

SENATE/HOUSE FILE _____
BY (PROPOSED JOINT APPROPRIATIONS
SUBCOMMITTEE ON HEALTH AND
HUMAN SERVICES BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the provision of comprehensive, affordable
2 health care to families and small businesses, creating an
3 interim commission on affordable health care plans for small
4 businesses and families and a health care data research
5 advisory council, mandating insurance coverage for treatment
6 of certain mental health conditions, increasing taxes on
7 cigarettes and tobacco products, reducing net income for
8 certain health care providers, making appropriations, and
9 providing effective and retroactive applicability dates.
10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
11 TLSB 1043JA 82
12 pf/cf/24

DIVISION I

INTERIM COMMISSION ON AFFORDABLE HEALTH CARE
PLANS FOR SMALL BUSINESSES AND FAMILIES

Section 1. INTERIM COMMISSION ON AFFORDABLE HEALTH CARE
PLANS FOR SMALL BUSINESSES AND FAMILIES.

1. An interim commission on affordable health care plans
for small businesses and families is created consisting of 15
members. The legislative services agency shall provide
staffing assistance to the commission.

a. The commission shall include 10 members of the general
assembly, three appointed by the majority leader of the
senate, two appointed by the minority leader of the senate,
three appointed by the speaker of the house of
representatives, and two appointed by the minority leader of
the house of representatives.

b. The commission shall include two members representing
the interests of consumers of health care services, appointed

1 18 by the governor.

1 19 c. The commission shall also include four additional
1 20 members: two of whom represent the insurance industry, with
1 21 one member appointed by the majority leader of the senate and
1 22 one member appointed by the speaker of the house of
1 23 representatives; and two of whom represent small business
1 24 associations, with one member appointed by the majority leader
1 25 of the senate and one member appointed by the speaker of the
1 26 house of representatives.

1 27 d. The commission shall also include the following
1 28 additional members who shall serve as nonvoting, ex officio
1 29 members of the commission:

1 30 (1) The commissioner of insurance or the commissioner's
1 31 designee.

1 32 (2) The director of public health or the director's
1 33 designee.

1 34 (3) The director of human services or the director's
1 35 designee.

2 1 (4) A representative of the independent insurance agents of
2 2 Iowa.

2 3 (5) A representative of the national federation of
2 4 independent business.

2 5 (6) A representative of the federation of Iowa insurers.

2 6 (7) A representative of the health insurer with the largest
2 7 enrollment of covered lives in the state.

2 8 (8) A representative of the Iowa collaborative safety net
2 9 providers network.

2 10 (9) A representative of the university of Iowa hospitals
2 11 and clinics.

2 12 (10) A representative of Broadlawns medical center.

2 13 (11) A representative of the Iowa hospital association.

2 14 (12) A representative of the Iowa medical society.

2 15 (13) A representative of the Iowa chiropractic society.

2 16 (14) A representative of the Iowa osteopathic medical
2 17 association.

2 18 (15) A representative of the Iowa dental association.

2 19 (16) A representative of the Iowa nurses association.

2 20 (17) A representative of the service employees

2 21 international union.

2 22 (18) A representative of the Iowa public health
2 23 association.

2 24 2. The chairpersons of the commission shall be those
2 25 members of the general assembly so appointed by the majority
2 26 leader of the senate and the speaker of the house of
2 27 representatives. Legislative members of the commission are
2 28 eligible for per diem and reimbursement of actual expenses as
2 29 provided in section 2.10. Other members of the commission
2 30 shall be reimbursed for their travel and other necessary
2 31 expenses incurred in performing their official duties. Travel
2 32 expenses are reimbursable at the rate specified in section
2 33 8A.363.

2 34 3. The commission shall review and analyze possible
2 35 reforms to make health insurance more affordable for small
3 1 businesses and families in this state including but not
3 2 limited to:

3 3 a. Establishing an Iowa small business insurance authority
3 4 in the insurance division of the department of commerce for
3 5 the purpose of assisting small businesses and families in
3 6 obtaining affordable health insurance coverage.

3 7 b. Establishing an office of insurance consumer advocate
3 8 as a division of the department of justice for the purpose of
3 9 investigating the legality of all rates, charges, rules,
3 10 regulations, and practices of all persons under the
3 11 jurisdiction of the commissioner of insurance; collecting
3 12 comparative cost information concerning the provision of
3 13 health care services and available health insurance in the
3 14 state and disseminating such information to the public; and
3 15 representing all consumers generally in all proceedings before
3 16 the commissioner of insurance or by independently instituting
3 17 civil proceedings on behalf of consumers.

3 18 c. Allowing the issuance of association group health care
3 19 plans that provide group health insurance coverage to
3 20 employees of members of a bona fide association and to the
3 21 spouses and dependents of such employees.

3 22 d. Requiring health insurance plans to provide coverage
3 23 and incentives for participation in wellness programs and

3 24 chronic disease management programs.

3 25 e. Requiring health insurance plans to offer coverage to a
3 26 member's children up to the age of 23 years or when the child
3 27 marries, whichever comes first.

3 28 f. Requiring all residents of the state to have health
3 29 insurance coverage and subsidizing participation in government
3 30 health insurance programs or private health insurance plans
3 31 for low-income Iowans.

3 32 g. Requiring all employers to provide, at a minimum,
3 33 catastrophic health insurance coverage for all employees.

3 34 h. Establishing a statewide prescription drug program for
3 35 seniors to address problems with Medicare Part D.

4 1 i. Enhancing efforts to promote public health initiatives,
4 2 including but not limited to tobacco use cessation, nutrition
4 3 education, physical fitness, and general health education for
4 4 disease prevention and identification.

4 5 4. The commission shall utilize the expertise of the
4 6 health care data research advisory council in carrying out the
4 7 commission's duties.

4 8 5. The commission may hold public hearings to allow
4 9 persons and organizations to be heard and to gather
4 10 information.

4 11 6. The commission may request from any state agency or
4 12 official information and assistance as needed to perform the
4 13 review and analysis required in subsection 3. A state agency
4 14 or official shall furnish the information or assistance
4 15 requested within the authority and resources of the state
4 16 agency or official. This subsection does not allow the
4 17 examination or copying of any public record required by law to
4 18 be kept confidential.

4 19 7. The commission may employ staff and consultants as
4 20 necessary to assist the commission in carrying out its duties
4 21 as set forth in this division.

4 22 8. The commission shall submit a final report to the
4 23 general assembly no later than December 1, 2007, summarizing
4 24 the commission's activities, analyzing issues studied, making
4 25 recommendations for legislative reforms that will make health
4 26 insurance coverage more affordable for small businesses and

4 27 families in this state, and including any other information
4 28 that the commission deems relevant and necessary.

4 29 Sec. 2. HEALTH CARE DATA RESEARCH ADVISORY COUNCIL.

4 30 1. A health care data research advisory council is created
4 31 for the purpose of assisting the commission on affordable
4 32 health care plans for small businesses and families in
4 33 carrying out the commission's duties by conducting research,
4 34 providing research data and analysis, and performing other
4 35 functions within the expertise of the members of the council
5 1 at the direction of the commission.

5 2 2. The commission shall include the following members:

5 3 a. A representative of the university of Iowa college of
5 4 medicine.

5 5 b. A representative of the university of Iowa college of
5 6 dentistry.

5 7 c. A representative of the university of Iowa college of
5 8 pharmacy.

5 9 d. A representative of the university of Iowa college of
5 10 nursing.

5 11 e. A representative of the university of Iowa college of
5 12 public health.

5 13 f. A representative of Des Moines university ==
5 14 osteopathic medical center.

5 15 g. A representative of the Drake university college of
5 16 pharmacy.

5 17 h. A representative of the Mercy college of health
5 18 sciences.

5 19 3. The members of the council shall be reimbursed for
5 20 their expenses incurred in carrying out the functions of the
5 21 council and their travel and other necessary expenses incurred
5 22 in performing their official duties. Travel expenses are
5 23 reimbursable at the rate specified in section 8A.363.

5 24 Sec. 3. INTERIM COMMISSION ON AFFORDABLE HEALTH CARE
5 25 PLANS FOR SMALL BUSINESSES AND FAMILIES APPROPRIATION. There
5 26 is appropriated from the health care improvement fund created
5 27 in section 453A.35A to the interim commission on affordable
5 28 health care plans for small businesses and families for the
5 29 fiscal year beginning July 1, 2007, and ending June 30, 2008,

5 30 the following amount, or so much thereof as is necessary, for
5 31 the purpose designated:

5 32 For carrying out the duties of the commission and the
5 33 health care data research advisory council as set forth in
5 34 this division:

5 35 \$ 500,000

6 1 DIVISION II

6 2 MEDICAID, HAWK-I, AND IOWACARE WELLNESS INITIATIVES ==
6 3 FULLY FUNDING THE MEDICAL ASSISTANCE PROGRAM

6 4 Sec. 4. Section 249A.3, subsection 2, Code 2007, is
6 5 amended by adding the following new paragraph:

6 6 **NEW PARAGRAPH.** 1. Individuals whose children are eligible
6 7 for medical assistance and whose family incomes are at or
6 8 below 50 percent of the federal poverty level as defined by
6 9 the most recently revised poverty income guidelines published
6 10 by the United States department of health and human services.

6 11 Sec. 5. **NEW SECTION.** 249A.19A HOSPITAL REIMBURSEMENT.

6 12 Beginning July 1, 2007, the department shall reimburse
6 13 hospitals as defined in section 135B.1 for provision of
6 14 services under the medical assistance program at the
6 15 reimbursement rate allowed under the Medicare program for the
6 16 same service, subject to the medical assistance program upper
6 17 payment limit. The reimbursement rate shall be adjusted
6 18 annually, on July 1, in accordance with the requirements of
6 19 this section and shall provide for reimbursement that is not
6 20 less than the reimbursement provided under the Medicare
6 21 program, subject to the medical assistance program upper
6 22 payment limit.

6 23 Sec. 6. Section 249J.6, subsection 1, paragraph e, Code
6 24 2007, is amended to read as follows:

6 25 ~~e. Limited pharmacy benefits provided by an expansion~~
6 26 ~~population provider network hospital pharmacy and solely~~
6 27 ~~related to an appropriately billed expansion population~~
6 28 ~~service~~ **Medically necessary pharmaceutical benefits.**

6 29 Sec. 7. Section 249J.8, subsection 1, Code 2007, is
6 30 amended to read as follows:

6 31 1. ~~Beginning July 1, 2005, each~~ **Each** expansion population
6 32 member whose family income ~~equals or~~ exceeds one hundred

6 33 percent of the federal poverty level as defined by the most
6 34 recently revised poverty income guidelines published by the
6 35 United States department of health and human services shall
7 1 pay a monthly premium not to exceed one-twelfth of five
7 2 percent of the member's annual family income ~~, and each.~~ **Each**
7 3 expansion population member whose family income is **equal to or**
7 4 less than one hundred percent of the federal poverty level as
7 5 defined by the most recently revised poverty income guidelines
7 6 published by the United States department of health and human
7 7 services shall ~~pay~~ **not be subject to payment of** a monthly
7 8 premium ~~not to exceed one-twelfth of two percent of the~~
7 9 ~~member's annual family income.~~ All premiums shall be paid on
7 10 the last day of the month of coverage. The department shall
7 11 deduct the amount of any monthly premiums paid by an expansion
7 12 population member for benefits under the healthy and well kids
7 13 in Iowa program when computing the amount of monthly premiums
7 14 owed under this subsection. An expansion population member
7 15 shall pay the monthly premium during the entire period of the
7 16 member's enrollment. Regardless of the length of enrollment,
7 17 the member is subject to payment of the premium for a minimum
7 18 of four consecutive months. However, an expansion population
7 19 member who complies with the requirement of payment of the
7 20 premium for a minimum of four consecutive months during a
7 21 consecutive twelve-month period of enrollment shall be deemed
7 22 to have complied with this requirement for the subsequent
7 23 consecutive twelve-month period of enrollment and shall only
7 24 be subject to payment of the monthly premium on a
7 25 month-by-month basis. Timely payment of premiums, including
7 26 any arrearages accrued from prior enrollment, is a condition
7 27 of receiving any expansion population services. Premiums
7 28 collected under this subsection shall be deposited in the
7 29 premiums subaccount of the account for health care
7 30 transformation created pursuant to section 249J.23. An
7 31 expansion population member shall also pay the same copayments
7 32 required of other adult recipients of medical assistance.

