

House Study Bill 631 - Introduced

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

A BILL FOR

1 An Act relating to the provision and administration of mental
2 health, disability, and homemaker-home health aide services
3 by the department of human services.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 230.01 Definitions.

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

4 1. "Administrator" means the administrator of the department
5 of human services assigned, in accordance with section
6 218.1, to control the state mental health institutes, or that
7 administrator's designee.

8 2. "Book", "list", "record", or "schedule" kept by a county
9 auditor, assessor, treasurer, recorder, sheriff, or other
10 county officer means the county system as defined in section
11 445.1.

12 3. "Department" means the department of human services.

13 4. "Region" means a mental health and disability services
14 region formed in accordance with section 331.389.

15 5. "Regional administrator" means the same as defined in
16 section 331.388.

17 Sec. 2. Section 230.1, subsections 1 and 3, Code 2018, are
18 amended to read as follows:

19 1. The necessary and legal costs and expenses attending
20 the taking into custody, care, investigation, admission,
21 commitment, and support of a person with mental illness
22 admitted or committed to a state hospital shall be paid by a
23 county the regional administrator on behalf of the person's
24 county of residence or by the state as follows:

25 a. If the person is eighteen years of age or older, as
26 follows:

27 (1) The costs attributed to mental illness shall be paid by
28 the regional administrator on behalf of the person's county of
29 residence.

30 (2) The costs attributed to a substance-related disorder
31 shall be paid by the person's county of residence.

32 (3) The costs attributable to a dual diagnosis of mental
33 illness and a substance-related disorder may be split as
34 provided in [section 226.9C](#).

35 b. By the state as a state case if such person has no

1 residence in this state, if the person's residence is unknown,
2 or if the person is under eighteen years of age.

3 3. A ~~mental health and disability services~~ region or county
4 of residence is not liable for costs and expenses associated
5 with a person with mental illness unless the costs and expenses
6 are for services and other support authorized for the person
7 through the regional administrator for the county. ~~For the~~
8 ~~purposes of this chapter, "regional administrator" means the~~
9 ~~same as defined in section 331.388.~~

10 Sec. 3. Section 230.4, Code 2018, is amended to read as
11 follows:

12 **230.4 Certification to ~~debtor county~~ regional administrator.**

13 A determination of a person's county of residence made
14 in accordance with [section 230.2](#) or [230.3](#) shall be sent
15 by the court or the county to the ~~county auditor~~ regional
16 administrator of the person's county of residence. The
17 certification shall be accompanied by a copy of the evidence
18 supporting the determination. The ~~auditor~~ regional
19 administrator shall provide the certification to the ~~board of~~
20 ~~supervisors of the auditor's county~~ region's governing board,
21 and it shall be conclusively presumed that the person has
22 residence in a county in the notified ~~county~~ region unless that
23 ~~county~~ regional administrator disputes the finding of residence
24 as provided in [section 331.394](#).

25 Sec. 4. Section 230.5, Code 2018, is amended to read as
26 follows:

27 **230.5 Nonresidents.**

28 If a person's residence is determined in accordance with
29 [section 230.2](#) or [230.3](#) to be in a foreign state or country,
30 or is unknown, the court or the ~~county~~ regional administrator
31 of the person's county of residence shall immediately certify
32 the determination to the department's administrator. The
33 certification shall be accompanied by a copy of the evidence
34 supporting the determination. A court order issued pursuant to
35 [section 229.13](#) shall direct that the patient be hospitalized at

1 the appropriate state hospital for persons with mental illness.

2 Sec. 5. Section 230.9, Code 2018, is amended to read as
3 follows:

4 **230.9 Subsequent discovery of residence.**

5 If, after a person has been received by a state hospital
6 for persons with mental illness as a state case patient
7 whose residence is supposed to be outside this state, the
8 administrator determines that the residence of the person
9 was, at the time of admission or commitment, in a county of
10 this state, the administrator shall certify the determination
11 and charge all legal costs and expenses pertaining to the
12 admission or commitment and support of the person to the
13 regional administrator of the person's county of residence.
14 The certification shall be sent to the regional administrator
15 of the person's county of residence. The certification
16 shall be accompanied by a copy of the evidence supporting the
17 determination. The costs and expenses shall be collected as
18 provided by law in other cases. If the person's residency
19 status has been determined in accordance with [section 331.394](#),
20 the legal costs and expenses shall be charged to the regional
21 administrator of the person's county of residence or as a state
22 case in accordance with that determination.

