## House File 532 - Introduced

			HOUSE FILE BY STRUYK			
	Ayes	Date Nays Approved		Senate, Ayes		

## A BILL FOR

1 An Act relating to the duties of state and local government entities by providing for the reimbursement by the state of certain contributions paid by a city to the fire and police retirement fund and by shifting responsibility for mental health services from counties to the state, and including 6 effective date and applicability date provisions.
7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA: 8 TLSB 1667YH 83 9 md/mg:sc/24

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DIVISION I
                 STATE REIMBURSEMENT OF CITY POLICE AND FIRE
                           RETIREMENT CONTRIBUTIONS
         Section 1. Section 411.1, subsection 15, Code 2009, is
   5 amended to read as follows:
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         15. "Pensions" means annual payments for life derived from
   7 appropriations provided by the participating cities and, from 8 appropriations provided by the state under section 411.20, and
  9 from contributions of the members which are deposited in the
1 10 fire and police retirement fund. All pensions shall be paid
1 11 in equal monthly installments.
                  Section 411.20, Code 2009, is amended to read as
         Sec. 2.
1 13 follows:
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         411.20
                 STATE APPROPRIATION.
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             There is appropriated from the general fund of the
1 16 state for each fiscal year an amount necessary to be
1 17 distributed to the statewide fire and police retirement
1 18 system, or to the cities participating in the system, to 1 19 finance the cost of benefits provided in this chapter by
1 20 amendments of the Acts of the Sixty=sixth General Assembly
  21 chapter 1089. The method of distribution shall be determined
1 22 by the board of trustees based on information provided by the
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1 23 actuary of the statewide retirement system. 24 2. Moneys appropriated by the state <u>pursuant to subsection</u> 25 1 shall not be used to reduce the normal rate of contribution 1 26 of any city below seventeen percent. 1 27

NEW SECTION. 411.20A SUPPLEMENTAL STATE Sec. 3. 1 28 APPROPRIATION.

- 1. a. The state shall reimburse each city for the city's 1 30 total normal contribution paid into the fire and police 31 retirement fund under section 411.8, subsection 1, in the 32 previous fiscal year, according to the schedule provided in 1 33 subsection 2.
  - 34 b. If the moneys appropriated from the general fund of the 35 state to reimburse cities under this section are insufficient 1 to reimburse each city's total normal contribution paid, the 2 amount appropriated in subsection 2 shall be allocated among 3 cities in proportion to the total amount of normal 4 contributions paid by each city in the previous fiscal year.

5 Moneys received by a city under this section shall be 6 deposited in the city's general fund.

- 2. There is appropriated from the general fund of the 8 state, for each of the following fiscal years for the payment 9 of city reimbursements, the following:
- 2 a. For the fiscal year beginning July 1, 2012, and ending 2 11 June 30, 2013, an amount equal to ten percent of the total 12 normal contributions paid by all cities in the previous fiscal 13 year.
- 2 14 For the fiscal year beginning July 1, 2013, and ending b. 2 15 June 30, 2014, an amount equal to twenty=five percent of the 2 16 total normal contributions paid by all cities in the previous

2 17 fiscal year.

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c. For the fiscal year beginning July 1, 2014, and ending 2 19 June 30, 2015, an amount equal to fifty percent of the total 2 20 normal contributions paid by all cities in the previous fiscal 2 21 year.

- For the fiscal year beginning July 1, 2015, and ending 23 June 30, 2016, an amount equal to seventy=five percent of the 24 total normal contributions paid by all cities in the previous 2 25 fiscal year.
- e. For the fiscal year beginning July 1, 2016, and ending 2 27 June 30, 2017, an amount equal to ninety percent of the total 2 28 normal contributions paid by all cities in the previous fiscal 2 29 year.
- 30 f. For the fiscal year beginning July 1, 2017, and each 31 subsequent fiscal year, an amount equal to one hundred percent 2 32 of the total normal contributions paid by all cities in the 33 previous fiscal year.

