

House File 626

1 Amend House File 626 as follows:

2 1. By striking everything after the enacting clause

3 and inserting:

4 ~~<DIVISION I~~

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5 SERVICES SYSTEM REDESIGN -- FUNDING

6 Section 1. MENTAL HEALTH AND DEVELOPMENTAL DISABILITY SERVICE  
SYSTEM REDESIGN

7 ~~LEAD AGENCY.~~

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8 1. The general assembly intends to implement

9 service system redesign for mental health and developmental disability services

10 in which the department of human services ~~assumes or shares~~

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11 ~~consolidates~~ responsibility for the following publicly

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12 funded services beginning on July 1, 2012:

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13 ~~a. Mental health services for adults with mental~~  
14 ~~illness.~~

15 ~~b. Services for children with serious emotional~~

16 ~~disturbances, as defined in section 225C.51, including~~

17 ~~but not limited to psychiatric medical institution for~~

18 ~~children services.~~

19 ~~c. By means of cooperative agreements with~~

20 ~~providers, services to address the needs of adults and~~

21 ~~children with co-occurring mental illness and substance~~

22 ~~abuse disorders.~~

23 2. The department shall ~~provide services~~distribute funding on a

24 regional basis by implementing performance-based

25 contracts ~~under which a lead agency is responsible for~~

26 ~~services in~~with each region in accordance with all of the

27 following:

28 a. ~~Regions are the same as the six regions~~Regions will be established by counties in

29 ~~designated by the director of public health for the~~collaboration with the department by

~~7/1/2012.~~

30 ~~comprehensive substance abuse treatment program under~~

31 ~~section 125.12.~~

32 b. The department identifies the statewide core

33 services to be provided in each region and establishes

34 uniform reimbursement rates for services by 7/1/2012.

35 c. The contract provisions require the lead agency~~region~~

36 to ~~allow services~~establish provider network that consists of qualified providers~~to be~~

~~provided by any qualified~~

~~37 willing provider.~~

38 d. ~~The contract provisions shall include service~~

39 ~~utilization and quality measures requiring the~~

40 ~~department to intervene and assist and to terminate~~

41 ~~the contract if the lead agency fails to perform in~~

~~42 accordance with performance improvement measures. The region shall report on performance improvement measures, as established by the mental health and disability services commission in consultation with the department.~~

~~e. Beginning July 1, 2013, allocation of state appropriations to the regions through a case rate based on the number of individuals served and a functional assessment of persons served **eliminating the need for legal settlement.**~~

~~43 e. The department shall issue a request for  
44 proposals during the fiscal year beginning July  
45 1, 2011, to identify a lead agency for each region  
46 beginning July 1, 2012.~~

~~47 f. The lead agency region shall ~~provide~~ ensure the availability of service  
coordination ~~ease management~~~~

~~48 services, service referrals, and service quality  
49 monitoring, for the region. The lead agency shall  
50 provide any core service for the region that a~~

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1 qualified willing provider is unavailable or unwilling  
2 to provide.~~

~~3 g. A functional assessment is performed ~~by an~~  
4 agency independent of the lead agency in order to  
5 determine each consumer's needs.~~

~~6 h. The lead agency shall be responsible for  
7 coordinating the services provided to consumers within  
8 the region provided by other unaffiliated agencies and  
9 to integrate community based services with services  
10 provided in residential or inpatient settings.~~

~~11 3. The ~~Iowa S~~state ~~A~~association ~~C~~community ~~S~~services ~~A~~affiliate, in conjunction with the  
commission and the department of human services shall establish~~

~~12 a transition committee of stakeholders to recommend  
13 implementation provisions for the system redesign  
14 provisions enumerated in this section and in other~~

~~15 provisions of this Act, **including recommended code changes.** The recommendations shall  
be~~

~~16 submitted to the governor and general assembly on or  
17 before December 15, 2011.~~

~~4. The department shall continue its effort to develop a comprehensive, continuous, and  
integrated system of care model in order to improve the state's capability to serve people  
with co-occurring substance abuse and mental illness diagnoses.~~

~~18 4. It is the intent of the general assembly to  
19 continue service system redesign by consolidating  
20 responsibility for publicly funded services for adults  
21 with intellectual or other developmental disabilities  
22 in subsequent years.~~

23 Sec. ~~32.2~~. CONTINUATION OF WORKGROUP BY JUDICIAL  
24 BRANCH AND DEPARTMENT OF HUMAN SERVICES. The judicial  
25 branch and department of human services shall continue  
26 the workgroup implemented pursuant to 2010 Iowa Acts,  
27 chapter 1192, section 24, subsection 2, to improve  
28 the processes for involuntary commitment for chronic  
29 substance abuse under chapter 125 and serious mental  
30 illness under chapter 229. Additional stakeholders  
31 shall be added as necessary to facilitate the workgroup  
32 efforts. the workgroup shall complete deliberations  
33 and submit a final report providing findings and  
34 recommendations on or before December 15, 2011.

35 Sec. ~~43.3~~. SERVICE SYSTEM DATA AND STATISTICAL  
36 INFORMATION INTEGRATION. The Community Services Affiliate of the Iowa  
State  
Association of Counties and the department of human  
37 services, ~~department of public health, and the~~  
38 ~~community services affiliate of the Iowa state~~  
~~association of counties~~ shall agree on implementation  
40 provisions for an integrated data and statistical  
41 information system for mental health ~~and~~, disability  
42 services, including the ability of providers to submit HIPAA compliant bills through the  
ISAC electronic transaction clearinghouse effective July 1, 2012, and substance abuse  
services. The  
43 departments and affiliate shall. report on the  
44 integrated system to the governor, the joint  
45 appropriations subcommittee on health and human  
46 services, and the legislative services agency,  
47 providing findings and recommendations, on or before  
48 December 15, 2011.

49 Sec. ~~54.4~~. NEW SECTION. 225C.7A Disability services  
50 system redesign savings fund.

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1 1. A disability services system redesign savings  
2 fund is created in the state treasury under the  
3 authority of the department. Moneys credited to  
4 the fund are not subject to section 8.33. Moneys  
available in the fund for a fiscal year shall be used  
in accordance with appropriations made by the general  
assembly to implement disability services system  
improvements.

2. Notwithstanding section 8.33, appropriations  
made to the department for disabilities services  
that remain unencumbered or unobligated at the close  
of the fiscal year as a result of implementation of  
disabilities services system efficiencies shall not

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revert but shall be credited to the disability services system redesign savings fund.

## DIVISION II

### ~~REPEALS, APPROPRIATIONS, AND CONFORMING PROVISIONS~~

Sec. ~~65~~ 5. Section 331.424A, Code 2011, is amended by adding the following new subsection:

NEW SUBSECTION. ~~61~~. This section is repealed July 1, 2015.

Sec. ~~76~~ 6. Section 331.438, Code 2011, is amended by adding the following new subsection:

NEW SUBSECTION. ~~5~~ 2. This section is repealed July 1, 2015.

Sec. ~~87~~ 7. Section 331.439, Code 2011, is amended by adding the following new subsection:

NEW SUBSECTION. ~~3~~ 10. This section is repealed July 1, 2015.

Sec. ~~98~~ 8. Section 331.440, Code 2011, is amended by adding the following new subsection:

NEW SUBSECTION. ~~74~~. This section is repealed July 1, 2015.

Sec. 9. Section 426B.1, Code 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 3. In addition to the appropriation made pursuant to subsection 2, there is appropriated from the general fund of the state to the property tax relief for the indicated fiscal years the following amounts:

a. For the fiscal year beginning July 1, 2011, forty million dollars, for distribution to counties in the succeeding fiscal year.

b. For the fiscal year beginning July 1, 2012, eighty million dollars, for distribution to counties in the succeeding fiscal year.

c. For the fiscal year beginning July 1, 2013, one hundred twenty five million dollars, for distribution to counties in the succeeding fiscal year.

~~Sec. 1010. NEW SECTION. 426B.6 Future repeal.~~

~~3~~  
This chapter is repealed July 1, 2015.