7 33 Sec. 8. Section 514I.5, subsection 8, paragraph e, Code
7 34 2007, is amended by adding the following new subparagraph:

7 35 **NEW SUBPARAGRAPH.** (15) The use of bright futures for

8 1 infants, children, and adolescents program as developed by the
8 2 federal maternal and child health bureau and the American
8 3 academy of pediatrics guidelines for well-child care.

8 4 Sec. 9. IOWACARE PROVIDER NETWORK EXPANSION. The
8 5 director of human services shall aggressively pursue options
8 6 to expand the expansion population provider network for the
8 7 IowaCare program pursuant to chapter 249J. The department may
8 8 expand the expansion population provider network if sufficient
8 9 unencumbered certified local matching funds are available to
8 10 cover the state share of the costs of services provided to the
8 11 expansion population or if an alternative funding source is
8 12 identified to cover the state share.

8 13 Sec. 10. MEDICAL ASSISTANCE == IOWACARE APPROPRIATION.
8 14 In addition to any other appropriation for the purpose
8 15 designated, there is appropriated from the health care
8 16 improvement fund created in section 453A.35A to the department
8 17 of human services for the fiscal year beginning July 1, 2007,
8 18 and ending June 30, 2008, the following amount, or so much
8 19 thereof as is necessary, for the purpose designated:

8 20 For medical assistance reimbursement to hospitals,
8 21 expansion of the Medicaid program to parents of children at or
8 22 below 50 percent of the federal poverty level, provision of
8 23 pharmaceutical benefits under the IowaCare program pursuant to
8 24 chapter 249J, and utilization of the bright futures for
8 25 infants, children, and adolescents program and associated
8 26 costs:

8 27 \$ 30,100,200

8 28 DIVISION III

8 29 DENTAL HOME

8 30 Sec. 11. DENTAL HOME FOR CHILDREN == FINDINGS.

8 31 1. According to the centers for Medicare and Medicaid
8 32 services of the United States department of health and human
8 33 services October 2004 guide to children's dental care in
8 34 Medicaid:

8 35 a. Dental caries are the single most prevalent chronic
9 1 disease of childhood, children and adolescents living in
9 2 poverty suffer twice as much tooth decay as their more
9 3 affluent peers, and their disease is more likely to go

9 4 untreated.

9 5 b. Untreated dental disease in children results in
9 6 persistent pain, infection, and destruction of teeth and
9 7 surrounding tissue; may cause delayed overall development; and
9 8 may be associated with systemic health conditions. Untreated
9 9 dental disease also has a social affect on these children who
9 10 may have problems with school attendance and performance and
9 11 are often stigmatized because of their appearance. The
9 12 consequences to the health care system of untreated dental
9 13 disease are increased visits to emergency rooms, increased
9 14 hospital admissions, and provision of more costly care.

9 15 c. More than 51 million school hours are lost each year
9 16 due to dental-related illness.

9 17 2. According to the department of public health oral
9 18 health bureau oral health of Iowa children environmental scan
9 19 for 2005 and the children's dental health project:

9 20 a. Preventive dental interventions, including early and
9 21 routine preventive care, fluoridation, and sealants, are
9 22 cost-effective in reducing disease and associated
9 23 expenditures. Low-income children who have their first
9 24 preventive dental visit by age one are less likely to have
9 25 subsequent restorative or emergency room visits, and their
9 26 average dental-related costs are almost 40 percent lower than
9 27 children who receive their first preventive care after age
9 28 one.

9 29 b. Early preventive care, education, and regular dental
9 30 visits at or by the age of one are crucial for good oral
9 31 health, especially for at-risk children, yet for the federal
9 32 fiscal year 2004=2005 in Iowa, less than 35 percent of
9 33 Medicaid-enrolled children ages one to five and less than 45
9 34 percent of Medicaid-enrolled children ages one to 20 received
9 35 any dental service.

10 1 c. In Iowa, the percent of Medicaid-enrolled children with
10 2 untreated decay has consistently been higher than the overall
10 3 percent of children with untreated decay.

10 4 d. A shortage of dentists exists in the state, overall,
10 5 and particularly in rural areas. Seventy-one of the state's
10 6 counties and a portion of Polk county are designated as dental

10 7 health professional shortage areas.

10 8 e. Even though the percent of Medicaid-enrolled children
10 9 ages one to five that receives dental services in the state is
10 10 increasing, many dentists are uncomfortable with providing
10 11 care to children under the age of three.

10 12 f. Primary pediatric oral health care is best delivered in
10 13 a dental home where competent oral health practitioners
10 14 provide continuous and comprehensive services.

10 15 Sec. 12. DENTAL HOME FOR CHILDREN == GOALS. The goals of
10 16 a dental home for children include all of the following:

10 17 1. Providing an integrated dental service delivery system
10 18 that includes adequate early identification of disease risk,
10 19 and delivers disease prevention and dental care services.

10 20 2. Establishing an oral health care coordination network
10 21 that ensures that children enrolled in the medical assistance
10 22 program receive appropriate oral health care services.

10 23 3. Establishing a guaranteed dental provider network that
10 24 ensures an appropriate level of dental care access for
10 25 children enrolled in the medical assistance program.

10 26 4. Establishing a tracking and monitoring system to
10 27 regulate outcomes and quality of care within the dental home
10 28 system.

10 29 5. Providing intensive family-based oral health education
10 30 in order to strengthen parental oversight of children's home
10 31 care and increase disease prevention opportunities.

10 32 6. Providing sufficient oral health education
10 33 opportunities for health care providers to ensure adequate
10 34 knowledge to meet the oral health needs of young children.

10 35 7. Recruiting and retaining an adequate number of new
11 1 dentists and dental hygienists in underserved rural
11 2 communities.

11 3 8. Decreasing overall dental disease rates among children
11 4 enrolled in the medical assistance program with subsequent
11 5 cost-savings for the state.

11 6 Sec. 13. **NEW SECTION**. 249K.1 DEFINITIONS.

11 7 1. "Child health agency" means an entity with which the
11 8 department of public health contracts to provide maternal and
11 9 child health services under Title V of the federal Social

11 10 Security Act.

11 11 2. "Dental health care provider" means a dentist, dental
11 12 hygienist, or oral health care coordinator.

11 13 3. "Dental home" means a service delivery framework that
11 14 consists of a dentist, supported by a network of dental and
11 15 nondental public and private health care providers who provide
11 16 age-appropriate dental disease preventive and care
11 17 coordination services which may include but are not limited to
11 18 screenings, preventive therapies, education, and referrals for
11 19 dental treatment by a dentist.

11 20 4. "Dentist" means an individual who is engaged in the
11 21 practice of dentistry as defined in section 153.13.

11 22 5. "Department" means the department of human services.

11 23 6. "Expansion population" means expansion population as
11 24 defined in section 249J.3.

11 25 7. "Local board of health" means local board of health as
11 26 defined in section 137.2.

11 27 8. "Nondental health care provider" means a physician or
11 28 nurse who provides screenings, fluoride varnish applications,
11 29 education, or referrals to dentists.

11 30 Sec. 14. **NEW SECTION**. 249K.2 DENTAL HOME PROGRAM.

11 31 The department shall establish a program that utilizes
11 32 different levels of care and different types of providers to
11 33 provide a dental home for children enrolled in the medical
11 34 assistance program. The program shall consist of all of the
11 35 following components:

12 1 1. Purchasing portable dental equipment to provide care in
12 2 nontraditional settings.

12 3 2. Increasing the capacity of child health agencies to
12 4 establish and operate a child dental health database system to
12 5 track patient care and coordination of appointments.

12 6 3. Providing oral health education and promotion
12 7 opportunities to improve the oral health knowledge among
12 8 families through area education agencies.

12 9 4. Providing training programs for dental and nondental
12 10 health care providers regarding children's oral health.

12 11 5. Contracting with a dental insurance carrier to improve
12 12 participation by dentists in the medical assistance program,

12 13 creating a dental screening reimbursement code and specific
12 14 reimbursement for physicians under the medical assistance
12 15 program, and developing specific reimbursement codes and
12 16 reimbursement for oral screening and fluoride application by
12 17 nondental providers. The department shall utilize a request
12 18 for proposals process in selecting the dental insurance
12 19 carrier under this subsection.

12 20 6. Reinstating coverage of periodontal services to adult
12 21 medical assistance recipients.

12 22 7. Working with rural hospitals to develop dental clinics.

12 23 8. Partnering with the special supplemental nutrition
12 24 program for women, infants and children agencies; head start;
12 25 migrant and community health centers; local boards of health;
12 26 and public and private hospitals to provide oral health
12 27 support to families.

12 28 9. Establishing a dental hygienist as the lead oral health
12 29 care coordinator at all state Title V child health agencies;
12 30 women, infants and children clinics; local boards of health;
12 31 head start programs; preschools; and schools.

12 32 Sec. 15. **NEW SECTION**. 249K.3 RULES.

12 33 The department shall adopt administrative rules pursuant to
12 34 chapter 17A to administer this division.

12 35 Sec. 16. **NEW SECTION**. 261.23A DENTIST RECRUITMENT
13 1 INITIATIVE == REVOLVING FUND.

13 2 1. A dentist recruitment initiative is established to be
13 3 administered by the college student aid commission for the
13 4 university of Iowa college of dentistry. The commission shall
13 5 coordinate the initiative with the primary care provider
13 6 recruitment and retention endeavor, PRIMECARRE, administered
13 7 by the center for rural health and primary care pursuant to
13 8 section 135.107. The initiative shall consist of a forgivable
13 9 loan program and a rural community loan repayment program for
13 10 dentists. The commission shall regularly adjust the dentist
13 11 service requirement under each program to provide, to the
13 12 extent possible, an equal financial benefit for each period of
13 13 service required. From funds appropriated for purposes of the
13 14 programs by the general assembly, the commission shall pay a
13 15 fee to the university of Iowa college of dentistry for

13 16 administration of the programs. A portion of the fee shall be
13 17 paid by the commission to the university based upon the number
13 18 of dental students and dentists recruited under subsections 2
13 19 and 3.

13 20 2. a. The university of Iowa college of dentistry shall
13 21 provide recommendations to the commission for students who
13 22 meet the eligibility requirements of the forgivable loan
13 23 program under this subsection. A forgivable loan may be
13 24 awarded to a resident of Iowa who meets both of the following
13 25 conditions:

13 26 (1) Is enrolled on a full-time basis at the university of
13 27 Iowa college of dentistry.

13 28 (2) Agrees to practice dentistry in an area in this state
13 29 underserved by dentists for a period of time to be determined
13 30 by the commission at the time the loan is awarded.

13 31 b. The loan shall be for a term set by the commission.
13 32 Interest on the loan shall begin to accrue the day following
13 33 the date on which the student graduates from the university,
13 34 or on the date the student graduates from a residency program,
13 35 whichever date is later. If the student completes the period
14 1 of practice in the underserved area established by the
14 2 commission and agreed to by the student, the loan amount shall
14 3 be forgiven. Neither the loan amount nor the interest on the
14 4 loan amount shall be forgiven if the dentist fails to complete
14 5 the required time period of practice in the underserved area
14 6 of this state.

14 7 3. A dentist who graduated from the university of Iowa
14 8 college of dentistry shall be eligible for the rural community
14 9 loan repayment program if the dentist agrees to practice in an
14 10 eligible rural community in this state. The university of
14 11 Iowa college of dentistry shall recruit and place dentists in
14 12 eligible rural communities that have agreed to provide
14 13 additional funds for the dentist's loan repayment. The
14 14 contract for the loan repayment shall stipulate the time
14 15 period the dentist shall practice in an eligible rural
14 16 community in this state and shall also stipulate that the
14 17 dentist repay any funds paid on the dentist's loan by the
14 18 commission if the dentist fails to practice in an eligible

14 19 rural community in this state for the required period of time.
14 20 For purposes of this subsection, "eligible rural community"
14 21 means a rural community in this state underserved by dentists
14 22 that agrees to match state funds provided on at least a
14 23 dollar-for-dollar basis for the loan repayment of a dentist
14 24 who practices in the eligible rural community.

14 25 4. The commission shall adopt rules pursuant to chapter
14 26 17A to administer this section.