## DIVISION II

MENTAL HEALTH SERVICES PROVIDED BY THE STATE Sec. 4. <u>NEW SECTION</u>. 217.45 EMPLOYEE RIGHTS OF FORMER 2 COUNTY EMPLOYEES.

- 1. County employees paid under a county mental health, 4 mental retardation, and developmental disabilities services 5 fund created pursuant to section 331.424A, shall become 6 employees of the department of human services effective July 1, 2010, and the department shall assume all costs associated 8 with the functions of the employees on that date. Employees 3 9 who were paid salaries by the counties immediately prior to 3 10 becoming state employees as a result of this section shall not 3 11 forfeit accrued vacation, accrued sick leave, or longevity, 3 12 except as provided in this section.
- The department of human services, after consulting with 3 14 the department of administrative services, shall prescribe 3 15 rules to provide for the following:
- a. A person referred to in subsection 1 shall have to the 3 17 person's credit as a state employee commencing on the date of 3 18 becoming a state employee the number of accrued vacation days 3 19 that was credited to the person as a county employee as of the 3 20 end of the day prior to becoming a state employee.
- b. Each person referred to in subsection 1 shall have to 22 the person's credit as a state employee commencing on the date 23 of becoming a state employee the number of accrued days of 3 24 sick leave that was credited to the person as a county 25 employee as of the end of the day prior to becoming a state 26 employee. However, the number of days of sick leave credited 3 27 to a person under this subsection and eligible to be taken 28 when sick or eligible to be received upon retirement shall not 29 respectively exceed the maximum number of days, if any, or the 3 30 maximum dollar amount as provided in section 70A.23 that state 3 31 employees generally are entitled to accrue or receive 32 according to rules in effect as of the date the person becomes 33 a state employee.
  - c. Commencing on the date of becoming a state employee, 35 each person referred to in subsection 1 is entitled to claim the person's most recent continuous period of service in full= 2 time county employment as full=time state employment for 3 purposes of determining the number of days of vacation which 4 the person is entitled to earn each year. The actual vacation 5 benefit, including the limitation on the maximum accumulated 6 vacation leave, shall be determined as provided in section 70A.1 according to rules in effect for state employees of comparable longevity, irrespective of any greater or lesser 9 benefit as a county employee.
- 4 10 3. Persons referred to in subsection 1 who were covered by 11 county employee life insurance and accident and health 4 12 insurance plans prior to becoming state employees as a result 4 13 of this section shall be permitted to apply prior to becoming 4 14 state employees for life insurance and health and accident 4 15 insurance plans that are available to state employees so that 4 16 those persons do not suffer a lapse of insurance coverage as a 4 17 result of this section. The department of human services, 4 18 after consulting with the department of administrative 4 19 services, shall prescribe rules and distribute application 4 20 forms and take other actions as necessary to enable those 21 persons to elect to have insurance coverage that is in effect 22 on the date of becoming state employees. The actual insurance 4 23 coverage available to a person shall be determined by the 24 plans that are available to state employees, irrespective of 25 any greater or lesser benefits that may have been available to 4 26 the person as a county employee.

