

Senate Study Bill 3129 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT OF
HUMAN SERVICES BILL)

A BILL FOR

- 1 An Act relating to community mental health centers.
- 2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

COMMUNITY MENTAL HEALTH CENTERS — CATCHMENT AREAS

Section 1. NEW SECTION. 230A.101 **Services system roles.**

1. The role of the department of human services, through the division of the department designated as the state mental health authority with responsibility for state policy concerning mental health and disability services, is to develop and maintain policies for the mental health and disability services system. The policies shall address the service needs of individuals of all ages with disabilities in this state, regardless of the individuals' places of residence or economic circumstances, and shall be consistent with the requirements of chapter 225C and other applicable law.

2. The role of community mental health centers in the mental health and disability services system is to provide an organized set of services in order to adequately meet the mental health needs of this state's citizens based on organized catchment areas.

Sec. 2. NEW SECTION. 230A.102 **Definitions.**

As used in this chapter, unless the context otherwise requires:

1. "Administrator", "commission", "department", "disability services", and "division" mean the same as defined in section 225C.2.

2. "Catchment area" means a community mental health center catchment area identified in accordance with this chapter.

3. "Community mental health center" or "center" means a community mental health center designated in accordance with this chapter.

Sec. 3. NEW SECTION. 230A.103 **Designation of community mental health centers.**

1. The division, in collaboration with a county or counties within a catchment area, by action of the respective board or boards of supervisors, shall designate at least one community mental health center under this chapter to serve the mental

1 health needs of the county or counties comprising the catchment
2 area.

3 2. The division shall utilize objective criteria for
4 designating a community mental health center to serve a
5 catchment area and for withdrawing such designation. The
6 commission shall adopt rules outlining the criteria. The
7 criteria shall include but are not limited to provisions for
8 meeting all of the following requirements:

9 a. An appropriate means shall be used for determining which
10 prospective designee is best able to serve all ages of the
11 targeted population within the catchment area with minimal or
12 no service denials.

13 b. An effective means shall be used for determining the
14 relative ability of a prospective designee to appropriately
15 provide mental health services and other support to consumers
16 residing within a catchment area as well as consumers residing
17 outside the catchment area. The criteria shall address the
18 duty for a prospective designee to arrange placements outside
19 the catchment area when such placements best meet consumer
20 needs and to provide services within the catchment area to
21 consumers who reside outside the catchment area when the
22 services are necessary and appropriate.

23 3. The board of directors for a designated community mental
24 center shall enter into an agreement with the division and
25 the counties affiliated with the catchment area served by
26 the center, as applicable. The terms of the agreement shall
27 include but are not limited to all of the following:

28 a. The period of time the agreement will be in force.

29 b. The services and other support the center will offer or
30 provide for the residents of the catchment area.

31 c. The standards to be followed by the center in determining
32 whether and to what extent the persons seeking services from
33 the center shall be considered to be able to pay the costs of
34 the services.

35 d. The policies regarding availability of the services

1 offered by the center to the residents of the catchment area as
2 well as consumers residing outside the catchment area.

3 e. The requirements for preparation and submission to the
4 division of an annual budget, and audits, cost reports, program
5 reports, performance measures, and other financial and service
6 accountability information.

7 4. This section does not limit the authority of the board
8 or boards of supervisors of any county or group of counties to
9 continue to expend money to support operation of a center.

10 Sec. 4. NEW SECTION. 230A.104 **Catchment areas.**

11 1. The division shall collaborate with affected counties in
12 identifying community mental health center catchment areas in
13 accordance with the requirements of this section.

14 2. The division shall implement objective criteria for
15 identifying or revising catchment areas which shall be
16 identified in rule adopted by the commission. The criteria
17 shall include but are not limited to provisions for meeting all
18 of the following requirements:

19 a. Unless the division has determined that exceptional
20 circumstances exist, a catchment area shall be served by one
21 community mental health center. The purpose of this general
22 limitation is to clearly designate the center responsible and
23 accountable for providing core mental health services to the
24 target population in the catchment area and to protect the
25 financial viability of the centers comprising the mental health
26 services system in the state.

