

# Senate File 576 - Introduced

SENATE FILE \_\_\_\_\_  
BY GRONSTAL

(COMPANION TO LSB 2849HH BY  
McCARTHY)

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

## A BILL FOR

1 An Act relating to locally administered human services programs  
2 involving county mental health, mental retardation, and  
3 developmental disabilities services funding and the  
4 decategorization of the child welfare and juvenile justice  
5 funding initiative by making an appropriation, authorizing  
6 nonreversion of certain funding, and providing effective date  
7 and retroactive applicability provisions.  
8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
9 TLSB 2849SS 82  
10 jp/es/88

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### DIVISION I

#### SUPPLEMENTARY ALLOWED GROWTH FUNDING FOR FY 2007=2008

1 2 Section 1. 2006 Iowa Acts, chapter 1185, section 1, is  
1 3 amended by adding the following new subsection:  
1 4 NEW SUBSECTION. 1A. There is appropriated from the  
1 5 general fund of the state to the department of human services  
1 6 for the fiscal year beginning July 1, 2007, and ending June  
1 7 30, 2008, the following amount, or so much thereof as is  
1 8 necessary, to be used for the purpose designated:  
1 9 For distribution to counties that meet the requirements of  
1 10 this subsection:  
1 11 ..... \$ 12,000,000  
1 12 a. To be eligible to receive an allocation under this  
1 13 subsection, a county must meet the following requirements:  
1 14 (1) The county is levying the maximum amount allowed for  
1 15 the county's mental health, mental retardation, and  
1 16 developmental disabilities services fund under section  
1 17 331.424A for taxes due and payable in the fiscal year  
1 18 beginning July 1, 2007.  
1 19 (2) In the fiscal year beginning July 1, 2006, the  
1 20 county's mental health, mental retardation, and developmental  
1 21 disabilities services fund ending balance under generally  
1 22 accepted accounting principles was equal to or less than 15  
1 23 percent of the county's actual gross expenditures for that  
1 24 fiscal year.  
1 25 b. A county's allocation of the amount appropriated in  
1 26 this subsection shall be determined based upon the county's  
1 27 proportion of the general population of the counties eligible  
1 28 to receive an allocation under this subsection. The most  
1 29 recent population estimates issued by the United States bureau  
1 30 of the census shall be applied in determining population for  
1 31 the purposes of this paragraph.  
1 32 c. The allocations made pursuant to this subsection are  
1 33 subject to the distribution provisions and withholding  
1 34 requirements established in this section for the county mental  
2 1 health, mental retardation, and developmental disabilities  
2 2 allowed growth factor adjustment for the fiscal year beginning  
2 3 July 1, 2007.

### DIVISION II

#### DATA REPORTING

2 4 Sec. 2. Section 225C.6A, subsection 2, paragraph c, Code  
2 5 2007, is amended by adding the following new subparagraph:  
2 6 NEW SUBPARAGRAPH. (3) Each county shall report to the  
2 7 department annually on or before December 1, for the preceding  
2 8 fiscal year the following information for each individual  
2 9 served: demographic information, expenditure data, and data  
2 10 concerning the services and other support provided to each

2 13 individual, as specified in administrative rule.  
2 14 Sec. 3. Section 331.439, subsection 1, paragraph a, Code  
2 15 2007, is amended to read as follows:  
2 16 a. The county accurately reported by December 1 the  
2 17 county's expenditures for mental health, mental retardation,  
2 18 and developmental disabilities services and the information  
2 19 required under section 225C.6A, subsection 2, paragraph "c",

2 20 for the previous fiscal year on forms prescribed by the  
2 21 department of human services.

2 22 Sec. 4. INFORMATION TECHNOLOGY. The department of human  
2 23 services shall meet with the Iowa state association of  
2 24 counties to develop a joint proposal addressing the  
2 25 information technology needed for counties to comply with the  
2 26 data reporting requirements applicable under this division.  
2 27 The joint proposal shall be submitted to the chairpersons and  
2 28 ranking members of the general assembly's committees on human  
2 29 resources and the joint appropriations subcommittee on health  
2 30 and human services prior to the adjournment of the 2007  
2 31 regular session of the general assembly.