~~Sec. 112. Section 229.42, Code 2011, is repealed July 1, 2012.~~

~~Sec 12. Section 229.11, Code 2011, is amended as follows:~~

#### 229.11 Judge may order immediate custody.

1. If the applicant requests that the respondent be taken into immediate custody and the judge, upon reviewing the application and accompanying documentation, finds probable cause to believe that the respondent has a serious mental impairment and is likely to injure the respondent or other persons if allowed to remain at liberty, the judge may enter a written order directing that the respondent be taken into immediate custody by the

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~~sheriff or the sheriff's deputy and be detained until the hospitalization hearing. The hospitalization hearing shall be held no more than five days after the date of the order, except that if the fifth day after the date of the order is a Saturday, Sunday, or a holiday, the hearing may be held on the next succeeding business day. If the expenses of a respondent are payable in whole or in part by a county, for a placement in accordance with paragraph "a", the judge shall give notice of the placement to the central point of coordination process, and for a placement in accordance with paragraph "b" or "c", the judge shall order the placement in a hospital or facility designated through the central point of coordination process. The judge may order the respondent detained for the period of time until the hearing is held, and no longer, in accordance with paragraph "a", if possible, and if not then in accordance with paragraph "b", or, only if neither of these alternatives is available, in accordance with paragraph "c".~~

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Sec. 123. Section 229.19, Code 2011, is amended as follows effective July 1, 2012:

**229.19 Advocates — duties — compensation — state and county liability.**

1. a. In ~~each county with a population of three hundred thousand or more inhabitants~~ the board of supervisors-judicial district, the chief judge shall appoint an individual who has demonstrated by prior activities

an informed concern for the welfare and rehabilitation of persons with mental illness, and who is not an officer or employee of the department of human services nor of any agency or facility providing care or treatment to persons with mental illness, to act as an advocate representing the interests of patients involuntarily hospitalized by the court, in any matter relating to the patients' hospitalization or treatment under section 229.14 or 229.15. ~~In each county with a population of under three hundred thousand inhabitants, the chief judge of the judicial district encompassing the county shall appoint the advocate.~~

b. The court ~~or, if the advocate is appointed by the county board of supervisors, the board shall assign the advocate appointed from a patient's county of legal settlement to represent the interests of the patient. If a patient has no county of legal settlement, the court or, if the advocate is appointed by the county board of supervisors, the board shall assign the advocate appointed from the county where the hospital or facility is located to represent the interests of the patient.~~

c. The advocate's responsibility with respect to any patient shall begin at whatever time the attorney employed or appointed to represent that patient as respondent in hospitalization proceedings, conducted under sections 229.6 to 229.13, reports to the court that the attorney's services are no longer required and requests the court's approval to withdraw as counsel for that patient. However, if the patient is found to be seriously mentally impaired at the hospitalization hearing, the attorney representing the patient shall automatically be relieved of responsibility in the case and an advocate shall be assigned to the patient at the conclusion of the hearing unless the attorney indicates an intent to continue the attorney's services and the court so directs. If the court directs the attorney to remain on the case, the attorney shall assume all the duties of an advocate. The clerk shall furnish the advocate with a copy of the court's order approving the withdrawal and shall inform the patient of the name of the patient's advocate.

d. With regard to each patient whose interests the advocate is required to represent pursuant to this section, the advocate's duties shall include all of the following:

- (1) To review each report submitted pursuant to sections 229.14 and 229.15.
- (2) If the advocate is not an attorney, to advise the court at any time it appears that the services of an attorney are required to properly safeguard the patient's interests.
- (3) To be readily accessible to communications from the patient and to originate communications with the patient within five days of the patient's commitment.
- (4) To visit the patient within fifteen days of the patient's commitment and periodically thereafter.
- (5) To communicate with medical personnel treating the patient and to review the patient's medical records pursuant to section 229.25.
- (6) To file with the court quarterly reports, and additional reports as the advocate feels necessary or as required by the court, in a form prescribed by the court. The reports shall state what actions the advocate has taken with respect to each patient and the amount of time spent.

2. The hospital or facility to which a patient is committed shall grant all reasonable requests of the advocate to visit the patient, to communicate with medical personnel treating the patient, and to review the patient's medical records pursuant to section 229.25. An advocate shall not disseminate information from a patient's medical records to any other person unless done for official purposes in connection with the advocate's duties pursuant to this chapter or when required by law.

3. The court ~~or, if the advocate is appointed by the county board of supervisors, the board~~ shall prescribe reasonable compensation for the services of the advocate. The compensation shall be based upon the reports filed by the advocate with the court. The advocate's compensation shall be paid by the ~~county in which the court is located, either on order of the court or, if the advocate is appointed by the county board of supervisors, on the direction of the board~~ ~~department of human services~~. ~~If the advocate is appointed by the court, t~~he advocate is an employee

of the state for purposes of chapter 669. ~~If the advocate is appointed by the county board of supervisors, the advocate is an employee of the county for purposes of chapter 670.~~ If the patient or the person who is legally liable for the person's support is not indigent, the ~~board~~ ~~department~~ shall recover the costs of compensating the advocate from that person. If that person has an income level as determined pursuant to section 815.9 greater than one hundred percent but not more than one hundred fifty percent of the poverty guidelines, at least one hundred dollars of the advocate's compensation shall be recovered in the manner prescribed by the ~~county board of supervisors~~ ~~department~~. If that person has an income level as determined pursuant to section 815.9 greater than one hundred fifty percent of the poverty guidelines, at least two hundred dollars of the advocate's compensation shall be recovered in substantially the same manner prescribed by the ~~county board of supervisors~~ ~~department~~ as provided in section 815.9.

Sec. 14.13. Section 230.1, Code 2011, is amended as follows:

#### **230.1 Liability of ~~county and state~~.**

1. The necessary and legal costs and expenses attending the taking into custody, care, investigation, admission, commitment, and support of a person with mental illness admitted or committed to a state hospital shall be paid ~~by a county or by the state,~~ as follows:

~~a. By the county in which such person has a legal settlement, if the person is eighteen years of age or older.~~

~~b. By the state when such person has no legal settlement in this state, when the person's legal settlement is unknown, or if the person is under eighteen years of age.~~

~~2. The legal settlement of any person found mentally ill who is a patient of any state institution shall be that existing at the time of admission thereto.~~

~~3. A county of legal settlement is not liable for costs and expenses associated with a person with mental illness unless the costs and expenses are for services and other support authorized for the person through the central point of coordination process. For the purposes of this chapter, "central point of coordination process" means the same as defined in section 331.440.~~

Sec. 145. Sections 230.2, 230.3, 230.4, 230.5, 230.6, 230.8, 230.9, 230.10, 230.11, 230.12, 230.16, 230.17, 230.20, 230.21, 230.22, 230.25, 230.26, and 230.27, Code 2011, are repealed July 1, 2012.

Sec. 165. Section 230.15, is revised as follows, effective July 1, 2012:

#### **230.15 Personal liability.**

A person with mental illness and a person legally liable for the person's support remain liable for the support of the person with mental illness as provided in this section. Persons legally liable for the support of a person with mental illness include the spouse of the person, any person bound by contract for support of the person, and, with respect to persons with mental illness under eighteen years of age only, the father and mother of the person. The ~~county auditor, subject to the direction of the board of supervisors,~~ ~~department of human services~~ shall enforce the obligation

created in this section as to all sums advanced by the ~~county~~ ~~state~~. The liability to the ~~county~~ ~~state~~ incurred by a person with mental illness or a person legally liable for the person's support under this section is limited to an amount equal to one hundred percent of the cost of care and treatment of the person with mental illness at a state mental health institute for one hundred twenty days of hospitalization. This limit of liability may be reached by payment of the cost of care and treatment of the person with mental illness subsequent to a single admission or multiple admissions to a state mental health institute or, if the person is not discharged as cured, subsequent to a single transfer or multiple transfers to a county care facility pursuant to section 227.11. After reaching this limit of liability, a person with mental illness or a person legally liable for the person's support is liable to the ~~county~~ ~~state~~ for the care and treatment of the person with mental illness at a state mental health institute or, if transferred

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but not discharged as cured, at a county care facility in an amount not in excess of the average minimum cost of the maintenance of an individual who is physically and mentally healthy residing in the individual's own home, which standard shall be established and may from time to time be revised by the department of human services. A lien imposed by section 230.25 shall not exceed the amount of the liability which may be incurred under this section on account of a person with mental illness.

A substance abuser or chronic substance abuser is legally liable for the total amount of the cost of providing care, maintenance, and treatment for the substance abuser or chronic substance abuser while a voluntary or committed patient. ~~When a portion of the cost is paid by a county, the substance abuser or chronic substance abuser is legally liable to the county for the amount paid.~~ The substance abuser or chronic substance abuser shall assign any claim for reimbursement under any contract of indemnity, by insurance or otherwise, providing for the abuser's care, maintenance, and treatment in a state hospital to the state. ~~Any payments received by the state from or on behalf of a substance abuser or chronic substance abuser shall be in part credited to the county in proportion to the share of the costs paid by the county.~~ Nothing in this section shall be construed to prevent a relative or other person from voluntarily paying the full actual cost or any portion of the care and treatment of any person with mental illness, substance abuser, or chronic substance abuser as established by the department of human services.

Sec. 156. Section 125.43, Code 2011, is amended as follows, effective July 1, 2012:

#### **125.43 Funding at mental health institutes.**

Chapter 230 governs the determination of the costs and payment for treatment provided to substance abusers or chronic substance abusers in a mental health institute under the department of human services. ~~except that the charges are not a lien on real estate owned by persons legally liable for support of the substance abuser or chronic substance abuser and the daily per diem shall be billed at twenty-five percent. The superintendent of a state hospital shall total only those expenditures which can be attributed to the cost of providing inpatient treatment to substance abusers or chronic substance abusers for purposes of determining the daily per diem.~~ Section 125.44 governs the determination of who is legally liable for the cost of care, maintenance, and treatment of a substance abuser or chronic substance abuser and of the amount for which the person is liable.

