

Senate File 2118 - Introduced

SENATE FILE 2118

BY KINNEY

A BILL FOR

1 An Act relating to mental health and disability services funds
2 to establish county-controlled accounts for administrative
3 expenses and increase the amount mental health and
4 disability services funds may carryforward.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 225C.7A, subsection 5, Code 2022, is
2 amended to read as follows:

3 5. Regional service payments received by a region
4 shall be deposited in the region's combined account under
5 section 331.391 and used solely for providing mental health
6 and disability services under the regional service system
7 management plan, or deposited into county administrative funds,
8 as defined in section 331.391, subsection 1, paragraph "b",
9 for the payment of employees performing duties related to the
10 mental health and disability services system. A regional
11 administrator shall have the authority to transfer moneys from
12 the region's combined account.

13 Sec. 2. Section 225C.7A, subsection 7, paragraph b, Code
14 2022, is amended to read as follows:

15 b. For the fiscal year years beginning on or after July
16 1, 2022, each mental health and disability services region
17 for which the amount certified during the fiscal year under
18 section 331.391, subsection 4, paragraph "b", exceeds ~~twenty~~
19 twenty-five percent of the actual expenditures of the region
20 for the fiscal year preceding the fiscal year in progress, the
21 remaining quarterly payments of the region's regional service
22 payment shall be reduced by an amount equal to the amount by
23 which the region's amount certified under section 331.391,
24 subsection 4, paragraph "b", exceeds ~~twenty~~ twenty-five percent
25 of the actual expenditures of the region for the fiscal year
26 preceding the fiscal year in progress, but the amount of the
27 reduction shall not exceed the total amount of the region's
28 regional service payment for the fiscal year. If the region's
29 remaining quarterly payments are insufficient to effectuate
30 the required reductions under this paragraph, the region is
31 required to pay to the department of human services any amount
32 for which the reduction in quarterly payments could not be
33 made. The amount of reductions to quarterly payments and
34 amounts paid to the department under this paragraph shall be
35 transferred and credited to the region incentive fund under

1 subsection 8.

2 Sec. 3. Section 225C.7A, subsection 7, paragraph c, Code
3 2022, is amended by striking the paragraph.

4 Sec. 4. Section 225C.7A, subsection 8, paragraph c,
5 subparagraph (2), subparagraph division (b), subparagraph
6 subdivision (ii), Code 2022, is amended to read as follows:

7 (ii) For applications for the fiscal ~~year~~ years beginning on
8 or after July 1, 2022, ~~twenty~~ twenty-five percent of the actual
9 expenditures of the mental health and disability services
10 region for the fiscal year that commenced two years prior to
11 the fiscal year of application for assistance.

12 Sec. 5. Section 225C.7A, subsection 8, paragraph c,
13 subparagraph (2), subparagraph division (b), subparagraph
14 subdivision (iii), Code 2022, is amended by striking the
15 subparagraph subdivision.

16 Sec. 6. Section 331.391, subsections 1 and 3, Code 2022, are
17 amended to read as follows:

18 1. a. The funding under the control of the governing board
19 shall be maintained in a combined account. A county exempted
20 under [section 331.389, subsection 1](#), shall maintain a county
21 mental health and disability services fund for the deposit
22 of funding received under [section 225C.7A](#) and appropriations
23 specifically authorized to be made from the county mental
24 health and disability services fund shall not be made from
25 any other fund of the county. A county mental health and
26 disability services fund established by an exempt county, to
27 the extent feasible, shall be considered to be the same as
28 a region combined account and shall be subject to the same
29 requirements as a region's combined account including expenses
30 payable from county administrative funds pursuant to paragraph
31 "b".

32 b. The funding received pursuant to section 225C.7A,
33 subsection 5, and under the control of a board of supervisors
34 shall be maintained in a county administrative fund. Moneys in
35 a county administrative fund shall only be used for the payment

1 of county employees performing duties related to the mental
2 health and disability services system.

3 3. The funding provided pursuant to appropriations from the
4 mental health and disability services regional service fund
5 created in [section 225C.7A](#) and from performance-based contracts
6 with the department shall be credited to the account under the
7 control of the governing board or account under the control of
8 a board of supervisors.

9 Sec. 7. Section 331.391, subsection 4, paragraphs b and c,
10 Code 2022, are amended to read as follows:

11 b. Each region shall certify to the department of human
12 services on or before December 1, 2021, and each December 1
13 thereafter, the aggregate amount of the region's cash flow
14 amount in the combined account and each county administrative
15 account at the conclusion of the most recently completed fiscal
16 year.

17 c. For fiscal years beginning on or after July 1, 2023, the
18 region's cash flow amount shall not exceed five twenty-five
19 percent of the aggregate actual expenditures from the combined
20 account and each county administrative account for the fiscal
21 year preceding the fiscal year in progress.

