed under any of the following conditions:

a. The attending physician certifies that continuing the pregnancy would endanger the life of the pregnant woman.

b. The attending physician certifies that the fetus is physically deformed, mentally deficient, or afflicted with a congenital illness.

c. The pregnancy is the result of a rape which is reported within 45 days of the incident to a law enforcement agency or public or private health agency which may include a family physician.

d. The pregnancy is the result of incest which is reported within 150 days of the incident to a law enforcement agency or public or private health agency which may include a family physician.

e. Any spontaneous abortion, commonly known as a miscarriage, if not all of the products of conception are expelled.

2. Notwithstanding section 8.39, the department may transfer funds appropriated in this section to a separate account established in the department's case management unit for expenditures required to provide case management services for mental health, mental retardation, and developmental disabilities services under medical assistance which are jointly funded by the state and county, pending final settlement of the expenditures. Funds received by the case management unit in settlement of the expenditures shall be used to replace the transferred funds and are available for the purposes for which the funds were appropriated in this section.

3. a. The county of legal settlement shall be billed for 50 percent of the nonfederal share of the cost of case management provided for adults, day treatment, and partial hospitalization in accordance with sections 249A.26 and 249A.27, and 100 percent of the nonfederal share of the cost of care for adults which is reimbursed under a federally approved home and community-based waiver that would otherwise be approved for provision in an intermediate care facility for persons with mental retardation, provided under the medical assistance program. The state shall have responsibility for the remaining 50 percent of the nonfederal share of the cost of case management provided for adults, day treatment, and partial hospitalization. For persons without a county of legal settlement, the state shall have responsibility for 100 percent of the nonfederal share of the costs of case management provided for adults, day treatment, partial hospitalization, and the home and community-based waiver services. The case management services specified in this subsection shall be billed to a county only if the services are provided outside of a managed care contract.

b. The state shall pay the entire nonfederal share of the costs for case management services provided to persons 17 years of age and younger who are served in a medical assistance home and community-based waiver program for persons with mental retardation.

c. Medical assistance funding for case management services for eligible persons 17 years of age and younger shall also be provided to persons residing in counties with child welfare decategorization projects implemented in accordance with section 232.188, provided these projects have included these persons in their service plan and the decategorization project county is willing to provide the nonfederal share of costs.

d. When paying the necessary and legal expenses of intermediate care facilities for persons with mental retardation (ICFMR), the cost payment requirements of section 222.60 shall be considered fulfilled when payment is made in accordance with the medical assistance payment rates established for ICFMRs by the department and the state or a county of legal settlement is not obligated for any amount in excess of the rates.

e. The department shall revise the provisions of the home and community-based waiver for persons with brain injury to eliminate the eligibility requirement that a person must have been a resident of a medical institution for at least thirty consecutive days at the time of initial application. Unless a county has paid or is paying for the nonfederal share of the cost of a person's home and community-based waiver services or ICFMR placement under the county's mental health, mental retardation, and developmental disabilities services fund, or unless a county of legal settlement would become liable for the costs of services at the ICFMR level of care for a person due to the person reaching the age of majority, the state shall pay the nonfederal share of the costs of an eligible person's services under the home and community-based waiver for persons with brain injury.

4. The department shall utilize not more than \$60,000 of the funds appropriated in this section to continue the AIDS/HIV health insurance premium payment program as established in 1992 Iowa Acts, Second Extraordinary Session, Chapter 1001, section 409, subsection 6. Of the funds allocated in this subsection, not more than \$5,000 may be expended for administrative purposes.

5. Of the funds appropriated to the Iowa department of public health for substance abuse grants, \$950,000 for the fiscal year beginning July 1, 2001, shall be transferred to the department of human services for an integrated substance abuse managed care system.

6. In administering the medical assistance home and community-based waiver for persons with physical disabilities, the total number of openings for persons with physical disabilities served at any one time shall be limited to the number approved in the waiver by the secretary of the United States department of health and human services. The openings shall be available on a first-come, first-served basis.

7. The department of human services, in consultation with the Iowa department of public health and the department of education, shall continue the program to utilize the early and periodic screening, diagnosis, and treatment (EPSDT) funding under medical assistance, to the extent possible, to implement the screening component of the EPSDT program through the school system. The department may enter into contracts to utilize maternal and child health centers, the public health nursing program, or school nurses in implementing this provision.

8. The department shall continue the case study for outcome-based performance standards for programs serving persons with mental retardation or other developmental disabilities proposed pursuant to 1994 Iowa Acts, chapter 1170, section 56.

Veto

9. The department shall continue the medical assistance home and community-based services waiver to allow children with mental retardation, who would otherwise require ICF/MR care, to be served in out-of-home settings of up to eight beds which meet standards established by the department. Up to \$1,487,314 of the funds appropriated in this section may be used for the costs of the waiver.

10. The department shall continue working with county representatives in aggressively implementing the rehabilitation option for services to persons with chronic

mental illness under the medical assistance program, and county funding shall be used to provide the match for the federal funding, except for individuals with state case status, for whom state funding shall provide the match.

11. If the health care financing administration approves a waiver request from the department, the department shall provide a period of 24 months of guaranteed eligibility for medical assistance family planning services, regardless of the change in circumstances of a woman who was a medical assistance recipient when a pregnancy ended.

12. The department shall aggressively pursue options for providing medical assistance or other assistance to individuals with special needs who become ineligible to continue receiving services under the early and periodic, screening, diagnosis, and treatment program under the medical assistance program due to becoming 21 years of age, who have been approved for additional assistance through the department's exception to policy provisions, but who have health care needs in excess of the funding available through the exception to policy process.

13. Of the moneys appropriated in this section, \$200,000 shall be used to increase reimbursement of child protection centers.

14. The department shall adopt rules to provide that an individual applying for the medically needy program is not required to reapply for the program unless the individual's income as disclosed in the initial application changes. The rules shall also provide that to the greatest extent possible, the application and continuing eligibility requirements for all medical assistance-related programs shall be consistent.

15. If federal funding is received, the department may participate in a federal home telecare pilot program intended to manage health care needs of subpopulations of Iowans and specifically including subpopulations of Iowans who require high utilization of health care services and represent a disproportionate share of consumption of health care services. The program shall be implemented as a collaboration of public,

private, and academic participants and may include the participation of the department of human services, the department of elder affairs, and the Iowa department of public health, with the intent of showing cost savings in proactively managing diseases of selective populations through the utilization of communications technology and management protocols. The program may direct telecare services to persons with diagnoses of specific nonacute, chronic illnesses which may include but are not limited to chronic obstructive pulmonary disease, congestive heart disease, diabetes, and asthma. The telecare program may provide a proactive call center staffed by appropriate, licensed health care providers equipped with disease management protocols. For the purposes of this section, "telecare" shall include but is not limited to the interactive delivery of diagnostic, clinical, consultative, data, and educational services utilizing a transmission network which may include but is not limited to the live transmission of audio and video data.

16. The department, in cooperation with the drug utilization review commission, shall review the use of non-sedating antihistamines for children and shall submit a report to the governor and the general assembly on or before November 15, 2001, regarding such use and providing a recommendation regarding the application of prior authorization requirements to these drugs.

Vetoed

Sec. 8. HEALTH INSURANCE PREMIUM PAYMENT PROGRAM. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For administration of the health insurance premium payment program, including salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	600,000
.....	FTEs	22.00

Sec. 9. CHILDREN'S HEALTH INSURANCE PROGRAM. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For maintenance of the healthy and well kids in Iowa (HAWK-I) program pursuant to chapter 514I for receipt of federal financial participation under Title XXI of the federal Social Security Act, which creates the state children's health insurance program:

..... \$ 8,400,000

1. The department may transfer funds appropriated in this section to be used for the purpose of expanding health care coverage to children under the medical assistance program. The department shall provide periodic updates to the general assembly of expenditures of funds appropriated in this section.

2. The department shall provide a report to the HAWK-I board and to the general assembly by January 15, 2002, specifying the actual cost reported by each participating insurer of providing monthly coverage to eligible children under the children's health insurance program.

3. Moneys in the HAWK-I trust fund are appropriated and shall be used to offset any program costs for the fiscal year beginning July 1, 2001, and ending June 30, 2002.

4. 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 permit families with children who are eligible for medical assistance to elect to participate under the HAWK-I program in lieu of participation in the medical assistance program. If the waiver is approved, the department shall implement the provision.

Sec. 10. MEDICAL CONTRACTS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2001, and

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ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For medical contracts:

..... \$ 8,700,000

1. The department shall receive input and recommendations from the chairpersons and ranking members of the joint appropriations subcommittee on human services prior to entering into or extending any managed care contract for mental health or substance abuse services.

