

**Senate File 525 - Reprinted**

SENATE FILE 525  
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SF 481)  
(SUCCESSOR TO SSB 1077)

(As Amended and Passed by the Senate April 20, 2011)

**A BILL FOR**

1 An Act relating to reforming state and county responsibilities  
2 for adult disability services, making appropriations, and  
3 including effective date provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. ADULT DISABILITY SERVICES SYSTEM REDESIGN.

2 1. For the purposes of this section, "disability services"  
3 means services and other support available to a person  
4 with mental illness or an intellectual disability or other  
5 developmental disability.

6 2. It is the intent of the general assembly to redesign the  
7 system for adult disability services to implement all of the  
8 following:

9 a. Shifting the funding responsibility for the nonfederal  
10 share of adult disability services paid for by the Medicaid  
11 program, including but not limited to all costs for the state  
12 resource centers, from the counties to the state.

13 b. Reorganizing adult disability services not paid for by  
14 the Medicaid program to be administered by the counties on  
15 a regional basis, providing for the regions to serve as the  
16 single point of entry for the adult disability services not  
17 funded by the Medicaid program.

18 c. Devising new approaches for addressing the needs for  
19 publicly funded services for persons with brain injuries.

20 d. Implementing contracting between the state and the  
21 county regions, designating a region to serve as a Medicaid  
22 local point of access, and provider of case management  
23 or service coordination, service navigation support, and  
24 assistance with service intake. The region will determine the  
25 Medicaid targeted case management provider for the region.  
26 In addition, the region will coordinate and liaison with the  
27 department of human services concerning the adult disability  
28 services covered by the Medicaid program so that services  
29 covered by that program and the region are integrated and  
30 coordinated.

31 e. Implementing measures for Medicaid and non-Medicaid  
32 services to be provided in the most community-based, least  
33 restrictive, and integrated setting appropriate to a consumer's  
34 needs.

35 f. Providing funding in order for the state to assume the

1 nonfederal share of the Medicaid program costs by means of  
2 the state retaining the following funding sources currently  
3 distributed to the counties for adult disability services:

4 (1) Appropriations made for purposes of the mental health  
5 and developmental disabilities community services fund in  
6 accordance with section 225C.7.

7 (2) Appropriations made for purposes of the allowed growth  
8 factor adjustment as described in sections 331.439 and 426B.5.

9 (3) Appropriations made for the property tax relief fund  
10 pursuant to section 426B.1 and replacement generation tax  
11 revenues deposited in the fund pursuant to section 437A.15.

12 g. Maintaining the following funding sources for the county  
13 regional system:

14 (1) Appropriations made for state cases services under  
15 section 331.440, Code 2011.

16 (2) Distribution of the federal social services block grant  
17 allocation for local purchase.

18 h. Addressing county property tax funding for adult  
19 disability services on a regional basis and revising property  
20 taxation for adult disability services to a levy rate that is  
21 uniform, adequate, and fair.

22 i. Creating new state funding sources for the following  
23 purposes:

24 (1) To serve as an incentive and to defray new  
25 administrative costs for reorganizing adult disability services  
26 to be administered by counties on a regional basis.

27 (2) For regions to bid to implement demonstration projects  
28 to test new evidence-based adult disability services for  
29 periods of three to five years.

30 (3) For counties to test innovative approaches for the  
31 delivery of adult disability services.

32 j. Providing for the department of human services to work  
33 with counties and other stakeholders to identify the core adult  
34 disability services to be available in each region and to  
35 establish standards for the regional system.

1 k. Addressing the needs of consumers with co-occurring  
2 disorders in a manner that is seamless to the consumers.

3 1. Replacing legal settlement as the basis for determining  
4 financial responsibility for publicly funded disability  
5 services by determining responsibility based upon residency.

6 3. Beginning on the effective date of this Act and  
7 continuing through the fiscal year beginning July 1, 2011, the  
8 department of human services shall consult with a stakeholder  
9 group formed by the department in developing a plan and  
10 implementation provisions for a system for adults in need  
11 of publicly funded disability services and related support,  
12 proposing but not limited to all of the following:

13 a. Identifying clear definitions and requirements for the  
14 following:

15 (1) Eligibility criteria for the individual to be served.

16 (2) The array of core services and other support to be  
17 included in regional adult disability services plans and to be  
18 delivered based on individual needs and medical necessity.

19 (3) Outcome measures, including but not limited to measures  
20 addressing individual choice, empowerment, and community.

21 (4) Quality assurance measures.

22 (5) Provider accreditation, certification, or licensure  
23 requirements to ensure high quality services while avoiding  
24 unreasonable expectations and duplicative surveys.

25 (6) A process to evaluate and resolve workforce shortage  
26 issues.

27 (7) Input in regional service plans and delivery provisions  
28 by consumer and provider representatives.

