

CHAPTER 129

APPROPRIATIONS — HEALTH AND HUMAN SERVICES

H.F. 649

AN ACT relating to and making appropriations for health and human services and including other related provisions and appropriations, and including effective, retroactive, and applicability date provisions.

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

DIVISION I
DEPARTMENT ON AGING — FY 2011-2012

Section 1. DEPARTMENT ON AGING. There is appropriated from the general fund of the state to the department on aging for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For aging programs for the department on aging and area agencies on aging to provide citizens of Iowa who are 60 years of age and older with case management for frail elders, Iowa’s aging and disabilities resource center, and other services which may include but are not limited to adult day services, respite care, chore services, information and assistance, and material aid, for information and options counseling for persons with disabilities who are 18 years of age or older, and for salaries, support, administration, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:
..... \$ 10,302,577
..... FTEs 35.00

1. Funds appropriated in this section may be used to supplement federal funds under federal regulations. To receive funds appropriated in this section, a local area agency on aging shall match the funds with moneys from other sources according to rules adopted by the department. Funds appropriated in this section may be used for elderly services not specifically enumerated in this section only if approved by an area agency on aging for provision of the service within the area.

2. The amount appropriated in this section includes additional funding of \$450,000 for delivery of long-term care services to seniors with low or moderate incomes.

3. Of the funds appropriated in this section, \$179,946 shall be transferred to the department of economic development for the Iowa commission on volunteer services to be used for the retired and senior volunteer program.

4. a. The department on aging shall establish and enforce procedures relating to expenditure of state and federal funds by area agencies on aging that require compliance with both state and federal laws, rules, and regulations, including but not limited to all of the following:

(1) Requiring that expenditures are incurred only for goods or services received or performed prior to the end of the fiscal period designated for use of the funds.

(2) Prohibiting prepayment for goods or services not received or performed prior to the end of the fiscal period designated for use of the funds.

(3) Prohibiting the prepayment for goods or services not defined specifically by good or service, time period, or recipient.

(4) Prohibiting the establishment of accounts from which future goods or services which are not defined specifically by good or service, time period, or recipient, may be purchased.

b. The procedures shall provide that if any funds are expended in a manner that is not in compliance with the procedures and applicable federal and state laws, rules, and regulations, and are subsequently subject to repayment, the area agency on aging expending such funds in contravention of such procedures, laws, rules and regulations, not the state, shall be liable for such repayment.

DIVISION II
DEPARTMENT OF PUBLIC HEALTH — FY 2011-2012

Sec. 2. DEPARTMENT OF PUBLIC HEALTH. There is appropriated from the general fund of the state to the department of public health for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. ADDICTIVE DISORDERS

For reducing the prevalence of use of tobacco, alcohol, and other drugs, and treating individuals affected by addictive behaviors, including gambling, and for not more than the following full-time equivalent positions:

.....	\$	23,503,190
.....	FTEs	13.00

a. (1) Of the funds appropriated in this subsection, \$3,253,830 shall be used for the tobacco use prevention and control initiative, including efforts at the state and local levels, as provided in chapter 142A. The commission on tobacco use prevention and control established pursuant to section 142A.3 shall advise the director of public health in prioritizing funding needs and the allocation of moneys appropriated for the programs and activities of the initiative under this subparagraph (1) and shall make recommendations to the director in the development of budget requests relating to the initiative.

(2) Of the funds allocated in this paragraph “a”, \$453,830 shall be transferred to the alcoholic beverages division of the department of commerce for enforcement of tobacco laws, regulations, and ordinances in accordance with 2011 Iowa Acts, House File 467,¹ as enacted.

b. Of the funds appropriated in this subsection, \$20,249,360 shall be used for problem gambling and substance abuse prevention, treatment, and recovery services, including a 24-hour helpline, public information resources, professional training, and program evaluation.

(1) Of the funds allocated in this paragraph “b”, \$17,132,508 shall be used for substance abuse prevention and treatment.

