

FILED FEB 18 2002

SENATE FILE 2211  
BY VEENSTRA

(COMPANION TO LSB 6404HH  
BY CARROLL)

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

**A BILL FOR**

1 An Act providing for the mental health and developmental  
2 disabilities commission to assume the duties of the state-  
3 county management committee and provides new rulemaking  
4 authority associated with those duties.

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

- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22

SF 2211  
HUMAN RESOURCES

1 Section 1. Section 225C.5, subsection 1, Code 2001, is  
2 amended to read as follows:

3 1. A mental health and developmental disabilities  
4 commission is created as the state policy-making body for the  
5 provision of services to persons with mental illness, mental  
6 retardation or other developmental disabilities, or brain  
7 injury. The commission shall consist of fifteen voting  
8 members appointed to three-year staggered terms by the  
9 governor and subject to confirmation by the senate.

10 Commission members shall be appointed on the basis of interest  
11 and experience in the fields of mental health, mental  
12 retardation or other developmental disabilities, and brain  
13 injury, in a manner ~~so that, if possible, the composition of~~  
14 ~~the commission will comply with the requirements of the~~  
15 ~~Community Mental Health Centers Amendments of 1975, 42-U.S.C.~~  
16 ~~§-2689t(a)-(1976) relative to a state mental health advisory~~  
17 ~~council, and~~ so as to ensure adequate representation from  
18 persons with disabilities and individuals knowledgeable  
19 concerning disability services. The department shall provide  
20 staff support to the commission, and the commission may  
21 utilize staff support and other assistance provided to the  
22 commission by other persons. Members of the commission shall  
23 include the following persons who, at the time of appointment  
24 to the commission, are active members of the indicated groups:

25 a. Four members shall be members of a county board of  
26 supervisors selected from nominees submitted by the county  
27 supervisor affiliate of the Iowa state association of  
28 counties.

29 b. Two members shall be members of a mental health and  
30 developmental disabilities regional planning council.

31 c. One member shall be either an active board member of a  
32 community mental health center or of a statewide association  
33 of persons with mental illness or of family members of persons  
34 with mental illness.

35 d. One member shall be either an active board member of an

1 agency serving persons with mental retardation or of a  
2 statewide association for persons with mental retardation.

3 e. One member shall be an active member of a statewide  
4 organization for persons with developmental disabilities other  
5 than mental retardation.

6 f. One member shall be an active member of a statewide  
7 organization for persons with brain injury.

8 g. Two members shall be administrators of the single entry  
9 point process established in accordance with section 331.440  
10 selected from nominees submitted by the community services  
11 affiliate of the Iowa state association of counties.

12 h. One member shall be selected from nominees submitted by  
13 the state's council of the association of federal, state,  
14 county, and municipal employees.

15 i. One member shall be a service consumer.

16 j. One member shall be selected from nominees submitted by  
17 service advocates.

18 k. In addition to the voting members, the membership shall  
19 include four members of the general assembly with one member  
20 designated by each of the following: the majority leader of  
21 the senate, the minority leader of the senate, the speaker of  
22 the house of representatives, and the minority leader of the  
23 house of representatives. A legislative member serves in an  
24 ex officio, nonvoting capacity and is eligible for per diem  
25 and expenses as provided in section 2.10.

26 Sec. 2. Section 229.24, subsection 3, unnumbered paragraph  
27 1, Code 2001, is amended to read as follows:

28 If all or part of the costs associated with hospitalization  
29 of an individual under this chapter are chargeable to a county  
30 of legal settlement, the clerk of the district court shall  
31 provide to the county of legal settlement and to the county in  
32 which the hospitalization order is entered, in a form  
33 prescribed by the ~~council-on-human-services-pursuant-to-a~~  
34 ~~recommendation-of-the-state-county-management-committee~~  
35 ~~established-in-section-331-438~~ mental health and developmental

1 disabilities commission, the following information pertaining  
2 to the individual which would be confidential under subsection  
3 1:

4 Sec. 3. Section 249A.12, subsection 5, paragraph a,  
5 unnumbered paragraph 1, Code Supplement 2001, is amended to  
6 read as follows:

7 The ~~state-county-management-committee~~ mental health and  
8 developmental disabilities commission shall recommend to the  
9 department the actions necessary to assist in the transition  
10 of individuals being served in an intermediate care facility  
11 for persons with mental retardation, who are appropriate for  
12 the transition, to services funded under a medical assistance  
13 waiver for home and community-based services for persons with  
14 mental retardation in a manner which maximizes the use of  
15 existing public and private facilities. The actions may  
16 include but are not limited to submitting any of the following  
17 or a combination of any of the following as a request for a  
18 revision of the medical assistance waiver for home and  
19 community-based services for persons with mental retardation  
20 in effect as of June 30, 1996:

21 Sec. 4. Section 249A.12, subsection 5, paragraph b,  
22 unnumbered paragraph 1, Code Supplement 2001, is amended to  
23 read as follows:

24 In implementing the provisions of this subsection, the  
25 ~~state-county-management-committee~~ mental health and  
26 developmental disabilities commission shall consult with other  
27 states. The waiver revision request or other action necessary  
28 to assist in the transition of service provision from  
29 intermediate care facilities for persons with mental  
30 retardation to alternative programs shall be implemented by  
31 the department in a manner that can appropriately meet the  
32 needs of individuals at an overall lower cost to counties, the  
33 federal government, and the state. In addition, the  
34 department shall take into consideration significant federal  
35 changes to the medical assistance program in formulating the

1 department's actions under this subsection. The department  
2 ~~shall consult with the state county management committee in~~  
3 ~~adopting rules~~ mental health and developmental disabilities  
4 commission shall adopt rules for oversight of facilities  
5 converted pursuant to this subsection. A transition approach  
6 described in paragraph "a" may be modified as necessary to  
7 obtain federal waiver approval. ~~The department shall report~~  
8 ~~on or before January 27, 1997, to the general assembly~~  
9 ~~regarding its actions under this subsection and any federal~~  
10 ~~response, and shall submit an update upon receiving a federal~~  
11 ~~response to the waiver request or other action taken which~~  
12 ~~requires a federal response. If implementation of any of the~~  
13 ~~provisions of this subsection does not require a federal~~  
14 ~~waiver, the department shall implement the provisions in the~~  
15 ~~fiscal year beginning July 17, 1996.~~

16 Sec. 5. Section 331.424A, subsection 1, Code Supplement  
17 2001, is amended to read as follows:

18 1. For the purposes of this chapter, unless the context  
19 otherwise requires, "services fund" means the county mental  
20 health, mental retardation, and developmental disabilities  
21 services fund created in subsection 2. The county finance  
22 committee created in section 333A.2 shall consult with the  
23 ~~state county management committee~~ mental health and  
24 developmental disabilities commission in adopting rules and  
25 prescribing forms for administering the services fund.

26 Sec. 6. Section 331.438, subsection 1, paragraph c, Code  
27 Supplement 2001, is amended to read as follows:

28 c. "Qualified mental health, mental retardation, and  
29 developmental disabilities services" means the services  
30 specified on forms issued by the county finance committee  
31 following consultation with the ~~state county management~~  
32 ~~committee~~ mental health and developmental disabilities  
33 commission.

34 Sec. 7. Section 331.438, subsection 4, paragraph a, Code  
35 Supplement 2001, is amended to read as follows:

1 a. A The mental health and developmental disabilities  
2 commission shall state-county-management-committee-is-created  
3 in-the-department-of-human-services-to make recommendations  
4 and take actions for joint state and county planning,  
5 implementing, and funding of mental health, mental  
6 retardation, and developmental disabilities services,  
7 including but not limited to developing and implementing  
8 fiscal and accountability controls, establishing management  
9 plans, and ensuring that eligible persons have access to  
10 appropriate and cost-effective services.

11 Sec. 8. Section 331.438, subsection 4, paragraph b, Code  
12 Supplement 2001, is amended by striking the paragraph.

13 Sec. 9. Section 331.438, subsection 4, paragraph c, Code  
14 Supplement 2001, is amended to read as follows:

15 c. The management-committee mental health and  
16 developmental disabilities commission shall do all of the  
17 following:

18 (1) Identify characteristics of the service system,  
19 including amounts expended, equity of funding among counties,  
20 funding sources, provider types, service availability, and  
21 equity of service availability among counties and among  
22 persons served.

23 (2) Assess the accuracy and uniformity of recordkeeping  
24 and reporting in the service system.

25 (3) Identify for each county the factors associated with  
26 inflationary growth of the service system.

27 (4) Identify opportunities for containing service system  
28 growth.

29 (5) Make-recommendations Consider proposals for revising  
30 service system administrative rules.

31 (6) Consider provisions and adopt rules for counties to  
32 implement a single point of accountability to plan, budget,  
33 and monitor county expenditures for the service system. The  
34 provisions shall provide options for counties to implement the  
35 single point in collaboration with other counties.

1 (7) Develop criteria for annual county mental health,  
2 mental retardation, and developmental disabilities plans.