14 27 5. A dentist recruitment revolving fund is created in the
14 28 state treasury as a separate fund under the control of the
14 29 commission. The commission shall deposit payments made by
14 30 dentist recruitment initiative recipients and the proceeds
14 31 from the provision of loans made pursuant to subsection 2 into
14 32 the dentist recruitment revolving fund. Moneys credited to
14 33 the fund shall be used to supplement moneys appropriated for
14 34 the dentist recruitment initiative, for loan forgiveness to
14 35 eligible dentists, and to pay for loan or interest repayment
15 1 defaults by eligible dentists. Notwithstanding section 8.33,
15 2 any balance in the fund on June 30 of any fiscal year shall
15 3 not revert to the general fund of the state. Notwithstanding
15 4 section 12C.7, subsection 2, interest or earnings on moneys in
15 5 the dentist recruitment revolving fund shall be credited to
15 6 the fund.

15 7 Sec. 17. **NEW SECTION.** 261.23B DENTAL HYGIENIST
15 8 RECRUITMENT INITIATIVE.

15 9 1. A dental hygienist recruitment initiative is
15 10 established to be administered by the college student aid
15 11 commission. The commission shall coordinate the initiative
15 12 with the primary care provider recruitment and retention
15 13 endeavor, PRIMECARRE, administered by the center for rural
15 14 health and primary care pursuant to section 135.107. The
15 15 initiative shall consist of a forgivable loan program and a
15 16 rural community loan repayment program for dental hygienists.
15 17 The commission shall regularly adjust the dental hygienist
15 18 service requirement under each program to provide, to the
15 19 extent possible, an equal financial benefit for each period of
15 20 service required. From funds appropriated for purposes of the
15 21 program by the general assembly, the commission shall pay a

15 22 fee to eligible institutions for administration of the
15 23 program. A portion of the fee shall be based upon the number
15 24 of dental hygienists recruited under subsections 2 and 3.

15 25 2. a. A forgivable loan may be awarded to a resident of
15 26 Iowa who meets both of the following conditions:

15 27 (1) Is enrolled on a full-time or part-time basis in a
15 28 college, university, or institution of higher education in
15 29 this state, accredited by a national agency recognized by the
15 30 council on post-secondary accreditation or the United States
15 31 department of education, in a program of dental hygiene with a
15 32 minimum of two academic years of curriculum.

15 33 (2) Agrees to practice dental hygiene in an area in this
15 34 state underserved by dental hygienists for a period of time to
15 35 be determined by the commission at the time the loan is
16 1 awarded.

16 2 b. The loan shall be for a term set by the commission.
16 3 Interest on the loan shall begin to accrue the day following
16 4 the date on which the student graduates from the program of
16 5 dental hygiene. If the student completes the period of
16 6 practice in the underserved area established by the commission
16 7 and agreed to by the student, the loan amount shall be
16 8 forgiven. Neither the loan amount nor the interest on the
16 9 loan amount shall be forgiven if the dental hygienist fails to
16 10 complete the required time period of practice in the
16 11 underserved area of this state.

16 12 3. A dental hygienist who graduates from a college,
16 13 university, or institution of higher education in this state,
16 14 accredited by a national agency recognized by the council on
16 15 post-secondary accreditation or the United States department
16 16 of education, in a program of dental hygiene with a minimum of
16 17 two academic years of curriculum shall be eligible for the
16 18 rural community loan repayment program if the dental hygienist
16 19 agrees to practice in an eligible rural community in this
16 20 state that has agreed to provide additional funds for the
16 21 dental hygienist's loan repayment. The contract for the loan
16 22 repayment shall stipulate the time period the dental hygienist
16 23 shall practice in the eligible rural community in this state
16 24 and shall also stipulate that the dental hygienist repay any

16 25 funds paid on the dental hygienist's loan by the commission if
16 26 the dental hygienist fails to practice in an eligible rural
16 27 community in this state for the required period of time. For
16 28 purposes of this subsection, "eligible rural community" means
16 29 a rural community in this state underserved by dental
16 30 hygienists that agrees to match state funds provided on at
16 31 least a dollar-for-dollar basis for the loan repayment of a
16 32 dental hygienist who practices in the eligible rural
16 33 community.

16 34 4. The commission shall adopt rules pursuant to chapter
16 35 17A to administer this section.

17 1 5. A dental hygienist recruitment revolving fund is
17 2 created in the state treasury as a separate fund under the
17 3 control of the commission. The commission shall deposit
17 4 payments made by dental hygienists recruitment initiative
17 5 recipients, and the proceeds from the provision of loans made
17 6 pursuant to subsection 2, into the dental hygienist
17 7 recruitment revolving fund. Moneys credited to the fund shall
17 8 be used to supplement moneys appropriated for the dental
17 9 hygienist recruitment initiative, for loan forgiveness to
17 10 eligible dental hygienists, and to pay for loan or interest
17 11 repayment defaults by eligible dental hygienists.
17 12 Notwithstanding section 8.33, any balance in the fund on June
17 13 30 of any fiscal year shall not revert to the general fund of
17 14 the state. Notwithstanding section 12C.7, subsection 2,
17 15 interest or earnings on moneys in the dental hygienist
17 16 recruitment revolving fund shall be credited to the fund.

17 17 Sec. 18. DENTAL HOME APPROPRIATIONS.

17 18 1. There is appropriated from the health care improvement
17 19 fund created in section 453A.35A to the department of human
17 20 services for the fiscal year beginning July 1, 2007, and
17 21 ending June 30, 2008, the following amounts, or so much
17 22 thereof as is necessary, for the purposes designated:

17 23 a. To provide funding to utilize local Title V child
17 24 health agencies to increase the dental program infrastructure,
17 25 by utilizing dental hygienists as oral health care
17 26 coordinators and to purchase portable dental equipment to
17 27 provide care in nontraditional settings:

17 28 \$ 3,179,430
 17 29 b. To provide funding to local Title V child health
 17 30 agencies to establish and operate a state Title V child dental
 17 31 health database system for tracking patient care and
 17 32 coordinating appointments, including the development of an
 17 33 internet-based database of all participating dentists:
 17 34 \$ 210,000
 17 35 c. To provide funding for public oral health education,
 18 1 promotion, and outreach through area education agencies:
 18 2 \$ 1,044,855
 18 3 The area education agencies shall develop and implement a
 18 4 plan for public oral health education, promotion, and outreach
 18 5 utilizing schools and the Iowa collaborative safety net
 18 6 provider network established pursuant to section 135.153.
 18 7 d. To provide funding for training programs for dental and
 18 8 nondental health care providers regarding children's oral
 18 9 health, particularly for children under the age of three and
 18 10 children with disabilities:
 18 11 \$ 120,000
 18 12 e. To contract with a dental insurance carrier to improve
 18 13 dentist participation in the medical assistance and IowaCare
 18 14 programs:
 18 15 \$ 9,900,000
 18 16 f. To allow reimbursement under the medical assistance
 18 17 program for oral health screening and fluoride application by
 18 18 nondental health care providers:
 18 19 \$ 1,350,000
 18 20 g. To reinstate coverage of periodontal services to adult
 18 21 dental medical assistance recipients:
 18 22 \$ 276,000
 18 23 h. To create and maintain dentist and dental hygienist
 18 24 student loan repayment programs to increase the dental
 18 25 workforce in underserved areas:
 18 26 \$ 275,000
 18 27 2. There is appropriated from the health care improvement
 18 28 fund created in section 453A.35A to the college student aid
 18 29 commission for the fiscal year beginning July 1, 2007, and
 18 30 ending June 30, 2008, the following amount, or so much thereof

as is necessary, to be used for the purpose designated:

For the dentist and dental hygienist forgivable loan programs established pursuant to sections 261.23A and 261.23B: \$ 275,000

DIVISION IV

PRESCRIPTION DRUG COVERAGE ==

PRESCRIPTION DRUG RETAIL PRICE DISCLOSURE

Sec. 19. Section 155A.3, Code 2007, is amended by adding the following new subsection:

NEW SUBSECTION. 7A. "Current usual and customary retail price" means the actual price that a pharmacy charges a retail purchaser without prescription drug coverage for a prescription drug at the listed dosage, and does not include discounts, special promotions, or other programs initiated to reduce prices for product costs available to the general public or to a special population.

Sec. 20. **NEW SECTION**. 155A.42 PRESCRIPTION DRUG RETAIL PRICE DISCLOSURE.

1. The department of public health shall create and operate a prescription drug retail price disclosure internet site accessible by the general public to educate consumers about the price of prescription drugs. The retail price information provided shall include information from the prescription drug retail price disclosure lists reported to the department under this section. The information provided shall be organized in a format that is conducive to review and comparison by consumers and which allows consumers to search by locality and by both brand and generic prescription drug name. The internet site shall also provide linkages to price comparison internet sites approved by the board that compare prescription drug retail prices of online national and international pharmacies.

2. The board shall prepare the prescription drug retail price disclosure list on an annual basis. The list shall be a compilation of the one hundred fifty most frequently prescribed drugs together with their usual dosages. The board shall make the list available to all pharmacies in both printed and electronic formats.

19 34 3. A pharmacy shall compile a prescription drug retail
19 35 price disclosure list which shall contain the names of the
20 1 prescription drugs on the list provided by the board and the
20 2 pharmacy's corresponding current usual and customary retail
20 3 prices for all of the prescription drugs. A pharmacy shall
20 4 update its prescription drug retail price disclosure list on
20 5 at least a weekly basis. A pharmacy shall provide the list to
20 6 any person upon request. The pharmacy shall also report to
20 7 the department of public health on a weekly basis and in a
20 8 form and manner established by the department, the information
20 9 included on the list.

20 10 a. The list shall include a notice that states as follows:
20 11 "Consult your pharmacist for the selection of the most
20 12 economical drug product available to fill your prescription."

20 13 b. A pharmacy shall post a sign that notifies consumers of
20 14 the availability of the list in a conspicuous location that is
20 15 at or adjacent to the place where prescriptions are presented
20 16 for compounding or dispensing, in the consumer waiting area,
20 17 or in the area where prescribed drugs are delivered.

20 18 4. This section shall not be construed to prevent a
20 19 pharmacy from changing or charging the current usual and
20 20 customary retail price at any time, provided the listed price
20 21 is updated on at least a weekly basis to reflect the new
20 22 retail price.

20 23 5. The department of public health, in consultation with
20 24 the board of pharmacy examiners, shall adopt rules to
20 25 administer this section.

20 26 Sec. 21. PRESCRIPTION DRUG RETAIL PRICE DISCLOSURE
20 27 PROGRAM == APPROPRIATION. There is appropriated from the
20 28 health care improvement fund created in section 453A.35A to
20 29 the department of public health for the fiscal year beginning
20 30 July 1, 2007, and ending June 30, 2008, the following amount,
20 31 or so much thereof as is necessary, for the purpose
20 32 designated:

20 33 For administration of the prescription drug retail price
20 34 disclosure program created pursuant to section 155A.42:
20 35 \$ 500,000

LONG=TERM CARE

Sec. 22. Section 249A.30A, Code 2007, is amended to read as follows:

249A.30A MEDICAL ASSISTANCE == PERSONAL NEEDS ALLOWANCE.

The personal needs allowance under the medical assistance program, which may be retained by a resident of a nursing facility , an intermediate care facility for persons with mental illness, or an intermediate care facility for persons with mental retardation as defined in section 135C.1, or a resident of a psychiatric medical institution for children as defined in section 135H.1, shall be fifty dollars per month.

Sec. 23. Section 441.21, Code 2007, is amended by adding the following new subsection:

NEW SUBSECTION. 11A. Beginning with valuations established on or after January 1, 2007, as used in this section, "residential property" includes all land and buildings of assisted living programs, as assisted living is defined in section 231C.2, that are subject to property taxation.

Sec. 24. MEDICAL ASSISTANCE WAIVER WAITING LIST ELIMINATION == APPROPRIATION. In addition to any other appropriation for the fiscal year beginning July 1, 2007, and ending June 30, 2008, there is appropriated from the health care improvement fund created in section 453A.35A to the department of human services for the fiscal year beginning July 1, 2007, and ending June 30, 2008, the following amount, or so much thereof as is necessary, for the purpose designated:

To reduce home and community-based services waiver waiting lists under the medical assistance program:

..... \$ 1,500,000

Sec. 25. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES.

1. The section of this division amending section 441.21, being deemed of immediate importance, takes effect upon enactment and applies retroactively to January 1, 2007, for assessment years beginning on or after that date.

2. The section of this division of this Act amending section 249A.30A, being deemed of immediate importance, takes

22 5 effect upon enactment and is retroactively applicable to July
22 6 1, 2006.