2 32 Sec. 5. EFFECTIVE DATE == RETROACTIVE APPLICABILITY. This  
2 33 division of this Act, being deemed of immediate importance,  
2 34 takes effect upon enactment and is retroactively applicable to  
2 35 December 1, 2006, and is applicable on and after that date. A  
3 1 county that has not submitted the data specified in section  
3 2 225C.6A for the preceding fiscal year as of the effective date  
3 3 of this division, shall submit the data within twenty-five  
3 4 business days of the effective date of this division.

#### 3 5 DIVISION III

#### 3 6 MENTAL HEALTH SERVICES SYSTEM IMPROVEMENT

3 7 Sec. 6. NEW SECTION. 225C.6B MENTAL HEALTH SERVICES  
3 8 SYSTEM IMPROVEMENT == LEGISLATIVE INTENT == PLANNING AND  
3 9 IMPLEMENTATION.

3 10 1. INTENT.

3 11 a. The general assembly intends for the state to implement  
3 12 a comprehensive, continuous, and integrated state mental  
3 13 health services plan in accordance with the requirements of  
3 14 sections 225C.4 and 225C.6 and other provisions of this  
3 15 chapter, by increasing the department's responsibilities in  
3 16 the development, funding, oversight, and ongoing leadership of  
3 17 mental health services in this state.

3 18 b. In order to further the purposes listed in sections  
3 19 225C.1 and 225C.27 and in other provisions of this chapter,  
3 20 the general assembly intends that efforts focus on the goal of  
3 21 making available a comprehensive array of high-quality,  
3 22 evidence-based consumer and family-centered mental health  
3 23 services and other support in the least restrictive,  
3 24 community-based setting appropriate for a consumer.

3 25 c. In addition, it is the intent of the general assembly  
3 26 to promote policies and practices that achieve for consumers  
3 27 the earliest possible detection of mental health problems and  
3 28 early intervention; to stress that all health care programs  
3 29 address mental health disorders with the same urgency as  
3 30 physical health disorders; to promote the policies of all  
3 31 public programs that serve adults and children with mental  
3 32 disorders, including but not limited to child welfare,  
3 33 Medicaid, education, housing, criminal and juvenile justice,  
3 34 substance abuse treatment, and employment services; to  
3 35 consider the special mental health needs of adults and  
4 1 children; and to promote recovery and resiliency as expected  
4 2 outcomes for all consumers.

4 3 2. PLANNING AND IMPLEMENTATION. In order to build upon  
4 4 the partnership between the state and counties in providing  
4 5 mental health and disability services in the state, the  
4 6 workgroups established for purposes of this subsection shall  
4 7 engage relatively equal proportions representing the  
4 8 department, counties, and service providers. In addition,  
4 9 each workgroup shall include a representative of the  
4 10 commission, the mental health planning and advisory council,  
4 11 consumers, and a statewide advocacy organization. A workgroup  
4 12 shall be established for each of the following tasks provided  
4 13 for in this subsection: alternative distribution formulas,  
4 14 community mental health center plan, core mental health  
4 15 services, and the two comprehensive plan items. The division  
4 16 shall perform all of the following tasks in taking steps to  
4 17 improve the mental health services system for adults and  
4 18 children in this state:

4 19 a. ALTERNATIVE DISTRIBUTION FORMULAS. Identify  
4 20 alternative formulas for distributing mental health, mental  
4 21 retardation, and developmental disabilities allowed growth  
4 22 factor adjustment funding to counties. The alternative  
4 23 formulas shall provide methodologies that, as compared to the

4 24 current methodologies, are more readily understood, better  
4 25 reflect the needs for services, respond to utilization  
4 26 patterns, acknowledge historical county spending, and address  
4 27 disparities in funding and service availability. The formulas  
4 28 shall serve to strengthen the partnership between the  
4 29 department and counties in the state's services system. The  
4 30 division may engage assistance from expert consultants with  
4 31 experience with funding allocation systems as necessary to  
4 32 evaluate options. The department shall report with findings  
4 33 and recommendations to the commission on or before November 1,  
4 34 2007, and to the chairpersons and ranking members of the  
4 35 general assembly's committees on human resources and the joint  
5 1 appropriations subcommittee on health and human services, and  
5 2 to associated legislative staff, on or before January 31,  
5 3 2008.