3 ~~(8) Make recommendations to the council on human services~~  
4 ~~for Adopt~~ administrative rules identifying qualified mental  
5 health, mental retardation, and developmental disabilities  
6 service expenditures for purposes of state payment pursuant to  
7 subsection 1.

8 ~~(9) Make recommendations to the council on human services~~  
9 ~~for administrative Adopt~~ rules for the county single entry  
10 point and clinical assessment processes required under section  
11 331.440 and other rules necessary for the implementation of  
12 county management plans and expenditure reports required for  
13 state payment pursuant to section 331.439.

14 (10) Make Consider recommendations to improve the programs  
15 and cost effectiveness of state and county contracting  
16 processes and procedures, including strategies for  
17 negotiations relating to managed care. The recommendations  
18 developed implemented by the commission for the state and  
19 county regarding managed care shall include but are not  
20 limited to standards for limiting excess costs and profits,  
21 and for restricting cost shifting under a managed care system.

22 (11) Provide input, when appropriate, to the director of  
23 human services in any decision involving administrative rules  
24 which were initially recommended adopted by the management  
25 committee department of human services pertaining to the  
26 mental illness, mental retardation, and developmental  
27 disabilities services administered by counties.

28 (12) Identify the fiscal impact of existing or proposed  
29 legislation and administrative rules on state and county  
30 expenditures.

31 ~~{13}--No later than January 1, annually, submit a report to~~  
32 ~~the governor, the general assembly, and the department of~~  
33 ~~human services concerning the management committee's~~  
34 ~~activities and findings.~~

35 ~~{14}--On or before December 1, 1994, submit to the governor~~

1 ~~and-general-assembly-a-methodology-for-the-state-and-counties~~  
2 ~~to-move-toward-the-goal-of-an-equal-partnership-in-the-funding~~  
3 ~~of-mental-health, mental-retardation, and-developmental~~  
4 ~~disabilities-services.--The-committee-consideration-of~~  
5 ~~methodology-options-shall-include-an-expenditure-per-consumer~~  
6 ~~basis.~~

7 ~~(15)--Make-recommendations-to-the-mental-health-and~~  
8 ~~developmental-disabilities-commission-for~~

9 (13) Adopt administrative rules providing statewide  
10 standards and a monitoring methodology to determine whether  
11 cost-effective individualized services are available as  
12 required pursuant to section 331.439, subsection 1, paragraph  
13 "b".

14 ~~(16)~~ (14) Make Consider recommendations to-the-mental  
15 ~~health-and-developmental-disabilities-commission~~ for and adopt  
16 administrative rules establishing statewide minimum standards  
17 for services and other support required to be available to  
18 persons covered by a county management plan under section  
19 331.439.

20 ~~(17)~~ (15) Make Consider recommendations to-the-mental  
21 ~~health-and-developmental-disabilities-commission-and-counties~~  
22 for measuring and improving the quality of state and county  
23 mental health, mental retardation, and developmental  
24 disabilities services and other support.

25 Sec. 10. Section 331.439, subsection 1, unnumbered  
26 paragraph 1, Code 2001, is amended to read as follows:

27 The state payment to eligible counties under this section  
28 shall be made as provided in sections 331.438 and 426B.2. A  
29 county is eligible for the state payment, as defined in  
30 section 331.438, for the fiscal year beginning July 1, 1996,  
31 and for subsequent fiscal years if the director of human  
32 services, in consultation with the ~~state-county-management~~  
33 committee mental health and developmental disabilities  
34 commission, determines for a specific fiscal year that all of  
35 the following conditions are met:

1 Sec. 11. Section 331.439, subsection 1, paragraph b,  
2 unnumbered paragraph 1, Code 2001, is amended to read as  
3 follows:

4 The county developed and implemented a county management  
5 plan for the county's mental health, mental retardation, and  
6 developmental disabilities services in accordance with the  
7 provisions of this paragraph "b". The plan shall comply with  
8 the administrative rules adopted for this purpose by the  
9 ~~council-on-human-services~~ mental health and developmental  
10 disabilities commission and is subject to the approval of the  
11 director of human services in consultation with the ~~state-~~  
12 ~~county-management-committee-created-in-section-331-438~~  
13 commission. The plan shall include a description of the  
14 county's service management provision for mental health,  
15 mental retardation, and developmental disabilities services.  
16 For mental retardation and developmental disabilities service  
17 management, the plan shall describe the county's development  
18 and implementation of a managed system of cost-effective  
19 individualized services and shall comply with the provisions  
20 of paragraph "d". The goal of this part of the plan shall be  
21 to assist the individuals served to be as independent,  
22 productive, and integrated into the community as possible.  
23 The service management provisions for mental health shall  
24 comply with the provisions of paragraph "c". A county is  
25 subject to all of the following provisions in regard to the  
26 county's management plan and planning process:

