

# Senate Study Bill 1020

## Bill Text

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1 1 Section 1. Section [222.2](#), Code 2001, is amended by adding  
1 2 the following new subsection:

1 3 NEW SUBSECTION. 2A. "Department" means the department of  
1 4 human services.

1 5 Sec. 2. Section [222.73](#), subsection 1, unnumbered paragraph  
1 6 1, Code 2001, is amended to read as follows:

1 7 The superintendent of each resource center and special unit  
1 8 shall compute by February 1 the average daily patient charge  
1 9 and outpatient treatment charges for which each county will be  
1 10 billed for services provided to patients chargeable to the  
1 11 county during the fiscal year beginning the following July 1.  
1 12 The department shall certify the amount of the charges

~~to the~~

~~-~~  
1 13

~~director of revenue and finance~~

~~-~~ and notify the counties of the  
1 14 billing charges.

1 15 Sec. 3. Section [222.73](#), subsection 2, unnumbered paragraph  
1 16 1, Code 2001, is amended to read as follows:

1 17 The superintendent shall certify to the

~~director of revenue~~

~~-~~  
1 18

~~and finance~~

~~-~~ department the billings to each county for  
1 19 services provided to patients chargeable to the county during  
1 20 the preceding calendar quarter. The county billings shall be  
1 21 based on the average daily patient charge and outpatient  
1 22 treatment charges computed pursuant to subsection 1, and the  
1 23 number of inpatient days and outpatient treatment service  
1 24 units chargeable to the county. The billings to a county of  
1 25 legal settlement are subject to adjustment for all of the  
1 26 following circumstances:

1 27 Sec. 4. Section [222.73](#), subsection 4, Code 2001, is  
1 28 amended to read as follows:

1 29 4. The department shall certify to

~~the director of revenue~~

~~-~~  
1 30

~~and finance and~~

~~-~~ the counties by February 1 the actual per-

1 31 patient-per-day costs, as computed pursuant to subsection 3,  
1 32 and the actual costs owed by each county for the immediately  
1 33 preceding calendar year for patients chargeable to the county.  
1 34 If the actual costs owed by the county are greater than the  
1 35 charges billed to the county pursuant to subsection 2, the

2 1

~~director of revenue and finance~~

~~department~~ shall bill the  
2 2 county for the difference with the billing for the quarter  
2 3 ending June 30. If the actual costs owed by the county are  
2 4 less than the charges billed to the county pursuant to  
2 5 subsection 2, the

~~director of revenue and finance~~

~~department~~

2 6 shall credit the county for the difference starting with the  
2 7 billing for the quarter ending June 30.

2 8 Sec. 5. Section [222.74](#), Code 2001, is amended to read as  
2 9 follows:

2 10 222.74 DUPLICATE TO COUNTY.

2 11 When certifying to the

~~director of revenue and finance~~

~~department~~ amounts to be charged against each county as  
2 13 provided in section 222.73, the superintendent shall send to  
2 14 the county auditor of each county against which the  
2 15 superintendent has so certified any amount, a duplicate of the  
2 16

~~certificate~~

~~certification statement~~. The county auditor upon  
2 17 receipt of the duplicate

~~certificate~~

~~certification statement~~

2 18 shall enter it to the credit of the state in the ledger of  
2 19 state accounts, and shall immediately issue a notice to the  
2 20 county treasurer authorizing the treasurer to transfer the  
2 21 amount from the county fund to the general state revenue. The  
2 22 ~~county~~ treasurer shall file the notice as authority for making  
2 23 the transfer and shall include the amount transferred in the  
2 24 next remittance of state taxes to the treasurer of state,  
2 25 designating the fund to which the amount belongs.

2 26 Sec. 6. Section [222.75](#), Code 2001, is amended to read as  
2 27 follows:

2 28 222.75 DELINQUENT PAYMENTS PENALTY.

2 29

~~Should any~~

~~If a county~~

~~fail~~

~~fails~~ to pay

~~the bills~~

~~a billed~~

2 30 ~~charge~~ within forty-five days from the date the county auditor  
2 31 received the

~~certificate~~

~~certification statement~~ from the

2 32 superintendent pursuant to section 222.74, the

~~director of~~

~~revenue and finance~~

~~department~~ may charge the delinquent

2 34 county a penalty of not greater than one percent per month on  
2 35 and after forty-five days from the date the county auditor  
3 1 received the

~~certificate~~

~~certification statement until paid.~~

3 2 Sec. 7. Section [222.79](#), Code 2001, is amended to read as  
3 3 follows:  
3 4 222.79 CERTIFICATION STATEMENT PRESUMED CORRECT.  
3 5 In actions to enforce the liability imposed by section  
3 6 222.78, the