27 b. A formal review process shall be used in determining
28 whether exceptional circumstances exist that justify
29 designating more than one center to serve a catchment area.
30 The criteria for the review process shall include but are not
31 limited to a means of determining whether the catchment area
32 can support more than one center.

33 c. Criteria shall be provided that would allow the
34 designation of more than one center for all or a portion of a
35 catchment area if designation or approval for more than one

1 center was provided by both the division and the affected
2 counties as of July 1, 2009. The criteria shall require a
3 determination that all such centers would be financially viable
4 if designation is provided for all.

5 *d.* All counties in the state shall be part of a catchment
6 area. The identification criteria shall provide a means of
7 determining that each catchment area can financially support at
8 least one center.

9 **Sec. 5. NEW SECTION. 230A.105 Target population —**
10 **eligibility.**

11 1. The target population residing in a catchment area to be
12 served by a community mental health center shall include but is
13 not limited to all of the following:

14 *a.* Individuals of any age who are experiencing a mental
15 health crisis.

16 *b.* Individuals of any age who have a mental health disorder.

17 *c.* Adults who have a serious mental illness or chronic
18 mental illness.

19 *d.* Children and youth who are experiencing a serious
20 emotional disturbance.

21 *e.* Individuals described in paragraph "*a*", "*b*", "*c*",
22 or "*d*" who have a co-occurring disorder, including but not
23 limited to substance abuse, mental retardation, a developmental
24 disability, brain injury, autism spectrum disorder, or another
25 disability or special health care need.

26 2. Specific eligibility criteria for members of the target
27 population shall be identified in administrative rules adopted
28 by the commission. The eligibility criteria shall address both
29 clinical and financial eligibility.

30 **Sec. 6. NEW SECTION. 230A.106 Services offered.**

31 1. A community mental health center designated in
32 accordance with this chapter shall offer core services and
33 support addressing the basic mental health and safety needs of
34 the target population and other residents of the catchment area
35 served by the center and may offer other services and support.

1 The core services shall be identified in administrative rules
2 adopted by the commission for this purpose.

3 2. A community mental health center may offer the required
4 core services by one or more of the following means:

5 a. Direct provision of services.

6 b. Coordinating the provision of services through another
7 provider agency.

8 c. Contracting or affiliating with another provider for a
9 particular service.

10 3. A community mental health center shall be responsible
11 for coordinating with associated services provided by other
12 unaffiliated agencies to members of the target population in
13 the catchment area and to integrate services in the community
14 with services provided to the target population in residential
15 or inpatient settings.

16 Sec. 7. NEW SECTION. 230A.107 **Forms of organization.**

17 Each community mental health center designated in accordance
18 with this chapter shall be organized and administered as one of
19 the following alternative forms:

20 1. A nonprofit corporation.

21 2. A for-profit corporation. The designation criteria for
22 such corporations shall include but are not limited to all of
23 the following:

24 a. The corporation's allowable administrative costs and
25 profit margins shall be subject to reasonable limitations.

26 b. A percentage of the corporation's operating budget shall
27 be designated for provision of care to the target population
28 without charge.

29 c. The corporation shall be in substantial compliance with
30 the standards applicable to a nonprofit corporation designee.

31 d. The corporation shall be subject to the same open record
32 and sharing of financial information and reporting requirements
33 as a nonprofit corporation designee.

34 Sec. 8. NEW SECTION. 230A.108 **Administrative, diagnostic,**
35 **and demographic information.**

1 Release of administrative and diagnostic information, as
2 defined in section 228.1, and demographic information necessary
3 for aggregated reporting to meet the data requirements
4 established by the division, relating to an individual who
5 receives services from a community mental health center through
6 the applicable central point of coordination process, may be
7 made a condition of support of that center by any county in the
8 center's catchment area.

9 Sec. 9. NEW SECTION. 230A.109 Funding — legislative
10 intent.

11 1. It is the intent of the general assembly that public
12 funding for community mental health centers designated in
13 accordance with this chapter shall continue to be provided as a
14 combination of federal, state, and county funding. The funding
15 sources may include but are not limited to federal supplemental
16 security income, block grants and other grants, and medical
17 assistance program funding, state allowed growth and property
18 tax relief funding, and county property tax funding.