(a) Of the funds allocated in this subparagraph (1), \$899,300 shall be used for the public purpose of a grant program to provide substance abuse prevention programming for children.

(i) Of the funds allocated in this subparagraph division (a), \$427,539 shall be used for grant funding for organizations that provide programming for children by utilizing mentors. Programs approved for such grants shall be certified or will be certified within six months of receiving the grant award by the Iowa commission on volunteer services as utilizing the standards for effective practice for mentoring programs.

(ii) Of the funds allocated in this subparagraph division (a), \$426,839 shall be used for grant funding for organizations that provide programming that includes youth development and leadership. The programs shall also be recognized as being programs that are scientifically based with evidence of their effectiveness in reducing substance abuse in children.

(iii) The department of public health shall utilize a request for proposals process to implement the grant program.

(iv) All grant recipients shall participate in a program evaluation as a requirement for receiving grant funds.

(v) Of the funds allocated in this subparagraph division (a), up to \$44,922 may be used to administer substance abuse prevention grants and for program evaluations.

(b) Of the funds allocated in this subparagraph (1), \$273,062 shall be used for culturally competent substance abuse treatment pilot projects.

(i) The department shall utilize the amount allocated in this subparagraph division (b) for at least three pilot projects to provide culturally competent substance abuse treatment in various areas of the state. Each pilot project shall target a particular ethnic minority population. The populations targeted shall include but are not limited to African American, Asian, and Latino.

¹ Chapter 63 herein

(ii) The pilot project requirements shall provide for documentation or other means to ensure access to the cultural competence approach used by a pilot project so that such approach can be replicated and improved upon in successor programs.

(2) Of the funds allocated in this paragraph “b”, up to \$3,116,852 may be used for problem gambling prevention, treatment, and recovery services.

(a) Of the funds allocated in this subparagraph (2), \$2,579,000 shall be used for problem gambling prevention and treatment.

(b) Of the funds allocated in this subparagraph (2), up to \$437,852 may be used for a 24-hour helpline, public information resources, professional training, and program evaluation.

(c) Of the funds allocated in this subparagraph (2), up to \$100,000 may be used for the licensing of problem gambling treatment programs.

(3) It is the intent of the general assembly that from the moneys allocated in this paragraph “b”, persons with a dual diagnosis of substance abuse and gambling addictions shall be given priority in treatment services.

c. Notwithstanding any provision of law to the contrary, to standardize the availability, delivery, cost of delivery, and accountability of problem gambling and substance abuse treatment services statewide, the department shall continue implementation of a process to create a system for delivery of treatment services in accordance with the requirements specified in 2008 Iowa Acts, chapter 1187, section 3, subsection 4. To ensure the system provides a continuum of treatment services that best meets the needs of Iowans, the problem gambling and substance abuse treatment services in any area may be provided either by a single agency or by separate agencies submitting a joint proposal.

(1) The system for delivery of substance abuse and problem gambling treatment shall include problem gambling prevention by July 1, 2012. The department shall submit a proposed legislative bill in accordance with section 2.16, for consideration during the 2012 legislative session, addressing any statutory revisions necessary for full implementation of the system.

(2) The system for delivery of substance abuse and problem gambling treatment shall include substance abuse prevention by July 1, 2014.

(3) Of the funds allocated in paragraph “b”, the department may use up to \$100,000 for administrative costs to continue developing and implementing the process in accordance with this paragraph “c”.

d. The requirement of section 123.53, subsection 5, is met by the appropriations and allocations made in this Act for purposes of substance abuse treatment and addictive disorders for the fiscal year beginning July 1, 2011.

e. The department of public health shall work with all other departments that fund substance abuse prevention and treatment services and all such departments shall, to the extent necessary, collectively meet the state maintenance of effort requirements for expenditures for substance abuse services as required under the federal substance abuse prevention and treatment block grant.

f. The department shall amend or otherwise revise departmental policies and contract provisions in order to eliminate free t-shirt distribution, banner production, and other unnecessary promotional expenditures.

