

**CHAPTER 1169**  
**PATIENT COSTS AT MENTAL HEALTH FACILITIES**  
*H.F. 2424*

**AN ACT** relating to the computation of the average daily patient costs at the state mental health institutes and hospital-schools.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 222.73, Code 1985, is amended by striking the section and inserting in lieu thereof the following:

**222.73 BILLING OF PATIENT CHARGES — COMPUTATION OF ACTUAL COSTS — COST SETTLEMENT.**

1. The superintendent of each hospital-school and special unit shall compute by February 1 the average daily patient charge and outpatient treatment charges for which each county will be billed for services provided to patients chargeable to the county during the fiscal year beginning the following July 1. The department shall certify the amount of the charges to the state comptroller and notify the counties of the billing charges.

a. The superintendent shall compute the average daily patient charge for a hospital-school or special unit for services provided in the following fiscal year, in accordance with generally accepted accounting procedures, by totaling the expenditures of the hospital-school or special unit for the immediately preceding calendar year, by adjusting the expenditures by a percentage not to exceed the percentage increase in the consumer price index for all urban consumers for the immediately preceding calendar year, and by dividing the adjusted expenditures by the total inpatient days of service provided during the immediately preceding calendar year.

b. The department shall compute the outpatient treatment charges, in accordance with generally accepted accounting procedures, on the basis of the actual cost of the outpatient treatment provided during the immediately preceding calendar year.

2. The superintendent shall certify to the state comptroller the billings to each county for services provided to patients chargeable to the county during the preceding calendar quarter. The county billings shall be based on the average daily patient charge and outpatient treatment charges computed pursuant to subsection 1, and the number of inpatient days and outpatient treatment service units chargeable to the county. The county billing for a patient shall be reduced by an amount received for the patient's care from any source other than state appropriated funds.

3. The superintendent shall compute in January the actual per-patient-per-day cost for each hospital-school or special unit for the immediately preceding calendar year, in accordance with generally accepted accounting procedures, by totaling the actual expenditures of the hospital-school or special unit for the calendar year and by dividing the total actual expenditures by the total inpatient days of service provided during the calendar year.

4. The department shall certify to the state comptroller and the counties by February 1 the actual per-patient-per-day costs, as computed pursuant to subsection 3, and the actual costs owed by each county for the immediately preceding calendar year for patients chargeable to the county. If the actual costs owed by the county are greater than the charges billed to the county pursuant to subsection 2, the state comptroller shall bill the county for the difference with the billing for the quarter ending June 30. If the actual costs owed by the county are less than the charges billed to the county pursuant to subsection 2, the state comptroller shall credit the county for the difference starting with the billing for the quarter ending June 30.

Sec. 2. Section 230.20, Code 1985, is amended by striking the section and inserting in lieu thereof the following:

**230.20 BILLING OF PATIENT CHARGES – COMPUTATION OF ACTUAL COSTS – COST SETTLEMENT.**

1. The superintendent of each mental health institute shall compute by February 1 the average daily patient charges and other service charges for which each county will be billed for services provided to patients chargeable to the county during the fiscal year beginning the following July 1. The department shall certify the amount of the charges to the state comptroller and notify the counties of the billing charges.

a. The superintendent shall separately compute by program the average daily patient charge for a mental health institute for services provided in the following fiscal year, in accordance with generally accepted accounting procedures, by totaling the expenditures of the program for the immediately preceding calendar year, by adjusting the expenditures by a percentage not to exceed the percentage increase in the consumer price index for all urban consumers for the immediately preceding calendar year, and by dividing the adjusted expenditures by the total inpatient days of service provided in the program during the immediately preceding calendar year. However, the superintendent shall not include the following in the computation of the average daily patient charge:

(1) The costs of food, lodging, and other maintenance provided to persons not patients of the hospital.

(2) The costs of certain direct medical services identified in administrative rule, which may include but need not be limited to X-ray, laboratory, and dental services.

(3) The costs of outpatient and state placement services.

b. The department shall compute the direct medical services, outpatient, and state placement services charges, in accordance with generally accepted accounting procedures, on the basis of the actual cost of the services provided during the immediately preceding calendar year. The direct medical services, outpatient, and state placement services shall be billed directly against the patient who received the services.

2. The superintendent shall certify to the state comptroller the billings to each county for services provided to patients chargeable to the county during the preceding calendar quarter. The county billings shall be based on the average daily patient charge and other service charges computed pursuant to subsection 1, and the number of inpatient days and other service units chargeable to the county.

3. The superintendent shall compute in January the actual per-patient-per-day cost for each mental health institute for the immediately preceding calendar year, in accordance with generally accepted accounting procedures, by totaling the actual expenditures of the mental health institute for the calendar year and by dividing the total actual expenditures by the total inpatient days of service provided during the calendar year.

4. The department shall certify to the state comptroller and the counties by February 1 the actual per-patient-per-day costs, as computed pursuant to subsection 3, and the actual costs owed by each county for the immediately preceding calendar year for patients chargeable to the county. If the actual costs owed by the county are greater than the charges billed to the county pursuant to subsection 2, the state comptroller shall bill the county for the difference with the billing for the quarter ending June 30. If the actual costs owed by the county are less than the charges billed to the county pursuant to subsection 2, the state comptroller shall credit the county for the difference starting with the billing for the quarter ending June 30.

5. An individual statement shall be prepared for a patient on or before the fifteenth day of the month following the month in which the patient leaves the mental health institute, and a general statement shall be prepared at least quarterly for each county to which charges are made under this section. Except as otherwise required by sections 125.33 and 125.34 the general statement shall list the name of each patient chargeable to that county who was served by the mental health institute during the preceding month or calendar quarter and the amount due on account of each patient, and the county shall be billed for eighty percent of the stated charge for each patient specified in this subsection. The statement prepared for each

county shall be certified by the department to the state comptroller and a duplicate statement shall be mailed to the auditor of that county.

6. All or any reasonable portion of the charges incurred for services provided to a patient, to the most recent date for which the charges have been computed, may be paid at any time by the patient or by any other person on the patient's behalf. Any payment so made, and any federal financial assistance received pursuant to Title XVIII or XIX of the federal Social Security Act for services rendered to a patient, shall be credited against the patient's account and, if the charges so paid have previously been billed to a county, reflected in the mental health institute's next general statement to that county.

Sec. 3. This Act takes effect January 1, 1987.

Approved May 2, 1986

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**CHAPTER 1170**  
**BUSINESS LICENSE CENTER**  
*H.F. 392*

**AN ACT** related to the establishment of a business license center, an economic policy for small business and a data base of vendors to state agencies.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. The director of the Iowa development commission or the director's designee shall prepare and submit, by January 15, 1987, a report to the general assembly outlining the feasibility of and costs associated with establishing a one-stop business license center. The report shall include an examination of the following factors:

- (1) Identification of licenses which are needed to begin most types of businesses in the state.
- (2) Recommendations of procedures for establishing a system which would include a list of license requirements for major categories of business and industry, formulation of a schedule for implementing the long-range goals of a business license information center, and examination of the possibility of developing a master license system capable of providing common license renewal dates, and a system for the uniform registration of trade names in accordance with recommendations of the secretary of state and county recorders.

Sec. 2. The director of the Iowa development commission or the director's designee shall prepare and submit, by January 15, 1987, a report to the general assembly outlining the feasibility of and costs associated with establishing and developing a data base on vendors which shall be administered so that a vendor can be placed in the data base by submitting an application to the department or to the state board of regents, the department of transportation, or the commission for the blind, for the use of all agencies having purchasing authority.

Approved May 2, 1986