19 2. It is the intent of the general assembly that the shared
20 state and county funding provided to centers be a sufficient
21 amount for the core services and support addressing the
22 basic mental health and safety needs of the residents of the
23 catchment area served by each center to be provided regardless
24 of individual ability to pay for the services and support.

25 Sec. 10. NEW SECTION. 230A.110 Standards.

26 1. The division shall recommend and the commission shall
27 adopt standards for designated community mental health centers
28 and comprehensive community mental health programs, with
29 the overall objective of ensuring that each center and each
30 affiliate providing services under contract with a center
31 furnishes high-quality mental health services within a
32 framework of accountability to the community it serves. The
33 standards adopted shall be in substantial conformity with
34 the applicable behavioral health standards adopted by the
35 joint commission, formerly known as the joint commission

1 on accreditation of health care organizations, and other
2 recognized national standards for evaluation of psychiatric
3 facilities unless in the judgment of the division, with
4 approval of the commission, there are sound reasons for
5 departing from the standards.

6 2. When recommending standards under this section, the
7 division shall designate an advisory committee representing
8 boards of directors and professional staff of designated
9 community mental health centers to assist in the formulation
10 or revision of standards. The membership of the advisory
11 committee shall include representatives of professional and
12 nonprofessional staff, at least one representative of county
13 boards of supervisors and central point of coordination
14 administrators, and other appropriate individuals.

15 3. The standards recommended under this section shall
16 include requirements that each community mental health center
17 designated under this chapter do all of the following:

18 a. Maintain and make available to the public a written
19 statement of the services the center offers to residents of
20 the catchment area being served. The center shall employ or
21 contract for services with affiliates to employ staff who are
22 appropriately credentialed or meet other qualifications in
23 order to provide services.

24 b. If organized as a nonprofit corporation, be governed by
25 a board of directors which adequately represents interested
26 professions, consumers of the center's services, socioeconomic,
27 cultural, and age groups, and various geographical areas in
28 the catchment area served by the center. If organized as a
29 for-profit corporation, the corporation's policy structure
30 shall incorporate such representation.

31 c. Arrange for the financial condition and transactions of
32 the community mental health center to be audited once each year
33 by the auditor of state. However, in lieu of an audit by state
34 accountants, the local governing body of a community mental
35 health center organized under this chapter may contract with

1 or employ certified public accountants to conduct the audit,
2 pursuant to the applicable terms and conditions prescribed by
3 sections 11.6 and 11.19 and audit format prescribed by the
4 auditor of state. Copies of each audit shall be furnished by
5 the accountant to the administrator of the division of mental
6 health and disability services and the board or boards of
7 supervisors supporting the audited community mental health
8 center.

9 *d.* Comply with the accreditation standards applicable to the
10 center.

11 Sec. 11. NEW SECTION. 230A.111 **Review and evaluation.**

12 1. The review and evaluation of designated centers shall
13 be performed through a formal accreditation review process as
14 recommended by the division and approved by the commission.

15 The accreditation process shall include all of the following:

16 *a.* Specific time intervals for full accreditation reviews
17 based upon levels of accreditation.

18 *b.* Use of random or complaint-specific, on-site limited
19 accreditation reviews in the interim between full accreditation
20 reviews, as a quality review approach. The results of such
21 reviews shall be presented to the commission.

22 *c.* Use of center accreditation self-assessment tools to
23 gather data regarding quality of care and outcomes, whether
24 used during full or limited reviews or at other times.

25 2. The accreditation process shall include but is not
26 limited to addressing all of the following:

27 *a.* Measures to address centers that do not meet standards,
28 including authority to revoke accreditation.

29 *b.* Measures to address noncompliant centers that do not
30 develop a corrective action plan or fail to implement steps
31 included in a corrective action plan accepted by the division.

32 *c.* Measures to appropriately recognize centers that
33 successfully complete a corrective action plan.

34 *d.* Criteria to determine when a center's accreditation
35 should be denied, revoked, suspended, or made provisional.