22 7 DIVISION VI
22 8 MENTAL HEALTH COVERAGE

22 9 Sec. 26. Section 135H.3, Code 2007, is amended by adding
22 10 the following new unnumbered paragraph:

22 11 **NEW UNNUMBERED PARAGRAPH**. A child who is diagnosed with a
22 12 mental health condition, as defined in section 514C.22A, and
22 13 meets the medical assistance program criteria for admission to
22 14 a psychiatric medical institution for children shall be deemed
22 15 to meet the acuity criteria for inpatient benefits under a
22 16 group policy, contract, or plan providing for third-party
22 17 payment or prepayment of health, medical, and surgical
22 18 coverage benefits issued by a carrier, as defined in section
22 19 513B.2, or by an organized delivery system authorized under
22 20 1993 Iowa Acts, ch. 158, that is subject to section 514C.22A.

22 21 Sec. 27. **NEW SECTION**. 514C.22A MANDATED COVERAGE FOR
22 22 MENTAL HEALTH CONDITIONS.

22 23 1. For purposes of this section, unless the context
22 24 otherwise requires:

22 25 a. "Mental health condition" means any of the following:

22 26 (1) Schizophrenia and other psychotic disorders.

22 27 (2) Bipolar disorders.

22 28 (3) Major depressive disorders.

22 29 (4) Schizo-affective disorders.

22 30 (5) Anxiety disorders, including post-traumatic stress
22 31 disorders and obsessive-compulsive disorders.

22 32 (6) Pervasive developmental disorders, including autistic
22 33 disorders.

22 34 (7) Alcohol or substance abuse.

22 35 (8) Eating disorders, including but not limited to bulimia
23 1 nervosa and anorexia nervosa.

23 2 b. "Rates, terms, and conditions" means any lifetime
23 3 payment limits, deductibles, copayments, coinsurance, and any
23 4 other cost-sharing requirements, out-of-pocket limits, visit
23 5 limitations, and any other financial component of benefits
23 6 coverage that affects the covered individual.

23 7 2. a. Notwithstanding section 514C.6, a policy or

23 8 contract providing for third=party payment or prepayment of
23 9 health or medical expenses shall provide coverage benefits for
23 10 mental health conditions based on rates, terms, and conditions
23 11 that are no more restrictive than the rates, terms, and
23 12 conditions for coverage benefits provided for other health or
23 13 medical conditions under the policy or contract.
23 14 Additionally, any rates, terms, and conditions involving
23 15 deductibles, copayments, coinsurance, and any other cost=
23 16 sharing requirements shall be cumulative for coverage of both
23 17 mental health conditions and other health or medical
23 18 conditions under the policy or contract.

23 19 b. Coverage required under this subsection shall be as
23 20 follows:

23 21 (1) For the treatment of mental illness, coverage shall be
23 22 for services provided by a licensed mental health
23 23 professional, or services provided in a licensed hospital or
23 24 health facility.

23 25 (2) For the treatment of alcohol or substance abuse,
23 26 coverage shall be for services provided by a substance abuse
23 27 counselor approved by the department of human services or by a
23 28 substance abuse treatment and rehabilitation facility licensed
23 29 by the department of public health pursuant to chapter 125.

23 30 3. This section applies to the following classes of third=
23 31 party payment provider contracts or policies delivered, issued
23 32 for delivery, continued, or renewed in this state on or after
23 33 January 1, 2008:

23 34 a. Individual or group accident and sickness insurance
23 35 providing coverage on an expense=incurring basis.

24 1 b. An individual or group hospital or medical service
24 2 contract issued pursuant to chapter 509, 514, or 514A.

24 3 c. A plan established pursuant to chapter 509A for public
24 4 employees.

24 5 d. An individual or group health maintenance organization
24 6 contract regulated under chapter 514B.

24 7 e. An individual or group Medicare supplemental policy,
24 8 unless coverage pursuant to such policy is preempted by
24 9 federal law.

24 10 f. Any other entity engaged in the business of insurance,

24 11 risk transfer, or risk retention, which is subject to the
24 12 jurisdiction of the commissioner.

24 13 g. An organized delivery system licensed by the director
24 14 of public health.

24 15 4. This section shall not apply to a policy or contract
24 16 issued to employers actively engaged in business who, on at
24 17 least fifty percent of the employer's working days during the
24 18 preceding calendar year, employed twenty-five or fewer
24 19 full-time eligible employees. In determining the number of
24 20 eligible employees, companies that are affiliated companies or
24 21 that are eligible to file a combined tax return for purposes
24 22 of state taxation are considered one employer.

24 23 5. The commissioner, by rule, shall define the mental
24 24 health conditions identified in subsection 1. Definitions
24 25 established by the commissioner shall be consistent with
24 26 definitions provided in the most recent edition of the
24 27 American psychiatric association's diagnostic and statistical
24 28 manual of mental disorders, as such definitions may be amended
24 29 from time to time. The commissioner may adopt the definitions
24 30 provided in such manual by reference.

24 31 6. The commissioner shall adopt rules pursuant to chapter
24 32 17A to administer this section after consultation with the
24 33 mental health insurance advisory committee.

24 34 a. The commissioner shall appoint members to a mental
24 35 health insurance advisory committee. Members shall include
25 1 representatives of all sectors of society impacted by issues
25 2 associated with coverage of mental health treatment by third=
25 3 party payors including but not limited to representatives of
25 4 the insurance industry, small and large employers, employee
25 5 representatives including labor, individual consumers, health
25 6 care providers, substance abuse treatment providers, and other
25 7 impacted groups and individuals identified by the insurance
25 8 division of the department of commerce.

25 9 b. The committee shall meet upon the request of the
25 10 commissioner to review rules proposed under this section by
25 11 the commissioner, and to make suggestions as appropriate.

25 12 Sec. 28. Section 514C.22, Code 2007, is repealed.

25 13 Sec. 29. The section of this division repealing section

25 14 514C.22 takes effect January 1, 2008.

25 15 DIVISION VII

25 16 HEALTH CARE COST SAVINGS STRATEGIES

25 17 Sec. 30. **NEW SECTION**. 135N.1 PATIENT INFORMATION
25 18 REQUIRED == UNCOMPENSATED CARE == REPORTING.

25 19 1. For the purposes of this section, "recipient of health
25 20 care services" means an individual who receives health care
25 21 services in a hospital who is uninsured.

25 22 2. A recipient of health care services shall disclose to
25 23 the hospital the identity of the individual's employer,
25 24 whether the employment is full-time or part-time, and the
25 25 number of hours worked per week. If the recipient of health
25 26 care services is not employed, the individual shall identify
25 27 the employer of any adult who is responsible for providing
25 28 support to the recipient of health care services.

25 29 3. On or before January 1, 2008, and on or before January
25 30 1, annually thereafter, a hospital shall submit a report to
25 31 the department of human services providing the information
25 32 collected under subsection 2 in a compiled format. The
25 33 reports submitted shall be used by the department of human
25 34 services to compile the report required pursuant to section
25 35 217.30A. The department of human services shall adopt rules
26 1 regarding the form to be used and the information to be
26 2 collected under subsection 2. Information collected shall not
26 3 include the name of any recipient of health care services and
26 4 shall be collected in a manner that complies with all privacy
26 5 standards established by state or federal law.

26 6 Sec. 31. **NEW SECTION**. 217.30A REPORT ON HEALTH CARE
26 7 SERVICES RECIPIENTS AND APPLICANTS.

26 8 1. On or before January 15, 2008, and on or before January
26 9 15, annually thereafter, the department of human services
26 10 shall submit a report to the governor and the general assembly
26 11 specifying all employers identified pursuant to sections
26 12 135N.1, 249A.3A, 249J.9A, and 514I.12 that, combined, employ
26 13 twenty-five or more recipients of health care services or
26 14 applicants as defined in those sections. In determining
26 15 whether an employer meets the threshold of employing
26 16 twenty-five or more recipients of health care services or

26 17 applicants, the department of human services shall include all
26 18 recipients of health care services or applicants employed by
26 19 the employer and its subsidiaries at all locations in the
26 20 state. The report shall include the name of the employer, the
26 21 location of the employer, the total number of the employer's
26 22 employees and dependents of employees who are recipients of
26 23 health care services or applicants, and the total number of
26 24 the employer's employees who are recipients of health care
26 25 services or applicants that are employed full-time, the total
26 26 number employed part-time, and the average number of hours
26 27 worked by the employees per week. The report shall also
26 28 include the total cost incurred by the state under chapters
26 29 249A, 249J, and 514I to provide services to recipients of
26 30 health care services or applicants. The report shall not
26 31 include the name of any individual recipient of health care
26 32 services or applicant and shall comply with all privacy
26 33 standards established by state or federal law. The report
26 34 shall also be made available to the public.

26 35 2. The department of human services shall adopt rules
27 1 pursuant to chapter 17A to administer this section.

27 2 Sec. 32. **NEW SECTION**. 249A.3A APPLICANT INFORMATION
27 3 REQUIRED == REPORTING INFORMATION.

27 4 1. For the purposes of this section, "applicant" means an
27 5 individual who files an application for medical assistance.

27 6 2. An applicant for the medical assistance program shall
27 7 disclose the identity of the employer of the applicant,
27 8 whether the employment is full-time or part-time, and the
27 9 number of hours worked per week. If the applicant is not
27 10 employed, the applicant shall identify the employer of any
27 11 adult who is responsible for providing support to the
27 12 applicant.

27 13 3. On or before January 1, 2008, and on or before January
27 14 1, annually thereafter, the department shall compile the
27 15 information collected under subsection 2. The information
27 16 compiled shall be used by the department of human services to
27 17 compile the report required pursuant to section 217.30A. The
27 18 department of human services shall adopt rules regarding the
27 19 form to be used and the information to be collected under

27 20 subsection 2. Information collected shall not include the
27 21 name of any applicant and shall be collected in a manner that
27 22 complies with all privacy standards established by state or
27 23 federal law.

27 24 Sec. 33. **NEW SECTION**. 249J.9A PATIENT INFORMATION
27 25 REQUIRED == REPORTING INFORMATION.

27 26 1. For the purposes of this section, "applicant" means an
27 27 individual who applies for health care coverage pursuant to
27 28 this chapter.

27 29 2. An applicant for the expansion population under this
27 30 chapter shall disclose the identity of the employer of the
27 31 applicant, whether the employment is full-time or part-time,
27 32 and the number of hours worked per week. If the applicant is
27 33 not employed, the individual shall identify the employer of
27 34 any individual who is responsible for providing support to the
27 35 applicant.

28 1 3. On or before January 1, 2008, and on or before January
28 2 1, annually thereafter, the department shall compile the
28 3 information collected under subsection 2. The reports
28 4 submitted shall be used by the department of human services to
28 5 compile the report required pursuant to section 217.30A. The
28 6 department of human services shall adopt rules regarding the
28 7 form to be used and the information to be collected under
28 8 subsection 2. Information collected shall not include the
28 9 name of any applicant and shall be collected in a manner that
28 10 complies with all privacy standards established by state or
28 11 federal law.

28 12 Sec. 34. **NEW SECTION**. 514I.12 APPLICANT INFORMATION
28 13 REQUIRED == REPORTING INFORMATION.

28 14 1. For the purposes of this section, "applicant" means an
28 15 individual who files an application for the hawk=i program.

28 16 2. An applicant for the hawk=i program shall disclose the
28 17 identity of the employer of any adult who is responsible for
28 18 providing support to the applicant, whether the employment is
28 19 full-time or part-time, and the number of hours worked per
28 20 week.

28 21 3. On or before January 1, 2008, and on or before January
28 22 1, annually thereafter, the department shall compile the

28 23 information collected under subsection 2. The information
28 24 submitted shall be used by the department of human services to
28 25 compile the report required pursuant to section 217.30A. The
28 26 department of human services shall adopt rules regarding the
28 27 form to be used and the information to be collected under
28 28 subsection 2. Information collected shall not include the
28 29 name of any applicant and shall be collected in a manner that
28 30 complies with all privacy standards established by state or
28 31 federal law.

28 32 Sec. 35. EMERGENCY RULES. If specifically authorized by
28 33 a provision of this division of this Act, the department of
28 34 human services or the mental health, mental retardation,
28 35 developmental disabilities, and brain injury commission may
29 1 adopt administrative rules under section 17A.4, subsection 2,
29 2 and section 17A.5, subsection 2, paragraph "b", to implement
29 3 the provisions and the rules shall become effective
29 4 immediately upon filing or on a later effective date specified
29 5 in the rules, unless the effective date is delayed by the
29 6 administrative rules review committee. Any rules adopted in
29 7 accordance with this section shall not take effect before the
29 8 rules are reviewed by the administrative rules review
29 9 committee. The delay authority provided to the administrative
29 10 rules review committee under section 17A.4, subsection 5, and
29 11 section 17A.8, subsection 9, shall be applicable to a delay
29 12 imposed under this section, notwithstanding a provision in
29 13 those sections making them inapplicable to section 17A.5,
29 14 subsection 2, paragraph "b". Any rules adopted in accordance
29 15 with the provisions of this section shall also be published as
29 16 notice of intended action as provided in section 17A.4.