4. Commencing on the date of becoming a state employee,

4 28 each person referred to in subsection 1 is entitled to claim 4 29 the person's most recent continuous period of service in full= 4 30 time county employment as full=time state employment for 4 31 purposes of determining disability benefits as provided in 4 32 section 70A.20 according to rules in effect for state 4 33 employees of comparable longevity, irrespective of any greater 34 or lesser benefit that may have been available to the person 35 as a county employee. Sec. 5. Section 222.60, Code 2009, is amended to read as 5 2 follows: 5 222.60 COSTS PAID BY COUNTY OR THE STATE OR COUNTY == 4 DIAGNOSIS AND EVALUATION. 5 1. All necessary and legal expenses for the cost of 6 admission or commitment or for the treatment, training, instruction, care, habilitation, support and transportation of 8 persons with mental retardation, as provided for in the county 9 management plan provisions implemented pursuant to section 10 331.439, subsection 1, in a state resource center, or in a 5 11 special unit, or any public or private facility within or 5 12 without the state, approved by the director of the department 5 13 of human services, shall be paid by either:
5 14 1. The county in which such person has legal settlement as defined in section 252.16. 5 16 2. The the state when such person has no legal settlement or when such settlement is unknown. However, a county board 5 18 of supervisors may voluntarily authorize payment for such 5 19 services for a county resident who does not meet state 5 20 eligibility guidelines and does not have a source of payment 21 for the services. 5 22 2. Prior to a county of legal settlement the director 5 23 approving the payment of expenses for a person under this 5 24 section, the county director may require that the person be 5 25 diagnosed to determine if the person has mental retardation or 26 that the person be evaluated to determine the appropriate 27 level of services required to meet the person's needs relating 5 28 to mental retardation. The diagnosis and the evaluation may 29 be performed concurrently and shall be performed by an 30 individual or individuals approved by the county director who 5 31 are qualified to perform the diagnosis or the evaluation. 5 32 Following the initial approval for payment of expenses, the 5 33 <del>county of legal settlement</del> <u>director</u> may require that an 5 34 evaluation be performed at reasonable time periods. The 5 35 of a county-required diagnosis and an evaluation under this <u>section</u> is at the <del>county's</del> <u>department's</u> expense. <del>In the case</del> 2 of a person without legal settlement or whose legal settlement 3 is unknown, the state may apply the diagnosis and evaluation 4 provisions of this paragraph at the state's expense. A <del>-5 diagnosis or an evaluation under this section may be part of a</del> 6 6 county's central point of coordination process under section 7 331.440, provided that a diagnosis is performed only by an 8 individual qualified as provided in this section. 6 9 3. A diagnosis of mental retardation under this section 6 10 shall be made only when the onset of the person's condition 6 11 was prior to the age of eighteen years and shall be based on 6 12 an assessment of the person's intellectual functioning and 6 13 level of adaptive skills. The diagnosis shall be made by an 6 14 individual who is a psychologist or psychiatrist who is 6 15 professionally trained to administer the tests required to 6 16 assess intellectual functioning and to evaluate a person's 6 17 adaptive skills. 6 18 4. A diagnosis of mental retardation shall be made in 6 19 accordance with the criteria provided in the diagnostic and 6 20 statistical manual of mental disorders, fourth edition, 6 21 published by the American psychiatric association. Section 225C.1, subsection 1, Code 2009, is Sec. 6. 6 23 amended to read as follows: 1. The general assembly finds that until July 1, 2010, 6 24 6 25 services to persons with mental illness, mental retardation, 6 26 developmental disabilities, or brain injury are were provided 6 27 in many parts of the state by highly autonomous 6 28 community=based service providers working cooperatively with 6 29 state and county officials. However, the general assembly 6 30 recognizes that heavy reliance on property tax funding for 6 31 mental health and mental retardation services has enabled many 32 counties to exceed minimum state standards for the services 33 resulting resulted in an uneven level of services around the 6 34 state. Consequently, greater efforts should be made to assure 6 35 close coordination and continuity of care for those persons 1 receiving publicly supported disability services in Iowa. It 2 is the purpose of this chapter to continue and to strengthen 3 the services to persons with disabilities now available in the