2. HEALTHY CHILDREN AND FAMILIES

For promoting the optimum health status for children, adolescents from birth through 21 years of age, and families, and for not more than the following full-time equivalent positions:

.....	\$	2,594,270
.....	FTEs	10.00

a. Of the funds appropriated in this subsection, not more than \$739,318 shall be used for the healthy opportunities to experience success (HOPES)-healthy families Iowa (HFI) program established pursuant to section 135.106. The funding shall be distributed to renew the grants that were provided to the grantees that operated the program during the fiscal year ending June 30, 2011.

b. Of the funds appropriated in this subsection, \$329,885 shall be used to continue to address the healthy mental development of children from birth through five years of age

through local evidence-based strategies that engage both the public and private sectors in promoting healthy development, prevention, and treatment for children.

c. Of the funds appropriated in this subsection, \$31,597 shall be distributed to a statewide dental carrier to provide funds to continue the donated dental services program patterned after the projects developed by the dental lifeline network to provide dental services to indigent elderly and disabled individuals.

d. Of the funds appropriated in this subsection, \$112,677 shall be used for childhood obesity prevention.

e. Of the funds appropriated in this subsection, \$163,760 shall be used to provide audiological services and hearing aids for children. The department may enter into a contract to administer this paragraph.

3. CHRONIC CONDITIONS

For serving individuals identified as having chronic conditions or special health care needs, and for not more than the following full-time equivalent positions:

.....	\$	3,361,656
.....	FTEs	4.00

a. Of the funds appropriated in this subsection, \$160,582 shall be used for grants to individual patients who have phenylketonuria (PKU) to assist with the costs of necessary special foods.

b. Of the funds appropriated in this subsection, \$483,600 is allocated for continuation of the contracts for resource facilitator services in accordance with section 135.22B, subsection 9, and for brain injury training services and recruiting of service providers to increase the capacity within this state to address the needs of individuals with brain injuries and such individuals' families.

c. Of the funds appropriated in this subsection, \$498,874 shall be used as additional funding to leverage federal funding through the federal Ryan White Care Act, Tit. II, AIDS drug assistance program supplemental drug treatment grants.

d. Of the funds appropriated in this subsection, \$31,254 shall be used for the public purpose of providing a grant to an existing national-affiliated organization to provide education, client-centered programs, and client and family support for people living with epilepsy and their families.

e. Of the funds appropriated in this subsection, \$788,303 shall be used for child health specialty clinics.

f. Of the funds appropriated in this subsection, \$497,065 shall be used for the comprehensive cancer control program to reduce the burden of cancer in Iowa through prevention, early detection, effective treatment, and ensuring quality of life. Of the funds allocated in this lettered paragraph, \$150,000 shall be used to support a melanoma research symposium, a melanoma biorepository and registry, basic and translational melanoma research, and clinical trials.

g. Of the funds appropriated in this subsection, \$126,450 shall be used for cervical and colon cancer screening.

h. Of the funds appropriated in this subsection, \$528,834 shall be used for the center for congenital and inherited disorders.

i. Of the funds appropriated in this subsection, \$129,937 shall be used for the prescription drug donation repository program created in chapter 135M.

j. Of the funds appropriated in this subsection, \$12,500 shall be used for the purposes of the epilepsy treatment and education task force as specified in 2011 Iowa Acts, House File 322,² as enacted.