29 17 DIVISION VIII

29 18 IOWA COLLABORATIVE SAFETY NET PROVIDER NETWORK

29 19 Sec. 36. **NEW SECTION**. 135.153 IOWA COLLABORATIVE SAFETY
29 20 NET PROVIDER NETWORK ESTABLISHED.

29 21 1. The department shall establish an Iowa collaborative
29 22 safety net provider network that includes community health
29 23 centers, rural health clinics, free clinics, maternal and
29 24 child health centers, the expansion population provider
29 25 network as described in chapter 249J, local boards of health,

29 26 and other safety net providers. The network shall be a
29 27 continuation of the network established pursuant to 2005 Iowa
29 28 Acts, chapter 175, section 2, subsection 12. The network
29 29 shall include all of the following:

29 30 a. An Iowa safety net provider advisory group consisting
29 31 of representatives of community health centers, rural health
29 32 clinics, free clinics, maternal and child health centers, the
29 33 expansion population provider network as described in chapter
29 34 249J, local boards of health that provide direct services,
29 35 family planning council of Iowa contracting agencies, other
30 1 safety net providers, patients, and other interested parties.

30 2 b. A planning process to logically and systematically
30 3 implement the Iowa collaborative safety net provider network.

30 4 c. A database of all community health centers, rural
30 5 health clinics, free clinics, maternal and child health
30 6 centers, the expansion population provider network as
30 7 described in chapter 249J, local boards of health that provide
30 8 direct services, family planning council of Iowa contracting
30 9 agencies, and other safety net providers. The data collected
30 10 shall include the demographics and needs of the vulnerable
30 11 populations served, current provider capacity, and the
30 12 resources and needs of the participating safety net providers.

30 13 d. Network initiatives to, at a minimum, improve quality,
30 14 improve efficiency, reduce errors, and provide clinical
30 15 communication between providers. The network initiatives
30 16 shall include but are not limited to activities that address
30 17 all of the following:

30 18 (1) Training.

30 19 (2) Information technology.

30 20 (3) Financial resource development.

30 21 (4) A referral system for ambulatory care.

30 22 (5) A referral system for specialty care.

30 23 (6) Pharmaceuticals.

30 24 (7) Recruitment of health professionals.

30 25 2. The network shall form a governing group which includes
30 26 two individuals each representing community health centers,
30 27 rural health clinics, free clinics, maternal and child health
30 28 centers, the expansion population provider network as

30 29 described in chapter 249J, local boards of health that provide
30 30 direct services, the state board of health, family planning
30 31 council of Iowa contracting agencies, and other safety net
30 32 providers.

30 33 3. The department shall provide for evaluation of the
30 34 network and its impact on the medically underserved.

30 35 Sec. 37. PHARMACEUTICAL INFRASTRUCTURE FOR SAFETY NET
31 1 PROVIDERS. The Iowa collaborative safety net provider network
31 2 established pursuant to section 135.153 shall develop a
31 3 pharmaceutical infrastructure for safety net providers. The
31 4 infrastructure shall include all of the following elements:

31 5 1. Identification of the most efficacious drug therapies,
31 6 a strategy to distribute pharmaceuticals to safety net
31 7 providers for provision to patients at the point of care, and
31 8 increased access to pharmaceutical manufacturer assistance
31 9 programs. Identification of drug therapies shall be made
31 10 through a community-driven effort with clinical representation
31 11 from safety net providers and pharmacists who have historical
31 12 investment and expertise in providing care to safety net
31 13 provider patients. The effort shall include creating a list
31 14 of pharmaceuticals that are affordable to safety net provider
31 15 patients, purchasing pharmaceuticals for safety net provider
31 16 patients, identifying therapies for an expanded list of
31 17 pharmaceuticals, and identifying therapies most appropriate to
31 18 provide to safety net provider patients through pharmaceutical
31 19 manufacturer assistance programs.

31 20 2. An educational effort for safety net provider patients,
31 21 medical providers, and pharmacists regarding the drug
31 22 therapies and access alternatives identified pursuant to
31 23 subsection 1.

31 24 3. Identification of a pharmacy benefits manager to
31 25 provide low-cost patient access to therapies identified in the
31 26 expanded drug lists.

31 27 4. Expanded use of collaborative practice agreements
31 28 between medical providers and pharmacists to most efficiently
31 29 utilize their expertise.

31 30 Sec. 38. PHARMACEUTICAL INFRASTRUCTURE FOR SAFETY NET
31 31 PROVIDERS == APPROPRIATION. There is appropriated from the

31 32 health care improvement fund created in section 453A.35A to
31 33 the department of public health for the fiscal year beginning
31 34 July 1, 2007, and ending June 30, 2008, the following amount,
31 35 or so much thereof as is necessary, for the purpose
32 1 designated:

32 2 For the pharmaceutical infrastructure for safety net
32 3 providers:
32 4 \$ 1,000,000

32 5 Sec. 39. SAFETY NET PROVIDER PATIENTS == ACCESS TO
32 6 SPECIALTY CARE.

32 7 1. The Iowa collaborative safety net provider network
32 8 established in section 135.153 shall implement a specialty
32 9 care initiative in three communities in the state to determine
32 10 various methods of addressing the issue of specialty care
32 11 access in underserved areas of the state. The communities
32 12 selected shall develop collaborative partnerships between
32 13 hospitals, specialists, primary care providers, community
32 14 partners, human services providers, and others involved in
32 15 providing health care.

32 16 2. The initiative shall include an evaluation component to
32 17 determine the value of services provided and participating
32 18 communities shall participate in sharing data and findings
32 19 resulting from the initiative.

32 20 3. Based upon the results of the initiative, the network
32 21 shall build an infrastructure for improved specialty care
32 22 access throughout the state.

32 23 Sec. 40. SAFETY NET PROVIDER PATIENTS == ACCESS TO
32 24 SPECIALTY CARE == APPROPRIATION. There is appropriated from
32 25 the health care improvement fund created in section 453A.35A
32 26 to the department of public health for the fiscal year
32 27 beginning July 1, 2007, and ending June 30, 2008, the
32 28 following amount, or so much thereof as is necessary for the
32 29 purpose designated:

32 30 For the safety net provider patients access to the
32 31 specialty care initiative:
32 32 \$ 1,000,000

32 33 Sec. 41. RECRUITMENT OF HEALTH CARE PROFESSIONALS.

32 34 1. The department of public health, in cooperation with

32 35 the Iowa collaborative safety net provider network established
33 1 pursuant to section 135.153, shall develop a statewide,
33 2 integrated recruitment program to recruit primary care
33 3 providers to both urban and rural areas. The program shall
33 4 include the development, in conjunction with colleges of
33 5 medicine, dentistry, and nursing in this state, of a
33 6 recruitment plan and the utilization of dedicated safety net
33 7 recruiters. The recruitment program shall compile and
33 8 maintain a comprehensive repository of recruitment resources
33 9 available for communities and recruiters to access and utilize
33 10 in community education and recruitment efforts.

33 11 2. The recruitment program shall include the acquisition
33 12 of recruitment and candidate tracking software and employment
33 13 of professional staff to match candidates with vacancies in
33 14 both rural and urban areas.

33 15 Sec. 42. RECRUITMENT OF HEALTH CARE PROFESSIONALS ==
33 16 APPROPRIATION. There is appropriated from the health care
33 17 improvement fund created in section 453A.35A to the department
33 18 of public health for the fiscal year beginning July 1, 2007,
33 19 and ending June 30, 2008, the following amount, or so much
33 20 thereof as is necessary, for the purpose designated:

33 21 For the statewide, integrated recruitment program for
33 22 recruitment of primary care providers to both urban and rural
33 23 areas, in cooperation with the Iowa collaborative safety net
33 24 provider network established pursuant to section 135.153, and
33 25 for not more than the following full-time equivalent position:
33 26 \$ 500,000
33 27 FTEs 1.00

33 28 Sec. 43. IOWA COLLABORATIVE SAFETY NET PROVIDER NETWORK
33 29 DATA COLLECTION == APPROPRIATION. There is appropriated from
33 30 the health care improvement fund created in section 453A.35A
33 31 to the department of public health for the fiscal year
33 32 beginning July 1, 2007, and ending June 30, 2008, the
33 33 following amount, or so much thereof as is necessary, for the
33 34 purpose designated:

33 35 For data collection by the Iowa collaborative safety net
34 1 provider network established pursuant to section 135.153:
34 2 \$ 75,000

34 3 The data collection efforts shall include efforts to
34 4 identify the need for and the progress made toward providing a
34 5 medical home to all safety net provider patients, with the
34 6 ultimate goal being to provide all safety net provider
34 7 patients with a medical home that is accessible,
34 8 family-centered, culturally effective, coordinated,
34 9 compassionate, and continuous and which results in providing
34 10 appropriate and effective care while avoiding unnecessary
34 11 costs.

34 12 Sec. 44. IOWA COLLABORATIVE SAFETY NET PROVIDER NETWORK
34 13 PROVIDER AWARDS == APPROPRIATIONS. There is appropriated from
34 14 the health care improvement fund created in section 453A.35A
34 15 to the department of public health for the fiscal year
34 16 beginning July 1, 2007, and ending June 30, 2008, the
34 17 following amounts, or so much thereof as is necessary, for the
34 18 purposes designated:

34 19 1. For distribution to rural health clinics for necessary
34 20 infrastructure, statewide coordination, provider recruitment,
34 21 service delivery, and provision of assistance to patients in
34 22 determining an appropriate medical home:

34 23 \$ 150,000

34 24 2. For distribution to free clinics for necessary
34 25 infrastructure, statewide coordination, provider recruitment,
34 26 service delivery, and provision of assistance to patients in
34 27 determining an appropriate medical home:

34 28 \$ 250,000

34 29 Of the amount allocated in this subsection, \$50,000 shall
34 30 be used to establish a statewide association for free clinics.

34 31 3. For distribution to maternal and child health centers
34 32 for necessary infrastructure, statewide coordination, provider
34 33 recruitment, service delivery, and provision of assistance to
34 34 patients in determining an appropriate medical home:

34 35 \$ 100,000

35 1 4. For distribution to local boards of health that provide
35 2 direct services for necessary infrastructure, statewide
35 3 coordination, provider recruitment, service delivery, and
35 4 provision of assistance to patients in determining an
35 5 appropriate medical home:

35 6 \$ 100,000

35 7 5. For distribution to family planning council of Iowa
35 8 agencies for necessary infrastructure, statewide coordination,
35 9 provider recruitment, service delivery, and provision of
35 10 assistance to patients in determining an appropriate medical
35 11 home:

35 12 \$ 100,000

35 13 6. For distribution to the Iowa=Nebraska primary care
35 14 association for statewide coordination of the Iowa
35 15 collaborative safety net provider network:

35 16 \$ 100,000

35 17 Sec. 45. COMMUNITY HEALTH CENTERS INCUBATOR GRANT FUNDING
35 18 == APPROPRIATION. There is appropriated from the health care
35 19 improvement fund created in section 453A.35A to the department
35 20 of public health for the fiscal year beginning July 1, 2007,
35 21 and ending June 30, 2008, the following amount, or so much
35 22 thereof as is necessary, for the purpose designated:

35 23 For continuation of the incubation grant program to
35 24 community health centers as described in 2005 Iowa Acts,
35 25 chapter 175, section 2, subsection 12:

35 26 \$ 650,000

35 27 DIVISION IX

35 28 CHILDREN'S HEALTHY DEVELOPMENT INITIATIVE

35 29 Sec. 46. **NEW SECTION**. 135.154 CHILDREN'S HEALTHY
35 30 DEVELOPMENT INITIATIVE == COMMISSION ESTABLISHED.

35 31 1. A children's healthy development initiative is
35 32 established to build on evidence-based practices and the
35 33 state's experience with ensuring better child development and
35 34 to expand primary, preventive, and developmental health
35 35 services for children that improve children's healthy
36 1 development.