~~certificate~~

~~certification statement sent from the~~

3 7 superintendent to the county auditor pursuant to section  
3 8 [222.74](#) stating the sums charged in such cases shall be  
3 9 presumptively correct.  
3 10 Sec. 8. Section [229.41](#), Code 2001, is amended to read as  
3 11 follows:  
3 12 229.41 VOLUNTARY ADMISSION.  
3 13 Persons making application pursuant to section 229.2 on  
3 14 their own behalf or on behalf of another person who is under  
3 15 eighteen years of age, if the person whose admission is sought  
3 16 is received for observation and treatment on the application,  
3 17 shall be required to pay the costs of hospitalization at rates  
3 18 established by the administrator. The costs may be collected  
3 19 weekly in advance and shall be payable at the business office  
3 20 of the hospital. The collections shall be remitted to the  
3 21

~~director of revenue and finance~~

~~department of human services~~

3 22 monthly to be credited to the general fund of the state.  
3 23 Sec. 9. Section [229.42](#), Code 2001, is amended to read as  
3 24 follows:  
3 25 229.42 COSTS PAID BY COUNTY.  
3 26 If a person wishing to make application for voluntary  
3 27 admission to a mental hospital established by chapter 226 is  
3 28 unable to pay the costs of hospitalization or those  
3 29 responsible for the person are unable to pay the costs,  
3 30 application for authorization of voluntary admission must be  
3 31 made through a single entry point process before application  
3 32 for admission is made to the hospital. The person's county of  
3 33 legal settlement shall be determined through the single entry  
3 34 point process and if the admission is approved through the  
3 35 single entry point process, the person's admission to a mental  
4 1 health hospital shall be authorized as a voluntary case. The  
4 2 authorization shall be issued on forms provided by the  
4 3 administrator. The costs of the hospitalization shall be paid  
4 4 by the county of legal settlement to the

~~director of revenue~~

~~and finance~~

~~department of human services~~

4 6 general fund of the state, providing the mental health  
4 7 hospital rendering the services has certified to the county  
4 8 auditor of the county of legal settlement the amount  
4 9 chargeable to the county and has sent a duplicate statement of  
4 10 the charges to the

~~director of revenue and finance~~

~~department~~

4 11 of human services. A county shall not be billed for the cost  
4 12 of a patient unless the patient's admission is authorized  
4 13 through the single entry point process. The mental health  
4 14 institute and the county shall work together to locate  
4 15 appropriate alternative placements and services, and to  
4 16 educate patients and family members of patients regarding such

4 17 alternatives.

4 18 All the provisions of chapter 230 shall apply to such

4 19 voluntary patients so far as is applicable.

4 20 The provisions of this section and of section 229.41 shall

4 21 apply to all voluntary inpatients or outpatients either away

4 22 from or at the institution

~~heretofore or hereafter~~

- receiving

4 23 mental health services.

4 24

~~Should any~~

- If a county

~~fail~~

- fails to pay

~~these bills~~

- the

4 25 billed charges within forty-five days from the date the county

4 26 auditor received the

~~certificate~~

- certification statement from

4 27 the superintendent, the

~~director of revenue and finance~~

4 28 department of human services shall charge the delinquent

4 29 county the penalty of one percent per month on and after

4 30 forty-five days from the date the county received the

4 31

~~certificate~~

- certification statement until paid.

~~Such~~

- The

4 32 penalties received shall be credited to the general fund of

4 33 the state.

4 34 Sec. 10. Section [230.20](#), subsection 1, unnumbered

4 35 paragraph 1, Code 2001, is amended to read as follows:

5 1 The superintendent of each mental health institute shall

5 2 compute by February 1 the average daily patient charges and

5 3 other service charges for which each county will be billed for

5 4 services provided to patients chargeable to the county during

5 5 the fiscal year beginning the following July 1. The

5 6 department shall certify the amount of the charges

~~to the~~

5 7

~~director of revenue and finance~~

- and notify the counties of the

5 8 billing charges.

5 9 Sec. 11. Section [230.20](#), subsection 2, paragraph a, Code

5 10 2001, is amended to read as follows:

5 11 a. The superintendent shall certify to the

~~director of~~

5 12

~~revenue and finance~~

- department the billings to each county for

5 13 services provided to patients chargeable to the county during  
5 14 the preceding calendar quarter. The county billings shall be  
5 15 based on the average daily patient charge and other service  
5 16 charges computed pursuant to subsection 1, and the number of  
5 17 inpatient days and other service units chargeable to the  
5 18 county. However, a county billing shall be decreased by an  
5 19 amount equal to reimbursement by a third party payor or  
5 20 estimation of such reimbursement from a claim submitted by the  
5 21 superintendent to the third party payor for the preceding  
5 22 calendar quarter. When the actual third party payor  
5 23 reimbursement is greater or less than estimated, the  
5 24 difference shall be reflected in the county billing in the  
5 25 calendar quarter the actual third party payor reimbursement is  
5 26 determined.