23 Sec. 6. Section 230.10, Code 2018, is amended to read as
24 follows:

25 **230.10 Payment of costs.**

26 All legal costs and expenses attending the taking into
27 custody, care, investigation, and admission or commitment of
28 a person to a state hospital for persons with mental illness
29 under a finding that the person has residency in another
30 county of this state shall be charged against the regional
31 administrator of the person's county of residence.

32 Sec. 7. Section 230.11, Code 2018, is amended to read as
33 follows:

34 **230.11 Recovery of costs from state.**

35 Costs and expenses attending the taking into custody,

1 care, and investigation of a person who has been admitted
2 or committed to a state hospital, United States department
3 of veterans affairs hospital, or other agency of the United
4 States government, for persons with mental illness and who
5 has no residence in this state or whose residence is unknown,
6 including cost of commitment, if any, shall be paid as a
7 state case as approved by the administrator. The amount
8 of the costs and expenses approved by the administrator is
9 appropriated to the department from any money in the state
10 treasury not otherwise appropriated. Payment shall be made by
11 the department on itemized vouchers executed by the ~~auditor of~~
12 the regional administrator of the person's county which has
13 paid them, and approved by the administrator.

14 Sec. 8. Section 230.12, Code 2018, is amended to read as
15 follows:

16 **230.12 Residency disputes.**

17 If a dispute arises between different counties or between
18 the administrator and a regional administrator for a county as
19 to the residence of a person admitted or committed to a state
20 hospital for persons with mental illness, the dispute shall be
21 resolved as provided in [section 331.394](#).

22 Sec. 9. Section 230.15, subsection 1, Code 2018, is amended
23 to read as follows:

24 1. A person with mental illness and a person legally liable
25 for the person's support remain liable for the support of
26 the person with mental illness as provided in [this section](#).

27 Persons legally liable for the support of a person with
28 mental illness include the spouse of the person, and any
29 person bound by contract for support of the person, ~~and,~~
30 ~~with respect to persons with mental illness under eighteen~~
31 ~~years of age only, the father and mother of the person.~~

32 ~~The county auditor~~ regional administrator of the person's
33 county of residence, subject to the direction of the region's
34 governing board of supervisors, shall enforce the obligation
35 created in [this section](#) as to all sums advanced by the county

1 regional administrator. The liability to the ~~county~~ regional
2 administrator incurred by a person with mental illness or a
3 person legally liable for the person's support under this
4 section is limited to an amount equal to one hundred percent
5 of the cost of care and treatment of the person with mental
6 illness at a state mental health institute for one hundred
7 twenty days of hospitalization. This limit of liability may
8 be reached by payment of the cost of care and treatment of the
9 person with mental illness subsequent to a single admission
10 or multiple admissions to a state mental health institute
11 or, if the person is not discharged as cured, subsequent to
12 a single transfer or multiple transfers to a county care
13 facility pursuant to [section 227.11](#). After reaching this
14 limit of liability, a person with mental illness or a person
15 legally liable for the person's support is liable to the ~~county~~
16 regional administrator for the care and treatment of the person
17 with mental illness at a state mental health institute or,
18 if transferred but not discharged as cured, at a county care
19 facility in an amount not in excess of the average minimum
20 cost of the maintenance of an individual who is physically and
21 mentally healthy residing in the individual's own home, which
22 standard shall be established and may from time to time be
23 revised by the department of human services. A lien imposed
24 by [section 230.25](#) shall not exceed the amount of the liability
25 which may be incurred under [this section](#) on account of a person
26 with mental illness.

27 Sec. 10. Section 230.16, Code 2018, is amended to read as
28 follows:

29 **230.16 Presumption.**

30 In actions to enforce the liability imposed by section
31 230.15, the certificate from the superintendent to the ~~county~~
32 auditer regional administrator of the person's county of
33 residence stating the sums charged in such cases, shall be
34 presumptively correct.

35 Sec. 11. Section 230.17, Code 2018, is amended to read as

1 follows:

2 **230.17 Board may compromise lien.**

3 The board of supervisors of the person's county of residence
4 is hereby empowered to compromise any and all liabilities to
5 the county, created by **this chapter**, when such compromise is
6 deemed to be for the best interests of the county.