4 state of Iowa, to make disability services conveniently 5 available to all persons in this state upon a reasonably 6 uniform financial basis, and to assure the continued high 7 quality of these services. <u>Effective July 1, 2010, the 8 primary responsibility for adult disability services was</u> 9 transitioned from the counties to the state in order to 10 enhance Iowa's capacity to achieve the purposes outlined in 7 11 this section. Sec. 7. Section 229.42, Code 2009, is amended to read as 7 13 follows: 229.42 COSTS PAID VOLUNTARILY BY COUNTY. 7 15 1. If a person wishing to make application for voluntary 7 16 admission to a mental hospital established by chapter 226 is 17 unable to pay the costs of hospitalization or those 7 18 responsible for the person are unable to pay the costs, and 7 19 the person does not meet state eligibility guidelines, 20 application for authorization of voluntary admission must may 7 21 be made through a central point of coordination process before 7 22 application for admission is made to the hospital the person's 23 county of residence. The person's county of legal settlement 7 24 shall be determined through the central point of coordination 7 25 process and if the admission is approved through the central 7 26 point of coordination process, the person's admission to a 7 27 mental health hospital shall be authorized as a voluntary 7 28 case. The authorization shall be issued on forms provided by 7 29 the administrator. The costs of the hospitalization shall be 7 30 paid by the county of <del>legal settlement</del> residence to the 7 31 department of human services and credited to the general fund 7 32 of the state, provided that the mental health hospital 7 33 rendering the services has certified to the county auditor of 34 the county of <del>legal settlement</del> <u>residence</u> the amount chargeable 35 to the county and has sent a duplicate statement of the 1 charges to the department of human services. A However, 8 8 2 county shall not be billed for the cost of a patient unless 8 3 the patient's admission is authorized through the central 4 point of coordination process by the county's board of 5 supervisors. The mental health institute and the county shall 8 6 <u>may</u> work together to locate appropriate alternative placements 7 and services, and to educate patients and family members of 8 8 8 patients regarding such alternatives. 8 9 2. All the provisions of chapter 230 shall apply to such 8 10 voluntary patients so far as is applicable. 3. The provisions of this section and of section 229.41 8 12 shall apply to all voluntary inpatients or outpatients 8 13 receiving mental health services either away from or at the 8 14 institution. 4. If a county has authorized the patient's admission and 8 15 8 16 fails to pay the billed charges within forty=five days from 8 17 the date the county auditor received the certification 8 18 statement from the superintendent, the department of human 8 19 services shall charge the delinquent county the penalty of one 8 20 percent per month on and after forty=five days from the date 8 21 the county received the certification statement until paid. 8 22 The penalties received shall be credited to the general fund 8 23 of the state. 8 24 Sec. 8. Section 230.1, Code 2009, is amended to read as 8 25 follows: 8 26 LIABILITY OF <del>COUNTY AND</del> STATE. 230.1  ${\color{red} 1.}$  The necessary and legal costs and expenses attending 8 2.7 8 28 the taking into custody, care, investigation, admission, 8 29 commitment, and support of a person with mental illness 8 30 admitted or committed to a state hospital shall be paid by  $\frac{1}{8}$ 31 county or by the state as follows: , except as otherwise 32 provided in section 229.42. 8 33 a. By the county in which such person has a legal settlement, if the person is eighteen years of age or older. b. By the state when such person has no legal settlement 1 in this state, when the person's legal settlement is unknown, 2 or if the person is under eighteen years of age. 2. The legal settlement of any person found mentally ill 4 who is a patient of any state institution shall be that 5 existing at the time of admission thereto. 9 6 3. A county of legal settlement is not liable for costs 7 and expenses associated with a person with mental illness 9 8 unless the costs and expenses are for services and other 9 support authorized for the person through the central point of 9 10 coordination process. For the purposes of this chapter, 11 "central point of coordination process" means the same as 12 defined in section 331.440. 9 13 Sec. 9. Section 249A.26, Code 2009, is amended by striking 9 14 the section and inserting in lieu thereof the following:

9 15 249A.26 STATE RESPONSIBILITY FOR MENTAL HEALTH AND 9 16 DISABILITY SERVICES. 9 17

Unless a county voluntarily agrees to participate in the 9 18 costs of disability services, as defined in section 225C.2, 9 19 effective July 1, 2010, the nonfederal share of the cost of 9 20 such services provided under the medical assistance program is 21 the responsibility of the state.