Sec. 167. Section 125.43A, Code 2011, is amended as follows, effective July 1, 2012:

#### **125.43A Prescreening — exception.**

Except in cases of medical emergency or court-ordered admissions, a person shall be admitted to a state mental health institute for substance abuse treatment only after a preliminary intake and assessment by a department-licensed treatment facility or a hospital providing care or treatment for substance abusers licensed under chapter 135B and accredited by the joint commission on the accreditation of health care organizations, the commission on accreditation of rehabilitation facilities, the American osteopathic association, or another recognized organization approved by the board, or by a designee of a department-licensed treatment facility or a hospital other than a state mental health institute, which confirms that the admission is appropriate to the person's substance abuse service needs. ~~A county board of supervisors may seek an admission of a patient to a state mental health institute who has not been confirmed for appropriate admission and the county shall be responsible for one hundred percent of the cost of treatment and services of the patient.~~

Sec. 178. Section 222.13, Code 2011, is amended as follows effective July 1, 2012:

#### **222.13 Voluntary admissions.**

1. If an adult person is believed to be a person with mental retardation, the adult person or the adult person's guardian may submit a request through the central point of coordination process for ~~the county board of supervisors~~region of residence to apply to the superintendent of any state resource center for the voluntary admission of the adult person either as an inpatient or an outpatient of the resource center. After determining the ~~legal settlement~~residence of the adult person as provided by this chapter, the ~~board of supervisors shall~~central point of coordination, on forms

prescribed by the administrator, apply to the superintendent of the resource center in the district for the admission of the adult person to the resource center. An application for admission to a special unit of any adult person believed to be in need of any of the services provided by the special unit under section 222.88 may be made in the same manner, upon request of the adult person or the adult person's guardian. The superintendent shall accept the application providing a preadmission diagnostic evaluation, performed through the central point of coordination process, confirms or establishes the need for admission, except that an application may not be accepted if the institution does not have adequate facilities

available or if the acceptance will result in an overcrowded condition.  
person with mental retardation applying under this section or section 222.13A, the [board of supervisors central point of coordination](#) shall arrange for the placement of the person in any public or private facility within or without the state, approved by the director of the department of human services, which offers appropriate services for the person, as determined through the central point of coordination process.

3. Upon applying for admission of an adult or minor person to a resource center, or a special unit, or upon arranging for the placement of the person in a public or private facility, the [board of supervisors superintendent](#) shall make a full investigation into the financial circumstances of that person and those liable for that person's support under section 222.78 to determine whether or not any of them are able to pay the expenses arising out of the admission of the person to a resource center, special treatment unit, or public or private facility. If the [board superintendent](#) finds that the person or those legally responsible for the person are presently unable to pay the expenses, the [board superintendent](#) shall direct that the expenses be paid by the [county state](#). The [board superintendent](#) may review ~~its~~ ~~his or her~~ finding at any subsequent time while the person remains at the resource center, or is otherwise receiving care or treatment for which this chapter obligates the [county state](#) to pay. If the [board superintendent](#) finds upon review that the person or those legally responsible for the person are presently able to pay the expenses, the finding shall apply only to the charges incurred during the period beginning on the date of the review and continuing thereafter, unless and until the [board superintendent](#) again changes its finding. If the [board superintendent](#) finds that the person or those legally responsible for the person are able to pay the expenses, the [board superintendent](#) shall direct that the charges be so paid to the extent required by section 222.78, and the [county auditors superintendent](#) shall be responsible for the collection of the charges.

[Sec. 1819. Section 222.31.b\(2\), Code 2011, is amended as follows effective July 1, 2012:](#)

(2) The court shall examine the report of the county attorney filed pursuant to section 222.13, and if the report shows that neither the person nor those liable for the person's support under section 222.78 are presently able to pay the charges arising out of the person's care in a resource center, or special treatment unit, shall enter an order stating that finding and directing that the charges be paid by the [person's county of residence state](#). The court may, upon request of the [board of supervisors superintendent](#), review its finding at any subsequent time while the person remains at the resource center, or is otherwise receiving care or treatment for which this chapter obligates the [county state](#) to pay. If the court finds upon review that the person or those legally responsible for the person are presently able to pay the expenses, that finding shall apply only to the charges incurred during the period beginning on the date of the [board's superintendent's](#) request for the review and continuing thereafter, unless and until the court again changes its finding. If the court finds that the person, or those liable for the person's support, are able to pay the charges, the court shall enter an order directing that the charges be so paid to the extent required by section 222.78.

[Sec. 2190. Section 222.49, Code 2011, is amended as follows effective July 1, 2012:](#)

**222.49 Costs paid.**

The costs of proceedings shall be defrayed from the [county state](#) treasury ~~unless otherwise ordered by the court~~. When the person alleged to be mentally retarded is found not to be mentally retarded, the court shall render judgment for such costs against the person filing the petition except when the petition is filed by order of court.

[Sec. 201. Section 222.50, Code 2011, is amended as follows effective July 1, 2012:](#)

**222.50 County of legal settlement State to pay.**

~~When the proceedings are instituted in a county in which the person who is alleged to have mental retardation was found but which is not the county of legal settlement of the person, and the costs are not taxed to the petitioner, the county which is the legal settlement of the person shall, on presentation of a properly itemized bill for such costs, repay the costs to the former county. When the person's legal settlement is outside the state or is unknown, the costs shall be paid out of money in the state treasury not otherwise appropriated, itemized on vouchers executed by the [auditor of the county which paid the costs clerk of court](#), and approved by the administrator.~~

[Sec. 212. Section 222.60, Code 2011, is amended as follows effective July 1, 2012:](#)

**222.60 Costs paid by [county or](#) state — diagnosis and evaluation.**



1. All necessary and legal expenses for the cost of admission or commitment or for the treatment, training, instruction, care, habilitation, support and transportation of persons with mental retardation, ~~as provided for in the county management plan provisions implemented pursuant to section 331.439, subsection 1, in a state resource center, or in a special unit, or any public or private facility within or without the state, approved by the director of the department of human services,~~ shall be paid by either the state:

~~a. The county in which such person has legal settlement as defined in section 252.16.~~

~~b. The state when such person has no legal settlement or when such settlement is unknown.~~

2. ~~a. Prior to a county of legal settlement approving the payment of expenses for a person under this section, the county may require that the person be diagnosed to determine if the person has mental retardation or that the person be evaluated to determine the appropriate level of services required to meet the person's needs relating to mental retardation. The diagnosis and the evaluation may be performed concurrently and shall be performed by an individual or individuals approved by the county who are qualified to perform the diagnosis or the evaluation. Following the initial approval for payment of expenses, the county of legal settlement may require that an evaluation be performed at reasonable time periods.~~

~~b. The cost of a county-required diagnosis and an evaluation is at the county's expense. In the case of a person without legal settlement or whose legal settlement is unknown, the state may apply the diagnosis and evaluation provisions of this subsection at the state's expense.~~

~~c. A diagnosis or an evaluation under this section may be part of a county's central point of coordination process under section 331.440, provided that a diagnosis is performed only by an individual qualified as provided in this section.~~

3. a. A diagnosis of mental retardation under this section shall be made only when the onset of the person's condition was prior to the age of eighteen years and shall be based on an assessment of the person's intellectual functioning and level of adaptive skills. The diagnosis shall be made by an individual who is a psychologist or psychiatrist who is professionally trained to administer the tests required to assess intellectual functioning and to evaluate a person's adaptive skills.

b. A diagnosis of mental retardation shall be made in accordance with the criteria provided in the diagnostic and statistical manual of mental disorders, fourth edition, published by the American psychiatric association.

Sec. 223. Section 222.60A, Code 2011, is amended as follows effective July 1, 2012:

**222.60A Cost of assessment.**

~~Notwithstanding any provision of this chapter to the contrary, any amount attributable to any fee assessed pursuant to section 249A.21 that would otherwise be the liability of any county shall be paid by the state.~~ The department may transfer funds from the appropriation for medical assistance to pay any amount attributable to any fee assessed pursuant to section 249A.21 that is a liability of the state.