Veto

2. The director of human services may establish up to 8.00 full-time equivalent positions to be assigned to the medical review unit and pharmacy unit of the fiscal agent if the director determines the employees are necessary to replace fiscal agent positions of the professional medical review staff and pharmacy staff, contingent upon termination of those staff positions with the fiscal agent. Employees in full-time positions that transition from private employment to state government employment under this unnumbered paragraph are exempt from testing, selection, and appointment provisions of chapter 19A and from provisions of collective bargaining agreements relating to the filling of positions.

In any managed care contract for mental health or substance abuse services entered into or extended by the department on or after July 1, 2001, the request for proposals shall provide for coverage of dual diagnosis mental health and substance abuse treatment provided at the state mental health institute at Mount Pleasant. To the extent possible, the department shall also amend any such contract existing on July 1, 2001, to provide for such coverage.

Sec. 11. STATE SUPPLEMENTARY ASSISTANCE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For state supplementary assistance, funeral assistance, and the medical assistance home and community-based services waiver rent subsidy program:

..... \$ 19,550,000

1. The department shall increase the personal needs allowance for residents of residential care facilities by the same percentage and at the same time as federal supplemental security income and federal social security benefits are increased due to a recognized increase in the cost of living. The department may adopt emergency rules to implement this subsection.

2. If during the fiscal year beginning July 1, 2001, the department projects that state supplementary assistance expenditures for a calendar year will not meet the federal pass-along requirement specified in Title XVI of the federal Social Security Act, section 1618, as codified in 42 U.S.C. § 1382g, the department may take actions including but not limited to increasing the personal needs allowance for residential care facility residents and making programmatic adjustments or upward adjustments of the residential care facility or in-home health-related care reimbursement rates prescribed in this Act to ensure that federal requirements are met. The department may adopt emergency rules to implement the provisions of this subsection.

3. The department may use up to \$75,000 of the funds appropriated in this section for a rent subsidy program for adult persons to whom all of the following apply:

- a. Are receiving assistance under a medical assistance home and community-based services (HCBS) waiver.
- b. Were discharged from a medical institution in which they have resided or were at risk of institutional placement. Within available funding and demonstrated need, the department may make subsidy funds available to children receiving services under a HCBS waiver for individuals with mental retardation in residential-based supported community living and HCBS waiver-eligible adults meeting criteria in paragraph "a" and this paragraph at any time on or after July 1, 1995.

The goal of the subsidy program shall be to encourage and assist in enabling persons who currently reside in a medical institution to move to a community living arrangement. An

eligible person may receive assistance in meeting their rental expense and, in the initial two months of eligibility, in purchasing necessary household furnishings and supplies. The program shall be implemented so that it does not meet the federal definition of state supplementary assistance and will not impact the federal pass-along requirement specified in Title XVI of the federal Social Security Act, section 1618, as codified in 42 U.S.C. § 1382g.

Sec. 12. CHILD CARE ASSISTANCE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For child care programs:

..... \$ 5,050,752

1. a. Of the funds appropriated in this section, \$4,414,111 shall be used for state child care assistance in accordance with section 237A.13.

b. During the 2001-2002 fiscal year, the moneys deposited in the child care credit fund created in section 237A.28 are appropriated to the department to be used for state child care assistance in accordance with section 237A.13, in addition to the moneys allocated for that purpose in paragraph "a".

2. Nothing in this section shall be construed or is intended as, or shall imply, a grant of entitlement for services to persons who are eligible for assistance due to an income level consistent with the waiting list requirements of section 237A.13. Any state obligation to provide services pursuant to this section is limited to the extent of the funds appropriated in this section.

3. Of the funds appropriated in this section, \$636,641 is allocated for the statewide program for child care resource and referral services under section 237A.26.

4. The department may use any of the funds appropriated in this section as a match to obtain federal funds for use in expanding child care assistance and related programs. For the purpose of expenditures of state and federal child care

funding, funds shall be considered obligated at the time expenditures are projected or are allocated to the department's regions. Projections shall be based on current and projected caseload growth, current and projected provider rates, staffing requirements for eligibility determination and management of program requirements including data systems management, staffing requirements for administration of the program, contractual and grant obligations and any transfers to other state agencies, and obligations for decategorization or innovation projects.

Sec. 13. JUVENILE INSTITUTIONS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For operation of the Iowa juvenile home at Toledo:

..... \$ 6,707,500
..... FTEs 140.54

It is the intent of the general assembly that beginning in the fiscal year commencing on July 1, 2002, the Iowa juvenile home at Toledo will serve only females. The department shall develop a plan which includes options for relocating the males at the Iowa juvenile home at Toledo. The options shall include but are not limited to developing a child in need of assistance program for males at the state training school at Eldora.

The moneys appropriated in this subsection include funding for a parking lot project developed in cooperation with the city of Toledo and for two additional security guard staff positions.

2. For operation of the state training school at Eldora:
..... \$ 10,870,000
..... FTEs 229.53

3. During the fiscal year beginning July 1, 2001, the population levels at the state juvenile institutions shall not exceed the population guidelines established under 1990 Iowa

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Acts, chapter 1239, section 21, as adjusted for additional beds developed at the institutions.

4. A portion of the moneys appropriated in this section shall be used by the state training school and by the Iowa juvenile home for grants for adolescent pregnancy prevention activities at the institutions in the fiscal year beginning July 1, 2001.

5. Within the amounts appropriated in this section, the department may transfer funds as necessary to best fulfill the needs of the institutions provided for in the appropriation.

6. If the department receives notice from the department of inspections and appeals or any other entity that certifies a juvenile institution's compliance with certification requirements or determines compliance with regulatory requirements, that a juvenile institution has been found or cited for being out of compliance with a requirement, the department shall report the notice to those persons designated by this Act to receive reports. The report shall be made within thirty days of the date the notice was received by the department.

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Sec. 14. CHILD AND FAMILY SERVICES. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For child and family services:

..... \$106,000,000

1. The department may transfer funds appropriated in this section as necessary to pay the nonfederal costs of services reimbursed under medical assistance or the family investment program which are provided to children who would otherwise receive services paid under the appropriation in this section. The department may transfer funds appropriated in this section to the appropriations in this Act for general administration and for field operations for resources necessary to implement and operate the services funded in this section.

2. a. Of the funds appropriated in this section, up to \$28,137,020 is allocated as the statewide expenditure target under section 232.143 for group foster care maintenance and services.

b. If at any time after September 30, 2001, annualization of a region's current expenditures indicates a region is at risk of exceeding its group foster care expenditure target under section 232.143 by more than five percent, the department and juvenile court services shall examine all group foster care placements in that region in order to identify those which might be appropriate for termination. In addition, any aftercare services believed to be needed for the children whose placements may be terminated shall be identified. The department and juvenile court services shall initiate action to set dispositional review hearings for the placements identified. In such a dispositional review hearing, the juvenile court shall determine whether needed aftercare services are available and whether termination of the placement is in the best interest of the child and the community.

c. (1) Of the funds appropriated in this section, not more than \$6,987,000 is allocated as the state match funding for psychiatric medical institutions for children.

(2) The department may transfer all or a portion of the amount allocated in this lettered paragraph for psychiatric medical institutions for children (PMICs) to the appropriation in this Act for medical assistance.

d. Of the funds allocated in this subsection, \$1,354,063 is allocated as the state match funding for 50 highly structured juvenile program beds. If the number of beds provided for in this lettered paragraph is not utilized, the remaining funds allocated may be used for group foster care.

e. For the fiscal year beginning July 1, 2001, the requirements of section 232.143 applicable to the juvenile court and to representatives of the juvenile court shall be applicable instead to juvenile court services and to representatives of juvenile court services. The

representatives appointed by the department of human services and by juvenile court services to establish the plan to contain expenditures for children placed in group foster care ordered by the court within the budget target allocated to the region shall establish the plan in a manner so as to ensure the moneys allocated to the region under section 232.143 shall last the entire fiscal year. Funds for a child placed in group foster care shall be considered encumbered for the duration of the child's projected or actual length of stay, whichever is applicable.

3. The department shall continue the goal that not more than 15 percent of the children placed in foster care funded under the federal Social Security Act, Title IV-E, may be placed in foster care for a period of more than 24 months.

4. In accordance with the provisions of section 232.188, the department shall continue the program to decategorize child welfare services funding in additional counties or clusters of counties.

5. A portion of the funding appropriated in this section may be used for emergency family assistance to provide other resources required for a family participating in a family preservation or reunification project to stay together or to be reunified.

6. Notwithstanding section 234.35, subsection 1, for the fiscal year beginning July 1, 2001, state funding for shelter care paid pursuant to section 234.35, subsection 1, paragraph "h", shall be limited to \$7,513,084.