Section 331.424, subsection 1, Code 2009, is Sec. 10. 23 amended by adding the following new paragraph:

9 24 NEW PARAGRAPH. k. To the extent that the board deems it 9 25 advisable, the costs of disability services, as defined in 9 26 section 225C.2, provided to county residents. 9 27

Sec. 11. Section 904.201, subsection 8, Code 2009, is

28 amended to read as follows:

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8. Chapter 230 governs the determination of costs and 9 30 charges for the care and treatment of persons with mental 31 illness admitted to the forensic psychiatric hospital, except 32 that charges for the care and treatment of any person 33 transferred to the forensic psychiatric hospital from an adult 34 correctional institution or from a state training school shall 35 be paid entirely from state funds. Charges for all other 1 persons at the forensic psychiatric hospital shall be billed 2 to the respective counties department of human services at the same ratio as for patients at state mental health institutes under section 230.20.

Sec. 12. Sections 331.424A, 331.438, 331.439, and 331.440, Code 2009, are repealed.

Sec. 13. Chapter 426B, Code 2009, is repealed. Sec. 14. CONFORMING AMENDMENTS LEGISLATION. I

CONFORMING AMENDMENTS LEGISLATION. If this 9 division of this Act is enacted, the legislative services 10 10 agency shall prepare committee study bills for submission in the 2010 regular session of the Eighty=third General Assembly 10 12 to the committees on human resources of the senate and house 10 13 of representatives to amend the Code of Iowa as necessary to 10 14 transfer responsibility for costs and delivery of disability 10 15 services, as defined in section 225C.2, from the counties to The provisions of the bill shall include but are 10 16 the state. 10 17 not limited to making changes in boards, committees, and 10 18 commissions, revising referral responsibilities, eliminating 10 19 or changing references to central point of coordination 10 20 administrators, repealing or amending provisions that are 10 21 rendered obsolete, incorrect, or inaccurate as a result of the 10 22 passage of this Act, and making other conforming amendments as 10 23 necessary. This section takes effect July 1, 2009.

Sec. 15. EFFECTIVE DATE. Except as otherwise provided in 10 25 this section and in the section of this division of this Act 10 26 providing for conforming amendments legislation, this division 10 27 of this Act takes effect July 1, 2010. This division of this 10 28 Act applies prior to July 1, 2010, for purposes of making 10 29 changes in the county budget and levy responsibilities and 10 30 authority necessary to implement the provisions of this 10 31 division of this Act beginning on July 1, 2010. division of this Act beginning on July 1, 2010. EXPLANATION

This bill relates to the duties and authority of state and 34 local government entities by providing for the reimbursement 10 35 of certain contributions paid by a city to the fire and police retirement fund and by amending provisions relating to a county's duty to provide mental health services.

Division I of the bill provides a supplemental state

4 appropriation to reimburse each city for its total normal contributions paid to the fire and police retirement fund during the previous fiscal year, commencing with the fiscal year beginning July 1, 2012. The bill provides that moneys 8 appropriated by the state to reimburse cities are allocated 11 9 among cities in proportion to the total amount of normal 11 10 contributions paid by each city in the previous fiscal year. 11 11 The bill requires that moneys received by a city from the 11 12 state's supplemental appropriation be deposited in the city's 11 13 general fund.

Division I appropriates funds for the reimbursement of 11 14 11 15 normal contributions paid by cities according to a schedule 11 16 that commences in the fiscal year beginning July 1, 2012, with 11 17 an amount equal to 10 percent of the total normal 11 18 contributions paid by all cities in the previous fiscal year, 11 19 and increasing each fiscal year until, for the fiscal year 11 20 beginning July 1, 2017, and each fiscal year thereafter, it 11 21 reaches an amount equal to 100 percent of the total normal

11 22 contributions paid by all cities in the previous fiscal year.
11 23 Division II of the bill relates to adult mental health, 11 24 mental retardation, and developmental disabilities services by 11 25 shifting responsibility for payment of such services from the

11 26 counties to the state effective July 1, 2010, and revising 11 27 county levy authority for such services. Many provisions of 11 28 the bill reference the definition of "disability services" in 11 29 Code section 225C.2, which defines the term to mean services 11 30 and other support available to a person with mental illness, 11 31 mental retardation or other developmental disability, or brain 11 32 injury (MI/MR/DD/BI).