29 (8) A process for representatives of the regional system  
30 to regularly engage the department in resolving Medicaid and  
31 non-Medicaid issues involving documentation requirements,  
32 electronic records, reimbursement methodologies, and other  
33 measures to improve the services and other support available  
34 to consumers.

35 b. Incorporating strategies to allow individuals to receive

1 services in accordance with the principles established in  
2 *Olmstead v. L.C.*, 527 U.S. 581 (1999), in order for services to  
3 be provided in the most community-based, least restrictive, and  
4 integrated setting appropriate to an individual's needs.

5 c. Continuing the department's leadership role in the  
6 Medicaid program in defining services covered, establishing  
7 reimbursement methodologies, providing other administrative  
8 functions, and expanding the program to incorporate the  
9 opportunities provided by the federal Patient Protection and  
10 Affordable Care Act, Pub. L. No. 111-148.

11 d. Implementing mental health crisis response services  
12 statewide in a manner determined to be most appropriate by each  
13 region.

14 e. Implementing a subacute level of care to provide  
15 short-term mental health services in a structured residential  
16 setting that supplies a less intensive level of care than is  
17 supplied by acute psychiatric services.

18 f. Identifying new approaches for addressing the needs for  
19 publicly funded services for persons with brain injury.

20 g. With the department of public health, providing  
21 approaches for addressing the needs of consumers with  
22 co-occurring substance abuse and mental health disorders in a  
23 manner that is seamless to the consumers.

24 h. Designating measures for the redesigned system to  
25 address the needs of children with mental, behavioral, or  
26 emotional disorders.

27 4. a. The target date for full implementation of the  
28 plan and implementation provisions described in subsections  
29 2 and 3 shall be July 1, 2013, provided, however, that any  
30 expansion of services is subject to available funding. The  
31 plan and implementation provisions shall be submitted to  
32 the governor and general assembly on or before December 15,  
33 2011. A progress update providing preliminary recommendations  
34 delineating the major responsibilities of the department  
35 and regions, the relationship of Medicaid funded services

1 to non-Medicaid services, and the funding needs of regions  
2 shall be submitted to the members of the joint appropriations  
3 subcommittee on health and human services and the legislative  
4 services agency in October 2011.

5 b. The initial plan and implementation provisions shall  
6 recommend detailed core services and criteria provisions for  
7 counties to affiliate with a regional entity to be organized  
8 by the affiliating counties under chapter 28E. Following  
9 enactment of the core services and regional criteria, if a  
10 county has not formally agreed to affiliate with a regional  
11 entity by July 1, 2012, the county's regional affiliation  
12 shall be determined by the department. The regional criteria  
13 considered for recommendation shall include but are not limited  
14 to all of the following:

15 (1) Requiring the region to consist of contiguous counties  
16 adjoining one of the following urban areas: Ames, Cedar  
17 Rapids, Council Bluffs, Davenport, Des Moines, Iowa City, Sioux  
18 City, or Waterloo.

19 (2) Evaluating a proposed region's capacity for providing  
20 core services and performing required functions.

21 (3) Requiring the region to encompass at least one community  
22 mental health center or federally qualified health center with  
23 providers qualified to provide psychiatric services, either  
24 directly or with assistance from psychiatric consultants, that  
25 has the capacity to provide outpatient services for the region  
26 and has provided evidence of a commitment to provide outpatient  
27 services for the region.

28 (4) Requiring the region to encompass or have reasonably  
29 close proximity to a hospital with an inpatient psychiatric  
30 unit or state mental health institute, that has the capacity  
31 to provide inpatient services for the region and has provided  
32 evidence of a commitment to provide inpatient services for the  
33 region.

34 (5) Requiring the administrative structure utilized by  
35 a region to have clear lines of accountability and to serve

1 as a lead agency with shared county staff or other means of  
2 limiting administrative costs to not more than five percent of  
3 expenditures.

4 5. The legislative council is requested to authorize a  
5 legislative interim study committee to meet during the 2011  
6 legislative interim and assist with the adult disability  
7 services system redesign addressed by this Act, to make  
8 recommendations for implementing county disability services  
9 levy changes to support adult disability services regions with  
10 levies that are uniform, adequate, and fair, and to consider  
11 statutory amendments necessary for implementation of the system  
12 redesign.

13 Sec. 2. DEPARTMENT OF HUMAN SERVICES. There is appropriated  
14 from the general fund of the state to the department of human  
15 services for the fiscal year beginning July 1, 2010, and ending  
16 June 30, 2011, the following amount, or so much thereof as is  
17 necessary, to be used for the purposes designated:

18 For planning costs associated with implementation of this  
19 Act:

20 ..... \$ 250,000

21 Notwithstanding section 8.33, moneys appropriated in this  
22 section that remain unencumbered or unobligated at the close of  
23 the fiscal year shall not revert but shall remain available for  
24 expenditure for the purposes designated until the close of the  
25 succeeding fiscal year.

26 Sec. 3. EFFECTIVE UPON ENACTMENT. This Act, being deemed of  
27 immediate importance, takes effect upon enactment.