7. Of the funding appropriated in this section, up to \$617,079 may be used as determined by the department for any of the following purposes:

a. For general administration of the department to improve staff training efforts.

b. For oversight of termination of parental rights and permanency planning efforts on a statewide basis.

c. For personnel, assigned by the attorney general, to provide additional services relating to termination of parental rights and child in need of assistance cases.

d. For specialized permanency planning field operations staff.

8. The department may adopt administrative rules following consultation with child welfare services providers to implement outcome-based child welfare services pilot projects. The rules may include, but are not limited to, the development of program descriptions, provider licensing and certification standards, reimbursement and payment amounts, contract requirements, assessment and service necessity requirements, eligibility criteria, claims submission procedures, and accountability standards.

9. The department shall continue to make adoption presubsidy and adoption subsidy payments to adoptive parents at the beginning of the month for the current month. If the department receives any bonus or incentive payments from the federal government relating to adoption that may be used to supplement state funds, the department shall use a minimum of \$44,750 of such moneys for adoption recruitment.

10. Federal funds received by the state during the fiscal year beginning July 1, 2001, as the result of the expenditure of state funds appropriated during a previous state fiscal year for a service or activity funded under this section, shall be used as additional funding for services provided under this section. Notwithstanding section 8.33, moneys received by the department in accordance with the provisions of this subsection shall remain available for the purposes designated until June 30, 2003.

11. The department and juvenile court services shall continue to develop criteria for the department regional administrator and chief juvenile court officer to grant exceptions to extend eligibility, within the funds allocated, for intensive tracking and supervision and for supervised community treatment to delinquent youth beyond age 18 who are subject to release from the state training school, a highly structured juvenile program, or group foster care.

12. Of the moneys appropriated in this section, not more than \$627,100 is allocated to provide clinical assessment

services as necessary to continue funding of children's rehabilitation services under medical assistance in accordance with federal law and requirements. The funding allocated is the amount projected to be necessary for providing the clinical assessment services.

13. Of the funding appropriated in this section, \$3,696,285 shall be used for protective child care assistance.

14. Of the moneys appropriated in this section, up to \$3,290,000 is allocated for the payment of the expenses of court-ordered services provided to juveniles which are a charge upon the state pursuant to section 232.141, subsection 4.

a. Notwithstanding section 232.141 or any other provision of law, the amount allocated in this subsection shall be distributed to the judicial districts as determined by the state court administrator. The state court administrator shall make the determination of the distribution amounts on or before June 15, 2001.

b. The department shall eliminate the program to provide services or other support to reduce the number or length of out-of-home placements of children known as the "wrap-around funding program". The department may adopt emergency rules to implement this subsection.

c. The department of human services shall develop policies and procedures to ensure that the funds allocated in this subsection are spent only after all other reasonable actions have been taken to utilize other funding sources and community-based services. The policies and procedures shall be designed to achieve the following objectives relating to services provided under chapter 232:

(1) Maximize the utilization of funds which may be available from the medical assistance program including usage of the early and periodic screening, diagnosis, and treatment (EPSDT) program.

(2) Recover payments from any third-party insurance carrier which is liable for coverage of the services, including health insurance coverage.

(3) Pursue development of agreements with regularly utilized out-of-state service providers which are intended to reduce per diem costs paid to those providers.

d. Notwithstanding chapter 232 or any other provision of law, a district or juvenile court in a department of human services district shall not order any service which is a charge upon the state pursuant to section 232.141 if there are insufficient court-ordered services funds available in the district distribution amount to pay for the service. The chief juvenile court officer shall encourage use of the funds allocated in this subsection such that there are sufficient funds to pay for all court-related services during the entire year. The eight chief juvenile court officers shall attempt to anticipate potential surpluses and shortfalls in the distribution amounts and shall cooperatively request the state court administrator to transfer funds between the districts' distribution amounts as prudent.

e. Notwithstanding any provision of law to the contrary, a district or juvenile court shall not order a county to pay for any service provided to a juvenile pursuant to an order entered under chapter 232 which is a charge upon the state under section 232.141, subsection 4.

f. Of the funding allocated in this subsection, not more than \$100,000 may be used by the judicial branch for administration of the requirements under this subsection and for travel associated with court-ordered placements which are a charge upon the state pursuant to section 232.141, subsection 4.

15. a. Of the funding appropriated in this section, \$5,292,000 is allocated to provide school-based supervision of children adjudicated under chapter 232, including not more than \$1,764,000 from the allocation in this section for court-ordered services. Not more than \$15,000 of the funding allocated in this subsection may be used for the purpose of training.

b. To the extent possible, the personnel providing school-based services shall be prepared with training or experience

relating to gender-specific programming to best intervene with youth at risk of being found delinquent or determined to be a child in need of assistance.

16. The department shall maximize the capacity to draw federal funding under Title IV-E of the federal Social Security Act.

17. Any unanticipated federal funding that is received during the fiscal year due to improvements in the hours counted by the judicial branch under the claiming process for federal Title IV-E funding are appropriated to the department to be used for additional or expanded services and support for court-ordered services pursuant to section 232.141. Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

18. The department may adopt emergency rules to modify the qualifications for rehabilitative treatment service providers to allow an individual with a bachelor's degree in social work to provide therapy and counseling and to implement other recommendations of the committee made up of department staff and providers of child welfare services that is charged with the development of proposals for regulatory improvements. The pertinent recommendations may include but are not limited to implementing "deemed" certification status for providers; addressing requirements for staff qualifications, ratios, and supervision; revising requirements for treatment plan development, review, and revision, and for treatment records; applying shared risk or loss provisions for retroactive audits; and access to the department's service review organization.

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19. Notwithstanding section 234.39, subsection 5, and 2000 Iowa Acts, chapter 1228, section 43, the department may operate a subsidized guardianship program if the United States department of health and human services approves a waiver under Title IV-E of the federal Social Security Act and the

subsidized guardianship program can be operated without loss of Title IV-E funds.

20. Of the funds appropriated in this section, the department shall use \$700,000 for day treatment and aftercare services for juvenile females with provider selection made through a request for proposals process. The goal of providing the services is to ensure permanency, safety, and self-sufficiency for juvenile females.

Sec. 15. JUVENILE DETENTION HOME FUND. Moneys deposited in the juvenile detention home fund created in section 232.142 during the fiscal year beginning July 1, 2001, and ending June 30, 2002, are appropriated to the department of human services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, for distribution as follows:

1. An amount equal to ten percent of the costs of the establishment, improvement, operation, and maintenance of county or multicounty juvenile detention homes in the fiscal year beginning July 1, 2000. Moneys appropriated for distribution in accordance with this paragraph shall be allocated among eligible detention homes, prorated on the basis of an eligible detention home's proportion of the costs of all eligible detention homes in the fiscal year beginning July 1, 2000. Notwithstanding section 232.142, subsection 3, the financial aid payable by the state under that provision for the fiscal year beginning July 1, 2001, shall be limited to the amount appropriated for the purposes of this paragraph.

2. For renewal of a grant to a county with a population between 168,000 and 175,000 for implementation of the county's runaway treatment plan under section 232.195:

..... \$ 80,000

3. For grants to counties implementing a runaway treatment plan under section 232.195.

4. The remainder for additional allocations to county or multicounty juvenile detention homes, in accordance with the distribution requirements of subsection 1.

Sec. 16. CENTRAL INTAKE FOR CHILD PROTECTION. If specific statutory authorization is enacted by the Seventy-ninth

General Assembly, 2002 Session, to establish a statewide central intake unit for receiving child abuse reports, there is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For establishment in accordance with law of a statewide central intake unit for receiving child abuse reports:
..... \$ 250,000

It is the intent of the general assembly to give prompt consideration to the report of any 2001 legislative interim study committee established by the legislative council regarding the establishment of a central intake unit for receiving child abuse reports.

Sec. 17. COMMUNITY-BASED PROGRAMS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For community-based programs, on the condition that family planning services are funded, including salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent positions:
..... \$ 531,415
..... FTEs 1.00

1. Funds appropriated in this section shall be used to provide adolescent pregnancy prevention grants which comply with the requirements provided in 1997 Iowa Acts, chapter 208, section 14, subsections 1 and 2, and shall emphasize programs which target the middle school level.

2. It is the intent of the general assembly that the department of human services and the Iowa department of public health shall continue to identify existing abstinence education or community-based programs which comply with the requirements established in section 912, subchapter V, of the federal Social Security Act, as codified in 42 U.S.C. § 701 et seq. for the matching of federal funds.

3. Of the funds appropriated in this section, \$250,000 shall be used by the department for child abuse prevention grants.

