

Iowa Law on County Mental Health and Disabilities Services Fund Levies, Per Capita Equalization, and Medicaid Offset (Clawback) Amounts (Iowa Code 2014)

331.424A County mental health and disabilities services fund.

1. For the purposes of this chapter and chapter 426B, unless the context otherwise requires:
  - a. "Base year expenditures for mental health and disabilities services" means the same as defined in section 331.438, Code Supplement 2011, minus the amount the county received from the property tax relief fund pursuant to section 426B.1, Code 2011, for the fiscal year beginning July 1, 2008.
  - b. "County population expenditure target amount" means the product of the statewide per capita expenditure target amount multiplied by a county's general population.
  - c. "County services fund" means a county mental health and disabilities services fund created pursuant to this section.
  - d. "Per capita growth amount" means the amount by which the statewide per capita expenditure target amount may grow from one year to the next.
  - e. "Statewide per capita expenditure target amount" means the dollar amount of a statewide expenditure target per person as established by statute.
2. The county finance committee created in section 333A.2 shall consult with the department of human services and the department of management in adopting rules and prescribing forms for administering the county services funds.
3. County revenues from taxes and other sources designated by a county for mental health and disabilities services shall be credited to the county mental health and disabilities services fund which shall be created by the county. The board shall make appropriations from the fund for payment of services provided under the regional service system management plan approved pursuant to section 331.393. The county may pay for the services in cooperation with other counties by pooling appropriations from the county services fund with appropriations from the county services fund of other counties through the county's regional administrator, or through another arrangement specified in the regional governance agreement entered into by the county under section 331.392.
4. Receipts from the state or federal government for the mental health and disability services administered or paid for by a county shall be credited to the county services fund, including moneys distributed to the county from the department of human services and moneys allocated under chapter 426B.
5. For each fiscal year, the county shall certify a levy for payment of services. For each fiscal year, county revenues from taxes imposed by the county credited to the services fund shall not exceed an amount equal to the amount of base year expenditures for mental health and disability services. A levy certified under this section is not subject to the appeal provisions of section 331.426 or to any other provision in law authorizing a county to exceed, increase, or appeal a property tax levy limit.
6. Appropriations specifically authorized to be made from the mental health and disabilities services fund shall not be made from any other fund of the county.
7. Notwithstanding subsection 5, for the fiscal years beginning July 1, 2013, and July 1, 2014, county revenues from taxes levied by the county and credited to the county services fund shall not exceed the lower of the following amounts:
  - a. The amount of the county's base year expenditures for mental health and disabilities services.
  - b. The amount equal to the product of the statewide per capita expenditure target for the fiscal year beginning July 1, 2013, multiplied by the county's general population for the same fiscal year.

426B.3 Per capita funding — repayment of Medicaid offset amount.