Sec. 234. Section 222.69, Code 2011, is amended as follows effective July 1, 2012:

**222.69 Payment by state.**

All necessary and legal expenses for the cost of admission or commitment of a person to a resource center or a special unit ~~when the person's legal settlement is outside this state or is unknown~~ shall be paid out of any money in the state treasury not otherwise appropriated. ~~Such payments shall be made on itemized vouchers executed by the auditor of the county from which the expenses have been paid and approved by the administrator.~~

Sec. 245. Section 222.85, Code 2011, is amended as follows effective July 1, 2012:

**222.85 Deposit of moneys — exception to guardians.**

Any funds coming into the possession of the superintendent or any employee of a resource center or special unit belonging to any patient in that institution shall be deposited in the name of the patient in the patients' personal deposit fund, except that if a guardian of the property has been appointed for the person, the guardian shall have the right to demand and receive such funds. Funds belonging to a patient deposited in the patients' personal deposit fund may be used for the purchase of personal incidentals, desires, and comforts for the patient.

Money paid to a resource center from any source other than state appropriated funds and intended to pay all or a portion of the cost of care of a patient, which cost would otherwise be paid from state ~~or county~~ funds or from the patient's own funds, shall not be deemed money belonging to the patient for the purposes of this section.

Sec. 256. Section 222.86, Code 2011, is amended as follows effective July 1, 2012:

**222.86 Payment for care from fund.**

If a patient is not receiving medical assistance under chapter 249A and the amount in the account of any patient in the patients' personal deposit fund exceeds two hundred dollars,

the business manager of the resource center or special unit may apply any amount of the excess to reimburse the ~~county of legal settlement or the state in a case where no legal settlement exists~~ for liability incurred by the ~~county or the~~ state for the payment of care, support, and maintenance of the patient, ~~when billed by the county of legal settlement or by the administrator for a patient having no legal settlement.~~  
Sec. 264. Sections 222.61, 222.62, 222.63, 222.64, 222.65, 222.66, 222.67, 222.68, 222.70, 222.73, 222.74, 222.75, 222.77, and 222.82, Code 2011, are repealed effective July 1, 2012.

Sec. ~~427~~. CONFORMING PROVISIONS. The legislative services agency shall prepare a study bill for consideration by the committees on human resources of the senate and house of representatives for the 2012 legislative session, providing conforming Code changes for implementation of the repeal, Code amendment, and system redesign provisions contained in this Act.

Sec. ~~428~~. IMPLEMENTATION. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For costs associated with implementation of this Act:

17 ..... \$ 50,000

18 DIVISION III

19 PSYCHIATRIC MEDICAL INSTITUTIONS FOR CHILDREN

20 Sec. ~~14293~~. Section 135H.6, subsection 8, Code 2011, 21 is amended to read as follows:

22 8. The department of human services may give  
23 approval to conversion of beds approved under  
24 subsection 6, to beds which are specialized to provide  
25 substance abuse treatment. However, the total number  
26 of beds approved under subsection 6 and this subsection  
27 shall not exceed four hundred thirty. Conversion of  
28 beds under this subsection shall not require a revision  
29 of the certificate of need issued for the psychiatric  
30 institution making the conversion. Beds for children  
31 who do not reside in this state and whose service costs  
32 are not paid by public funds in this state are not  
33 subject to the limitations on the number of beds and  
34 certificate of need requirements otherwise applicable  
35 under this section.

36 Sec. ~~21304~~. PSYCHIATRIC MEDICAL INSTITUTIONS FOR  
37 CHILDREN -- LEVEL 2.

38 1. For the purposes of this section, unless the  
39 context otherwise requires:

40 a. .Psychiatric institution-level 1- means a  
41 psychiatric medical institution for children licensed  
42 under chapter 135H and receiving medical assistance  
43 program reimbursement.

44 b. .psychiatric institution-level 2- means a

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45 psychiatric medical institution for children licensed  
46 under chapter 135H and receiving medical assistance  
47 program reimbursement and providing more intensive  
48 treatment as described in this section.  
49 2. The department of human services shall work  
50 with the department of inspections and appeals to

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1 develop a second level of care for psychiatric medical  
2 institutions for children licensed under chapter  
3 135H, to be known as psychiatric institution-level  
4 2- to address the needs of children in need of more  
5 intensive treatment. The number of beds authorized for  
6 psychiatric institution-level 2 shall not exceed 60  
7 beds. The number of beds in a level 2 program shall be  
8 limited to 12 beds.

9 3. The department of human services shall select  
10 providers to be authorized to provide psychiatric  
11 institution-level 2 beds using a request-for-proposal  
12 process. The providers shall be selected and contracts  
13 finalized on or before January 1, 2012. At least three  
14 but not more than five providers shall be selected  
15 based upon the following criteria:

16 a. Geographic accessibility.

17 b. Ability to provide needed expertise, including  
18 but not limited to psychiatry, nursing, specialized  
19 medical care, or specialized programming.

20 c. Ability to meet and report on standardized  
21 outcome measures.

22 d. Ability to provide treatment to children whose  
23 treatment needs have resulted in an out-of-state  
24 placement.

25 e. Ability to transition children from  
26 psychiatric institution-level 2 care to psychiatric  
27 institution-level 1 care.

28 4. a. Notwithstanding any provision of law to  
29 the contrary, for the fiscal year beginning July  
30 1, 2011, the reimbursement rate for psychiatric  
31 institution-level 1 providers shall be the actual cost  
32 of care, not to exceed 103 percent of the statewide  
33 average of the costs of psychiatric institution-level  
34 1 providers for the fiscal year. The costs shall not  
35 incorporate the uniform 5 percent reduction applied  
36 to such provider rates in fiscal year 2010-2011.  
37 It is the intent of the general assembly that such  
38 reimbursement rates in subsequent years be recalculated  
39 annually at the beginning of the fiscal year. The

40 average of the costs limitation shall not apply to the  
41 psychiatric medical institution for children located at  
42 the state mental health institute at Independence.  
43 b. Notwithstanding any provision of law to the  
44 contrary, for the fiscal year beginning July 1,  
45 2011, the initial reimbursement rate for psychiatric  
46 institution-level 2 providers shall be based on a  
47 prospective cost of care basis, not to exceed the  
48 actual cost of care for the psychiatric medical  
49 institution for children located at the state mental  
50 health institute at Independence. In subsequent years,

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1 it is the intent of the general assembly that the  
2 reimbursement rate for psychiatric institution-level  
3 2 providers be the actual cost of care, not to exceed  
4 103 percent of the statewide average of the costs of  
5 psychiatric institution-level 2 providers for the  
6 fiscal year. .  
7 5. The department of human services shall create  
8 an oversight committee comprised of psychiatric  
9 institution-level 2 providers and representatives  
10 of other mental health organizations with expertise  
11 in children's mental health treatment to address  
12 the following issues concerning psychiatric  
13 institution-level 2 providers and report to the  
14 department, governor, and general assembly as needed:  
15 a. Identifying the target population to be served  
16 by providers.  
17 b. Identifying admission and continued state  
18 criteria for the providers.  
19 c. Reviewing potential changes in licensing  
20 standards for psychiatric institution-level 1 providers  
21 in order to accommodate the higher acuity level and  
22 increased treatment needs of children to be served by  
23 psychiatric institution-level 2 providers.  
24 . d. Reviewing the children in out-of-state  
25 placements with providers similar to psychiatric  
26 medical institutions for children to determine which  
27 children could be better served in this state by a  
28 psychiatric institution-level 2 provider.  
29 6. The department of human services shall annually  
30 report not later than December 15 to the chairpersons  
31 and ranking members of the joint appropriations  
32 subcommittee on health and human services through  
33 2016 regarding implementation of this section. The  
34 report shall include but is not limited to information  
35 on children served by both level 1 and level 2  
36 providers, the types of locations to which children are

37 discharged after levelland level 2 treatment and the  
38 community-based services available to such children,  
39 and the incidence of readmission for levelland level  
40 2 treatment within 12 months of discharge.

DIVISION IV. Transition Period.

Section 1: There is appropriated from the general fund for the fiscal year beginning July 1, 2011, \$30 million to be distributed to counties who meet the following requirements:

10 (1) The county is levying for the maximum amount allowed  
11 for the county's mental health, mental retardation, and  
12 developmental disabilities services fund under section 331.424A  
13 for taxes due and payable in the fiscal year beginning July 1,  
14 2011.

18 (2) In the fiscal year beginning July 1, 2009, the  
19 county's mental health, mental retardation, and developmental  
20 disabilities services fund ending balance under generally  
21 accepted accounting principles was equal to or less than 10  
22 percent of the county's actual gross expenditures for that  
23 fiscal year. For purposes of calculating fund balance under this  
section, the county ending balanceds shall be adjusted, using forms  
developed for this purpose by the county finance committee, to  
disregard the temporary funding increase provided to the counties for  
the fiscal year through the federal American Recovery and  
Reinvestment Act of 2009, Pub. L. No 111-5.

24 b. The amount of a county's distribution from the allocation  
25 made in this subsection shall be determined based upon the  
26 county's proportion of the general population of the counties  
27 eligible to receive a distribution under this subsection. The  
28 latest certified federal census issued by the United States  
29 bureau of the census shall be applied in determining population  
30 for the purposes of this paragraph.