1 Sec. 12. IMPLEMENTATION.

2 1. Community mental health centers operating under
3 the provisions of chapter 230A, Code 2009, and associated
4 standards, rules, and other requirements as of June 30, 2010,
5 may continue to operate under such requirements until the
6 department of human services, division of mental health and
7 disability services, and the mental health, mental retardation,
8 developmental disabilities, and brain injury commission
9 have completed the rules adoption process to implement the
10 amendments to chapter 230A enacted by this Act, identified
11 catchment areas, and completed designations of centers.

12 2. The division and the commission shall complete the rules
13 adoption process and other requirements addressed in subsection
14 1 on or before June 30, 2011.

15 Sec. 13. IMPLEMENTATION OF ACT. Section 25B.2, subsection
16 3, shall not apply to this Act.

17 Sec. 14. REPEAL. Sections 230A.1, 230A.2, 230A.3, 230A.4,
18 230A.5, 230A.6, 230A.7, 230A.8, 230A.9, 230A.10, 230A.11,
19 230A.12, 230A.13, 230A.14, 230A.15, 230A.16, 230A.17, and
20 230A.18, Code 2009, are repealed.

21 DIVISION II

22 CONFORMING AMENDMENTS

23 Sec. 15. Section 225C.4, subsection 1, paragraph o, Code
24 2009, is amended to read as follows:

25 o. Recommend to the commission minimum accreditation
26 standards for the maintenance and operation of community
27 mental health centers, services, and programs designated under
28 ~~section 230A.16~~ chapter 230A. The administrator's review
29 and evaluation of the centers, services, and programs for
30 compliance with the adopted standards shall be as provided in
31 ~~section 230A.17~~ chapter 230A.

32 Sec. 16. Section 225C.6, subsection 1, paragraph c, Code
33 2009, is amended to read as follows:

34 c. Adopt standards for community mental health centers,
35 services, and programs as recommended ~~under section 230A.16~~ by

1 the administrator. The commission shall determine whether
2 to grant, deny, or revoke the accreditation of the centers,
3 services, and programs.

4 Sec. 17. Section 225C.7, subsection 3, Code 2009, is amended
5 to read as follows:

6 3. ~~If a county has not established or is not affiliated~~
7 ~~with a community mental health center under chapter 230A,~~
8 ~~the county shall expend a portion of the money received~~
9 ~~under this appropriation to contract with a community mental~~
10 ~~health center to provide mental health services to the~~
11 ~~county's residents. If such a contractual relationship~~
12 ~~is unworkable or undesirable, the commission may waive the~~
13 ~~expenditure requirement. However, if the commission waives the~~
14 ~~requirement, the commission shall address the specific concerns~~
15 ~~of the county and shall attempt to facilitate the provision~~
16 ~~of mental health services to the county's residents through~~
17 ~~an affiliation agreement or other means. A county must be~~
18 affiliated with the community mental health center designated
19 in accordance with chapter 230A in order to receive moneys from
20 the fund.

21 Sec. 18. Section 225C.15, Code 2009, is amended to read as
22 follows:

23 **225C.15 County implementation of evaluations.**

24 The board of supervisors of a county shall, ~~no later~~
25 ~~than July 1, 1982,~~ require that the preadmission diagnostic
26 evaluation policy stated in section 225C.14 be followed with
27 respect to admission of persons from that county to a state
28 mental health institute. A community mental health center
29 ~~which is supported, directly or in affiliation with other~~
30 ~~counties, by that county~~ designated for the county's catchment
31 area may perform the preliminary diagnostic evaluations for
32 that county, unless the performance of the evaluations is
33 not covered by the agreement entered into by the county and
34 the center ~~under section 230A.12,~~ and the center's director
35 certifies to the board of supervisors that the center does not

1 have the capacity to perform the evaluations, in which case
2 the board of supervisors shall proceed with an alternative
3 diagnostic facility as provided under section 225C.17.