7 Sec. 12. Section 230.18, Code 2018, is amended to read as
8 follows:

9 **230.18 Expense in county or private hospitals.**

10 The estates of persons with mental illness who may be treated
11 or confined in any county hospital or home, or in any private
12 hospital or sanatorium, and the estates of persons legally
13 bound for their support, shall be liable to the county regional
14 administrator of the person's county of residence for the
15 reasonable cost of such support.

16 Sec. 13. Section 230.20, Code 2018, is amended to read as
17 follows:

18 **230.20 Billing of patient charges — computation of actual**
19 **costs — cost settlement.**

20 1. The superintendent of each mental health institute
21 shall compute by February 1 the average daily patient charges
22 and other service charges for which each county regional
23 administrator of a person's county of residence will be billed
24 for services provided to ~~patients~~ the person and chargeable to
25 the county of residence during the fiscal year beginning the
26 following July 1. The department shall certify the amount of
27 the charges and notify the ~~counties~~ regional administrator of
28 the person's county of residence of the billing charges.

29 a. The superintendent shall separately compute by program
30 the average daily patient charge for a mental health institute
31 for services provided in the following fiscal year, in
32 accordance with generally accepted accounting procedures, by
33 totaling the expenditures of the program for the immediately
34 preceding calendar year, by adjusting the expenditures
35 by a percentage not to exceed the percentage increase in

1 the consumer price index for all urban consumers for the
2 immediately preceding calendar year, and by dividing the
3 adjusted expenditures by the total inpatient days of service
4 provided in the program during the immediately preceding
5 calendar year. However, the superintendent shall not include
6 the following in the computation of the average daily patient
7 charge:

8 (1) The costs of food, lodging, and other maintenance
9 provided to persons not patients of the hospital.

10 (2) The costs of certain direct medical services identified
11 in administrative rule, which may include but need not be
12 limited to X-ray, laboratory, and dental services.

13 (3) The costs of outpatient and state placement services.

14 (4) The costs of the psychiatric residency program.

15 (5) The costs of the chaplain intern program.

16 b. The department shall compute the direct medical
17 services, outpatient, and state placement services charges, in
18 accordance with generally accepted accounting procedures, on
19 the basis of the actual cost of the services provided during
20 the immediately preceding calendar year. The direct medical
21 services, outpatient, and state placement services shall be
22 billed directly against the patient who received the services.

23 2. a. The superintendent shall certify to the department
24 the billings to ~~each county~~ the regional administrator of the
25 person's county of residence for services provided to ~~patients~~
26 the person and chargeable to the county of residence during
27 the preceding calendar quarter. The county of residence
28 billings shall be based on the average daily patient charge
29 and other service charges computed pursuant to subsection
30 1, and the number of inpatient days and other service units
31 chargeable to the regional administrator of the person's county
32 of residence. However, a county of residence billing shall
33 be decreased by an amount equal to reimbursement by a third
34 party payor or estimation of such reimbursement from a claim
35 submitted by the superintendent to the third party payor for

1 the preceding calendar quarter. When the actual third party
2 payor reimbursement is greater or less than estimated, the
3 difference shall be reflected in the ~~county~~ billing in the
4 calendar quarter the actual third party payor reimbursement is
5 determined.

6 *b.* The per diem costs billed to each ~~mental health and~~
7 ~~disability services~~ region shall not exceed the per diem costs
8 billed to the region in the fiscal year beginning July 1, 2016.

9 3. The superintendent shall compute in January the actual
10 per-patient-per-day cost for each mental health institute for
11 the immediately preceding calendar year, in accordance with
12 generally accepted accounting procedures, by totaling the
13 actual expenditures of the mental health institute for the
14 calendar year and by dividing the total actual expenditures
15 by the total inpatient days of service provided during the
16 calendar year.

17 4. The department shall certify to the ~~counties~~ regional
18 administrator by February 1 the actual per-patient-per-day
19 costs, as computed pursuant to [subsection 3](#), and the actual
20 costs owed by each ~~county~~ regional administrator itemized
21 for each county in the region for the immediately preceding
22 calendar year for patients chargeable to the ~~county~~ regional
23 administrator. If the actual costs owed by the ~~county~~ regional
24 administrator are greater than the charges billed to the ~~county~~
25 regional administrator pursuant to [subsection 2](#), the department
26 shall bill the ~~county~~ regional administrator for the difference
27 itemized for each county in the region with the billing for the
28 quarter ending June 30. If the actual costs owed by the ~~county~~
29 regional administrator are less than the charges billed to the
30 ~~county~~ regional administrator pursuant to [subsection 2](#), the
31 department shall credit the ~~county~~ regional administrator for
32 the difference itemized for each county in the region starting
33 with the billing for the quarter ending June 30.