5 4 b. COMMUNITY MENTAL HEALTH CENTER PLAN. Prepare a phased  
5 5 plan for increasing state responsibility for and oversight of  
5 6 mental health services provided by community mental health  
5 7 centers and the providers approved to fill the role of a  
5 8 center. The plan shall provide for an initial implementation  
5 9 date of July 1, 2008. The plan shall be submitted to the  
5 10 commission on or before October 1, 2007, and to the governor  
5 11 and general assembly on or before January 31, 2008. The  
5 12 department shall ensure that key stakeholders are engaged in  
5 13 the planning process, including but not limited to the  
5 14 commission, mental health services providers, individuals with  
5 15 expertise in the delivery of mental health services, youth and  
5 16 adult consumers, family members of consumers, advocacy  
5 17 organizations, and counties.

5 18 c. CORE MENTAL HEALTH SERVICES. Identify core mental  
5 19 health services to be offered in each area of the state by  
5 20 community mental health centers and core services agency  
5 21 providers. The workgroup for this task shall be established  
5 22 no later than August 1, 2007. The core services shall be  
5 23 designed to address the needs of target populations identified  
5 24 by the workgroup and the services may include but are not  
5 25 limited to emergency services, school-based mental health  
5 26 services, short-term counseling, prescreening for those  
5 27 subject to involuntary treatment orders, and evidence-based  
5 28 practices. The division shall submit to the commission on or  
5 29 before October 1, 2007, proposed administrative rules and  
5 30 legislation to amend chapter 230A as necessary to implement  
5 31 the core services beginning July 1, 2008. The proposals shall  
5 32 be submitted to the general assembly for review on or before  
5 33 January 31, 2008.

5 34 d. MENTAL HEALTH AND CORE SERVICE AGENCY STANDARDS AND  
5 35 ACCREDITATION. Identify standards for accreditation of core  
6 1 services agencies that are not a community mental health  
6 2 center but may serve as a provider approved to fill the role  
6 3 of a center. Such core services agencies could be approved to  
6 4 provide core mental health services for children and adults on  
6 5 a regional basis. The standards shall be submitted to the  
6 6 commission on or before December 1, 2007, and to the governor  
6 7 and general assembly on or before January 31, 2008.

6 8 e. CO-OCCURRING DISORDERS. The division and the  
6 9 department of public health shall give priority to the efforts  
6 10 underway to develop an implementation plan for addressing  
6 11 co-occurring mental health and substance abuse disorders in  
6 12 order to establish a comprehensive, continuous, and integrated  
6 13 system of care for such disorders. The division and the  
6 14 department of public health shall participate in a policy  
6 15 academy on co-occurring mental health and substance abuse  
6 16 disorders as part of developing an implementation plan for  
6 17 commission review by May 1, 2008, and shall forward the  
6 18 implementation plan, as reviewed by the commission, to the  
6 19 governor and general assembly on or before June 1, 2008. The  
6 20 division may engage experts in the field of co-occurring  
6 21 mental health and substance abuse disorders to facilitate this  
6 22 planning process.

6 23 f. EVIDENCE-BASED PRACTICES. Begin phased implementation  
6 24 of evidence-based practices for mental health services over a  
6 25 period of several years.

6 26 (1) Not later than October 1, 2007, in order to provide a  
6 27 reasonable timeline for the implementation of evidence-based  
6 28 practices with mental health and disability services  
6 29 providers, the division shall provide for implementation of  
6 30 two adult and two children evidence-based practices per year  
6 31 over a three-year period.

6 32 (2) The division shall develop a comprehensive training  
6 33 program concerning such practices for community mental health  
6 34 centers, state resource centers and mental health institutes,

6 35 and other providers, in collaboration with the Iowa consortium  
7 1 for mental health. The division shall consult with experts on  
7 2 behavioral health workforce development regarding  
7 3 implementation of the mental health and disability services  
7 4 training and the curriculum and training opportunities  
7 5 offered.