1. For the fiscal years beginning July 1, 2013, and July 1, 2014, the state and county funding for the mental health and disability services administered or paid for by counties shall be provided based on a statewide per capita expenditure target amount computed in accordance with this section.
2. The statewide per capita expenditure target amount shall consist of the sum of the following:
  - a. A county base property tax equivalent to forty-seven dollars and twenty-eight cents per capita. Each per capita growth amount established by statute as provided in paragraph “b”, shall be added to this amount.
  - b. A per capita growth amount, which may be stated as a percentage of the prior fiscal year’s county base property tax per capita amount, as established by statute.
3. The per capita growth amount established by statute shall provide funding for increases in non-Medicaid expenditures from county services funds due to service costs, additional service populations, additional core service domains, and numbers of persons receiving services.
4.
  - a. For the fiscal years beginning July 1, 2013, and July 1, 2014, a county with a county population expenditure target amount that exceeds the amount of the county’s base year expenditures for mental health and disabilities services shall receive an equalization payment for the difference.
  - b. The equalization payments determined in accordance with this subsection shall be made by the department of human services for each fiscal year as provided in appropriations made from the property tax relief fund for this purpose. If the county is part of a region that has been approved by the department in accordance with section 331.389, to commence partial or full operations, the county’s equalization payment shall be remitted to the region or the county, as appropriate, for expenditure as approved by the region’s governing board or in accordance with the county’s service management plan, as appropriate. The payment for a county that has been approved by the department to operate as an individual county region shall be remitted to the county for expenditure as approved by the county board of supervisors. For the fiscal year beginning July 1, 2013, and succeeding fiscal years, the payment shall be remitted on or before December 31 only for those counties approved to operate as an individual county region or to be part of a region. Remittance of the payment for a county without such approval shall be deferred until such approval is granted.
5.
  - a. For the purposes of this subsection, “Medicaid offset amount” means the projected amount for a fiscal year that would have been paid from a county’s services fund for those services for persons eligible under the county’s approved service management plan that would be non-Medicaid services, but due to the persons’ enrollment in the Iowa health and wellness plan established under chapter 249N, those services are instead covered under chapter 249N.
  - b. For the fiscal year beginning July 1, 2013, and succeeding fiscal years, the department of human services shall calculate a Medicaid offset amount for each county for the fiscal year. The department shall adopt rules in consultation with the county finance committee specifying the information to be used in calculating a Medicaid offset amount. The information shall include but is not limited to identification of specific services and supports that would otherwise be payable by the county for persons eligible under a county’s approved service management plan but are instead paid by the Iowa health and wellness plan. The amount calculated for a county shall be subject to review by the auditor of that county or subject to independent audit. The Medicaid offset amounts calculated by the department for a county for a fiscal year are not official until certified by the director of human services and submitted to the governor and general assembly by October 15 immediately following the end of the fiscal year for which the offset amounts were calculated.
  - c. The Medicaid offset amounts certified for each county by the director of human services for the fiscal year beginning July 1, 2013, shall be annualized by doubling the amounts. For the fiscal year beginning July 1, 2014, a county shall repay the state from any equalization payment due the county for the fiscal year, eighty percent of the county’s annualized Medicaid offset amount for the fiscal year beginning July

1, 2013. To the extent a county's repayment obligation for the fiscal year beginning July 1, 2014, exceeds the amount of any equalization payment due the county for the fiscal year, the county shall, for the following fiscal year, reduce the dollar amount of the county's services fund levy by the amount of the excess.

d. For the fiscal year beginning July 1, 2015, and succeeding fiscal years, a county shall repay the state from any equalization payment due the county for the fiscal year, eighty percent of the county's Medicaid offset amount certified for the previous fiscal year. To the extent a county's repayment obligation for a fiscal year exceeds the amount of any equalization payment due the county for that fiscal year, the county shall, for the following fiscal year, reduce the dollar amount of the county's services fund levy by the amount of the excess.

e. A county's repayment pursuant to this subsection shall be remitted on or before January 1 of the fiscal year in which repayment is due and shall be credited to the property tax relief fund. Moneys credited to the property tax relief fund in accordance with this paragraph are subject to appropriation by the general assembly to support mental health and disability services administered by the regional system.

95 Acts, ch 206, §19; 97 Acts, ch 198, §6; 98 Acts, ch 1100, §60; 2012 Acts, ch 1019, §133; 2012 Acts, ch 1120, §137, 139, 140; 2013 Acts, ch 138, §180, 187; 2013 Acts, ch 140, §177, 186

Referred to in §426B.1, 426B.2

2012 amendment to this section takes effect July 1, 2013, and is applicable commencing with the budget and tax levy certification process for the fiscal year beginning July 1, 2013; 2012 Acts, ch 1120, §139, 140

Subsection 5 takes effect June 20, 2013, to be implemented effective January 1, 2014, contingent upon receipt of federal approval of medical assistance state plan amendment or waiver request; 2013 Acts, ch 138, §187