27 Sec. 12. Section 331.439, subsection 1, paragraph b,  
28 subparagraph (1), Code 2001, is amended to read as follows:

29 (1) The county shall have in effect an approved policies  
30 and procedures manual for the county's services fund. The  
31 county management plan shall be defined in the manual. The  
32 manual submitted by the county as part of the county's  
33 management plan for the fiscal year beginning July 1, 2000, as  
34 approved by the director of human services, shall remain in  
35 effect, subject to amendment. An amendment to the manual

1 shall be submitted to the department of human services at  
2 least forty-five days prior to the date of implementation.  
3 Prior to implementation of any amendment to the manual, the  
4 amendment must be approved by the director of human services  
5 in consultation with the ~~state-county-management-committee~~  
6 mental health and developmental disabilities commission.

7 Sec. 13. Section 331.439, subsection 1, paragraph c,  
8 subparagraph (2), unnumbered paragraph 1, Code 2001, is  
9 amended to read as follows:

10 The basis for determining whether a managed care system for  
11 mental health proposed by a county is comparable to a mental  
12 health managed care contractor approved by the department of  
13 human services shall include but is not limited to all of the  
14 following elements which shall be specified in administrative  
15 rules adopted by the ~~council-on-human-services-in-consultation~~  
16 with-the-state-county-management-committee mental health and  
17 developmental disabilities commission:

18 Sec. 14. Section 331.439, subsection 1, paragraph d, Code  
19 2001, is amended to read as follows:

20 d. For mental retardation and developmental disabilities  
21 services management, the county must either develop and  
22 implement a managed system of care which addresses a full  
23 array of appropriate services and cost-effective delivery of  
24 services or contract with a state-approved managed care  
25 contractor or contractors. Any system or contract implemented  
26 under this paragraph shall incorporate a single entry point  
27 and clinical assessment process developed in accordance with  
28 the provisions of section 331.440. The elements of the  
29 managed system of care and the state-approved managed care  
30 contract or contracts shall be specified in rules developed by  
31 the department of human services in consultation with the  
32 ~~state-county-management-committee~~ and adopted by the ~~council~~  
33 on-human-services mental health and developmental disabilities  
34 commission.

35 Sec. 15. Section 331.439, subsection 3, paragraph b, Code

1 2001, is amended to read as follows:

2 b. Based upon information contained in county management  
3 plans and budgets and proposals made by representatives of  
4 counties, the ~~state-county-management-committee~~ mental health  
5 and developmental disabilities commission shall recommend an  
6 allowed growth factor adjustment to the governor by November  
7 15 for the fiscal year which commences two years from the  
8 beginning date of the fiscal year in progress at the time the  
9 recommendation is made. The allowed growth factor adjustment  
10 shall address costs associated with new consumers of service,  
11 service cost inflation, and investments for economy and  
12 efficiency. In developing the service cost inflation  
13 recommendation, the ~~committee~~ commission shall consider the  
14 cost trends indicated by the gross expenditure amount reported  
15 in the expenditure reports submitted by counties pursuant to  
16 subsection 1, paragraph "a". The governor shall consider the  
17 ~~committee's~~ commission's recommendation in developing the  
18 governor's recommendation for an allowed growth factor  
19 adjustment for such fiscal year. The governor's  
20 recommendation shall be submitted at the time the governor's  
21 proposed budget for the succeeding fiscal year is submitted in  
22 accordance with chapter 8.

23 Sec. 16. Section 331.440, subsection 4, Code 2001, is  
24 amended to read as follows:

25 4. The ~~council-on-human-services~~ mental health and  
26 developmental disabilities commission shall consider the  
27 recommendations of ~~the-state-county-management-committee~~  
28 ~~established-in-section-331-438~~ county representatives in  
29 adopting rules outlining standards and requirements for  
30 implementation of the single entry point and clinical  
31 assessment processes on the date required by subsection 2.  
32 The rules shall permit counties options in implementing the  
33 process based upon a county's consumer population and  
34 available service delivery system.

35 Sec. 17. Section 426B.4, Code 2001, is amended to read as

1 follows:

2 426B.4 RULES.