(3) Funds distributed under this Section shall be in addition to funds  
appropriated pursuant to section 331/439, subsection 3, and are  
intended to eliminate waiting lists, avoid service cuts, and stabilize  
funding for the current system until the redesign provisions of this act  
are implemented.

41 ~~DIVISION IV. SUBSTITUTE THE ORIGINAL CMHC LANGUAGE AS PROPOSED~~  
42 ~~BY THE COMMISSION.~~

43 ~~COMMUNITY MENTAL HEALTH CENTERS~~

44 ~~COMMUNITY MENTAL HEALTH CENTERS — CATCHMENT AREAS~~

45 ~~Sec. 15. NEW SECTION. 230A. IOI Services system~~

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45 roles:

46 1. The role of the department of human services,  
47 through the division of the department designated as  
48 the state mental health authority with responsibility  
49 for state policy concerning mental health and  
50 disability services, is to develop and maintain

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1 policies for the mental health and disability services  
2 system. The policies shall address the service  
3 needs of individuals of all ages with disabilities  
4 in this state, regardless of the individuals' places  
5 of residence or economic circumstances, and shall be  
6 consistent with the requirements of chapter 225C and  
7 other applicable law.

8 2. The role of community mental health centers in  
9 the mental health and disability services system is  
10 to provide an organized set of services in order to  
11 adequately meet the mental health needs of this state's  
12 citizens based on organized catchment areas.

13 Sec. 16. NEW SECTION. 230A.102 Definitions.

14 As used in this chapter, unless the context  
15 otherwise requires:

16 1. "*Administrator*", "*commission*", "*department*",  
17 "*disability services*", and "*division*" mean the same as  
18 defined in section 225C.2.

19 2. "*Catchment area*" means a community mental health  
20 center catchment area identified in accordance with  
21 this chapter.

22 3. "*Community mental health center*" or "*center*"  
23 means a community mental health center designated in  
24 accordance with this chapter.

25 Sec. 17. NEW SECTION. 230A.103 Designation of  
26 community mental health centers.

27 1. The division, subject to agreement by any  
28 community mental health center that would provide  
29 services for the catchment area and approval by the  
30 commission, shall designate at least one community  
31 mental health center under this chapter to serve as  
32 lead agency for addressing the mental health needs of  
33 the county or counties comprising the catchment area.  
34 The designation process shall provide for the input  
35 of potential service providers regarding designation  
36 of the initial catchment area or a change in the  
37 designation.

38 2. The division shall utilize objective criteria  
39 for designating a community mental health center  
40 to serve a catchment area and for withdrawing such

41 designation. The commission shall adopt rules  
42 outlining the criteria. The criteria shall include but  
43 are not limited to provisions for meeting all of the  
44 following requirements:

45 *a.* An appropriate means shall be used for  
46 determining which prospective designee is best able to  
47 serve all ages of the targeted population within the  
48 catchment area with minimal or no service denials.

49 *b.* An effective means shall be used for determining  
50 the relative ability of a prospective designee to  
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1 appropriately provide mental health services and other  
2 support to consumers residing within a catchment area  
3 as well as consumers residing outside the catchment  
4 area. The criteria shall address the duty for a  
5 prospective designee to arrange placements outside the  
6 catchment area when such placements best meet consumer  
7 needs and to provide services within the catchment area  
8 to consumers who reside outside the catchment area when  
9 the services are necessary and appropriate.

10 3. The board of directors for a designated  
11 community mental health center shall enter into  
12 an agreement with the division. The terms of the  
13 agreement shall include but are not limited to all of  
14 the following:"

15 *a.* The period of time the agreement will be in  
16 force.

17 *b.* The services and other support the center will  
18 offer or provide for the residents of the catchment  
19 area.

20 *c.* The standards to be followed by the center in  
21 determining whether and to what extent the persons  
22 seeking services from the center shall be considered to  
23 be able to pay the costs of the services.

24 *d.* The policies regarding availability of the  
25 services offered by the center to the residents of the  
26 catchment area as well as consumers residing outside  
27 the catchment area.

28 *e.* The requirements for preparation and submission  
29 to the division of annual audits, cost reports, program  
30 reports, performance measures, and other financial and  
31 service accountability information.

32 Sec. 18. NEW SECTION. 230A.104 Catchment areas.

33 1. The catchment areas for community mental health  
34 centers shall be the same as the six regions designated  
35 by the director of public health for the comprehensive  
36 substance abuse treatment program under section 125.12.

~~37 2. a. Unless the division has determined that  
38 exceptional circumstances exist, a catchment area  
39 shall be served by one community mental health center.  
40 The purpose of this general limitation is to clearly  
41 designate the center responsible and accountable for  
42 providing core mental health services to the target  
43 population in the catchment area and to protect the  
44 financial viability of the centers comprising the  
45 mental health services system in the state.~~

~~46 b. A formal review process shall be used in  
47 determining whether exceptional circumstances exist  
48 that justify designating more than one center to  
49 serve a catchment area. The criteria for the review  
50 process shall include but are not limited to a means  
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~~1 of determining whether the catchment area can support  
2 more than one center.~~

~~3 c. criteria shall be provided that would allow  
4 the designation of more than one center for all  
5 or a portion of a catchment area if designation or  
6 approval for more than one center was provided by the  
7 division as of october 1, 2010, The criteria shall  
8 require a determination that all such centers would be  
9 financially viable if designation is provided for all.  
10 Sec. 19. NEW SECTION. 230A.105 Target population  
11 eligibility.~~

~~12 1. The target population residing in a catchment  
13 area to be served by a community mental health  
14 center shall include but is not limited to all of the  
15 following:~~

~~16 a. Individuals of any age who are experiencing a  
17 mental health crisis.~~

~~18 b. Individuals of any age who have a mental health  
19 disorder.~~

~~20 c. Adults who have a serious mental illness or  
21 chronic mental illness.~~

~~22 d. Children and youth who are experiencing a  
23 serious emotional disturbance.~~

~~24 e. Individuals described in paragraph "a", "b",  
25 "c", or "d" who have a co-occurring disorder, including  
26 but not limited to substance abuse, mental retardation,  
27 a developmental disability, brain injury, autism  
28 spectrum disorder, or another disability or special  
29 health care need.~~

~~30 2. Specific eligibility criteria for members of the  
31 target population shall be identified in administrative~~



32 rules adopted by the commission. The eligibility  
33 criteria shall address both clinical and financial  
34 eligibility.

35 Sec. 20. NEW SECTION. 230A.106 Services offered.

36 1. A community mental health center designated  
37 in accordance with this chapter shall offer core  
38 services and support addressing the basic mental health  
39 and safety needs of the target population and other  
40 residents of the catchment area served by the center  
41 and may offer other services and support. The core  
42 services shall be identified in administrative rules  
43 adopted by the commission for this purpose.

44 2. The initial core services identified shall  
45 include all of the following:

46 *a. Outpatient services.* Outpatient services shall  
47 consist of evaluation and treatment services provided  
48 on an ambulatory basis for the target population.  
49 Outpatient services include psychiatric evaluations,  
50 medication management, and individual, family, and  
51 group therapy.

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54 In addition, outpatient services shall  
55 include specialized outpatient services directed to the  
56 following segments of the target population: children,  
57 elderly, individuals who have serious and persistent

58 mental illness, and residents of the service area who have been discharged from inpatient  
59 treatment

60 at a mental health facility. Outpatient services  
61 shall provide elements of diagnosis, treatment, and  
62 appropriate follow-up. The provision of only screening  
63 and referral services does not constitute outpatient  
64 services.

65 *2 b. Twenty-four hour emergency services.*

66 Twenty-four hour emergency services shall be  
67 provided through a system that provides access to a  
68 clinician and appropriate disposition with follow-up  
69 documentation of the emergency service provided.  
70 A patient shall have access to evaluation and  
71 stabilization services after normal business hours.  
72 The range of emergency services that shall be available  
73 to a patient may include but are not limited to direct  
74 contact with a clinician, medication evaluation,  
75 and hospitalization. The emergency services may be  
76 provided directly by the center or in collaboration  
77 or affiliation with other appropriately accredited  
78 providers.