4 Sec. 19. Section 225C.54, subsection 1, Code Supplement
5 2009, is amended to read as follows:

6 1. The mental health services system for children and youth
7 shall be initially implemented by the division commencing with
8 the fiscal year beginning July 1, 2008. The division shall
9 begin implementation by utilizing a competitive bidding process
10 to allocate state block grants to develop services through
11 ~~existing community mental health centers, providers approved~~
12 ~~in a waiver adopted by the commission to provide services to a~~
13 ~~county in lieu of a community mental health center, designated~~
14 in accordance with chapter 230A and other local service
15 partners. The implementation shall be limited to the extent of
16 the appropriations provided for the children's system.

17 Sec. 20. Section 228.6, subsection 1, Code 2009, is amended
18 to read as follows:

19 1. A mental health professional or an employee of or
20 agent for a mental health facility may disclose mental health
21 information if and to the extent necessary, to meet the
22 requirements of section 229.24, 229.25, 230.20, 230.21, 230.25,
23 ~~230.26, 230A.13~~ 230A.108, 232.74, or 232.147, or to meet the
24 compulsory reporting or disclosure requirements of other state
25 or federal law relating to the protection of human health and
26 safety.

27 Sec. 21. Section 235A.15, subsection 2, paragraph c,
28 subparagraph (6), Code Supplement 2009, is amended to read as
29 follows:

30 (6) To an administrator of a community mental health center
31 ~~accredited under~~ designated in accordance with chapter 230A if
32 the data concerns a person employed or being considered for
33 employment by the center.

34 Sec. 22. Section 331.321, subsection 1, paragraph e, Code
35 Supplement 2009, is amended by striking the paragraph.

1 Sec. 23. Section 331.382, subsection 1, paragraph f, Code
2 Supplement 2009, is amended by striking the paragraph.

3 EXPLANATION

4 This bill relates to the requirements of community mental
5 health centers under Code chapter 230A. The bill is organized
6 into divisions.

7 CODE CHAPTER 230A AMENDMENTS. This division repeals and
8 replaces Code chapter 230A which was originally enacted by 1974
9 Iowa Acts, chapter 1160.

10 The bill maintains the requirements under current law
11 for accreditation of community mental health centers to be
12 performed by the department of human services (DHS), division
13 of mental health and disability services, in accordance with
14 standards adopted by the mental health, mental retardation,
15 developmental disabilities, and brain injury (MH/MR/DD/BI)
16 commission. 2008 Iowa Acts, chapter 1187, required the
17 division to utilize an advisory group to develop a proposal for
18 revising Code chapter 230A and for revising the accreditation
19 process for centers. Until the proposal has been considered
20 and acted upon by the general assembly, the division
21 administrator is authorized to defer consideration of requests
22 for accreditation of a new community mental health center or
23 for approval of a provider to fill the role of a center. The
24 proposal was submitted to the governor and general assembly
25 April 17, 2009. The bill provides for implementation of the
26 proposal.

27 The current Code chapter provides for community mental
28 health centers to either be directly established by a county
29 or counties and administered by a board of trustees or by
30 establishment of a nonprofit corporation operating on the basis
31 of an agreement with a county or counties. Code section 225C.7
32 allows the department of human services to authorize the center
33 services to be provided by an alternative provider.

34 The bill replaces this approach by requiring the division
35 and commission to consult with affected counties in identifying

1 catchment areas of counties to be served by a center. The
2 general requirement is for one center to be designated to
3 serve a catchment area but more than one can be designated if
4 exceptional circumstances outlined in the bill are determined
5 to exist.

6 New Code section 230A.101 describes the regulatory and
7 policy role to be filled by the department and the service
8 provider role of the community mental health centers.

9 New Code section 230A.102 provides definitions. These
10 terms, defined in Code chapter 225C, are adopted by reference:
11 "administrator" (administrator of MH and disability
12 services division), "commission" ((MH/MR/DD/BI) commission),
13 "department" (DHS), "disability services" (services and other
14 support available to a person with mental illness, MR or
15 other DD, or BI), and "division" (MH and disability services
16 division). In addition, the terms "community mental health
17 center" and "catchment area" are defined to reflect the
18 contents of the bill.