4. COMMUNITY CAPACITY

For strengthening the health care delivery system at the local level, and for not more than the following full-time equivalent positions:

.....	\$	4,235,166
.....	FTEs	14.00

² Chapter 60 herein

a. Of the funds appropriated in this subsection, \$100,000 is allocated for a child vision screening program implemented through the university of Iowa hospitals and clinics in collaboration with early childhood Iowa areas.

b. Of the funds appropriated in this subsection, \$111,308 is allocated for continuation of an initiative implemented at the university of Iowa and \$100,493 is allocated for continuation of an initiative at the state mental health institute at Cherokee to expand and improve the workforce engaged in mental health treatment and services. The initiatives shall receive input from the university of Iowa, the department of human services, the department of public health, and the mental health and disability services commission to address the focus of the initiatives.

c. Of the funds appropriated in this subsection, \$1,171,491 shall be used for essential public health services that promote healthy aging throughout the lifespan, contracted through a formula for local boards of health, to enhance health promotion and disease prevention services.

d. Of the funds appropriated in this section, \$121,817 shall be deposited in the governmental public health system fund created in section 135A.8 to be used for the purposes of the fund.

e. Of the funds appropriated in this subsection, \$144,542 shall be used for the mental health professional shortage area program implemented pursuant to section 135.80.

f. Of the funds appropriated in this subsection, \$38,263 shall be used for a grant to a statewide association of psychologists that is affiliated with the American psychological association to be used for continuation of a program to rotate intern psychologists in placements in urban and rural mental health professional shortage areas, as defined in section 135.80.

g. Of the funds appropriated in this subsection, the following amounts shall be allocated to the Iowa collaborative safety net provider network established pursuant to section 135.153 to be used for the purposes designated. The following amounts allocated under this lettered paragraph shall be distributed to the specified provider and shall not be reduced for administrative or other costs prior to distribution:

(1) For distribution to the Iowa primary care association for statewide coordination of the Iowa collaborative safety net provider network:

..... \$ 132,580

(2) For distribution to the local boards of health that provide direct services for pilot programs in three counties to assist patients in determining an appropriate medical home:

..... \$ 77,609

(3) For distribution to maternal and child health centers for pilot programs in three counties to assist patients in determining an appropriate medical home:

..... \$ 77,609

(4) For distribution to free clinics for necessary infrastructure, statewide coordination, provider recruitment, service delivery, and provision of assistance to patients in determining an appropriate medical home:

..... \$ 124,050

(5) For distribution to rural health clinics for necessary infrastructure, statewide coordination, provider recruitment, service delivery, and provision of assistance to patients in determining an appropriate medical home:

..... \$ 110,430

(6) For continuation of the safety net provider patient access to specialty health care initiative as described in 2007 Iowa Acts, chapter 218, section 109:

..... \$ 260,000

(7) For continuation of the pharmaceutical infrastructure for safety net providers as described in 2007 Iowa Acts, chapter 218, section 108:

..... \$ 270,000

The Iowa collaborative safety net provider network may continue to distribute funds allocated pursuant to this lettered paragraph through existing contracts or renewal of existing contracts.

h. (1) Of the funds appropriated in this subsection, \$149,000 shall be used for continued implementation of the recommendations of the direct care worker task force established

pursuant to 2005 Iowa Acts, chapter 88, based upon the report submitted to the governor and the general assembly in December 2006. The department may use a portion of the funds allocated in this lettered paragraph for an additional position to assist in the continued implementation.

(2) It is the intent of the general assembly that a board of direct care workers shall be established within the department of public health by July 1, 2014, contingent upon the availability of funds to establish and maintain the board.

(3) The direct care worker advisory council shall submit a final report no later than March 1, 2012, to the governor and the general assembly, in accordance with 2010 Iowa Acts, chapter 1192, section 2, subsection 4, paragraph “h”, subparagraph (3).

(4) The department of public health shall report to the persons designated in this Act for submission of reports regarding use of the funds allocated in this lettered paragraph, on or before January 15, 2012.

i. (1) Of the funds appropriated in this subsection, \$130,100 shall be used for allocation to an independent statewide direct care worker association under a contract with terms determined by the director of public health relating to education, outreach, leadership development, mentoring, and other initiatives intended to enhance the recruitment and retention of direct care workers in health care and long-term care settings.