Sec. 18. FAMILY SUPPORT SUBSIDY PROGRAM. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used by the division of children and family services for the purpose designated:

For the family support subsidy program:
..... \$ 2,089,858

The department may use up to \$267,000 of the moneys appropriated in this section to continue the children-at-home program in current counties, of which not more than \$20,000 shall be used for administrative costs.

Sec. 19. CONNER DECREE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For building community capacity through the coordination and provision of training opportunities in accordance with the consent decree of Conner v. Branstad, No. 4-86-CV-30871(S.D. Iowa, July 14, 1994):
..... \$ 46,000

Sec. 20. MENTAL HEALTH INSTITUTES. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For the state mental health institute at Cherokee for salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent positions:
..... \$ 13,470,000
..... FTEs 248.44

2. For the state mental health institute at Clarinda for salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent positions:

..... \$ 7,650,000
..... FTEs 138.59

3. For the state mental health institute at Independence for salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent positions:

..... \$ 17,992,500
..... FTEs 354.46

The state mental health institute at Independence shall continue the 30 psychiatric medical institution for children (PMIC) beds authorized in section 135H.6, in a manner which results in no net state expenditure amount in excess of the amount appropriated in this subsection. Counties are not responsible for the costs of PMIC services described in this subsection. Subject to the approval of the department, with the exception of revenues required under section 249A.11 to be credited to the appropriation in this Act for medical assistance, revenues attributable to the PMIC beds described in this subsection for the fiscal year beginning July 1, 2001, and ending June 30, 2002, shall be deposited in the institute's account, including but not limited to any of the following revenues:

- a. The federal share of medical assistance revenue received under chapter 249A.
- b. Moneys received through client participation.
- c. Any other revenues directly attributable to the PMIC beds.

The moneys appropriated in this subsection include funding for two additional security guard staff positions at the state mental health institute at Independence.

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4. For the state mental health institute at Mount Pleasant for salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent positions:

..... \$ 5,717,500
..... FTEs 109.47

a. Funding is provided in this subsection for the mental health-institute at Mount Pleasant to continue the dual diagnosis mental health and substance abuse program on a net budgeting basis in which 50 percent of the actual per diem and ancillary services costs are chargeable to the patient's county of legal settlement or as a state case, as appropriate. Subject to the approval of the department, revenues attributable to the dual diagnosis program for the fiscal year beginning July 1, 2001, and ending June 30, 2002, shall be deposited in the institute's account, including but not limited to all of the following revenues:

- (1) Moneys received by the state from billings to counties under section 230.20.
- (2) Moneys received from billings to the Medicare program.
- (3) Moneys received from a managed care contractor providing services under contract with the department or any private third-party payor.
- (4) Moneys received through client participation.
- (5) Any other revenues directly attributable to the dual diagnosis program.

b. The following additional provisions are applicable in regard to the dual diagnosis program:

- (1) A county may split the charges between the county's mental health, mental retardation, and developmental disabilities services fund and the county's budget for substance abuse expenditures.
- (2) If an individual is committed to the custody of the department of corrections at the time the individual is referred for dual diagnosis treatment, the department of corrections shall be charged for the costs of treatment.
- (3) Prior to an individual's admission for dual diagnosis treatment, the individual shall have been screened through a county's single entry point process to determine the appropriateness of the treatment.

(4) A county shall not be chargeable for the costs of treatment for an individual enrolled in and authorized by or decertified by a managed behavioral care plan under the medical assistance program.

(5) Notwithstanding section 8.33, mental health institutions revenues related to the dual diagnosis program that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available up to the amount which would allow the mental health institute to meet credit obligations owed to counties as a result of year-end per diem adjustments for the dual diagnosis program.

5. Within the funds appropriated in this section, the department may transfer funds as necessary to best fulfill the needs of the institutions provided for in the appropriation.

6. As part of the discharge planning process at the state mental health institutes, the department shall provide assistance in obtaining eligibility for federal supplemental security income (SSI) to those individuals whose care at a state mental health institute is the financial responsibility of the state or a county.

7. If the department receives notice from the department of inspections and appeals or any other entity that certifies a state mental health institute's compliance with certification requirements or determines compliance with regulatory requirements, that a state mental health institute has been found or cited for being out of compliance with a requirement, the department shall report the notice to those persons designated by this Act to receive reports. The report shall be made within thirty days of the date the notice was received by the department.

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Sec. 21. STATE RESOURCE CENTERS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For the state resource center at Glenwood for salaries, support, maintenance, and miscellaneous purposes:
..... \$ 2,625,000

2. For the state resource center at Woodward for salaries, support, maintenance, and miscellaneous purposes:
..... \$ 1,790,000

3. a. The department shall continue operating the state resource centers at Glenwood and Woodward with a net general fund appropriation. The amounts allocated in this section are the net amounts of state moneys projected to be needed for the state resource centers. The purposes of operating with a net general fund appropriation are to encourage the state resource centers to operate with increased self-sufficiency, to improve quality and efficiency, and to support collaborative efforts between the state resource centers and counties and other funders of services available from the state resource centers. The state resource centers shall not be operated under the net appropriation in a manner which results in a cost increase to the state or cost shifting between the state, the medical assistance program, counties, or other sources of funding for the state resource centers. Moneys appropriated in this section may be used throughout the fiscal year in the manner necessary for purposes of cash flow management, and for purposes of cash flow management the state resource centers may temporarily draw more than the amounts appropriated, provided the amounts appropriated are not exceeded at the close of the fiscal year.

b. Subject to the approval of the department, except for revenues under section 249A.11, revenues attributable to the state resource centers for the fiscal year beginning July 1, 2001, shall be deposited into each state resource center's account, including but not limited to all of the following:

- (1) Moneys received by the state from billings to counties under section 222.73.
- (2) The federal share of medical assistance revenue received under chapter 249A.
- (3) Federal Medicare program payments.

(4) Moneys received from client financial participation.

(5) Other revenues generated from current, new, or expanded services which the state resource center is authorized to provide.

c. For the purposes of allocating the salary adjustment fund moneys appropriated in another Act, the state resource centers shall be considered to be funded entirely with state moneys.

d. Notwithstanding section 8.33, up to \$500,000 of a state resource center's revenues that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available to be used in the succeeding fiscal year.

4. Within the funds appropriated in this section, the department may transfer funds as necessary to best fulfill the needs of the institutions provided for in the appropriation.

5. The department may continue to bill for state resource center services utilizing a scope of services approach used for private providers of ICFMR services, in a manner which does not shift costs between the medical assistance program, counties, or other sources of funding for the state resource centers.

6. The state resource centers may expand the time limited assessment and respite services during the fiscal year.

7. If the department's administration and the department of management concur with a finding by a state resource center's superintendent that projected revenues can reasonably be expected to pay the salary and support costs for a new employee position, or that such costs for adding a particular number of new positions for the fiscal year would be less than the overtime costs if new positions would not be added, the superintendent may add the new position or positions. If the vacant positions available to a resource center do not include the position classification desired to be filled, the state resource center's superintendent may reclassify any vacant position as necessary to fill the desired position. The superintendents of the state resource centers may, by mutual

agreement, pool vacant positions and position classifications during the course of the fiscal year in order to assist one another in filling necessary positions.

8. If the department receives notice from the department of inspections and appeals or any other entity that certifies a state resource center's compliance with certification requirements or determines compliance with regulatory requirements, that a state resource center has been found or cited for being out of compliance with a requirement, the department shall report the notice to those persons designated by this Act to receive reports. The report shall be made within thirty days of the date the notice was received by the department.

Sec. 22. SPECIAL NEEDS GRANTS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

To provide special needs grants to families with a family member at home who has a developmental disability or to a person with a developmental disability:

..... \$ 53,212

Grants must be used by a family to defray special costs of caring for the family member to prevent out-of-home placement of the family member or to provide for independent living costs. The grants may be administered by a private nonprofit agency which serves people statewide provided that no administrative costs are received by the agency.

Sec. 23. MI/MR/DD STATE CASES. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

For purchase of local services for persons with mental illness, mental retardation, and developmental disabilities where the client has no established county of legal settlement:

..... \$ 12,700,000

Sec. 24. MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES --
COMMUNITY SERVICES FUND. There is appropriated from the
general fund of the state to the mental health and
developmental disabilities community services fund created in
section 225C.7 for the fiscal year beginning July 1, 2001, and
ending June 30, 2002, the following amount, or so much thereof
as is necessary, to be used for the purpose designated:

For mental health and developmental disabilities community
services in accordance with this Act:

..... \$ 19,560,000

1. Of the funds appropriated in this section, \$19,530,000
shall be allocated to counties for funding of community-based
mental health and developmental disabilities services. The
moneys shall be allocated to a county as follows:

a. Fifty percent based upon the county's proportion of the
state's population of persons with an annual income which is
equal to or less than the poverty guideline established by the
federal office of management and budget.

b. Fifty percent based upon the county's proportion of the
state's general population.