5 27 Sec. 12. Section [230.20](#), subsections 4 and 5, Code 2001,  
5 28 are amended to read as follows:

5 29 4. The department shall certify to the

~~director of revenue~~

5 30

~~and finance and the~~

- counties by February 1 the actual per-

5 31 patient-per-day costs, as computed pursuant to subsection 3,  
5 32 and the actual costs owed by each county for the immediately  
5 33 preceding calendar year for patients chargeable to the county.

5 34 If the actual costs owed by the county are greater than the  
5 35 charges billed to the county pursuant to subsection 2, the

6 1

~~director of revenue and finance~~

- department shall bill the

6 2 county for the difference with the billing for the quarter  
6 3 ending June 30. If the actual costs owed by the county are  
6 4 less than the charges billed to the county pursuant to  
6 5 subsection 2, the

~~director of revenue and finance~~

- department

6 6 shall credit the county for the difference starting with the  
6 7 billing for the quarter ending June 30.

6 8 5. An individual statement shall be prepared for a patient  
6 9 on or before the fifteenth day of the month following the  
6 10 month in which the patient leaves the mental health institute,  
6 11 and a general statement shall be prepared at least quarterly  
6 12 for each county to which charges are made under this section.

6 13 Except as otherwise required by sections 125.33 and 125.34 the  
6 14 general statement shall list the name of each patient

6 15 chargeable to that county who was served by the mental health  
6 16 institute during the preceding month or calendar quarter, the  
6 17 amount due on account of each patient, and the specific dates  
6 18 for which any third party payor reimbursement received by the  
6 19 state is applied to the statement and billing, and the county  
6 20 shall be billed for eighty percent of the stated charge for  
6 21 each patient specified in this subsection. The statement  
6 22 prepared for each county shall be certified by the department

6 23

~~to the director of revenue and finance~~

- and a duplicate

6 24 statement shall be mailed to the auditor of that county.

6 25 Sec. 13. Section [230.22](#), Code 2001, is amended to read as  
6 26 follows:

6 27 230.22 PENALTY.

6 28 Should any county fail to pay the amount billed by a

6 29 statement submitted pursuant to section 230.20 within forty-

6 30 five days from the date the statement is received by the  
6 31 county, the

~~director of revenue and finance~~  
- ~~department~~ shall

6 32 charge the delinquent county the penalty of one percent per  
6 33 month on and after forty-five days from the date the statement  
6 34 is received by the county until paid. Provided, however, that  
6 35 the penalty shall not be imposed if the county has notified  
7 1 the

~~director of revenue and finance~~  
- ~~department~~ of error or

7 2 questionable items in the billing, in which event, the  
7 3

~~director of revenue and finance~~  
- ~~department~~ shall suspend the

7 4 penalty only during the period of negotiation.

7 5 Sec. 14. Section [230.34](#), Code 2001, is amended by adding  
7 6 the following new subsection:

7 7 NEW SUBSECTION. As used in this chapter, unless the  
7 8 context otherwise requires, "department" means the department  
7 9 of human services.

7 10 EXPLANATION

7 11 This bill relates to the billing and accounting of charges  
7 12 for the state resource centers and mental health institutes.

7 13 The bill amends current law by requiring various billings  
7 14 and charges to be remitted to or calculated by the department  
7 15 of human services in place of the director of revenue and  
7 16 finance. In addition, the bill changes the term "certificate"  
7 17 to the term "certification statement".

7 18 The bill makes these changes in Code section 222.73,  
7 19 relating to billing of patient charges in a state resource  
7 20 center; Code section 222.74, relating to duplicate statements  
7 21 sent to counties; Code section 222.75, relating to penalties  
7 22 for delinquent payments; Code section 222.79, relating to  
7 23 presumptive correctness of billings; Code section 229.41,  
7 24 relating to collections for voluntary admissions; Code section  
7 25 229.42, relating to state mental health institute billings for  
7 26 certain voluntary cases; Code section 230.20, relating to  
7 27 billing of patient charges at a state mental health institute;  
7 28 and Code section 230.22, relating to penalties for late  
7 29 payment of patient charges at a state mental health institute.

7 30 In addition, the bill defines the term "department" as the  
7 31 department of human services in Code chapters 222 and 230.

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