34 5. An individual statement shall be prepared for a patient
35 on or before the fifteenth day of the month following the month

1 in which the patient leaves the mental health institute, and
2 a general statement shall be prepared at least quarterly for
3 each ~~county~~ regional administrator itemized for each county
4 in the region to which charges are made under this section.
5 Except as otherwise required by sections 125.33 and 125.34,
6 the general statement shall list the name of each patient
7 chargeable to ~~that~~ a county in the region who was served by the
8 mental health institute during the preceding month or calendar
9 quarter, the amount due on account of each patient, and the
10 specific dates for which any third party payor reimbursement
11 received by the state is applied to the statement and billing,
12 and the ~~county~~ regional administrator shall be billed for
13 eighty percent of the stated charge for each patient specified
14 in this subsection. The statement prepared for each ~~county~~
15 regional administrator shall be certified by the department and
16 ~~a duplicate statement shall be mailed to the auditor of that~~
17 ~~county~~.

18 6. All or any reasonable portion of the charges incurred
19 for services provided to a patient, to the most recent date for
20 which the charges have been computed, may be paid at any time
21 by the patient or by any other person on the patient's behalf.
22 Any payment made by the patient or other person, and any
23 federal financial assistance received pursuant to Tit. XVIII
24 or XIX of the federal Social Security Act for services rendered
25 to a patient, shall be credited against the patient's account
26 and, if the charges paid as described in this subsection have
27 previously been billed to a ~~county~~ regional administrator on
28 behalf of the person's county of residence, reflected in the
29 mental health institute's next general statement to that ~~county~~
30 regional administrator.

31 7. A superintendent of a mental health institute may request
32 that the director of human services enter into a contract
33 with a person for the mental health institute to provide
34 consultation or treatment services or for fulfilling other
35 purposes which are consistent with the purposes stated in

1 section 226.1. The contract provisions shall include charges
2 which reflect the actual cost of providing the services or
3 fulfilling the other purposes. Any income from a contract
4 authorized under this subsection may be retained by the
5 mental health institute to defray the costs of providing the
6 services. Except for a contract voluntarily entered into by a
7 county under this subsection, the costs or income associated
8 with a contract authorized under this subsection shall not
9 be considered in computing charges and per diem costs in
10 accordance with the provisions of subsections 1 through 6 of
11 this section.

12 8. The department shall provide a county regional
13 administrator with information, which is not otherwise
14 confidential under law, in the department's possession
15 concerning a patient whose cost of care is chargeable to the
16 county regional administrator, including but not limited to the
17 information specified in section 229.24, subsection 3.

18 Sec. 14. Section 230.21, Code 2018, is amended to read as
19 follows:

20 **230.21 ~~Duty of county auditor and treasurer~~ Notice to county**
21 **of residence**.

22 The ~~county auditor~~, upon receipt of the duplicate statement
23 required by section 230.20, shall enter it to the credit of the
24 ~~state in the ledger of state accounts~~, regional administrator
25 shall furnish to the board of supervisors of the county of
26 residence a list of the names of the persons so certified, and
27 ~~at once issue a notice authorizing the county treasurer to~~
28 ~~transfer the amount billed to the county by the statement, from~~
29 ~~the county to the general state revenue, which notice shall be~~
30 ~~filed by the treasurer as authority for making the transfer~~ who
31 are residents of that county and eligible for mental health
32 and disability services funding. The auditor shall promptly
33 ~~remit the amount so transferred to the treasurer of state,~~
34 ~~designating the fund to which it belongs.~~

35 Sec. 15. Section 230.22, Code 2018, is amended to read as

1 follows:

2 **230.22 Penalty.**

3 ~~Should any county fail~~ If a regional administrator fails
4 to pay the amount billed by a statement submitted pursuant
5 to [section 230.20](#) within forty-five days from the date the
6 statement is received by the ~~county~~ regional administrator,
7 the department shall charge the delinquent ~~county~~ regional
8 administrator the penalty of one percent per month on and
9 after forty-five days from the date the statement is received
10 by the ~~county~~ regional administrator until paid. Provided,
11 however, that the penalty shall not be imposed if the ~~county~~
12 regional administrator has notified the department of error
13 or questionable items in the billing, in which event, the
14 department shall suspend the penalty only during the period of
15 negotiation.