Of the funds allocated in this subsection, not more than
\$25,000 may be used to provide matching funds for actuarial
services and other technical assistance to implement the adult
mental health, mental retardation, and developmental
disabilities services funding decategorization pilot project
implementation provisions as specified in this Act.

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2. a. A county shall utilize the funding the county
receives pursuant to subsection 1 for services provided to
persons with a disability, as defined in section 225C.2.
However, no more than 50 percent of the funding shall be used
for services provided to any one of the service populations.

b. A county shall use at least 50 percent of the funding
the county receives under subsection 1 for contemporary
services provided to persons with a disability, as described
in rules adopted by the department.

3. Of the funds appropriated in this section, \$30,000
shall be used to support the Iowa compass program providing
computerized information and referral services for Iowans with
disabilities and their families.

4. a. Funding appropriated for purposes of the federal
social services block grant is allocated for distribution to
counties for local purchase of services for persons with
mental illness or mental retardation or other developmental
disability.

b. The funds allocated in this subsection shall be
expended by counties in accordance with the county's approved
county management plan. A county without an approved county
management plan shall not receive allocated funds until the
county's management plan is approved.

c. The funds provided by this subsection shall be
allocated to each county as follows:

(1) Fifty percent based upon the county's proportion of
the state's population of persons with an annual income which
is equal to or less than the poverty guideline established by
the federal office of management and budget.

(2) Fifty percent based upon the amount provided to the
county for local purchase of services in the preceding fiscal
year.

5. A county is eligible for funds under this section if
the county qualifies for a state payment as described in
section 331.439.

Sec. 25. PERSONAL ASSISTANCE. There is appropriated from
the general fund of the state to the department of human
services for the fiscal year beginning July 1, 2001, and
ending June 30, 2002, the following amount, or so much thereof
as is necessary, to be used for the purpose designated:

For continuation of a pilot project for the personal
assistance services program in accordance with this section:
..... \$ 264,000

1. The funds appropriated in this section shall be used to
continue the pilot project for the personal assistance
services program under section 225C.46 in an urban and a rural

area. Not more than 10 percent of the amount appropriated shall be used for administrative costs. The pilot project shall not be implemented in a manner which would require additional county or state costs for assistance provided to an individual served under the pilot project.

2. Beginning July 1, 2001, new applicants shall not be accepted into the pilot project. An individual receiving services under the pilot project as of June 30, 2001, shall continue receiving services until the individual voluntarily leaves the project or until another program with similar services exists.

Sec. 26. SEXUALLY VIOLENT PREDATORS.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For costs associated with the commitment and treatment of sexually violent predators including costs of legal services and other associated costs, including salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent positions:

..... \$ 1,300,000
..... FTEs 25.00

2. Notwithstanding section 8.33, \$350,000 of the moneys appropriated in 2000 Iowa Acts, chapter 1228, section 27, that remain unexpended or unobligated at the close of the fiscal year shall not revert but shall remain available in the succeeding fiscal year to be used for the purposes of this section.

Sec. 27. FIELD OPERATIONS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

1. For field operations, including salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent positions:

..... \$ 49,100,000
..... FTEs 2,128.50

a. Priority in filling full-time equivalent positions shall be given to those positions related to child protection services.

b. The amount appropriated in this section includes increased funding of \$1,212,197 to address staffing issues in regard to child abuse assessment staff, social workers, and support staff performing related functions and for increased activities to improve cooperation between field staff, law enforcement, county attorneys, and mandatory reporters in addressing reports of child abuse.

2. Commencing with the fiscal year beginning July 1, 2001, the department shall eliminate the regional office administrative level within field operations. Essential staff within a regional office shall be transferred to be part of the staff of a county cluster office. Upon elimination of the regional office administrative level, the geographic areas established as departmental regions as of July 1, 2000, shall continue to be used for implementation of Code sections 232.2, 232.52, 232.68, 232.78, 232.102, 232.117, 232.127, 232.143, 232.182, 232.188, 234.35, and any provision in this Act or other law that utilizes the departmental regions for a geographic purpose. The director of human services shall assign any duties that are otherwise designated as duties of the regional administrator in section 232.143, this Act, or other provision of law or administrative rule to an appropriate person.

Sec. 28. ADDITIONAL FEDERAL FUNDING -- FISCAL YEAR 2001-2002.

1. The provisions of this section are applicable for the fiscal year beginning July 1, 2001.

2. It is the intent of the general assembly that the director of human services work on expanding the community partnership approach to child protection as established in Linn county with funding support from the Edna McConnell Clark foundation. The general assembly endorses the efforts by the

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department and local communities to develop community child protection systems that incorporate the four community partnership components used in Linn county and other Clark foundation sites. It is further intended that the director seek additional funding from the Clark foundation for expansion of the community partnership approach to other sites in the state and make use of the additional funding opportunities described in this section for such expansion.

3. It is the intent of the general assembly that the director of human services work to secure federal financial participation through Titles IV-E and XIX of the federal Social Security Act for services and activities that are currently funded with state, county, or community moneys. It is further intended that the director initially focus on securing targeted case management funding under medical assistance for state child protection staff and for services and activities currently funded with juvenile court services, county, or community moneys and state moneys used in combination with such moneys.

4. Additional federal financial participation secured for the fiscal year beginning July 1, 2001, and ending June 30, 2002, is appropriated to the department of human services for use as provided in this section. All of the following are applicable to the additional federal financial participation and efforts made to secure the federal financial participation:

a. The department may pursue federal approval of a state plan amendment to use medical assistance funding for targeted case management services. The population to be served through targeted case management services is children who are at risk of maltreatment or who are in need of protective services. The funding shall be based on the federal and state moneys available under the medical assistance program. For the additional federal financial participation received under the reimbursement methodology established for the services, a distribution plan shall attribute revenue to the cost sources upon which the reimbursement rates are based. In addition, of

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the additional federal funds received, a 5 percent set-aside shall be used for funding the revenue enhancement activities and for service delivery and results improvement efforts.

b. The director may use part or all of the additional federal financial participation in excess of \$3,000,000 received from medical assistance claims for child protection staff for not more than 93.00 full-time equivalent state child protection staff positions, including child abuse assessment positions, social workers, and support positions performing related functions. Positions added in accordance with this paragraph "b" are in addition to those authorized in the appropriation made in this Act for field operations.

c. The director may also use up to \$200,000 of the additional federal financial participation in excess of \$3,000,000 received from medical assistance claims for child protection staff for providing grants to communities to support the community partnership approach to child protection. Potential grantees may include child welfare funding decategorization projects, community empowerment area boards, or other community-based entities who, in partnership with the local departmental administrators, agree to implement the four community partnership components.

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5. It is the intent of the general assembly to consider additional proposals for providing other forms of targeted case management services and Title IV-E administrative claiming through counties, juvenile court services, or other community-based approaches.

6. The department may adopt emergency rules to implement the provisions of this section.

Sec. 29. GENERAL ADMINISTRATION. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For general administration, including salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent positions:

..... \$ 11,020,029
..... FTEs 385.00

1. Of the funds appropriated in this section, \$57,000 is allocated for the prevention of disabilities policy council established in section 225B.3.

2. If an expenditure reduction or other cost-saving measure is deemed necessary to maintain expenditures within the amount appropriated to the department in this section, the department shall not implement the reduction or other measure in a manner which reduces service funding for disability rehabilitation programs, including, but not limited to, statewide supported employment programs.

3. The department shall report to the governor, the general assembly, the legislative fiscal bureau, and the legislative service bureau, within thirty days of notice from the source of payment of the future receipt of any bonus, incentive, or other payments received from the federal government, court settlement payments, and any other payments received by the state that may be used to supplement state funds appropriated to the department.

4. It is the intent of the general assembly that the department commence negotiations with the state of Nebraska to provide a process to assist interested Nebraska residents in placing their children at a state resource center in this state, to allow the department and others to utilize the child protection center located in Omaha, and to explore other ways by which the two states may maximize the use of resources.

SEC. 30. VOLUNTEERS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For development and coordination of volunteer services:
..... \$ 118,250

Sec. 31. MEDICAL ASSISTANCE, STATE SUPPLEMENTARY ASSISTANCE, AND SOCIAL SERVICE PROVIDERS REIMBURSED UNDER THE DEPARTMENT OF HUMAN SERVICES.