19 New Code section 230A.103 provides criteria to be
20 implemented by the division for designation of at least one
21 community mental health center to serve a catchment area
22 consisting of a county or counties. Various operating and
23 services requirements are to be addressed in the terms of an
24 agreement between the designated center, the division, and the
25 counties comprising the catchment area.

26 New Code section 230A.104 provides for the division to
27 implement objective criteria for identifying catchment areas
28 for centers. A general limitation of one center per catchment
29 area is stated, however, the criteria are to include a formal
30 review process for use in determining whether exceptional
31 circumstances exist for designating more than one center
32 for a catchment area. The other stated criteria involve
33 determinations of financial viability for a center to operate.

34 New Code section 230A.105 lists the attributes of the
35 target population required to be served by a center. The

1 list includes individuals of any age experiencing a mental
2 health crisis or disorder, adults who have a serious or chronic
3 mental illness, children and youth experiencing a serious
4 emotional disturbance, and listed individuals who also have a
5 co-occurring disorder. The specific clinical and financial
6 eligibility criteria are required to be identified in rules
7 adopted by the commission.

8 New Code section 230A.106 requires each designated center
9 to offer core services and support addressing the basic
10 mental health and safety needs of the target population and
11 other residents of the catchment area. The core services
12 are to be identified in rules adopted by the commission.
13 The core services may be offered by the center directly, by
14 coordination through another provider agency, or by contracting
15 or affiliating with another provider. In addition, a center is
16 responsible for coordinating associated services provided by
17 other unaffiliated agencies to members of the target population
18 and for integrating services provided to the target population
19 in residential or inpatient settings.

20 New Code section 230A.107 authorizes a designated center to
21 be organized as either a nonprofit or for-profit corporation
22 and includes specific criteria applicable to for-profit
23 corporations.

24 New Code section 230A.108 requires release of
25 administrative, diagnostic, and demographic information as a
26 condition of support by any of the counties in the catchment
27 area served by a center. Language with a similar requirement
28 is part of current law in Code section 230A.13, relating to
29 annual budgets of centers.

30 New Code section 230A.109 states legislative intent
31 regarding continuation of the current combination of federal,
32 state, and county funding supporting centers and for the amount
33 of funding to be sufficient for core services to be provided
34 regardless of an individual's ability to pay for the services.

35 New Code section 230A.110 provides for accreditation

1 standards for centers to be recommended by the division
2 and adopted by the commission. The standards are to be in
3 substantial conformity with certain national standards. The
4 division is directed to use an advisory committee to assist in
5 standards development. In addition, the standards recommended
6 are required to include various organizational requirements.

7 New Code section 230A.111 addresses how the review and
8 evaluation components of the accreditation process are to be
9 performed.

10 An implementation section authorizes centers operating under
11 current law as of June 30, 2009, to continue operating until
12 the rules are adopted, catchment areas are identified, and
13 centers are designated, as required by the bill. The division
14 and commission are required to complete those requirements on
15 or before June 30, 2011.

16 The bill may include a state mandate as defined in Code
17 section 25B.3. The bill makes inapplicable Code section 25B.2,
18 subsection 3, which would relieve a political subdivision from
19 complying with a state mandate if funding for the cost of
20 the state mandate is not provided or specified. Therefore,
21 political subdivisions are required to comply with any state
22 mandate included in the bill.

23 CONFORMING AMENDMENTS. This division amends internal
24 references and provides other conforming amendments in the
25 following Code provisions: Code section 225C.4, relating to
26 the duties of the MH and disability services administrator;
27 Code section 225C.6, relating to the duties of the commission,
28 Code section 225C.7, relating to the requirements for the MH/DD
29 community services fund; Code section 225C.15, relating to
30 county implementation of evaluations relating to admissions of
31 persons from the counties to a state mental health institute;
32 Code section 225C.54, relating to implementation of a mental
33 health services system for children and youth; Code section
34 228.6, relating to disclosure of confidential mental health
35 information; Code section 331.321, by striking the requirement

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1 for county appointments to an initial community mental health
2 center board of trustees; and Code section 331.382, by striking
3 the authority of a county board of supervisors to establish a
4 community mental health center.