79 *26 c. Day treatment, partial hospitalization, or*

~~27 psychosocial rehabilitation services. Such services  
28 shall be provided as structured day programs in  
29 segments of less than twenty-four hours using a  
30 multidisciplinary team approach to develop treatment  
31 plans that vary in intensity of services and the  
32 frequency and duration of services based on the needs  
33 of the patient. These services may be provided  
34 directly by the center or in collaboration or  
35 affiliation with other appropriately accredited  
36 providers.~~

~~37 d. Admission screening for voluntary patients;  
38 Admission screening services shall be available for  
39 patients considered for voluntary admission to a state  
40 mental health institute to determine the patient's  
41 appropriateness for admission.~~

~~42 e. Community support services. Community support  
43 services shall consist of support and treatment  
44 services focused on enhancing independent functioning  
45 and assisting persons in the target population who  
46 have a serious and persistent mental illness to live  
47 and work in their community setting, by reducing or  
48 managing mental illness symptoms and the associated  
49 functional disabilities that negatively impact such  
50 persons' community integration and stability.~~

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~~1 f. Consultation services. Consultation services  
2 may include provision of professional assistance and  
3 information about mental health and mental illness to  
4 individuals, service providers, or groups to increase  
5 such persons' effectiveness in carrying out their  
6 responsibilities for providing services. Consultations  
7 may be case specific or program specific.~~

~~8 g. Education services. Education services may  
9 include information and referral services regarding  
10 available resources and information and training  
11 concerning mental health, mental illness, availability  
12 of services and other support, the promotion  
13 of mental health, and the prevention of mental  
14 illness. Education services may be made available to  
15 individuals, groups, organizations, and the community  
16 in general.~~

~~17 3. A community mental health center shall be  
18 responsible for coordinating with associated services  
19 provided by other unaffiliated agencies to members  
20 of the target population in the catchment area and  
21 to integrate services in the community with services  
22 provided to the target population in residential or~~

23 inpatient settings.

24 Sec. 21. NEW SECTION. 230A.107 Form of  
25 organization.

26 1. Except as authorized in subsection 2, a  
27 community mental health center designated in accordance  
28 with this chapter shall be organized and administered  
29 as a nonprofit corporation.

30 2. A for profit corporation, nonprofit corporation,  
31 or county hospital providing mental health services to  
32 county residents pursuant to a waiver approved under  
33 section 225C.7, subsection 3, Code 2011, as of October  
34 1, 2010, may also be designated as a community mental  
35 health center.

36 Sec. 22. NEW SECTION. 230A.108 Administrative,  
37 diagnostic, and demographic information.

38 Release of administrative and diagnostic  
39 information, as defined in section 228.1, and  
40 demographic information necessary for aggregated  
41 reporting to meet the data requirements established by  
42 the division, relating to an individual who receives  
43 services from a community mental health center, may  
44 be made a condition of support of that center by the  
45 division.

46 Sec. 23. NEW SECTION. 230A.109 Funding—  
47 legislative intent.

48 1. It is the intent of the general assembly that  
49 public funding for community mental health centers  
50 designated in accordance with this chapter shall be  
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1 provided as a combination of federal and state funding.

2 2. It is the intent of the general assembly that  
3 the state funding provided to centers be a sufficient  
4 amount for the core services and support addressing the  
basic mental health and safety needs of the residents  
of the catchment area served by each center to be  
provided regardless of individual ability to pay for  
the services and support.

3. While a community mental health center must  
comply with the core services requirements and other  
standards associated with designation, provision of  
services is subject to the availability of a payment  
source for the services.

Sec. 24. NEW SECTION. 230A.110 Standards.

1. The division shall recommend and the commission  
shall adopt standards for designated community  
mental health centers and comprehensive community  
mental health programs, with the overall objective of  
ensuring that each center and each affiliate providing

~~services under contract with a center furnishes high quality mental health services within a framework of accountability to the community it serves. The standards adopted shall be in substantial conformity with the applicable behavioral health standards adopted by the joint commission, formerly known as the joint commission on accreditation of health care organizations, and other recognized national standards for evaluation of psychiatric facilities unless in the judgment of the division, with approval of the commission, there are sound reasons for departing from the standards.~~

~~2. When recommending standards under this section, the division shall designate an advisory committee representing boards of directors and professional staff of designated community mental health centers to assist in the formulation or revision of standards. The membership of the advisory committee shall include representatives of professional and nonprofessional staff and other appropriate individuals.~~

~~3. The standards recommended under this section shall include requirements that each community mental health center designated under this chapter do all of the following:~~

~~a. Maintain and make available to the public a written statement of the services the center offers to residents of the catchment area being served. The center shall employ or contract for services with affiliates to employ staff who are appropriately credentialed or meet other qualifications in order to provide services.~~

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~~1 b. If organized as a nonprofit corporation, be~~

~~2 governed by a board of directors which adequately~~

~~3 represents interested professions, consumers of~~

~~4 the center's services, socioeconomic, cultural, and~~

~~5 age groups, and various geographical areas in the~~

~~6 catchment area served by the center. If organized~~

~~7 as a for-profit corporation, the corporation's policy~~

~~8 structure shall incorporate such representation.~~

~~9 c. Arrange for the financial condition and~~

~~10 transactions of the community mental health center to~~

~~11 be audited once each year by the auditor of state.~~

~~12 However, in lieu of an audit by state accountants,~~

~~13 the local governing body of a community mental health~~

~~14 center organized under this chapter may contract with~~

15 or employ certified public accountants to conduct the  
16 audit, pursuant to the applicable terms and conditions  
17 prescribed by sections 11.6 and 11.19 and audit format  
18 prescribed by the auditor of state. Copies of each  
19 audit shall be furnished by the accountant to the  
20 administrator of the division of mental health and  
21 disability services.

22 *d.* Comply with the accreditation standards  
23 applicable to the center.

24 Sec. 25. NEW SECTION. 230A.11 Review and  
25 evaluation.

26 1. The review and evaluation of designated centers  
27 shall be performed through a formal accreditation  
28 review process as recommended by the division and  
29 approved by the commission. The accreditation process  
30 shall include all of the following:

31 *a.* Specific time intervals for full accreditation  
32 reviews based upon levels of accreditation.

33 *b.* Use of random or complaint specific, on-site  
34 limited accreditation reviews in the interim between  
35 full accreditation reviews, as a quality review  
36 approach. The results of such reviews shall be  
37 presented to the commission.

38 *c.* Use of center accreditation self-assessment  
39 tools to gather data regarding quality of care and  
40 outcomes, whether used during full or limited reviews  
41 or at other times.

42 2. The accreditation process shall include but is  
43 not limited to addressing all of the following:

44 *a.* Measures to address centers that do not meet  
45 standards, including authority to revoke accreditation.

46 *b.* Measures to address noncompliant centers that  
47 do not develop a corrective action plan or fail to  
48 implement steps included in a corrective action plan  
49 accepted by the division.

50 *c.* Measures to appropriately recognize centers that  
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1 successfully complete a corrective action plan.

2 *d.* criteria to determine when a center's  
3 accreditation should be denied, revoked, suspended, or  
4 made provisional.

5 Sec. 26. REPEAL. Sections 230A.1 through 230A.18,  
6 Code 2011, are repealed.

7 Sec. 27. IMPLEMENTATION—EFFECTIVE DATE.

8 1. Community mental health centers operating  
9 under the provisions of chapter 230A, Code 2011, and

10 associated standards, rules, and other requirements as  
11 of June 30, 2012, may continue to operate under such  
12 requirements until the department of human services,  
13 division of mental health and disability services, and  
14 the mental health and disability services commission  
15 have completed the rules adoption process to implement  
16 the amendments to chapter 230A enacted by this Act,  
17 identified catchment areas, and completed designations  
18 of centers.

19 2. The division and the commission shall complete  
20 the rules adoption process and other requirements  
21 addressed in subsection 1 on or before June 30, 2012.  
22 3. Except for this section, which shall take effect  
23 July 1, 2011, this division of this Act takes effect  
24 July 1, 2012.>

New DIVISION ~~IV~~

COMMUNITY MENTAL HEALTH CENTERS — CATCHMENT AREAS

Section 1. NEW SECTION. 230A.101 Services system roles.

1. The role of the department of human services, through the  
division of the department designated as the state mental health  
authority with responsibility for state policy concerning mental health  
and disability services, is to develop and maintain policies for the  
mental health and disability services system. The policies shall  
address the service needs of individuals of all ages with disabilities  
in this state, regardless of the individuals' places of residence or  
economic circumstances, and shall be consistent with the requirements  
of chapter 225C and other applicable law.

2. The role of community mental health centers in the mental health  
and disability services system is to provide an organized set of  
services in order to adequately meet the mental health needs of this  
state's citizens based on organized catchment areas.

Sec. 2. NEW SECTION. 230A.102 Definitions.

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

1. "Administrator", "commission", "department", "disability  
services", and "division" mean the same as defined in section 225C.2.

2. "Catchment area" means a community mental health center  
catchment area identified in accordance with this chapter.

3. "Community mental health center" or "center" means a community  
mental health center designated in accordance with this chapter.

Sec. 3. NEW SECTION. 230A.103 Designation of community mental  
health centers.

1. The division, subject to agreement by the boards of supervisors  
of the affected counties and any community mental health center that  
would provide services for the catchment area, shall designate at least  
one community mental health center under this chapter to serve the  
mental health needs of the county or counties comprising the catchment  
area. The designation process shall provide for the input of potential  
service providers regarding designation of the initial catchment area  
or a change in the designation.