1. a. For the fiscal year beginning July 1, 2001, the reimbursement rate for nursing facilities shall be determined under a case mix reimbursement system. Nursing facilities reimbursed under the medical assistance program shall submit annual cost reports and additional documentation as required by rules adopted by the department.

b. (1) For the fiscal year beginning July 1, 2001, the department shall reimburse pharmacy dispensing fees using a single rate of \$5.17 per prescription or the pharmacy's usual and customary fee, whichever is lower.

(2) The department shall increase the state's efforts to collect pharmaceutical manufacturer rebates in order to meet the national average relative to collection of such rebates.

(3) The department shall implement a series of prospective drug utilization review edits on targeted drugs to facilitate the cost effective use of these drugs. The edits shall be implemented in a manner that does not change the therapy or the therapeutic outcome for the patient.

(4) The department shall implement a generic incentive patient copayment program to encourage the dispensing and use of less costly pharmaceutical alternatives. The copayment amount shall be 50 cents for a generic medication and \$2 for a brand-name medication.

(5) Beginning October 1, 2001, the department shall implement a state maximum allowable cost list for prescription drugs. The department shall consult with its fiscal agent and the drug utilization review commission, at no additional cost to the department, to determine the drug list that will provide the department with the most significant cost savings in the shortest period of time. In order to expedite implementation, the department may implement the drug list using a sole source contract during the initial year of implementation. The department shall report to the general assembly and the governor, on or before January 14, 2002, identifying the entity with which the department enters the contract to implement the program and whether the contract is a sole source contract. The report shall include a

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recommendation regarding continuation of the initial contract, and if the initial contract is a sole source contract, whether a sole source process or a request for proposals process should be used to determine the contractor for any subsequent contract entered into during the fiscal year beginning July 1, 2002.

c. For the fiscal year beginning July 1, 2001, reimbursement rates for inpatient and outpatient hospital services shall be reduced by three percent from the rates in effect on June 30, 2001. The department shall continue the outpatient hospital reimbursement system based upon ambulatory patient groups implemented pursuant to 1994 Iowa Acts, chapter 1186, section 25, subsection 1, paragraph "f". In addition, the department shall continue the revised medical assistance payment policy implemented pursuant to that paragraph to provide reimbursement for costs of screening and treatment provided in the hospital emergency room if made pursuant to the prospective payment methodology developed by the department for the payment of outpatient services provided under the medical assistance program.

d. For the fiscal year beginning July 1, 2001, reimbursement rates for rural health clinics, hospices, independent laboratories, and acute mental hospitals shall be increased in accordance with increases under the federal Medicare program or as supported by their Medicare audited costs.

e. For the fiscal year beginning July 1, 2001, reimbursement rates for home health agencies shall be reduced by three percent from the rates in effect on June 30, 2001.

f. For the fiscal year beginning July 1, 2001, federally qualified health centers shall receive cost-based reimbursement for 100 percent of the reasonable costs for the provision of services to recipients of medical assistance.

g. Beginning July 1, 2001, the reimbursement rates for dental services shall be reduced by three percent from the rates in effect on June 30, 2001.

h. Beginning July 1, 2001, the reimbursement rates for community mental health centers shall be reduced by three percent from the rates in effect on June 30, 2001.

i. For the fiscal year beginning July 1, 2001, the maximum reimbursement rate for psychiatric medical institutions for children shall remain at the rate in effect on June 30, 2001, based on per day rates for actual costs.

j. For the fiscal year beginning July 1, 2001, unless otherwise specified in this Act, all noninstitutional medical assistance provider reimbursement rates shall be reduced by three percent from the rates in effect on June 30, 2001, except for area education agencies, local education agencies, infant and toddler services providers, and those providers whose rates are required to be determined pursuant to section 249A.20.

k. Notwithstanding section 249A.20, the average reimbursement rates for health care providers eligible for use of the reimbursement methodology under that section shall be reduced by three percent from the rate in effect on June 30, 2001.

2. For the fiscal year beginning July 1, 2001, the maximum cost reimbursement rate for residential care facilities reimbursed by the department shall not be less than \$24.50 per day for the time period of July 1, 2001, through December 31, 2001, and shall not be less than \$25.14 per day for the time period of January 1, 2002, through June 30, 2002. The flat reimbursement rate for facilities electing not to file semiannual cost reports shall not be less than \$17.50 per day for the time period of July 1, 2001, through December 31, 2001, and shall not be less than \$17.96 per day for the time period of January 1, 2002, through June 30, 2002.

3. For the fiscal year beginning July 1, 2001, the maximum reimbursement rate for providers reimbursed under the in-home health-related care program shall not be less than \$471.06 per month for the time period of July 1, 2001, through December 31, 2001, and shall not be less than \$483.31 per month for the time period of January 1, 2002, through June 30, 2002.

4. Unless otherwise directed in this section, when the department's reimbursement methodology for any provider reimbursed in accordance with this section includes an inflation factor, this factor shall not exceed the amount by which the consumer price index for all urban consumers increased during the calendar year ending December 31, 2000.

5. Notwithstanding section 234.38, in the fiscal year beginning July 1, 2001, the foster family basic daily maintenance rate and the maximum adoption subsidy rate for children ages 0 through 5 years shall be \$14.28, the rate for children ages 6 through 11 years shall be \$15.07, the rate for children ages 12 through 15 years shall be \$16.83, and the rate for children ages 16 and older shall be \$16.83.

6. For the fiscal year beginning July 1, 2001, the maximum reimbursement rates for social service providers shall remain at the rates in effect on June 30, 2001. However, the rates may be adjusted under any of the following circumstances:

a. If a new service was added after June 30, 2001, the initial reimbursement rate for the service shall be based upon actual and allowable costs.

b. If a social service provider loses a source of income used to determine the reimbursement rate for the provider, the provider's reimbursement rate may be adjusted to reflect the loss of income, provided that the lost income was used to support actual and allowable costs of a service purchased under a purchase of service contract.

c. The department revises the reimbursement rates as part of the changes in the mental health and developmental disabilities services system initiated pursuant to 1995 Iowa Acts, chapter 206, and associated legislation.

7. The group foster care reimbursement rates paid for placement of children out-of-state shall be calculated according to the same rate-setting principles as those used for in-state providers unless the director determines that appropriate care cannot be provided within the state. The payment of the daily rate shall be based on the number of days in the calendar month in which service is provided.

8. For the fiscal year beginning July 1, 2001, the reimbursement rates for rehabilitative treatment and support services providers shall remain at the rates in effect on June 30, 2001.

9. For the fiscal year beginning July 1, 2001, the combined service and maintenance components of the reimbursement rate paid to a shelter care provider shall be based on the cost report submitted to the department. The maximum reimbursement rate shall be \$83.69 per day. The department shall reimburse a shelter care provider at the provider's actual and allowable unit cost, plus inflation, not to exceed the maximum reimbursement rate.

10. For the fiscal year beginning July 1, 2001, the department shall calculate reimbursement rates for intermediate care facilities for persons with mental retardation at the 80th percentile.

11. For the fiscal year beginning July 1, 2001, for child care providers, the department shall set provider reimbursement rates based on the rate reimbursement survey completed in December 1998. The department shall set rates in a manner so as to provide incentives for a nonregistered provider to become registered.

12. For the fiscal year beginning July 1, 2001, reimbursements for providers reimbursed by the department of human services may be modified if appropriated funding is allocated for that purpose from the senior living trust fund created in section 249H.4, or as specified in appropriations from the tobacco settlement endowment fund created in section 12.65, Code 2001.

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13. The department of human services shall review the disparity between the compensation provided to public employees who provide child welfare services relative to employees of private providers who have qualifications or job responsibilities that are comparable to the public employees. The department shall submit to the governor and to those persons designated by this Act to be provided with reports, a report of its review, including findings and a plan for reducing the disparity.

14. The department may adopt emergency rules to implement this section.

Sec. 32. TRANSFER AUTHORITY. Subject to the provisions of section 8.39, for the fiscal year beginning July 1, 2001, if necessary to meet federal maintenance of effort requirements or to transfer federal temporary assistance for needy families block grant funding to be used for purposes of the federal social services block grant or to meet cash flow needs resulting from delays in receiving federal funding or to implement, in accordance with this Act, targeted case management for child protection and for activities currently funded with juvenile court services, county, or community moneys and state moneys used in combination with such moneys, the department of human services may transfer within or between any of the appropriations made in this Act and appropriations in law for the federal social services block grant to the department for the following purposes, provided that the combined amount of state and federal temporary assistance for needy families block grant funding for each appropriation remains the same before and after the transfer:

1. For the family investment program.
2. For emergency assistance.
3. For child care assistance.
4. For child and family services.
5. For field operations.
6. For general administration.
7. MH/MR/DD/BI community services (local purchase).