36 2 2. The initiative shall include enhanced health
36 3 practitioner use of developmental screening and surveillance,
36 4 screening for maternal depression, nutrition counseling to
36 5 prevent obesity, recommendations from the department of public
36 6 health's comprehensive statewide obesity prevention plan, and
36 7 other forms of anticipatory guidance to improve children's
36 8 healthy physical and mental development. The initiative shall

36 9 also include improved referrals and follow-up services through
36 10 the Early Intervention Program for Infants and Toddlers with
36 11 Disabilities, Part C of the Individuals with Disabilities
36 12 Education Act, 20 U.S.C. ch. 33, and through child mental
36 13 health follow-up services, and shall provide improved linkages
36 14 with the other community-based services that improve
36 15 children's healthy development, school readiness, and
36 16 educational success.

36 17 3. A children's healthy development commission is created
36 18 to provide oversight and coordinate the activities of the
36 19 children's healthy development initiative. The commission
36 20 shall include members who represent all of the following:

- 36 21 a. The Iowa chapter of the American academy of pediatrics.
- 36 22 b. The Iowa academy of family physicians.
- 36 23 c. The Iowa association of nurse practitioners.
- 36 24 d. The university of Iowa child health specialty clinics.
- 36 25 e. The department of human services.
- 36 26 f. The department of education.
- 36 27 g. The department of management.
- 36 28 h. The department of public health's child health program
36 29 and nutrition and health promotion program.

36 30 4. The department of public health shall provide
36 31 administrative support to the commission.

36 32 5. The commission shall coordinate and integrate expansion
36 33 of the early ACCESS program as established pursuant to 20
36 34 U.S.C. ch. 33 of the federal Individuals with Disabilities
36 35 Education Act and 34 C.F.R. } 303, the early intervention
37 1 program for infants and toddlers with disabilities, and the
37 2 demonstration grants to enhance dissemination of effective
37 3 practices in the field of primary health care. The commission
37 4 shall consult with the department of human services to ensure
37 5 appropriate use of medical assistance funds for appropriate
37 6 services provided through the programs. The commission shall
37 7 focus on developing comprehensive, evidence-based primary and
37 8 preventive health services for young children.

37 9 Sec. 47. EARLY ACCESS PROGRAM APPROPRIATION. There is
37 10 appropriated from the health care improvement fund created in
37 11 section 453A.35A to the department of education for the fiscal

37 12 year beginning July 1, 2007, and ending June 30, 2008, the
37 13 following amount, or so much thereof as is necessary, for the
37 14 purpose designated:

37 15 To supplement funding for and expand the early ACCESS
37 16 program as established pursuant to 20 U.S.C. ch. 33 of the
37 17 federal Individuals with Disabilities Education Act and 34
37 18 C.F.R. } 303, and to provide specific incentives for greater
37 19 coordination with health practitioners:
37 20 \$ 1,500,000

37 21 Sec. 48. EARLY CARE, HEALTH, AND EDUCATION PROGRAMS ==
37 22 APPROPRIATION. There is appropriated from the health care
37 23 improvement fund created in section 453A.35A to the department
37 24 of education for deposit in the school ready children grants
37 25 account of the Iowa empowerment fund for the fiscal year
37 26 beginning July 1, 2007, and ending June 30, 2008, the
37 27 following amount, or so much thereof as is necessary, to be
37 28 used for the purpose designated:

37 29 For demonstration grants to local empowerment boards to
37 30 establish local resources and coordination systems to address
37 31 the needs identified by health practitioners for services and
37 32 support in order to ensure healthy child development:
37 33 \$ 250,000

37 34 The amount appropriated in this section shall be
37 35 distributed based upon applications submitted by local
38 1 empowerment boards.

38 2 Sec. 49. HEALTHY MENTAL DEVELOPMENTAL INITIATIVE ==
38 3 APPROPRIATION. There is appropriated from the health care
38 4 improvement fund created in section 453A.35A to the department
38 5 of public health for the fiscal year beginning July 1, 2007,
38 6 and ending June 30, 2008, the following amount, or so much
38 7 thereof as is necessary, for the purpose designated:

38 8 For the healthy mental developmental initiative, to
38 9 continue existing pilot programs and to expand effective
38 10 practices statewide in practitioner screening and referrals
38 11 for developmental mental health concerns:
38 12 \$ 750,000

38 15 Sec. 50. Section 422.7, Code 2007, is amended by adding
38 16 the following new subsection:

38 17 **NEW SUBSECTION**. 50. If the taxpayer is a health care
38 18 provider:

38 19 a. Subtract the difference between the amount normally
38 20 charged by the health care provider and the reimbursement rate
38 21 for each health care service provided by the health care
38 22 provider for which reimbursement is made under the medical
38 23 assistance program, the hawk=i program, or the Medicare
38 24 program.

38 25 b. Subtract the actual cost to the health care provider
38 26 for any uncompensated health care service provided, but only
38 27 if the health care provider is able to document that the
38 28 health care provider's gross income is reduced by at least ten
38 29 percent attributable to uncompensated care, if the health care
38 30 provider maintains records of the uncompensated care for
38 31 auditing purposes, and if the health care provider later
38 32 receives payment for all or part of that care, the provider
38 33 adjusts the amount excluded for the tax year for which the
38 34 payment is received.

38 35 c. For the purposes of this subsection, "health care
39 1 provider" means any individual taxpayer who participates in
39 2 the medical assistance program, Medicare, or the hawk=i
39 3 program as a provider of health care services, or who provides
39 4 uncompensated health care services.

39 5 Sec. 51. Section 135.24, subsection 2, paragraphs a and
39 6 b, Code 2007, are amended to read as follows:

39 7 a. Procedures for **expedited** registration of health care
39 8 providers deemed qualified by the board of medical examiners,
39 9 the board of physician assistant examiners, the board of
39 10 dental examiners, the board of nursing, the board of
39 11 chiropractic examiners, the board of psychology examiners, the
39 12 board of social work examiners, the board of behavioral
39 13 science examiners, the board of pharmacy examiners, the board
39 14 of optometry examiners, the board of podiatry examiners, the
39 15 board of physical and occupational therapy examiners, the
39 16 state board for respiratory care, and the Iowa department of
39 17 public health, as applicable. **An expedited registration shall**

39 18 be completed within fifteen days of application of the health
39 19 care provider.

39 20 b. Procedures for expedited registration of free clinics.
39 21 An expedited registration shall be completed within fifteen
39 22 days of application of the free clinic.

39 23 Sec. 52. Section 135.24, subsection 3, unnumbered
39 24 paragraph 1, Code 2007, is amended to read as follows:

39 25 A health care provider providing free care under this
39 26 section shall be considered an employee of the state under
39 27 chapter 669 and, shall be afforded protection as an employee
39 28 of the state under section 669.21, and shall not be subject to
39 29 payment of claims arising out of the free care provided under
39 30 this section through the health care provider's own
39 31 professional liability insurance coverage, provided that the
39 32 health care provider has done all of the following:

39 33 Sec. 53. RETROACTIVE APPLICABILITY DATE. The section of
39 34 this Act amending section 422.7 applies retroactively to
39 35 January 1, 2007, for tax years beginning on or after that
40 1 date.

40 2 DIVISION XI

40 3 HEALTH CARE IMPROVEMENT FUND

40 4 Sec. 54. Section 453A.6, subsection 1, Code 2007, is
40 5 amended by striking the subsection and inserting in lieu
40 6 thereof the following:

40 7 1. There is imposed, and shall be collected and paid to
40 8 the department, a tax of six and eight-tenths cents on each
40 9 cigarette used or otherwise disposed of in this state for any
40 10 purpose whatsoever.

40 11 Sec. 55. Section 453A.35, Code 2007, is amended to read
40 12 as follows:

40 13 453A.35 TAX AND FEES PAID TO GENERAL FUND AND HEALTH CARE
40 14 IMPROVEMENT FUND.

40 15 The proceeds derived from the sale of stamps and the
40 16 payment of taxes, fees , and penalties provided for under this
40 17 chapter, and the permit fees received from all permits issued
40 18 by the department, with the exception of proceeds derived from
40 19 payment of taxes pursuant to section 453A.6, subsection 1, and
40 20 section 453A.43, subsections 1 and 2, shall be credited to the

40 21 general fund of the state. All permit fees provided for in
40 22 this chapter and collected by cities in the issuance of
40 23 permits granted by the cities shall be paid to the treasurer
40 24 of the city where the permit is effective, or to another city
40 25 officer as designated by the council, and credited to the
40 26 general fund of the city. Permit fees so collected by
40 27 counties shall be paid to the county treasurer.

40 28 Sec. 56. **NEW SECTION**. 453A.35A HEALTH CARE IMPROVEMENT
40 29 FUND.

40 30 A health care improvement fund is created in the office of
40 31 the treasurer of state. The fund consists of the revenues
40 32 generated from the taxes imposed on cigarettes and tobacco
40 33 products pursuant to section 453A.6, subsection 1, and section
40 34 453A.43, subsections 1 and 2. Moneys in the fund shall be
40 35 separate from the general fund of the state and shall not be
41 1 considered part of the general fund of the state. However,
41 2 the fund shall be considered a special account for the
41 3 purposes of section 8.53 relating to generally accepted
41 4 accounting principles. Moneys in the fund shall be used only
41 5 as specified in this section and are appropriated for the uses
41 6 specified. Moneys in the fund are not subject to section 8.33
41 7 and shall not be transferred, used, obligated, appropriated,
41 8 or otherwise encumbered, except as provided in this section.
41 9 Notwithstanding section 12C.7, subsection 2, interest or
41 10 earnings on moneys deposited in the fund shall be credited to
41 11 the fund.

41 12 Moneys in the fund shall only be used for the purposes of
41 13 health care improvement.

41 14 Sec. 57. Section 453A.40, subsection 1, Code 2007, is
41 15 amended to read as follows:

41 16 1. All **of the following** persons **shall be subject to an**
41 17 **inventory tax on the following items as provided in this**
41 18 **section:**

41 19 **a. All persons** required to be ~~licensed~~ **obtain a permit**
41 20 under section 453A.13 as distributors **or to be licensed under**
41 21 **section 453A.44 as a distributor or subjobber,** having in their
41 22 possession and held for resale on the effective date of an
41 23 increase in the tax rate cigarettes or little cigars upon

41 24 which the tax under section 453A.6 or 453A.43 has been paid,
41 25 unused cigarette tax stamps which have been paid for under
41 26 section 453A.8, or unused metered imprints which have been
41 27 paid for under section 453A.12 ~~shall be subject to an~~
41 28 ~~inventory tax on the items as provided in this section.~~

41 29 **b. All consumers having for use or storage on the**
41 30 **effective date of an increase in the tax rate, tobacco**
41 31 **products upon which the tax under section 453A.43 has been**
41 32 **paid.**

41 33 **c. All consumers subject to section 453A.46, subsection 6,**
41 34 **who have acquired title to or possession of tobacco products**
41 35 **for storage in this state, upon which tobacco products the tax**
42 1 **imposed by section 453A.43 has not been paid.**

42 2 Sec. 58. Section 453A.43, subsections 1, 2, and 3, Code
42 3 2007, are amended to read as follows:

42 4 1. A tax is imposed upon all tobacco products in this
42 5 state and upon any person engaged in business as a distributor
42 6 of tobacco products, at the rate of ~~twenty-two~~ **fifty-five**
42 7 percent of the wholesale sales price of the tobacco products,
42 8 except little cigars as defined in section 453A.42. Little
42 9 cigars shall be subject to the same rate of tax imposed upon
42 10 cigarettes in section 453A.6, payable at the time and in the
42 11 manner provided in section 453A.6; and stamps shall be affixed
42 12 as provided in division I of this chapter. The tax on tobacco
42 13 products, excluding little cigars, shall be imposed at the
42 14 time the distributor does any of the following:

42 15 a. Brings, or causes to be brought, into this state from
42 16 without the state tobacco products for sale.

42 17 b. Makes, manufactures, or fabricates tobacco products in
42 18 this state for sale in this state.

42 19 c. Ships or transports tobacco products to retailers in
42 20 this state, to be sold by those retailers.

42 21 2. A tax is imposed upon the use or storage by consumers
42 22 of tobacco products in this state, and upon the consumers, at
42 23 the rate of ~~twenty-two~~ **fifty-five** percent of the cost of the
42 24 tobacco products.

42 25 The tax imposed by this subsection shall not apply if the
42 26 tax imposed by subsection 1 on the tobacco products has been

42 27 paid.

42 28 This tax shall not apply to the use or storage of tobacco
42 29 products in quantities of:

42 30 a. Less than 25 cigars.