22 Sec. 8. Section 331.432, subsection 3, paragraph b, Code
23 2022, is amended to read as follows:

24 b. Payments or transfers of moneys from any fund of the
25 county to a mental health and disability services region's
26 combined account under [section 331.391](#) are prohibited. This
27 paragraph ~~applies to fiscal years beginning on or after July~~
28 ~~1, 2022, but~~ does not apply to transfers from a county public
29 hospital fund under [section 347.7](#) ~~for the fiscal year beginning~~
30 ~~July 1, 2022, or the fiscal year beginning July 1, 2023, or a~~
31 county administrative fund under section 331.391, subsection
32 1, paragraph "b".

33 Sec. 9. 2021 Iowa Acts, chapter 177, section 107, is amended
34 to read as follows:

35 SEC. 107. DEPARTMENT OF HUMAN SERVICES — MENTAL HEALTH AND

1 DISABILITY REGIONS STUDY. The department of human services
2 shall convene a study committee to evaluate the current mental
3 health and disability region structure and operations in the
4 context of the changes made and the funding provided by this
5 division of this Act. The study shall, at a minimum, use
6 data-driven and outcome-based decision making to identify
7 and recommend modifications to required core services for
8 regions, and review how effectively each mental health and
9 disability services region has implemented the core services
10 outlined in [sections 331.397](#) and [331.397A](#), including the
11 degree of uniformity of the core services between the regions.
12 The study committee membership shall include, at a minimum,
13 a representative from each mental health and disability
14 services region as the chief executive officer of each region
15 designates. The department shall be authorized to contract
16 with and retain the services of an independent contractor in
17 order to conduct the study. The department shall submit a
18 report detailing the study's findings and recommendations to
19 the general assembly and the governor no later than December
20 15, 2022.

21 Sec. 10. EFFECTIVE DATE. The following, being deemed of
22 immediate importance, takes effect upon enactment:

23 The section of this Act amending 2021 Iowa Acts, chapter 177,
24 section 107.

25 EXPLANATION

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

28 This bill relates to mental health and disability
29 services funds to establish county-controlled accounts for
30 administrative expenses and increase the amount mental health
31 and disability services funds may carryforward.

32 The mental health and disability services (MHDS) system is a
33 system of 14 separate regional service areas consisting of one
34 or more counties that work together to provide services related
35 to mental health and disabilities to people within those

1 regions. Under current law, a county may use a county mental
2 health and disabilities services fund (county services fund)
3 in order to pay for MHDS-related expenses. At the conclusion
4 of fiscal year 2021-2022, the counties will be required to
5 transfer any remaining amounts in their county services funds
6 to a combined regional account.

7 The bill establishes county administrative funds that will
8 be controlled by a county's board of supervisors and used
9 solely for the payment of county employees performing duties
10 related to the mental health and disability services system.

11 The bill allows the regional administrator to transfer funds
12 received by a region into a county administrative fund or from
13 an MHDS regional combined account into a county administrative
14 fund after June 30, 2022.

15 The bill provides that, for the fiscal years beginning on
16 or after July 1, 2022, an MHDS region's payments from the
17 state will be reduced by the amount the region's combined
18 fund exceeds 25 percent of its actual expenditures from the
19 aggregate of the region's combined account and county services
20 funds. Under current law, for the fiscal year beginning July
21 1, 2022, state payments to regional accounts will be reduced
22 by the amount that a region's combined fund exceeds 20 percent
23 of the region's actual expenditures, and for fiscal years
24 beginning July 1, 2023, and after, state payments to regional
25 accounts will be reduced by the amount that a region's combined
26 fund exceeds 5 percent of the region's actual expenditures.

27 The bill provides that a region will remain eligible to
28 receive funding from the state's region incentive fund within
29 the state MHDS regional service fund, assuming all other
30 criteria are met, if, beginning in fiscal year 2022-2023, the
31 region's expenditures do not exceed 25 percent of the aggregate
32 amounts in the region's combined account and county services
33 funds. Under current law, for a region to be eligible for
34 additional region incentive fund moneys, and assuming other
35 criteria are met, for the fiscal year beginning July 1, 2022, a

1 region may not have funds in the region's combined account in
2 excess of 20 percent of the region's actual expenditures, and
3 in all fiscal years beginning July 1, 2023, and after, a region
4 may not have funds in the region's combined account in excess
5 of 5 percent of the region's actual expenditures.

6 The bill allows a county administrative fund to transfer
7 funds into an MHDS regional combined account.

8 The bill provides that the scope of a study committee
9 created by 2021 Iowa Acts, chapter 177, section 107, shall
10 also include the use of data-driven and outcome-based decision
11 making to identify and recommend modifications to required
12 core services for MHDS regions. The bill also provides that
13 the study committee membership shall include, at a minimum,
14 a representative from each mental health and disability
15 services region as the chief executive officer of each region
16 designates. The changes to the MHDS study committee are
17 effective upon enactment.