This section shall not be construed to prohibit existing state transfer authority for other purposes.

Sec. 33. FRAUD AND RECOUPMENT ACTIVITIES. During the fiscal year beginning July 1, 2001, notwithstanding the restrictions in section 239B.14, recovered moneys generated through fraud and recoupment activities are appropriated to the department of human services to be used for additional fraud and recoupment activities performed by the department of human services or the department of inspections and appeals, and the department of human services may add not more than

five full-time equivalent positions, in addition to those funded in this Act, subject to both of the following conditions:

1. The director of human services determines that the investment can reasonably be expected to increase recovery of assistance paid in error, due to fraudulent or nonfraudulent actions, in excess of the amount recovered in the fiscal year beginning July 1, 1997.

2. The amount expended for the additional fraud and recoupment activities shall not exceed the amount of the projected increase in assistance recovered.

Sec. 34. PRIOR YEAR NONREVERSION.

1. Notwithstanding 2000 Iowa Acts, chapter 1221, section 5, moneys appropriated in chapter 1221, section 1, subsection 1, paragraphs "f", "h", and "i", for home health care services, for home health care services and habilitative day care for children with special needs, and for respite care services provided through home and community-based waiver services which are unexpended or unencumbered at the close of the fiscal year beginning July 1, 2000, and ending June 30, 2001, shall not revert but shall remain available to be used in the succeeding fiscal year to supplement the medical assistance appropriation made in this Act.

2. Notwithstanding 2000 Iowa Acts, chapter 1221, section 5, \$1,000,000 of the moneys appropriated in 2000 Iowa Acts, chapter 1221, section 3, for purchase of service contract providers which is unexpended or unencumbered at the close of the fiscal year beginning July 1, 2000, and ending June 30, 2001, shall not revert but shall remain available to be used in the succeeding fiscal year to supplement the medical assistance appropriation made in this Act.

Sec. 35. Section 135H.6, subsection 2, Code 2001, is amended to read as follows:

2. The proposed psychiatric institution is accredited by the joint commission on the accreditation of health care organizations, the commission on accreditation of rehabilitation facilities, the council on accreditation of

services for families and children, or by any other federally recognized accrediting organization with comparable standards acceptable under federal regulation.

Sec. 36. Section 225B.8, Code 2001, is amended to read as follows:

225B.8 REPEAL.

This chapter is repealed July 1, ~~2001~~ 2006.

Sec. 37. NEW SECTION. 234.45 IOWA MARRIAGE INITIATIVE GRANT FUND.

1. An Iowa marriage initiative grant fund is established in the state treasury under the authority of the department of human services. The grant fund shall consist of moneys appropriated to the fund and notwithstanding section 8.33 such moneys shall not revert to the fund from which appropriated at the close of the fiscal year but shall remain in the Iowa marriage initiative grant fund. Moneys credited to the fund shall be used as directed in appropriations made by the general assembly for funding of services to support marriage and to encourage the formation and maintenance of two-parent families that are secure and nurturing.

2. It is the intent of the general assembly to credit to the Iowa marriage initiative grant fund, federal moneys provided to the state for the express purpose of supporting marriage or two-parent families.

Sec. 38. Section 232.142, Code 2001, is amended by adding the following new subsection:

NEW SUBSECTION. 6. A juvenile detention home fund is created in the state treasury under the authority of the department. The fund shall consist of moneys deposited in the fund pursuant to sections 321.218A and 321A.32A. The moneys in the fund shall be used for the costs of the establishment, improvement, operation, and maintenance of county or multicounty juvenile detention homes in accordance with annual appropriations made by the general assembly from the fund for these purposes.

Sec. 39. Section 234.12A, subsection 1, paragraphs b and c, Code 2001, are amended to read as follows:

b. A retailer providing electronic funds transfer system equipment for transactions pursuant to the program shall be reimbursed fifteen seven cents for each approved transaction pursuant to the program utilizing the retailer's equipment.

c. A retailer that provides electronic funds transfer system equipment for transactions pursuant to the program and who makes cash disbursements pursuant to the program utilizing the retailer's equipment shall be paid a fee of fifteen seven cents by the department for each cash disbursement transaction by the retailer.

Sec. 40. Section 235A.16, subsection 2, Code 2001, is amended to read as follows:

2. a. Requests for child abuse information may be made orally by telephone where a person making such a request believes that the information is needed immediately and where information sufficient to demonstrate authorized access is provided. In the event that a request is made orally by telephone, a written request form shall nevertheless be filed within seventy-two hours.

b. The department of inspections and appeals may provide access to the single contact repository established under section 135C.33, subsection 6, for criminal and abuse history checks made by those employers, agencies, and other persons that are authorized access to child abuse information under section 235A.15 and are required by law to perform such checks.

Sec. 41. Section 239B.8, subsection 1, Code 2001, is amended to read as follows:

1. PARTICIPATION -- EXEMPTIONS. A parent living in a home with a child for whom an application for family investment program assistance has been made or for whom the assistance is provided, and all other individual members of the family whose needs are included in the assistance shall be subject to a family investment agreement unless exempt under rules adopted by the department or unless any of the following conditions exists:

~~a. The individual is completely unable to participate in any agreement option due to disability.~~

b. a. The individual is less than sixteen years of age and is not a parent.

c. b. The individual is sixteen through eighteen years of age, is not a parent, and is attending elementary or secondary school, or the equivalent level of vocational or technical school, on a full-time basis.

d. c. The individual is not a United States citizen and is not a qualified alien as defined in 8 U.S.C. § 1641.

Sec. 42. Section 321.218A, Code 2001, is amended to read as follows:

321.218A CIVIL PENALTY -- DISPOSITION -- REINSTATEMENT.

When the department suspends, revokes, or bars a person's driver's license or nonresident operating privilege for a conviction under this chapter, the department shall assess the person a civil penalty of two hundred dollars. However, for persons age nineteen or under, the civil penalty assessed shall be fifty dollars. The civil penalty does not apply to a suspension issued for a violation of section 321.180B. The money collected by the department under this section shall be transmitted to the treasurer of state who shall deposit the money in the ~~general fund of the state~~ juvenile detention home fund created in section 232.142. A temporary restricted license shall not be issued or a driver's license or nonresident operating privilege reinstated until the civil penalty has been paid.

Sec. 43. Section 321A.32A, Code 2001, is amended to read as follows:

321A.32A CIVIL PENALTY -- DISPOSITION -- REINSTATEMENT.

When the department suspends, revokes, or bars a person's driver's license or nonresident operating privilege under this chapter, the department shall assess the person a civil penalty of two hundred dollars. However, for persons age nineteen or under, the civil penalty assessed shall be fifty dollars. The money collected by the department under this section shall be transmitted to the treasurer of state who

shall deposit the money in the ~~general fund of the state~~ juvenile detention home fund created in section 232.142. A temporary restricted license shall not be issued or a driver's license or nonresident operating privilege reinstated until the civil penalty has been paid.

Sec. 44. Section 426B.2, subsection 3, Code 2001, is amended to read as follows:

3. The director of human services shall draw warrants on the property tax relief fund, payable to the county treasurer in the amount due to a county in accordance with subsection 1 and mail the warrants to the county auditors in ~~September~~ July and ~~March~~ January of each year.

Sec. 45. 2000 Iowa Acts, chapter 1228, section 8, is amended by adding the following new subsection:

NEW SUBSECTION. 18. Notwithstanding section 8.33, the state share of funds received by the state in this fiscal year or the succeeding fiscal year in a settlement with a fiscal agent shall not revert or be credited to the general fund but shall be treated as a repayment receipt and remain available to supplement funds appropriated in this section for the fiscal period beginning July 1, 2000, and for any appropriation made for medical assistance for the fiscal year beginning July 1, 2001.

Sec. 46. 2000 Iowa Acts, chapter 1228, section 9, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 47. 2000 Iowa Acts, chapter 1232, section 1, is amended to read as follows:

SECTION 1. COUNTY MENTAL HEALTH, MENTAL RETARDATION, AND DEVELOPMENTAL DISABILITIES ALLOWED GROWTH FACTOR ADJUSTMENT ~~AND ALLOCATIONS~~. There is appropriated from the general fund of the state to the department of human services for the

fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For distribution to counties of the county mental health, mental retardation, and developmental disabilities allowed growth factor adjustment, in accordance with section 331.438, subsection 2, and section 331.439, subsection 3, and chapter 426B in accordance with law:

..... \$ 26,492,712
24,887,428

The funding appropriated in this section is the allowed growth factor adjustment for fiscal year 2001-2002, and is allocated as follows:

- 1. For distribution to counties for fiscal year 2001-2002 in accordance with the formula in section 331.438, subsection 2, paragraph "b": \$ 12,000,000
2. For deposit in the per capita expenditure target pool created in the property tax relief fund pursuant to section 426B.5, subsection 1: \$ 10,492,712
12,492,712

In addition to the requirement of section 426B.5, subsection 1, paragraph "c", limiting eligibility for moneys appropriated in this paragraph to counties levying the maximum amount allowed, both of the following eligibility requirements are applicable:

a. In the fiscal year beginning July 1, 2000, the county's services fund ending balance under generally accepted accounting principles was equal to or less than 35 percent of the county's projected expenditures for that fiscal year.

b. The county is in compliance with the filing date requirements under section 331.403.