42 31 b. Less than 10 oz. snuff or snuff powder.

42 32 c. Less than 1 lb. smoking or chewing tobacco or other
42 33 tobacco products not specifically mentioned herein, in the
42 34 possession of any one consumer.

42 35 3. Any tobacco product with respect to which a tax has
43 1 once been imposed under this division shall not again be
43 2 subject to tax under said division , **except as provided in**
43 3 **section 453A.40.**

43 4 Sec. 59. EFFECTIVE DATE. This division of this Act,
43 5 being deemed of immediate importance, takes effect on the
43 6 first day of the month that begins following enactment of this
43 7 Act.

43 8 EXPLANATION

43 9 This bill includes provisions relating to health care
43 10 including health care coverage and health care initiatives.
43 11 The bill makes appropriations from the health care improvement
43 12 fund, which is established under the bill. Moneys generated
43 13 from an increase in the tax on cigarettes and tobacco products
43 14 are deposited in the fund.

43 15 INTERIM COMMISSION ON AFFORDABLE HEALTH CARE PLANS FOR
43 16 SMALL BUSINESSES AND FAMILIES. The bill creates an interim
43 17 commission on affordable health care plans for small
43 18 businesses and families to review and analyze possible health
43 19 insurance reforms to make health care coverage more affordable
43 20 for small businesses and families in this state.

43 21 The commission consists of 16 members including 10 members
43 22 of the general assembly with three appointed by the majority
43 23 leader of the senate, two appointed by the minority leader of
43 24 the senate, three appointed by the speaker of the house of
43 25 representatives, and two appointed by the minority leader of
43 26 the house of representatives. The commission includes two
43 27 members representing the interests of consumers of health care
43 28 services appointed by the governor. The commission also
43 29 includes four additional members with two representing the

43 30 insurance industry, with one appointed by the majority leader
43 31 of the senate and the speaker of the house of representatives,
43 32 and two representing small business associations, appointed in
43 33 the same manner.

43 34 The commission also includes the following nonvoting, ex
43 35 officio members: the commissioner of insurance or the
44 1 commissioner's designee, the director of public health or the
44 2 director's designee, the director of human services or the
44 3 director's designee, a representative of the independent
44 4 insurance agents of Iowa, a representative of the national
44 5 federation of independent business, a representative of the
44 6 federation of Iowa insurers, a representative of the health
44 7 insurer with the largest enrollment of covered lives in the
44 8 state, a representative of the Iowa collaborative safety net
44 9 providers network, a representative of the university of Iowa
44 10 hospitals and clinics, a representative of Broadlawns medical
44 11 center, a representative of the Iowa hospital association, a
44 12 representative of the Iowa medical society, a representative
44 13 of the Iowa chiropractic society, a representative of the Iowa
44 14 osteopathic medical association, a representative of the Iowa
44 15 dental association, a representative of the Iowa nurses
44 16 association, a representative of the service employees
44 17 international union, and a representative of the Iowa public
44 18 health association.

44 19 Legislative members of the commission are eligible for per
44 20 diem and reimbursement of actual expenses as provided in Code
44 21 section 2.10. Other members of the commission are eligible
44 22 for reimbursement for their travel and other necessary
44 23 expenses incurred in performing their official duties.

44 24 The commission is required to review and analyze possible
44 25 reforms to make health insurance more affordable for small
44 26 businesses and families including but not limited to
44 27 establishing an Iowa small business insurance authority;
44 28 establishing an office of insurance consumer advocate to
44 29 assist and represent consumers; allowing the issuance of
44 30 association group health care plans that provide health
44 31 insurance plans to members of bona fide associations;
44 32 requiring health insurance plans to provide coverage and

44 33 incentives for participation in wellness and chronic disease
44 34 management programs; requiring health insurance plans to offer
44 35 coverage to the children of a member up to the age of 23 or
45 1 when the child marries, whichever occurs first; requiring all
45 2 residents of the state to have health insurance coverage and
45 3 subsidizing participation in government health insurance
45 4 programs or private health insurance plans for low-income
45 5 Iowans; requiring all employers to provide, at a minimum,
45 6 catastrophic health insurance coverage for all employees;
45 7 establishing a statewide prescription drug program for seniors
45 8 to address problems with Medicare Part D; and enhancing
45 9 efforts to promote public health initiatives such as tobacco
45 10 use cessation, nutrition education, physical fitness, and
45 11 general health education for disease prevention and
45 12 identification.

45 13 The commission is authorized to hold public hearings and
45 14 request information from state agencies and officers and to
45 15 employ staff and consultants as necessary to assist it in
45 16 performing its charge.

45 17 The commission is required to submit a final report to the
45 18 general assembly no later than December 1, 2007, summarizing
45 19 the commission's activities, analyzing the issues studied,
45 20 making recommendations for legislative reforms that will make
45 21 health insurance more affordable for small businesses and
45 22 families, and including any other information that the
45 23 commission deems relevant and necessary.

45 24 The bill creates a health care data research advisory
45 25 council for the purpose of assisting the commission in
45 26 carrying out the commission's duties by conducting research,
45 27 providing research data and analysis, and performing other
45 28 functions within the expertise of members of the council at
45 29 the direction of the commission.

45 30 The bill specifies that the health care data research
45 31 advisory council shall include the following members: a
45 32 representative of the university of Iowa college of medicine,
45 33 a representative of the university of Iowa college of
45 34 dentistry, a representative of the university of Iowa college
45 35 of pharmacy, a representative of the university of Iowa

46 1 college of nursing, a representative of the university of Iowa
46 2 college of public health, a representative of Des Moines
46 3 university == osteopathic medical center, a representative of
46 4 Drake university college of pharmacy, and a representative of
46 5 Mercy college of health sciences.

46 6 The bill provides that members of the council shall be
46 7 reimbursed for their expenses incurred in carrying out the
46 8 duties of the council and their travel and other necessary
46 9 expenses incurred in performing their official duties.

46 10 The bill appropriates \$500,000 to the commission for the
46 11 2007=2008 fiscal year to carry out its duties and the duties
46 12 of the health care data research advisory council as set forth
46 13 in the bill.

46 14 MEDICAL ASSISTANCE == PARENTS OF ELIGIBLE CHILDREN. The
46 15 bill expands eligibility for the medical assistance (Medicaid)
46 16 program to parents whose children are eligible for medical
46 17 assistance and whose family incomes are at or below 100
46 18 percent of the federal poverty level. The bill includes an
46 19 appropriation to cover the cost of the expansion.

46 20 The bill provides medically necessary pharmaceutical
46 21 benefits under the IowaCare program and eliminates the premium
46 22 requirement for IowaCare members with family incomes equal to
46 23 or less than 50 percent of the federal poverty level. The
46 24 bill adds the use of bright futures for infants, children, and
46 25 adolescents program as a benefit for hawk=i recipients. The
46 26 bill also directs the director of human services to
46 27 aggressively pursue options for expanding the provider network
46 28 under the IowaCare program.

46 29 The bill provides an appropriation to fund various medical
46 30 assistance and IowaCare program provisions for the 2007=2008
46 31 fiscal year and provides for establishment by the department
46 32 of human services of a dental home for children. A "dental
46 33 home" is defined as a service delivery framework that consists
46 34 of a dentist, supported by a network of dental and nondental
46 35 public and private health care providers who provide
47 1 age=appropriate dental disease preventive and care
47 2 coordination services which may include but are not limited to
47 3 screenings, preventive therapies, education, and referrals for

47 4 dental treatment by a dentist. The bill also provides
47 5 appropriations for the various aspects of the dental home
47 6 program.

47 7 DENTAL RECRUITMENT INITIATIVE. The bill establishes a
47 8 dentist recruitment initiative to be administered by the
47 9 college student aid commission for the university of Iowa
47 10 college of dentistry. The initiative consists of a loan
47 11 forgiveness program for students who agree to practice in
47 12 underserved areas upon graduation and a rural community loan
47 13 repayment program for dentists who agree to serve in eligible
47 14 rural communities. The bill appropriates funding to the
47 15 college student aid commission for the 2007=2008 fiscal year
47 16 for the forgivable loan programs. An eligible rural community
47 17 is a rural community underserved by dentists that agrees to
47 18 match state funds provided for the dentist's loans on at least
47 19 a \$1=for=\$1 basis.

47 20 From funds appropriated for the forgivable loan program for
47 21 dentists by the general assembly, the commission must pay a
47 22 fee to the university of Iowa college of dentistry for
47 23 administration of the program based upon the number of dental
47 24 students and dentists recruited.

47 25 Students are eligible for the loan forgiveness program if
47 26 they are residents of Iowa, are enrolled on a full-time basis
47 27 at the university of Iowa college of dentistry, and agree to
47 28 practice dentistry in an area underserved by dentists for a
47 29 period of time to be determined by the commission at the time
47 30 the loan is awarded.

47 31 A dentist who graduated from the university of Iowa college
47 32 of dentistry is eligible for the rural community loan
47 33 repayment program if the dentist agrees to practice in an
47 34 eligible rural community in this state for a time agreed to by
47 35 the dentist and the commission.

48 1 The dentist recruitment revolving fund is created in the
48 2 state treasury as a separate fund under the control of the
48 3 commission. Moneys in the fund derive from payments made by
48 4 dentist recruitment initiative recipients and the proceeds
48 5 from the provision of loans. Moneys in the fund must be used
48 6 to supplement moneys appropriated for the dentist recruitment

48 7 initiative, for loan forgiveness to eligible dentists, and to
48 8 pay for loan or interest repayment defaults by eligible
48 9 dentists. Moneys in the fund do not revert to the general
48 10 fund and interest or earnings on moneys in the fund are
48 11 credited to the fund.

48 12 DENTAL HYGIENIST RECRUITMENT INITIATIVE. The bill
48 13 establishes a dental hygienist recruitment initiative to be
48 14 administered by the college student aid commission. The
48 15 initiative consists of a loan forgiveness program for students
48 16 who agree to practice in underserved areas upon graduation and
48 17 a rural community loan repayment program for dental hygienists
48 18 who agree to serve in eligible rural communities. An eligible
48 19 rural community is a rural community underserved by dental
48 20 hygienists that agrees to match state funds provided for a
48 21 dental hygienist's loans on at least a \$1-for-\$1 basis.

48 22 From funds appropriated for the program by the general
48 23 assembly, the commission must pay a fee to the institution for
48 24 administration of the program.

48 25 Students are eligible for the loan forgiveness program if
48 26 they are residents of Iowa; are enrolled on a full-time or
48 27 part-time basis at a college, university, or institution of
48 28 higher education in this state with an accredited program for
48 29 dental hygiene, and agree to practice in an area underserved
48 30 by dental hygienists for a period of time to be determined by
48 31 the commission at the time the loan is awarded.

48 32 A dental hygienist who graduated from a college,
48 33 university, or institution of higher education with an
48 34 accredited program of dental hygiene in the state is eligible
48 35 for the rural community loan repayment program if the dental
49 1 hygienist agrees to practice in an eligible rural community in
49 2 this state for a time agreed to by the dental hygienist and
49 3 the commission.

49 4 The dental hygienist recruitment revolving fund is created
49 5 in the state treasury as a separate fund under the control of
49 6 the commission. Moneys in the fund derive from payments made
49 7 by dental hygienist recruitment initiative recipients and the
49 8 proceeds from the provision of loans. Moneys in the fund must
49 9 be used to supplement moneys appropriated for the dental

49 10 hygienist recruitment initiative, for loan forgiveness to
49 11 eligible dental hygienists, and to pay for loan or interest
49 12 repayment defaults by eligible dental hygienists. Moneys in
49 13 the fund do not revert to the general fund and interest or
49 14 earnings on moneys in the fund are credited to the fund.

49 15 PRESCRIPTION DRUG RETAIL PRICE DISCLOSURE INTERNET SITE.
49 16 The bill directs the department of public health to create and
49 17 operate a prescription drug retail price disclosure internet
49 18 site accessible by the general public to educate consumers
49 19 about the price of prescription drugs. The retail price
49 20 information provided is required to include information from
49 21 the prescription drug retail price disclosure lists reported
49 22 to the department by retail pharmacies and is also required to
49 23 provide linkages to price comparison internet sites approved
49 24 by the board of pharmacy examiners that compare retail prices
49 25 of online national and international pharmacies. The
49 26 prescription drug retail price disclosure list is required to
49 27 be prepared by the board of pharmacy examiners on an annual
49 28 basis and is required to consist of the 150 most frequently
49 29 prescribed drugs together with their usual dosages. The board
49 30 is required to make the list available to each pharmacy in
49 31 both printed and electronic formats. Each pharmacy is to
49 32 compile a prescription drug retail price disclosure list which
49 33 contains the names of the prescription drugs on the list
49 34 provided by the board and the pharmacy's corresponding current
49 35 usual and customary retail prices for each prescription drug.
50 1 A pharmacy is directed to update the list on at least a weekly
50 2 basis and is required to provide the list to any person upon
50 3 request. The pharmacy is also required to report to the
50 4 department of public health on a weekly basis and in a form
50 5 and manner established by the department, the information
50 6 included on the list. Pharmacies are directed to post a sign
50 7 in a conspicuous location to inform consumers of the
50 8 availability of the list.