(2) Of the funds appropriated in this subsection, \$58,000 shall be used to provide scholarships or other forms of subsidization for direct care worker educational conferences, training, or outreach activities.

j. Of the funds appropriated in this subsection, the department may use up to \$58,518 for up to one full-time equivalent position to administer the volunteer health care provider program pursuant to section 135.24.

k. Of the funds appropriated in this subsection, \$50,000 shall be used for a matching dental education loan repayment program to be allocated to a dental nonprofit health service corporation to develop the criteria and implement the loan repayment program.

5. HEALTHY AGING

To provide public health services that reduce risks and invest in promoting and protecting good health over the course of a lifetime with a priority given to older Iowans and vulnerable populations:

..... \$ 7,297,142

a. Of the funds appropriated in this subsection, \$2,009,187 shall be used for local public health nursing services.

b. Of the funds appropriated in this subsection, \$5,287,955 shall be used for home care aide services.

6. ENVIRONMENTAL HAZARDS

For reducing the public’s exposure to hazards in the environment, primarily chemical hazards, and for not more than the following full-time equivalent positions:

..... \$ 813,777

..... FTEs 4.00

Of the funds appropriated in this subsection, \$544,377 shall be used for childhood lead poisoning provisions.

7. INFECTIOUS DISEASES

For reducing the incidence and prevalence of communicable diseases, and for not more than the following full-time equivalent positions:

..... \$ 1,345,847

..... FTEs 4.00

8. PUBLIC PROTECTION

For protecting the health and safety of the public through establishing standards and enforcing regulations, and for not more than the following full-time equivalent positions:

..... \$ 2,776,232

..... FTEs 125.00

a. Of the funds appropriated in this subsection, not more than \$471,690 shall be credited to the emergency medical services fund created in section 135.25. Moneys in the emergency

* Item veto; see message at end of the Act

medical services fund are appropriated to the department to be used for the purposes of the fund.

b. Of the funds appropriated in this subsection, \$210,619 shall be used for sexual violence prevention programming through a statewide organization representing programs serving victims of sexual violence through the department’s sexual violence prevention program. The amount allocated in this lettered paragraph shall not be used to supplant funding administered for other sexual violence prevention or victims assistance programs.

c. Of the funds appropriated in this subsection, not more than \$436,582 shall be used for the state poison control center.

9. RESOURCE MANAGEMENT

For establishing and sustaining the overall ability of the department to deliver services to the public, and for not more than the following full-time equivalent positions:

.....	\$	819,554
.....	FTEs	7.00

The university of Iowa hospitals and clinics under the control of the state board of regents shall not receive indirect costs from the funds appropriated in this section. The university of Iowa hospitals and clinics billings to the department shall be on at least a quarterly basis.

DIVISION III
DEPARTMENT OF VETERANS AFFAIRS — FY 2011-2012

Sec. 3. DEPARTMENT OF VETERANS AFFAIRS. There is appropriated from the general fund of the state to the department of veterans affairs for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. DEPARTMENT OF VETERANS AFFAIRS ADMINISTRATION

For salaries, support, maintenance, and miscellaneous purposes, including the war orphans educational assistance fund created in section 35.8, and for not more than the following full-time equivalent positions:

.....	\$	998,832
.....	FTEs	16.34

2. IOWA VETERANS HOME

For salaries, support, maintenance, and miscellaneous purposes:

.....	\$	8,952,151
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a. The Iowa veterans home billings involving the department of human services shall be submitted to the department on at least a monthly basis.

b. If there is a change in the employer of employees providing services at the Iowa veterans home under a collective bargaining agreement, such employees and the agreement shall be continued by the successor employer as though there had not been a change in employer.

c. Within available resources and in conformance with associated state and federal program eligibility requirements, the Iowa veterans home may implement measures to provide financial assistance to or on behalf of veterans or their spouses participating in the community reentry program.

