

Senate Study Bill 3116 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
HUMAN RESOURCES BILL BY
CHAIRPERSON EDLER)

A BILL FOR

1 An Act increasing the amount of cash reserves mental health
2 and disability services regions may have before affecting
3 quarterly payment amounts and incentive fund eligibility.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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

3 c. For the fiscal year beginning July 1, 2023, and each
4 succeeding fiscal year, each mental health and disability
5 services region for which the amount certified during the
6 fiscal year under [section 331.391, subsection 4](#), paragraph
7 "b", exceeds ~~five~~ ten percent of the actual expenditures of
8 the region for the fiscal year preceding the fiscal year in
9 progress, the remaining quarterly payments of the region's
10 regional service payment shall be reduced by an amount equal
11 to the amount by which the region's amount certified under
12 [section 331.391, subsection 4, paragraph "b"](#), exceeds ~~five~~
13 ten percent of the actual expenditures of the region for the
14 fiscal year preceding the fiscal year in progress, but the
15 amount of the reduction shall not exceed the total amount of
16 the region's regional service payment for the fiscal year. If
17 the region's remaining quarterly payments are insufficient to
18 effectuate the required reductions under this paragraph, the
19 region is required to pay to the department of human services
20 any amount for which the reduction in quarterly payments could
21 not be made. The amount of reductions to quarterly payments
22 and amounts paid to the department under this paragraph shall
23 be transferred and credited to the region incentive fund under
24 subsection 8.

25 Sec. 2. Section 225C.7A, subsection 8, paragraph c,
26 subparagraph (2), subparagraph division (b), subparagraph
27 subdivision (iii), Code 2022, is amended to read as follows:

28 (iii) For applications for fiscal years beginning on or
29 after July 1, 2023, ~~five~~ ten percent of the actual expenditures
30 of the mental health and disability services region for the
31 fiscal year that commenced two years prior to the fiscal year
32 of application for assistance.

33 Sec. 3. Section 331.391, subsection 4, paragraph c, Code
34 2022, is amended to read as follows:

35 c. For fiscal years beginning on or after July 1, 2023, the

1 region's cash flow amount shall not exceed ~~five~~ ten percent
2 of the actual expenditures from the combined account for the
3 fiscal year preceding the fiscal year in progress.

4

EXPLANATION

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

6

7 This bill increases the amount of moneys a mental health
8 and disability services (MHDS) regional combined account may
9 have before payments to the MHDS region are reduced and an
10 MHDS region is disqualified from receiving funding from an
11 MHDS incentive fund. The bill provides that, for fiscal years
12 beginning on or after July 1, 2023, an MHDS region's cash
13 reserves cannot exceed 10 percent of the actual expenditures
14 from the combined account for the fiscal year preceding the
15 fiscal year in progress. Under current law, for fiscal years
16 beginning on or after July 1, 2023, an MHDS region's cash
17 reserves cannot exceed 5 percent of the actual expenditures
18 from the combined account for the fiscal year preceding the
19 fiscal year in progress.