50 9 PERSONAL NEEDS ALLOWANCE. The bill provides for an
50 10 increase in the personal needs allowance, in addition to
50 11 residents of nursing facilities, for residents of intermediate
50 12 care facilities for persons with mental illness, intermediate

50 13 care facilities for persons with mental retardation, and
50 14 psychiatric medical institutions for children to \$50 per
50 15 month. This provision takes effect upon enactment and is
50 16 retroactively applicable to July 1, 2006.

50 17 ASSISTED LIVING PROGRAMS PROPERTY TAXATION. The bill
50 18 provides that the land and buildings of assisted living
50 19 programs subject to property taxation shall be assessed as
50 20 residential property. This provision takes effect upon
50 21 enactment and applies retroactively to January 1, 2007, for
50 22 assessment years beginning on or after that date.

50 23 WAIVER WAITING LISTS. The bill provides an appropriation
50 24 to eliminate the home and community-based waiver waiting lists
50 25 under the medical assistance program.

50 26 MENTAL HEALTH COVERAGE. The bill amends Code section
50 27 135H.3 to provide that a child who is diagnosed with a mental
50 28 health condition, as defined in new Code section 514C.22A, and
50 29 meets the medical assistance program criteria for admission to
50 30 a psychiatric medical institution for children is deemed to
50 31 meet the acuity criteria for specified third-party payment of
50 32 inpatient benefits.

50 33 The bill creates new Code section 514C.22A and provides
50 34 that a policy or contract providing for third-party payment or
50 35 prepayment of health or medical expenses, delivered,
51 1 continued, or renewed in this state on or after January 1,
51 2 2008, must provide coverage benefits for mental health
51 3 conditions based on rates, terms, and conditions which are no
51 4 more restrictive than the rates, terms, and conditions
51 5 associated with coverage benefits provided for other
51 6 conditions under the policy or contract. Mental health
51 7 conditions are defined to mean any of the following:
51 8 schizophrenia and other psychotic disorders; bipolar
51 9 disorders; major depressive disorders; schizo-affective
51 10 disorders; anxiety disorders, including post-traumatic stress
51 11 disorders and obsessive-compulsive disorders; pervasive
51 12 developmental disorders, including autistic disorders; alcohol
51 13 or substance abuse; and eating disorders, including but not
51 14 limited to bulimia nervosa and anorexia nervosa.

51 15 Employers with 25 or fewer employees are expressly exempted

51 16 from the requirements of the bill.

51 17 The bill directs the insurance commissioner to establish by
51 18 rule the definitions of the mental health conditions
51 19 identified. The definitions established by the commissioner
51 20 are to be consistent with definitions provided in the most
51 21 recent edition of the American psychiatric association's
51 22 diagnostic and statistical manual of mental disorders, as such
51 23 definitions may be amended from time to time. The
51 24 commissioner may adopt the definitions provided in such manual
51 25 by reference.

51 26 The bill also requires the insurance commissioner to adopt
51 27 rules to administer this section, after consultation with the
51 28 new mental health insurance advisory committee, whose members
51 29 are appointed by the commissioner from business, consumer, and
51 30 health groups.

51 31 Code section 514C.22, which currently mandates coverage for
51 32 certain mental health conditions, is repealed effective
51 33 January 1, 2008. Code section 514C.22 does not mandate
51 34 coverage for mental health conditions arising from alcohol or
51 35 substance abuse or from eating disorders and does not apply to
52 1 employers with 50 or fewer employees.

52 2 HEALTH CARE SERVICES REPORTING. The bill requires
52 3 individuals who are the recipients of health care services in
52 4 a hospital and are uninsured to disclose the identity of their
52 5 employer, whether the employment is full-time or part-time,
52 6 and the number of hours worked per week. If the recipient of
52 7 health care benefits is not employed, the individual is
52 8 required to identify the employer of any adult who is
52 9 responsible for providing support to the recipient. The bill
52 10 also requires that an applicant for the medical assistance
52 11 program, the IowaCare program, or the hawk=i program disclose
52 12 the identity of the employer of the applicant or the adult who
52 13 is responsible for support of the applicant, whether the
52 14 employment is full-time or part-time, and the number of hours
52 15 worked per week. The required provision of information is to
52 16 begin January 1, 2008.

52 17 The bill provides that on or before January 1, 2008, and on
52 18 or before January 1, annually thereafter, each hospital is

52 19 required to compile the information submitted by individuals
52 20 regarding employers and submit a report of this information to
52 21 the department of human services. Additionally, on or before
52 22 January 1, 2008, and on or before January 1, annually
52 23 thereafter, the information submitted by applicants for
52 24 medical assistance, the IowaCare program, or the hawk=i
52 25 program regarding employers is to be compiled by the
52 26 department of human services.

52 27 The bill then provides that beginning January 15, 2008, and
52 28 January 15, annually thereafter, the department of human
52 29 services is to submit a report to the governor and the general
52 30 assembly specifying all employers identified by hospitals or
52 31 the Medicaid, IowaCare, or hawk=i programs that, combined,
52 32 employ 25 or more proposed beneficiaries. The report is to
52 33 include the name of the employer, the location of the
52 34 employer, the total number of the employer's employees and
52 35 dependents of employees who are recipients or applicants, the
53 1 total number of the employer's employees who are recipients or
53 2 applicants who are employed full-time and part-time, and the
53 3 average number of hours worked per week. The report is also
53 4 to include the total cost to the state under the Medicaid,
53 5 hawk=i, and IowaCare programs attributable to the recipients
53 6 and applicants. The report is not to include the names of any
53 7 individual recipient or applicant and is also to comply with
53 8 all privacy standards established by state or federal law.
53 9 The bill also provides that the report is to be made available
53 10 to the public.

53 11 IOWA COLLABORATIVE SAFETY NET PROVIDER NETWORK. The bill
53 12 codifies the Iowa collaborative safety net provider network
53 13 that was previously only referred to in session law. The
53 14 network includes community health centers, rural health
53 15 clinics, free clinics, maternal and child health programs,
53 16 local boards of health that provide direct services, family
53 17 planning council of Iowa contracting agencies, and other
53 18 safety net providers. The bill directs the network to develop
53 19 a pharmaceutical infrastructure for safety net providers and
53 20 appropriates funding for this purpose. The bill directs the
53 21 network to implement a specialty care initiative in three

53 22 communities in the state to determine various methods of
53 23 addressing the issue of specialty care access in underserved
53 24 areas. The bill appropriates funding for this purpose. The
53 25 bill directs the department of public health in cooperation
53 26 with the network to develop a recruitment program to recruit
53 27 primary care providers to both rural and urban areas and
53 28 appropriates funding for this purpose. The bill includes an
53 29 appropriation for continuation of data collection by the
53 30 network, appropriations for network provider awards, an
53 31 appropriation for continuation of the community health centers
53 32 incubator grant program, and an appropriation for coordination
53 33 of the network.

53 34 CHILDREN'S HEALTHY DEVELOPMENT INITIATIVE. The bill
53 35 creates a children's healthy development initiative to build
54 1 on evidence-based practices and the state's experience with
54 2 ensuring better child development and to expand primary,
54 3 preventive, and developmental health services for children
54 4 that improve children's healthy development. The initiative
54 5 includes enhanced health practitioner use of developmental
54 6 screening and surveillance, screening for maternal depression,
54 7 nutrition counseling to prevent obesity, the department of
54 8 public health recommendations of the comprehensive statewide
54 9 obesity prevention plan, and other forms of anticipatory
54 10 guidance to improve children's healthy physical and mental
54 11 development. The initiative also includes improved referrals
54 12 and follow-up services and provides improved linkages with the
54 13 other community-based services that improve children's healthy
54 14 development, school readiness, and educational success. The
54 15 bill establishes a children's healthy development commission
54 16 to provide oversight and coordinate the activities of the
54 17 children's healthy development initiative. The bill also
54 18 includes an appropriation to the department of education for
54 19 the early ACCESS program, and an appropriation to the
54 20 department of education for deposit in the school ready
54 21 children grants account of the Iowa empowerment fund for early
54 22 care, health, and education program grants.

54 23 The bill makes an appropriation to the department of public
54 24 health for the access to baby and child dentistry program, to

54 25 the department of education for the early ACCESS program, and
54 26 to the department of education for demonstration grants that
54 27 enhance dissemination of effective practices in the field of
54 28 primary health care, including but not limited to
54 29 developmental surveillance, nutrition counseling and
54 30 anticipatory guidance to prevent obesity, and early
54 31 preliteracy.

54 32 HEALTH CARE PROVIDER ACCESS. The bill allows that in
54 33 computing net income, an individual taxpayer who is a health
54 34 care provider may subtract the difference between the amount
54 35 normally charged and the reimbursement rate for each health
55 1 care service provided which is reimbursed under the medical
55 2 assistance program, the hawk=i program, or the Medicare
55 3 program, or if the health care provided is uncompensated, may
55 4 subtract the actual cost to the health care provider for the
55 5 uncompensated health care service, but only if the provider's
55 6 gross income is reduced by at least 10 percent attributable to
55 7 uncompensated care, the provider maintains records of the
55 8 uncompensated care for auditing purposes and if the provider
55 9 later receives payment for all or part of the care, the
55 10 provider adjusts the amount excluded for the tax year for
55 11 which the payment is received. The bill defines "health care
55 12 provider" as any individual taxpayer who participates in the
55 13 medical assistance program, Medicare, or the hawk=i program as
55 14 a provider of health care services. The provision is
55 15 retroactively applicable to January 1, 2007, for tax years
55 16 beginning on or after that date.

55 17 The bill provides for an expedited registration process for
55 18 health care providers who apply to participate in the
55 19 volunteer health care provider program. The registration is
55 20 to be completed within 15 days of application by the health
55 21 care provider. Additionally, the bill provides that in
55 22 addition to the participating health care providers being
55 23 deemed employees of the state for the purposes of the state
55 24 tort claims Act, the participating health care provider is not
55 25 subject to payment of claims arising out of the free care
55 26 provided through the health care provider's own professional
55 27 liability insurance coverage.

55 28 HEALTH CARE IMPROVEMENT FUNDING. The bill relates to an
55 29 increase in the taxes imposed on cigarettes and tobacco
55 30 products and to the deposit of the revenue in a health care
55 31 improvement fund.

55 32 The bill provides for a tax on cigarettes of 6.8 cents per
55 33 cigarette. The effect of the bill is to increase the tax on a
55 34 pack of cigarettes from 36 cents to \$1.36 per pack.

55 35 The bill also provides for an increase in the tax on
56 1 tobacco products from 22 percent of the wholesale sales price
56 2 for distributors and 22 percent of the cost of tobacco
56 3 products for the use of or storage by consumers of tobacco
56 4 products, to 55 percent of the wholesale sales price or the
56 5 cost.

56 6 The bill also provides for payment of the inventory tax by
56 7 all persons required to obtain a permit as a distributor of
56 8 cigarettes or to be licensed as a distributor or subjobber of
56 9 tobacco products who have in their possession and hold for
56 10 resale on the effective date of an increase in the tax rate,
56 11 cigarettes, little cigars, or tobacco products upon which the
56 12 tax has been paid, unused cigarette tax stamps which have been
56 13 paid for, or unused metered imprints which have been paid for.
56 14 The inventory tax also applies to consumers who have for use
56 15 or storage on the effective date of the increase in the tax
56 16 rate, tobacco products upon which the tax has already been
56 17 paid and to consumers who have acquired title to or possession
56 18 of tobacco products for storage in this state upon which the
56 19 tobacco tax has not been paid.

56 20 The revenue generated from the cigarette and tobacco
56 21 products taxes are to be deposited in the health care
56 22 improvement fund created in the bill.

56 23 The cigarette and tobacco product increases in the bill
56 24 take effect on the first day of the month that begins
56 25 following enactment of the bill.

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