2. The division shall utilize objective criteria for designating a  
community mental health center to serve a catchment area and for  
withdrawing such designation. The commission shall adopt rules  
outlining the criteria. The criteria shall include but are not limited

to provisions for meeting all of the following requirements:

a. An appropriate means shall be used for determining which prospective designee is best able to serve all ages of the targeted population within the catchment area with minimal or no service denials.

b. An effective means shall be used for determining the relative ability of a prospective designee to appropriately provide mental health services and other support to consumers residing within a catchment area as well as consumers residing outside the catchment area. The criteria shall address the duty for a prospective designee to arrange placements outside the catchment area when such placements best meet consumer needs and to provide services within the catchment area to consumers who reside outside the catchment area when the services are necessary and appropriate.

3. The board of directors for a designated community mental center shall enter into an agreement with the division and the counties affiliated with the catchment area served by the center, as applicable. The terms of the agreement shall include but are not limited to all of the following:

a. The period of time the agreement will be in force.

b. The services and other support the center will offer or provide for the residents of the catchment area.

c. The standards to be followed by the center in determining whether and to what extent the persons seeking services from the center shall be considered to be able to pay the costs of the services.

d. The policies regarding availability of the services offered by the center to the residents of the catchment area as well as consumers residing outside the catchment area.

e. The requirements for preparation and submission to the division of annual audits, cost reports, program reports, performance measures, and other financial and service accountability information.

4. This section does not limit the authority of the board or boards of supervisors of any county or group of counties to continue to expend money to support operation of a center.

**Sec. 4. NEW SECTION. 230A.104 Catchment areas.**

1. The division shall collaborate with affected counties in identifying community mental health center catchment areas in accordance with the requirements of this section.

2. The division shall implement objective criteria for identifying or revising catchment areas which shall be identified in rule adopted by the commission. The criteria shall provide for dividing the state into catchment areas based upon consideration of city and county lines, population sufficiency, geographic spread and population density, and service provider viability, capacity, and availability. In addition, the criteria shall include but are not limited to provisions for meeting all of the following requirements:

a. Unless the division has determined that exceptional circumstances exist, a catchment area shall be served by one community mental health center. The purpose of this general limitation is to clearly designate the center responsible and accountable for providing core mental health services to the target population in the catchment area and to protect the financial viability of the centers comprising the mental health services system in the state.

b. A formal review process shall be used in determining whether exceptional circumstances exist that justify designating more than one center to serve a catchment area. The criteria for the review process shall include but are not limited to a means of determining whether the

catchment area can support more than one center.

c. Criteria shall be provided that would allow the designation of more than one center for all or a portion of a catchment area if designation or approval for more than one center was provided by both the division and the affected counties as of October 1, 2010. The criteria shall require a determination that all such centers would be financially viable if designation is provided for all.

d. A period of time for counties to self-select the initial catchment area affiliation in accordance with identified criteria. In addition, the division shall identify requirements for a county to change the county's catchment area affiliation or to contract for certain services with a center from a different catchment area or with an individual provider.

e. All counties in the state shall be part of a catchment area. The identification criteria shall provide a means of determining that each catchment area can financially support at least one center.

Sec. 5. NEW SECTION. 230A.105 Target population — eligibility.

1. The target population residing in a catchment area to be served by a community mental health center shall include but is not limited to all of the following:

a. Individuals of any age who are experiencing a mental health crisis.

b. Individuals of any age who have a mental health disorder.

c. Adults who have a serious mental illness or chronic mental illness.

d. Children and youth who are experiencing a serious emotional disturbance.

e. Individuals described in paragraph "a", "b", "c", or "d" who have a co-occurring disorder, including but not limited to substance abuse, mental retardation, a developmental disability, brain injury, autism spectrum disorder, or another disability or special health care need.

2. Specific eligibility criteria for members of the target population shall be identified in administrative rules adopted by the commission. The eligibility criteria shall address both clinical and financial eligibility.

Sec. 6. NEW SECTION. 230A.106 Services offered.

1. A community mental health center designated in accordance with this chapter shall offer core services and support addressing the basic mental health and safety needs of the target population and other residents of the catchment area served by the center and may offer other services and support. The core services shall be identified in administrative rules adopted by the commission for this purpose.

2. The initial core services identified shall include all of the following:

a. Outpatient services. Outpatient services shall consist of evaluation and treatment services provided on an ambulatory basis for the target population. Outpatient services include psychiatric evaluations, medication management, and individual, family, and group therapy. In addition, outpatient services shall include specialized outpatient services directed to the following segments of the target population: children, elderly, individuals who have serious and persistent mental illness, and residents of the service area who have been discharged from inpatient treatment at a mental health facility. Outpatient services shall provide elements of diagnosis, treatment, and appropriate follow-up. The provision of only screening and referral services does not constitute outpatient services.

b. Twenty-four-hour emergency services. Twenty-four-hour emergency



services shall be provided through a system that provides access to a clinician and appropriate disposition with follow-up documentation of the emergency service provided. A patient shall have access to evaluation and stabilization services after normal business hours. The range of emergency services that shall be available to a patient may include but are not limited to direct contact with a clinician, medication evaluation, and hospitalization. The emergency services may be provided directly by the center or in collaboration or affiliation with other appropriately accredited providers.

c. Day treatment, partial hospitalization, or psychosocial rehabilitation services. Such services shall be provided as structured day programs in segments of less than twenty-four hours using a multidisciplinary team approach to develop treatment plans that vary in intensity of services and the frequency and duration of services based on the needs of the patient. These services may be provided directly by the center or in collaboration or affiliation with other appropriately accredited providers.

d. Admission screening for voluntary patients. Admission screening services shall be available for patients considered for voluntary admission to a state mental health institute to determine the patient's appropriateness for admission.

e. Community support services. Community support services shall consist of support and treatment services focused on enhancing independent functioning and assisting persons in the target population who have a serious and persistent mental illness to live and work in their community setting, by reducing or managing mental illness symptoms and the associated functional disabilities that negatively impact such persons' community integration and stability.

f. Consultation services. Consultation services may include provision of professional assistance and information about mental health and mental illness to individuals, service providers, or groups to increase such persons' effectiveness in carrying out their responsibilities for providing services. Consultations may be case-specific or program-specific.

g. Education services. Education services may include information and referral services regarding available resources and information and training concerning mental health, mental illness, availability of services and other support, the promotion of mental health, and the prevention of mental illness. Education services may be made available to individuals, groups, organizations, and the community in general.

3. A community mental health center shall be responsible for coordinating with associated services provided by other unaffiliated agencies to members of the target population in the catchment area and to integrate services in the community with services provided to the target population in residential or inpatient settings.

Sec. 7. NEW SECTION. 230A.107 Form of organization.

1. Except as authorized in subsection 2, a community mental health center designated in accordance with this chapter shall be organized and administered as a nonprofit corporation.

2. A for-profit corporation, nonprofit corporation, or county hospital providing mental health services to county residents pursuant to a waiver approved under section 225C.7, subsection 3, Code 2011, as of October 1, 2010, may also be designated as a community mental health center.

Sec. 8. NEW SECTION. 230A.108 Administrative, diagnostic, and demographic information.

Release of administrative and diagnostic information, as defined in

section 228.1, and demographic information necessary for aggregated reporting to meet the data requirements established by the division, relating to an individual who receives services from a community mental health center through the applicable central point of coordination process, may be made a condition of support of that center by any county in the center's catchment area.

Sec. 9. NEW SECTION. 230A.109 Funding — legislative intent.

1. It is the intent of the general assembly that public funding for community mental health centers designated in accordance with this chapter shall continue to be provided as a combination of federal, state, and county funding. The funding sources may include but are not limited to federal supplemental security income, block grants and other grants, and medical assistance program funding, state allowed growth and property tax relief funding, and county property tax funding.

2. It is the intent of the general assembly that the shared state and county funding provided to centers be a sufficient amount for the core services and support addressing the basic mental health and safety needs of the residents of the catchment area served by each center to be provided regardless of individual ability to pay for the services and support.

3. While a community mental health center must comply with the core services requirements and other standards associated with designation, provision of services is subject to the availability of a payment source for the services.

Sec. 10. NEW SECTION. 230A.110 Standards.

1. The division shall recommend and the commission shall adopt standards for designated community mental health centers and comprehensive community mental health programs, with the overall objective of ensuring that each center and each affiliate providing services under contract with a center furnishes high-quality mental health services within a framework of accountability to the community it serves. The standards adopted shall be in substantial conformity with the applicable behavioral health standards adopted by the joint commission, formerly known as the joint commission on accreditation of health care organizations, and other recognized national standards for evaluation of psychiatric facilities unless in the judgment of the division, with approval of the commission, there are sound reasons for departing from the standards.