3. For deposit in the incentive and efficiency pool created in the property tax relief fund pursuant to section 426B.5, subsection 2:

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

4. 3. For deposit in the risk pool created in the property tax relief fund pursuant to section 426B.5, subsection 3:

..... \$ 2,000,000
394,716

Sec. 48. COUNTY MENTAL HEALTH, MENTAL RETARDATION, AND DEVELOPMENTAL DISABILITIES (MH/MR/DD) ALLOWED GROWTH FACTOR ADJUSTMENT AND ALLOCATIONS -- REVISED ALLOCATIONS FOR FY 2001-2002.

1. Notwithstanding any contrary provisions of sections 225C.7, 331.438, subsection 2, 331.439, subsection 3, and 426B.5, and 2000 Iowa Acts, chapter 1232, section 1, as amended by this Act, the moneys appropriated in this Act, for distribution to counties in the fiscal year beginning July 1, 2001, for purposes of the mental health and developmental disabilities (MH/DD) community services fund under section 225C.7, and for the allowed growth factor adjustment for services paid under a county's section 331.424A mental health, mental retardation, and developmental disabilities services fund shall be subject to withholding as provided in this section.

2. After applying the applicable statutory distribution formulas to the amounts specified in the appropriations made in this Act for the MH/DD community services fund and for allowed growth in section 47, as amended by this Act, the department of human services shall apply a withholding factor to adjust the actual amount of the funding to be distributed to an eligible individual county. An ending balance percentage for each county shall be determined by calculating the county's ending balance on a modified accrual basis under generally accepted accounting principles for the fiscal year beginning July 1, 2000, in the county's mental health, mental retardation, and developmental disabilities services fund created under section 331.424A, as a percentage of the county's gross expenditures from that fund for the fiscal year. The withholding factor for a county shall be the following applicable percent:

- a. For an ending balance percentage of less than 15 percent, a withholding factor of 0 percent.
 - b. For an ending balance percentage of 15 through 24 percent, a withholding factor of 12.8 percent.
 - c. For an ending balance percentage of 25 through 34 percent, a withholding factor of 35 percent.
 - d. For an ending balance percentage of 35 through 44 percent, a withholding factor of 67.25 percent.
 - e. For an ending balance percentage of 45 percent or more, a withholding factor of 100 percent.
3. The total withholding amounts applied pursuant to subsection 2 shall be equal to a withholding target amount of \$15,554,307 and the appropriations made in this Act for the MH/DD community services fund and for MH/MR/DD allowed growth as amended in section 47 of this Act, shall be reduced by the amounts necessary to attain the withholding target amount. If the department of human services determines that the amount to be withheld in accordance with subsection 2 is not equal to the target withholding amount, the department shall adjust the withholding factors listed in subsection 2 as necessary to achieve the withholding target amount. However, in making such adjustments to the withholding factors the department shall strive to minimize changes to the withholding factors for those ending balance percentage ranges that are lower than others and shall not adjust the zero withholding factor specified in subsection 2, paragraph "a".
4. Only those counties that are in compliance with the December 1, 2001, filing deadline for the county annual financial report in accordance with section 331.403 are eligible to receive a funding distribution under this section. The amount that would otherwise be available for distribution to a county that fails to so comply shall be proportionately distributed among the eligible counties.
5. The department of human services shall authorize the issuance of warrants payable to the county treasurer for the distribution amounts due to the counties eligible under this section and notwithstanding prior practice for the MH/DD

community services fund, the warrants shall be issued in January 2002.

Sec. 49. EMERGENCY RULES. If specifically authorized by a provision of this Act, the department of human services or the mental health and developmental disabilities commission 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 this section shall not take effect before the rules are reviewed by the administrative rules review committee. 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.

Sec. 50. REPORTS. Any reports or information required to be compiled and submitted under this Act shall be submitted to the chairpersons and ranking members of the joint appropriations subcommittee on human services, the legislative fiscal bureau, the legislative service bureau, and to the legislative caucus staffs on or before the dates specified for submission of the reports or information.

Sec. 51. EQUIPMENT PURCHASE MORATORIUM

1. Commencing on the effective date of this section, the department of human services shall eliminate nonessential equipment purchases otherwise payable from any appropriation or transfer made to the department for the fiscal years beginning July 1, 2000. Notwithstanding section 8.33, \$500,000 of the moneys appropriated and transfers made to the department of human services for the fiscal year beginning July 1, 2000, in 2000 Iowa Acts, chapters 1004, 1221, 1226, 1228, 1231, and 1232, and any other provision of law, that may be used for equipment purposes, that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes

designated in the appropriations made in this Act until the close of the succeeding fiscal year.

2. Upon submission to the persons designated by this Act for receiving reports of a report describing the transfers being made, the department may transfer up to \$2,500,000 to the appropriation in this Act for general administration from moneys that are budgeted for purchase of equipment in other appropriations made to the department in this Act.

Sec. 52. ADULT MENTAL HEALTH, MENTAL RETARDATION, AND DEVELOPMENTAL DISABILITIES SERVICES FUNDING DECATEGORIZATION PILOT PROJECT IMPLEMENTATION. The following target dates are applicable to implementation of the adult mental health, mental retardation, and developmental disabilities services funding decategorization pilot project under section 331.440A:

1. May 2001: Representatives of the pilot project and the department of human services shall visit Kansas City offices of the federal health care financing administration to present a concept paper and begin the development process for a section 1915b waiver application and section 1915c waiver amendment under the medical assistance program.

2. July 1, 2001: The department of human services shall transfer responsibility for administering state case payments to the pilot project counties, including the monthly payment amount per eligible person provisions under the state's administrative services only contract for state cases and the applicable percentage of field operations staff expenses.

3. October 2001: Federal social services block grant local purchase funding shall be directly transferred to the pilot project counties.

4. January 2002: State supplementary assistance funding and civil commitment funding shall be transferred to the pilot project counties and the section 1915b waiver application and the section 1915c waiver amendment under the medical assistance program shall be submitted to the health care financing administration of the United States department of health and human services.

VETO

5. July 2002: The state portion of the costs attributable to placements at a state mental health institute made from the pilot project counties, and the portion of funding for mental health and developmental disabilities services that is not county funding, including state and federal medical assistance program funding for such services, shall be transferred to the pilot project counties.

Sec. 53. EFFECTIVE DATES. The following provisions of this Act, being deemed of immediate importance, take effect upon enactment:

1. Section 3, subsection 2, relating to nonreversion of moneys allocated for electronic benefits transfer development.

2. Section 14, subsection 2, paragraph "e", relating to requirements of section 232.143, for the 2001-2002 fiscal year.

3. Section 14, subsection 14, paragraph "a", relating to determining allocation of court-ordered services funding.

4. Section 26, subsection 2, relating to nonreversion of moneys appropriated in 2000 Iowa Acts, chapter 1228, section 27.

5. Section 34, relating to nonreversion of moneys appropriated in 2000 Iowa Acts, chapter 1221, section 1, for home health care services, for home health care and habilitative day care for children with special needs, and for respite care provided through home and community-based waiver services, and relating to nonreversion of moneys appropriated in 2000 Iowa Acts, chapter 1221, section 3, for purchase of service contract providers.

6. Section 45, relating to nonreversion of moneys appropriated in 2000 Iowa Acts, chapter 1228, section 8, for medical assistance repayment receipts.

7. Section 46, relating to nonreversion of moneys appropriated in 2000 Iowa Acts, chapter 1228, section 9, for the pharmaceutical case management study.

8. Section 51, relating to the equipment purchase moratorium.

Veto 9. Section 52, relating to adult mental health, mental retardation, and developmental disabilities services funding decategorization pilot project implementation.]

BRENT SIEGRIST
Speaker of the House

MARY E. KRAMER
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 732, Seventy-ninth General Assembly.

Item veto
~~Approved~~ 5/31, 2001

MARGARET THOMSON
Chief Clerk of the House

THOMAS J. VILSACK
Governor