7 6 (3) The department shall apply measures to ensure  
7 7 appropriate reimbursement is available to all providers for  
7 8 the implementation of mandated evidence-based practices and  
7 9 request appropriate funding for evidence-based practices from  
7 10 the governor and general assembly as part of the  
7 11 implementation plan. The implementation plan shall be  
7 12 submitted to the governor and general assembly on or before  
7 13 January 31, 2008.

7 14 (4) The department shall provide the commission with a  
7 15 plan for review to implement the provisions of this paragraph  
7 16 "f".

7 17 g. COMPREHENSIVE PLAN.

7 18 (1) Complete a written plan describing the key components  
7 19 of the state's mental health services system, including the  
7 20 services addressed in this subsection and those that are  
7 21 community-based, state institution-based, or regional or  
7 22 state-based. The plan shall be submitted to the commission on  
7 23 or before November 15, 2008, and to the governor and general  
7 24 assembly on or before December 15, 2008.

7 25 (2) In addition, complete a written plan for the  
7 26 department to assume leadership and to assign and reassign  
7 27 significant financial responsibility for the components of the  
7 28 mental health services system in this state, including but not  
7 29 limited to the actions needed to implement the provisions of  
7 30 this subsection involving community mental health centers,  
7 31 core mental health services, core services agencies,  
7 32 co-occurring disorders, and evidence-based practices. The  
7 33 plan shall include recommendations for funding levels, payment  
7 34 methodologies for new and existing services, and allocation  
7 35 changes necessary for the department to assume significant  
8 1 financial responsibility for mental health services. The plan  
8 2 shall be submitted to the commission on or before November 15,  
8 3 2008, and to the governor and general assembly on or before  
8 4 December 15, 2008.

8 5 (3) The planning provisions of this paragraph shall be  
8 6 directed toward the goal of strengthening the partnership  
8 7 between the department and counties in the state's services  
8 8 system.

#### 8 9 DIVISION IV

##### 8 10 DECATEGORIZATION PROJECT FUNDING

8 11 Sec. 7. 2006 Iowa Acts, chapter 1184, section 17,  
8 12 subsection 4, is amended by adding the following new  
8 13 unnumbered paragraph:

8 14 NEW UNNUMBERED PARAGRAPH. Notwithstanding section 8.33,  
8 15 moneys in the allocations made in this subsection for the  
8 16 decategorization of the child welfare and juvenile justice  
8 17 funding initiative under section 232.188 that remain  
8 18 unencumbered or unobligated at the close of the fiscal year  
8 19 shall not revert but shall remain available for expenditure  
8 20 for the purposes allocated until the close of the succeeding  
8 21 fiscal year. Priority for the moneys addressed in this  
8 22 paragraph shall be given to services for children with special  
8 23 needs such as mental health needs, sexual abuse victims or  
8 24 offenders, and substance abuse.

8 25 Sec. 8. EFFECTIVE DATE. This division of this Act, being  
8 26 deemed of immediate importance, takes effect upon enactment.

#### 8 27 DIVISION V

##### 8 28 COUNTY FUNDS

8 29 Sec. 9. Notwithstanding section 331.424A, subsection 5,  
8 30 and section 331.432, subsection 3, for the fiscal year  
8 31 beginning July 1, 2007, a county may transfer moneys from  
8 32 other funds of the county to the county's services fund  
8 33 created in section 331.424A.

#### 8 34 EXPLANATION

8 35 This bill relates to locally administered human services  
9 1 programs involving the county mental health, mental  
9 2 retardation, and developmental disabilities allowed growth  
9 3 factor adjustment and the decategorization of child welfare  
9 4 and juvenile justice funding initiative by making an  
9 5 appropriation and authorizing nonreversion of certain funding.  
9 6 The bill is organized into divisions.

9 7 ALLOWED GROWTH FUNDING FOR FY 2007=2008 == This division  
9 8 makes a new appropriation for the allowed growth adjustment  
9 9 factor distribution made in 2006 Iowa Acts, chapter 1185,  
9 10 section 1.