Section stricken and rewritten

## 2013 Iowa Acts, ch 140 (SF 446) Appropriation Provisions

### REDESIGN EQUALIZATION PAYMENT APPROPRIATION

#### Sec. 180. MENTAL HEALTH AND DISABILITY SERVICES — EQUALIZATION PAYMENTS TRANSFER AND APPROPRIATION.

1. There is transferred from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For deposit in the property tax relief fund created in section 426B.1, for distribution as provided in this section:

§       29,820,478

2. The moneys credited to the property tax relief fund in accordance with this section are appropriated to the department of human services for distribution of equalization payments for counties in the amounts specified in section 426B.3, subsection 4, as enacted by 2012 Iowa Acts, chapter 1120, section 137, for the fiscal year beginning July 1, 2013. If the county is part of a region that has been approved by the department in accordance with section 331.389, to commence partial or full operations, the county's equalization payment shall be remitted to the region for expenditure as approved by the region's governing board.

3. a. For the purposes of this subsection, "payment obligation" means an outstanding obligation for payment to the department of human services for the undisputed cost of services provided under the medical assistance program prior to July 1, 2012, or for the undisputed cost of non-Medicaid services provided prior to July 1, 2013.

b. Unless a county has entered into an agreement as provided in paragraph "c", if a county receiving an equalization payment under this section has a payment obligation, the county shall remit to the department any unpaid portion of the payment obligation prior to June 30, 2013, from moneys available to the county that meet federal match requirements for the medical assistance program and for the

child enrollment contingency fund under the federal Children's Health Insurance Program Reauthorization Act of 2009.

c. A county that has not paid the county's payment obligation in full as provided in paragraph "b" shall enter into an agreement with the department for remittance of any unpaid portion of the county's payment obligation. An agreement entered into under this lettered paragraph shall provide for remittance of any unpaid portion by the end of the fiscal year beginning July 1, 2013. The equalization payment for a county subject to this lettered paragraph shall be remitted as provided by the county's agreement with the department.

d. The equalization payment for a county that is not subject to paragraph "c" shall be remitted on or before July 15, 2013.

#### MEDICAID OBLIGATION COST SETTLEMENT

Sec. 181. COUNTY MEDICAL ASSISTANCE NONFEDERAL SHARE — COST SETTLEMENT. Any county obligation for payment to the department of human services of the nonfederal share of the cost of services provided under the medical assistance program prior to July 1, 2012, pursuant to sections 249A.12 and 249A.26, shall remain at the amount billed through the period ending June 30, 2013. The final monthly billings for the obligations shall be remitted to counties on or before August 1, 2013. Any adjustments to the final amounts billed for such services that occur on or after July 1, 2013, shall be applied to the appropriation made to the department of human services from the general fund of the state for the medical assistance program for the fiscal year beginning July 1, 2013.

#### STATE PAYMENT PROGRAM

Sec. 182. STATE PAYMENT PROGRAM REMITTANCE. The moneys transferred to the property tax relief fund for the fiscal year beginning July 1, 2013, from the federal social services block grant pursuant to 2013 Iowa Acts, House File 614,61 or any other 2013 Iowa Acts, if enacted, and from the federal temporary assistance for needy families block grant, totaling at least \$11,774,275, are appropriated to the department of human services for the fiscal year beginning July 1, 2013, to be used for distribution of state payment program remittances to counties for the fiscal year in accordance with this section. The state payment program remittance shall be an amount equal to the amount paid to a county of residence under the program for state case services known as the state payment program, implemented pursuant to section 331.440, subsection 5, during the most recently available twelve-month period. The department shall draw upon the appropriation made from the general fund of the state for the medical assistance program for the fiscal year as necessary for cash flow purposes in order to distribute the state payment program remittances to counties on or before July 15, 2013, and to distribute at least the amount specified in this section. \* *If the procedure for reduced federal funds specified in 2013 Iowa Acts, House File 614, or any other 2013 Iowa Acts, if enacted, reduces the amount of block grant funding available for the purposes of this section, the amount drawn from the medical assistance appropriation shall be increased to replace the amount of the reduction.* \*<sup>1</sup>

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<sup>1</sup> Text between asterisks was item-vetoed by the Governor