

Senate Study Bill 1077

1 Amend Senate Study Bill 1077 as follows:

2 1. By striking everything after the enacting clause
3 and inserting:

4 <Section 1. REFORM OF MENTAL HEALTH AND DISABILITY
5 SERVICES — FINDINGS, PURPOSE, AND PLANNING PROVISIONS.

6 1. The general assembly finds that full
7 implementation of the federal Patient Protection and
8 Affordable Care Act, Pub. L. No. 111-148, in 2014 will
9 have a significant impact on services to low-income
10 Iowans because eligibility for the Medicaid program
11 will be simplified to include individuals having an
12 income at or below 133 percent of the federal poverty
13 level. Consequently, the additional categorical
14 eligibility requirements now applicable for Medicaid
15 program eligibility, such as being a recipient of
16 federal supplemental security income (SSI) or for
17 meeting Medicaid program waiver requirements, will no
18 longer apply. Because Medicaid is such a significant
19 funding source for Iowa's mental health system for
20 children and adults, the simplified eligibility change
21 presents an opportunity to reform that system. The
22 simplified Medicaid eligibility provisions coming into
23 force in 2014 also will provide Medicaid eligibility
24 to many adults whose services costs are wholly or
25 primarily a county responsibility.

26 2. Under current law, counties pay the nonfederal
27 share of the costs of Medicaid program services
28 provided to address the needs of eligible adults with
29 mental illness. Because the increases in overall
30 funding for such services have experienced very
31 limited growth in recent years, the annual increases
32 needed to fund the county Medicaid responsibility have
33 been reducing the funding counties have available to
34 fund other non-Medicaid services. With the federal
35 expansion in those eligible for the Medicaid program,
36 significant new funding will be needed to provide the
37 match for the new eligible adults.

38 3. It is the intent of the general assembly to
39 incrementally shift responsibility for the funding
40 of services for adults with mental illness from the
41 counties to the state so that the shift is completed by
42 2014 when the new federal law takes effect.

43 4. Among adults who have a serious mental illness,
44 the incidence of those with a co-occurring disorder
45 involving abuse of alcohol or another substance is
46 much higher than among the population without such
47 an illness. However, the availability of treatment
48 that simultaneously addresses both disorders is very
49 limited.

50 5. a. Under current law, if an adult has a serious

1 mental illness and does not have a means of paying
2 for services, the primary responsibility to fund and
3 make the services available is assigned to counties.
4 Although many common elements do exist among the
5 service arrays offered by counties, a basic set of
6 services is not available in all counties, waiting
7 lists for some services are in effect in some counties,
8 the availability of community-based services in some
9 counties is very limited, and other disparities exist.

10 b. It is the intent of the general assembly
11 to address such disparity by shifting the payment
12 responsibility for adult mental illness services from
13 the counties to the state and developing a regional
14 approach to provide system access and navigation and
15 care coordination functions.

16 6. Counties are limited to levying approximately
17 \$125 million in property taxes statewide for the
18 services due to law enacted in the mid-1990s. The
19 state distributes to counties approximately \$89 million
20 to replace equivalent reductions in the amount of
21 property taxes raised for this purpose. In addition,
22 for fiscal year 2010-2011, the state will distribute to
23 counties approximately \$49 million in allowed growth
24 funds, approximately \$14 million in community services
25 funds, and approximately \$11 million to reimburse for
26 state cases.

27 7. Beginning on the effective date of this section
28 and continuing through the fiscal year beginning
29 July 1, 2011, the department of human services shall
30 consult with stakeholders in developing a plan and
31 implementation provisions for a system for adults in
32 need of publicly funded mental health services and
33 related support, proposing but not limited to all of
34 the following:

35 a. Identifying clear definitions and requirements
36 for the following:

- 37 (1) Characteristics of the service populations.
- 38 (2) The array of services and support to be
39 included.
- 40 (3) Outcome measures.
- 41 (4) Quality assurance measures.
- 42 (5) Provider accreditation, certification, or
43 licensure requirements.

44 b. Incorporating strategies to allow individuals
45 to receive services in accordance with the principles
46 established in *Olmstead v. L.C.*, 527 U.S. 581(1999),
47 in order for services to be provided in the most
48 community-based, integrated setting appropriate to
49 an individual's needs and in the least restrictive
50 setting.

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

8 d. Identifying criteria for regional entities to
9 operate under performance-based contracts with the
10 department.

11 e. Paying all vendors for services and other
12 support under the system.

13 f. Identifying an equitable approach for pooling
14 and redistributing both county and state funding to
15 support the system, eliminate legal settlement for
16 determining funding liability, and achieve other public
17 policy objectives.

18 g. Implementing mental health crisis response
19 services statewide.

20 h. Implementing a subacute level of care.

21 i. Utilizing the target date of January 1, 2013,
22 for full implementation of the adult service system.
23 The department shall submit the initial plan and
24 implementation provisions to the governor and general
25 assembly on or before December 15, 2011.

26 8. a. The department shall begin developing a
27 similar plan and implementation provisions for a system
28 for children in need of publicly funded mental health
29 services and related support for submission to the
30 governor and general assembly by December 15, 2012.

31 b. The department shall begin developing a similar
32 plan and implementation provisions for a system
33 for adults in need of publicly funded intellectual
34 disabilities and brain injury services and related
35 support for submission to the governor and general
36 assembly by December 15, 2013.

37 c. The department shall begin developing a similar
38 plan and implementation provisions for a system for
39 children and adults in need of publicly funded dual
40 diagnosis mental illness and intellectual disabilities
41 services and related support for submission to the
42 governor and general assembly by December 15, 2014.

43 d. The department shall begin developing a similar
44 plan and implementation provisions for a system
45 for children and adults in need of publicly funded
46 co-occurring substance abuse and mental illness
47 services and related support for submission to the
48 governor and general assembly by December 15, 2014.

49 Sec. 2. DEPARTMENT OF HUMAN SERVICES. There is
50 appropriated from the general fund of the state to

1 the department of human services for the fiscal year
2 beginning July 1, 2011, and ending June 30, 2012, the
3 following amount, or so much thereof as is necessary,
4 to be used for the purposes designated:

5 For planning costs associated with implementation
6 of this Act:

7 \$ 50,000

8 Sec. 3. EFFECTIVE UPON ENACTMENT. This Act, being
9 deemed of immediate importance, takes effect upon
10 enactment.>

11 2. Title page, by striking lines 1 through 4
12 and inserting <An Act relating to reforming state
13 and county responsibilities for mental health and
14 disabilities services, making appropriations, and
15 including effective date provisions.>

PROPOSED COMMITTEE AMENDMENT