9 11 The appropriation is designated for distribution to  
9 12 counties with a fund balance percentage of 15 percent or less  
9 13 for FY 2006=2007 that levied the maximum amount authorized for  
9 14 the county's services fund for FY 2007=2008. The distribution  
9 15 is subject to distribution and withholding requirements  
9 16 designated in the same section. This provision is generally  
9 17 addressed in the appropriation legislation for health and  
9 18 human services.

9 19 DATA REPORTING == Code section 225C.6A, relating to the  
9 20 responsibility of the mental health, mental retardation,  
9 21 developmental disabilities, and brain injury commission to  
9 22 plan, collect, and analyze data as necessary to issue cost  
9 23 estimates for serving additional populations and providing  
9 24 core disability services statewide, is amended to require  
9 25 counties to submit data annually by December 1 for the  
9 26 preceding fiscal year. The data is required to include  
9 27 demographic information, expenditure data, and data concerning  
9 28 the services and other support provided to each individual.

9 29 Code section 331.439, relating to the requirements for  
9 30 county eligibility to receive property tax relief and allowed  
9 31 growth factor adjustment funding, is amended to include along  
9 32 with the existing financial reporting requirements, a new  
9 33 requirement to report the individual data required by the bill  
9 34 under Code section 225C.6A.

9 35 The department of human services is required to meet with  
10 1 the Iowa state association of counties to develop a joint  
10 2 proposal addressing the information technology needed for  
10 3 counties to comply with the data reporting requirements  
10 4 applicable to counties under the division. The joint proposal  
10 5 is required to be submitted to chairpersons and ranking  
10 6 members of the general assembly's committees on human  
10 7 resources and the joint appropriations subcommittee on health  
10 8 and human services prior to adjournment of the 2007 regular  
10 9 legislative session.

10 10 This division takes effect upon enactment and is  
10 11 retroactively applicable to December 1, 2006. If a county has  
10 12 not submitted the data for the preceding fiscal year as of the  
10 13 effective date of the division, the county must submit the  
10 14 data within five business days of the division's effective  
10 15 date.

10 16 MENTAL HEALTH SERVICES SYSTEM IMPROVEMENT == New Code  
10 17 section 225C.6B provides for planning and implementation of  
10 18 mental health system improvements by the division of mental  
10 19 health and disability services of the department of human  
10 20 services. The intent for the system improvement is described.

10 21 Four of the planning items are required to utilize a  
10 22 workgroup consisting of relatively equal proportions of  
10 23 representatives of the department, counties, and providers.  
10 24 In addition, the workgroups are required to include a  
10 25 representative of the mental health, mental retardation,  
10 26 developmental disabilities, and brain injury (MH/MR/DD/BI)  
10 27 commission, the mental health planning and advisory council,  
10 28 consumers, and a statewide advocacy organization. The  
10 29 planning items required to utilize a workgroup are the  
10 30 alternative distribution formulas, community mental health  
10 31 center plan, core mental health services, and the two  
10 32 comprehensive plan items. Other items to be addressed are  
10 33 community mental health provider standards, mental health and  
10 34 core service agency standards and accreditation, co-occurring  
10 35 disorders, and evidence-based practices. Dates are provided  
11 1 for submission of each of the planning items to the  
11 2 MH/MR/DD/BI commission and to the governor and general  
11 3 assembly.

11 4 DECATEGORIZATION PROJECT FUNDING. This division amends  
11 5 allocations made of FY 2006=2007 appropriations from the  
11 6 general fund of the state and the federal temporary assistance  
11 7 to needy families block grant to the department for the  
11 8 decategorization of the child welfare and juvenile justice  
11 9 funding initiative. The amendment allows moneys that remain  
11 10 unencumbered or unobligated at the close of the fiscal year to  
11 11 be carried forward to the succeeding fiscal year to be used  
11 12 for the same purpose. Priority for the carryforward moneys is  
11 13 required to be given to services for children with special  
11 14 needs such as mental health needs, sexual abuse victims or  
11 15 offenders, and substance abuse. The division takes effect  
11 16 upon enactment.

11 17 COUNTY FUNDS. This division authorizes a temporary  
11 18 exception to allow a county to transfer moneys from other  
11 19 funds to the county's MH/MR/DD services fund for FY 2007=2008.  
11 20 LSB 2849SS 82  
11 21 jp:nh/es/88.3