3 The ~~council-on-human-services~~ mental health and  
4 developmental disabilities commission shall consult with the  
5 ~~state-county-management-committee-created-in-section-331-438~~  
6 county representatives and the director of human services in  
7 prescribing forms and adopting rules pursuant to chapter 17A  
8 to administer this chapter.

9 Sec. 18. Section 426B.5, subsection 2, paragraph c, Code  
10 Supplement 2001, is amended to read as follows:

11 c. A risk pool board is created. The board shall consist  
12 of two county supervisors, two county auditors, a member of  
13 the ~~state-county-management-committee-created-in-section~~  
14 ~~331-438~~ mental health and developmental disabilities  
15 commission ~~who was not appointed by the Iowa state association~~  
16 ~~of counties~~ is not a member of a county board of supervisors  
17 or employed by a service provider, a member of the county  
18 finance committee created in chapter 333A who is not an  
19 elected official, and two single entry point process  
20 administrators, all appointed by the governor, and one member  
21 appointed by the director of human services. All members  
22 appointed by the governor shall be subject to confirmation by  
23 the senate. Members shall serve for three-year terms. A  
24 vacancy shall be filled in the same manner as the original  
25 appointment. Expenses and other costs of the risk pool board  
26 members representing counties shall be paid by the county of  
27 origin. Expenses and other costs of risk pool board members  
28 who do not represent counties shall be paid from a source  
29 determined by the governor. Staff assistance to the board  
30 shall be provided by the department of human services and  
31 counties. Actuarial expenses and other direct administrative  
32 costs shall be charged to the pool.

33 Sec. 19. CODE EDITOR DIRECTIVE. The Code editor shall  
34 amend the headnote to section 331.438 to remove the reference  
35 to "management committee" and instead reference the mental

1 health and developmental disabilities commission or utilize  
2 other language as determined to be most appropriate by the  
3 Code editor.

4 Sec. 20. ADOPTED RULES. Notwithstanding the transfer in  
5 this Act of the authority to adopt rules from the council on  
6 human services to the mental health and developmental  
7 disabilities commission, a rule adopted by the council on  
8 human services prior to July 1, 2002, shall remain in effect  
9 unless amended or repealed by the commission or pursuant to  
10 other executive or legislative branch action.

11 Sec. 21. COMMISSION MEMBERS. The revision in the  
12 membership of the mental health and developmental disabilities  
13 commission in accordance with section 225C.5, as amended by  
14 this Act, shall be implemented by applying the new membership  
15 requirements for voting members as membership terms expire and  
16 other vacancies in membership occur. The revision shall be  
17 fully complete on or before June 30, 2005.

18 EXPLANATION

19 This bill provides for the mental health and developmental  
20 disabilities commission to assume the duties of the state-  
21 county management committee, incorporates membership positions  
22 from the committee into the commission, and transfers certain  
23 rules adoption authority from the council on human services to  
24 the commission.

25 Code section 225C.5, relating to the membership of the  
26 commission, is amended to make the following revisions in the  
27 membership appointed by the governor and confirmed by the  
28 senate: the existing positions for county supervisors must be  
29 appointed from nominees submitted by the supervisors affiliate  
30 of the Iowa state association of counties, two positions are  
31 designated for administrators of the county single entry point  
32 process for mental health and developmental disabilities  
33 services, one member is to be nominated by the state council  
34 for the American association of federal, state, county, and  
35 municipal employees, one member is to be nominated by service

1 consumers, and one member is to be nominated by service  
2 advocates. In addition, four members of the general assembly  
3 are to be designated by legislative leaders to serve in an ex  
4 officio, nonvoting capacity.

5 The bill includes conforming changes throughout the Code to  
6 change references to the state-county management committee to  
7 the commission and to transfer rules adoption authority for  
8 various county-administered mental health and developmental  
9 disabilities services from the council on human services to  
10 the commission.

11 Under current law, the primary responsibilities and  
12 membership appointment provisions for the state-county  
13 management committee are in Code section 331.438 as part of  
14 the county home rule Code chapter. The bill transfers the  
15 committee's duties to the commission, eliminates references to  
16 the committee, and repeals the committee's membership  
17 requirements in Code section 331.438.

18 The bill includes a directive to the Code editor to make a  
19 conforming change to the headnote for Code section 331.438,  
20 provides that the rules adopted by the council on human  
21 services prior to the effective date of the Act will remain in  
22 effect until amended or repealed by the commission or pursuant  
23 to legislative or executive action, and provides that the  
24 changes in the membership of the commission are to be  
25 implemented by June 30, 2005, at the time there is membership  
26 attrition.

27  
28  
29  
30  
31  
32  
33  
34  
35