2. When recommending standards under this section, the division shall designate an advisory committee representing boards of directors and professional staff of designated community mental health centers to assist in the formulation or revision of standards. The membership of the advisory committee shall include representatives of professional and nonprofessional staff, at least one representative of county boards of supervisors and central point of coordination administrators, and other appropriate individuals.

3. The standards recommended under this section shall include requirements that each community mental health center designated under this chapter do all of the following:

a. Maintain and make available to the public a written statement of the services the center offers to residents of the catchment area being served. The center shall employ or contract for services with affiliates to employ staff who are appropriately credentialed or meet other qualifications in order to provide services.

b. If organized as a nonprofit corporation, be governed by a board of directors which adequately represents interested professions, consumers of the center's services, socioeconomic, cultural, and age

groups, and various geographical areas in the catchment area served by the center. If organized as a for-profit corporation, the corporation's policy structure shall incorporate such representation.

c. Arrange for the financial condition and transactions of the community mental health center to be audited once each year by the auditor of state. However, in lieu of an audit by state accountants, the local governing body of a community mental health center organized under this chapter may contract with or employ certified public accountants to conduct the audit, pursuant to the applicable terms and conditions prescribed by sections 11.6 and 11.19 and audit format prescribed by the auditor of state. Copies of each audit shall be furnished by the accountant to the administrator of the division of mental health and disability services and the board or boards of supervisors supporting the audited community mental health center.

d. Comply with the accreditation standards applicable to the center.

Sec. 11. NEW SECTION. 230A.111 Review and evaluation.

1. The review and evaluation of designated centers shall be performed through a formal accreditation review process as recommended by the division and approved by the commission. The accreditation process shall include all of the following:

a. Specific time intervals for full accreditation reviews based upon levels of accreditation.

b. Use of random or complaint-specific, on-site limited accreditation reviews in the interim between full accreditation reviews, as a quality review approach. The results of such reviews shall be presented to the commission.

c. Use of center accreditation self-assessment tools to gather data regarding quality of care and outcomes, whether used during full or limited reviews or at other times.

2. The accreditation process shall include but is not limited to addressing all of the following:

a. Measures to address centers that do not meet standards, including authority to revoke accreditation.

b. Measures to address noncompliant centers that do not develop a corrective action plan or fail to implement steps included in a corrective action plan accepted by the division.

c. Measures to appropriately recognize centers that successfully complete a corrective action plan.

d. Criteria to determine when a center's accreditation should be denied, revoked, suspended, or made provisional.

Sec. 12. IMPLEMENTATION.

1. Community mental health centers operating under the provisions of chapter 230A, Code 2011, and associated standards, rules, and other requirements as of June 30, 2011, may continue to operate under such requirements until the department of human services, division of mental health and disability services, and the mental health and disability services commission have completed the rules adoption process to implement the amendments to chapter 230A enacted by this Act, identified catchment areas, and completed designations of centers.

2. The division and the commission shall complete the rules adoption process and other requirements addressed in subsection 1 on or before June 30, 2012.

Sec. 13. REPEAL. Sections 230A.1 through 230A.18, Code 2011, are repealed.

DIVISION VIII

CONFORMING AMENDMENTS

Sec. 14. Section 135.80, subsection 3, Code 2011, is amended to read as follows:

3. The program shall provide stipends to support psychiatrist positions with an emphasis on securing and retaining medical directors at community mental health centers, ~~providers of mental health services to county residents pursuant to a waiver approved under section 225C.7, subsection 3,~~ and hospital psychiatric units that are located in mental health professional shortage areas.

Sec. 215. Section 225C.4, subsection 1, paragraph o, Code 2011, is amended to read as follows:

o. Recommend to the commission minimum accreditation standards for the maintenance and operation of community mental health centers, services, and programs designated under ~~section 230A.16~~ chapter 230A.

The administrator's review and evaluation of the centers, services, and programs for compliance with the adopted standards shall be as provided in ~~section 230A.17~~ chapter 230A.

Sec. 316. Section 225C.6, subsection 1, paragraph c, Code 2011, is amended to read as follows:

c. Adopt standards for community mental health centers, services, and programs as recommended ~~under section 230A.16~~ by the administrator. The administrator shall determine whether to grant, deny, or revoke the accreditation of the centers, services, and programs.

Sec. 417. Section 225C.7, subsection 3, Code 2011, is amended to read as follows:

3. ~~If a county has not established or is not affiliated with a community mental health center under chapter 230A, the county shall expend a portion of the money received under this appropriation to contract with a community mental health center to provide mental health services to the county's residents. If such a contractual relationship is unworkable or undesirable, the commission may waive the expenditure requirement. However, if the commission waives the requirement, the commission shall address the specific concerns of the county and shall attempt to facilitate the provision of mental health services to the county's residents through an affiliation agreement or other means. A county must be affiliated with the community mental health center designated in accordance with chapter 230A in order to receive moneys from the fund.~~

Sec. 519. Section 225C.15, Code 2011, is amended to read as follows:

225C.15 County implementation of evaluations.

The board of supervisors of a county shall, ~~no later than July 1, 1982,~~ require that the preadmission diagnostic evaluation policy stated in section 225C.14 be followed with respect to admission of persons from that county to a state mental health institute. A community mental health center ~~which is supported, directly or in affiliation with other counties, by that county~~ designated for the county's catchment area may perform the preliminary diagnostic evaluations for that county, unless the performance of the evaluations is not covered by the agreement entered into by the county and the center ~~under section 230A.12,~~ and the center's director certifies to the board of supervisors that the center does not have the capacity to perform the evaluations, in which case the board of supervisors shall proceed with an alternative diagnostic facility as provided under section 225C.17.

Sec. 19. Section 225C.19, subsection 3, paragraph a, Code 2011, is amended to read as follows:

a. Standards for accrediting or approving emergency mental health crisis services providers. Such providers may include but are not limited to a community mental health center, ~~a provider approved in a waiver adopted by the commission to provide services to a county in lieu of a community mental health center,~~ a unit of the department or other state agency, a county, or any other public or private provider who meets the accreditation or approval standards for an emergency mental health crisis services provider.

Sec. ~~620~~. Section 225C.54, subsection 1, Code 2011, is amended to read as follows:

1. The mental health services system for children and youth shall be initially implemented by the division commencing with the fiscal year beginning July 1, 2008. The division shall begin implementation by utilizing a competitive bidding process to allocate state block grants to develop services through ~~existing~~ community mental health centers, ~~providers approved in a waiver adopted by the commission to provide services to a county in lieu of a community mental health center,~~ designated in accordance with chapter 230A and other local service partners. The implementation shall be limited to the extent of the appropriations provided for the children's system.

Sec. ~~721~~. Section 228.6, subsection 1, Code 2011, is amended to read as follows:

1. A mental health professional or an employee of or agent for a mental health facility may disclose mental health information if and to the extent necessary, to meet the requirements of section 229.24, 229.25, 230.20, 230.21, 230.25, 230.26, ~~230A.13~~ 230A.108, 232.74, or 232.147, or to meet the compulsory reporting or disclosure requirements of other state or federal law relating to the protection of human health and safety.

Sec. ~~822~~. Section 232.78, subsection 5, unnumbered paragraph 1, Code 2011, is amended to read as follows:

The juvenile court, before or after the filing of a petition under this chapter, may enter an ex parte order authorizing a physician or hospital to conduct an outpatient physical examination or authorizing a physician, a psychologist certified under section 154B.7, or a community mental health center ~~accredited pursuant to~~ designated under chapter 230A to conduct an outpatient mental examination of a child if necessary to identify the nature, extent, and cause of injuries to the child as required by section 232.71B, provided all of the following apply:

Sec. ~~923~~. Section 232.83, subsection 2, unnumbered paragraph 1, Code 2011, is amended to read as follows:

Anyone authorized to conduct a preliminary investigation in response to a complaint may apply for, or the court on its own motion may enter an ex parte order authorizing a physician or hospital to conduct an outpatient physical examination or authorizing a physician, a psychologist certified under section 154B.7, or a community mental health center ~~accredited pursuant to~~ designated under chapter 230A to conduct an outpatient mental examination of a child if necessary to identify the nature, extent, and causes of any injuries, emotional damage, or other such needs of a child as specified in section 232.2, subsection 6, paragraph "c", "e", or "f", provided that all of the following apply:

Sec. ~~1024~~. Section 235A.15, subsection 2, paragraph c, subparagraph (6), Code 2011, is amended to read as follows:

(6) To an administrator of a community mental health center  
~~accredited under~~ designated in accordance with chapter 230A if the data  
concerns a person employed or being considered for employment by the  
center.

Sec. ~~1125~~. Section 331.321, subsection 1, paragraph e, Code 2011,  
is amended by striking the paragraph.

Sec. ~~1226~~. Section 331.382, subsection 1, paragraph f, Code 2011,  
is amended by striking the paragraph.

**PROPOSED COMMITTEE AMENDMENT**

~~-14~~

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