New Code section 217.45 provides for transfer of county 11 34 employees paid under a county MH/MR/DD services fund from 35 county employment to state employment with the department of human services effective July 1, 2010, and outlines benefits

and rights of such employees.

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Division II amends significant Code provisions outlining county or state responsibilities for MH/MR/DD to provide for state responsibility and that county participation in costs is The following Code provisions are addressed: voluntary.

Code section 222.60 is amended to provide that the state is 8 responsible for expenses for the cost of admission or 9 commitment or for the treatment, training, instruction, care, 12 10 habilitation, support, and transportation of persons with 12 11 mental retardation in public or private facilities. However, 12 12 a county may voluntarily pay for the costs of such services 12 13 for a county resident who does not meet state eligibility 12 14 requirements and does not have a payment source.

Code section 225C.1, stating the purpose of the MH/MR/DD/BI 12 16 services chapter, is amended to provide for state
12 17 responsibility in lieu of counties effective July 1, 2010.

12 18 Code section 229.42, relating to financial responsibility 12 19 under the mental health commitment Code chapter, is amended to 12 20 provide that a county may voluntarily accept responsibility to 12 21 pay the costs of a patient who is a county resident and placed 12 22 in a state mental health institute.

Code section 230.1, relating to responsibility for the 12 24 necessary and legal costs and expenses attending the taking 12 25 into custody, care, investigation, admission, commitment, and 12 26 support of a person with mental illness in a state mental 12 27 health institute, is amended to provide that the state is 12 28 responsible and to eliminate county responsibility unless it 12 29 is provided voluntarily.

12 30 Code section 249A.26, relating to state and county 12 31 participation in funding for medical assistance (Medicaid) 12 32 program services to persons with disabilities, is amended by 12 33 striking the section and providing that unless a county 12 34 voluntarily agrees to participate in the costs, effective July 12 35 1, 2010, the nonfederal share of the cost of disability services provided under the program is the responsibility of 2 the state.

Code section 331.424, relating to county supplemental levy 4 authority, is amended to authorize the county, when the 5 general levy is insufficient, to utilize its supplemental levy 6 authority to the extent that the board of supervisors deems it advisable to pay the costs of disability services provided to 8 county residents.

Code section 904.201, relating to charges for services 13 10 provided at the Iowa medical and classification center at 13 11 Oakdale, is amended to provide that those costs for the care 13 12 and treatment of persons with mental illness that under 13 13 current law are charged to counties are instead charged to the 13 14 department of human services.

Division II repeals these Code sections: Code section 13 16 331.424A, providing for the establishment of the county 13 17 MI/MR/DD services fund and prohibiting the county from paying 13 18 for these services from any other fund; Code section 331.438, 13 19 relating to joint state=county planning, implementing, and 13 20 funding of MI/MR/DD services, including allowed growth 13 21 payments to counties; Code section 331.439, relating to county 13 22 eligibility for state funding associated with the services; 13 23 and Code section 331.440, relating to the county central point 13 24 of coordination system and shifting of state cases to county 13 25 responsibility. In addition, Code chapter 426B, relating to 13 26 property tax relief payments to counties and funding pools 13 27 associated with allowed growth payments, is repealed.

13 28 The legislative services agency is directed to prepare and 13 29 submit committee study bills for the 2010 regular legislative 30 session to further amend the Code as necessary to implement 13 31 division II of the bill. This section of division II relating 13 32 to the duties of the legislative services agency takes effect 13 33 July 1, 2009. The remainder of division II takes effect July 13 34 1, 2010. However, the bill provides that the changes in 13 35 division II that affect county budget preparation and levy 1 authority involving the fiscal year that begins on the

- $\,$  2 division's effective date, apply prior to the effective date. 14  $\,$  3 LSB 1667YH 83  $\,$  4 md/mg:sc/24