16 Sec. 16. Section 230.25, subsection 1, Code 2018, is amended
17 to read as follows:

18 1. Upon receipt from the county auditor for substance use
19 services or the regional administrator for mental health and
20 disability services of the list of names furnished pursuant
21 to [section 230.21](#), the board of supervisors of the county
22 of residence shall make an investigation to determine the
23 ability of each person whose name appears on the list, and
24 also the ability of any person liable under [section 230.15](#)
25 for the support of that person, to pay the expenses of that
26 person's hospitalization. If the board finds that neither
27 the hospitalized person nor any person legally liable for the
28 person's support is able to pay those expenses, ~~they~~ the board
29 shall direct the county auditor or regional administrator not
30 to index the names of any of those persons as would otherwise
31 be required by [section 230.26](#). However the board may review
32 its finding with respect to any person at any subsequent time
33 at which another list is furnished by the ~~auditor~~ county
34 auditor or regional administrator upon which that person's name
35 appears. If the board finds upon review that that person or

1 those legally liable for the person's support are presently
2 able to pay the expenses of that person's hospitalization, that
3 finding shall apply only to charges stated upon the certificate
4 from which the list was drawn up and any subsequent charges
5 similarly certified, unless and until the board again changes
6 its finding.

7 Sec. 17. Section 230.26, Code 2018, is amended to read as
8 follows:

9 **230.26 Auditor Regional administrator to keep record.**

10 The ~~auditor of each county~~ regional administrator shall
11 keep an accurate account of the cost of the maintenance of
12 any patient kept in any institution as provided for in this
13 chapter and keep an index of the names of the persons admitted
14 or committed from ~~such~~ each county in the region. The name of
15 ~~the husband or the wife of such person designating such party~~
16 ~~as~~ the spouse of the person admitted or committed shall also be
17 indexed in the same manner as the names of the persons admitted
18 or committed are indexed. The book shall be designated as an
19 account book or index, and shall have no reference in any place
20 to a lien.

21 Sec. 18. Section 230.33, Code 2018, is amended to read as
22 follows:

23 **230.33 Reciprocal agreements.**

24 The administrator may enter into agreements with other
25 states, through their duly constituted authorities, to effect
26 the reciprocal return of persons with mental illness and
27 persons with an intellectual disability to the contracting
28 states, and to effect the reciprocal supervision of persons on
29 convalescent leave.

30 However, in the case of a proposed transfer of a person with
31 mental illness or an intellectual disability from this state,
32 final action shall not be taken without the approval ~~either of~~
33 ~~the commission of hospitalization, or~~ of the district court, of
34 the county of admission or commitment.

35 Sec. 19. REPEAL. Sections 230.34 and 232.80, Code 2018,

1 are repealed.

2

EXPLANATION

3 The inclusion of this explanation does not constitute agreement with
4 the explanation's substance by the members of the general assembly.

5 This bill relates to administrative procedures and services
6 provided by the department of human services.

7 Under current law, expenses and legal costs relating to
8 the taking into custody, care, investigation, admission,
9 commitment, and support of a person with mental illness
10 admitted or committed to a state hospital are sent to the
11 county auditor of the person's county of residence. The county
12 auditor submits the bills to the regional administrator of
13 the person's county of residence. The regional administrator
14 pays the state hospital for the expenses. The bill amends
15 current law to provide such expenses are billed to the regional
16 administrator of the person's county of residence. References
17 to the county auditor are amended to refer to the regional
18 administrator. The bill removes the definition of auditor from
19 the Code, makes technical changes to the location of other
20 definitions, and defines region.

21 The bill provides that county auditors maintain lists of
22 persons receiving substance use services for determination of
23 ability to pay hospitalization expenses.

24 Code section 232.80 relating to services by a homemaker-home
25 health aide providing care to a child in the child's place of
26 residence in preference to removal of the child from the home
27 is repealed by the bill.