*d. *The Iowa veterans home expenditure report shall be submitted monthly to the legislative services agency.**

3. STATE EDUCATIONAL ASSISTANCE — CHILDREN OF DECEASED VETERANS

For provision of educational assistance pursuant to section 35.9:

.....	\$	12,416
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Sec. 4. LIMITATION OF COUNTY COMMISSION OF VETERANS AFFAIRS FUND STANDING APPROPRIATIONS. Notwithstanding the standing appropriation in the following designated section for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the amounts appropriated from the general fund of the state pursuant to that section for the following designated purposes shall not exceed the following amount:

For the county commissions of veterans affairs fund under section 35A.16:

* Item veto; see message at end of the Act

..... \$ 990,000

DIVISION IV
DEPARTMENT OF HUMAN SERVICES — FY 2011-2012

Sec. 5. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT. There is appropriated from the fund created in section 8.41 to the department of human services for the fiscal year beginning July 1, 2011, and ending June 30, 2012, from moneys received under the federal temporary assistance for needy families (TANF) block grant pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, and successor legislation, and from moneys received under the emergency contingency fund for temporary assistance for needy families state program established pursuant to the federal American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5 § 2101, and successor legislation, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. To be credited to the family investment program account and used for assistance under the family investment program under chapter 239B:

..... \$ 21,500,738

2. To be credited to the family investment program account and used for the job opportunities and basic skills (JOBS) program and implementing family investment agreements in accordance with chapter 239B:

..... \$ 12,411,528

3. To be used for the family development and self-sufficiency grant program in accordance with section 216A.107:

..... \$ 2,898,980

Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year. However, unless such moneys are encumbered or obligated on or before September 30, 2012, the moneys shall revert.

4. For field operations:

..... \$ 31,296,232

5. For general administration:

..... \$ 3,744,000

6. For state child care assistance:

..... \$ 16,382,687

The funds appropriated in this subsection shall be transferred to the child care and development block grant appropriation made by the Eighty-fourth General Assembly, 2011 Session, for the federal fiscal year beginning October 1, 2011, and ending September 30, 2012. Of this amount, \$200,000 shall be used for provision of educational opportunities to registered child care home providers in order to improve services and programs offered by this category of providers and to increase the number of providers. The department may contract with institutions of higher education or child care resource and referral centers to provide the educational opportunities. Allowable administrative costs under the contracts shall not exceed 5 percent. The application for a grant shall not exceed two pages in length.

7. For mental health and developmental disabilities community services:

..... \$ 4,894,052

8. For child and family services:

..... \$ 32,084,430

9. For child abuse prevention grants:

..... \$ 125,000

10. For pregnancy prevention grants on the condition that family planning services are funded:

..... \$ 1,930,067

Pregnancy prevention grants shall be awarded to programs in existence on or before July 1, 2011, if the programs have demonstrated positive outcomes. Grants shall be awarded to pregnancy prevention programs which are developed after July 1, 2011, if the programs are

based on existing models that have demonstrated positive outcomes. Grants shall comply with the requirements provided in 1997 Iowa Acts, chapter 208, section 14, subsections 1 and 2, including the requirement that grant programs must emphasize sexual abstinence. Priority in the awarding of grants shall be given to programs that serve areas of the state which demonstrate the highest percentage of unplanned pregnancies of females of childbearing age within the geographic area to be served by the grant.

11. For technology needs and other resources necessary to meet federal welfare reform reporting, tracking, and case management requirements:

..... \$ 1,037,186

12. To be credited to the state child care assistance appropriation made in this section to be used for funding of community-based early childhood programs targeted to children from birth through five years of age developed by early childhood Iowa areas as provided in section 256I.11:

..... \$ 6,350,000

The department shall transfer TANF block grant funding appropriated and allocated in this subsection to the child care and development block grant appropriation in accordance with federal law as necessary to comply with the provisions of this subsection.

13. a. Notwithstanding any provision to the contrary, including but not limited to requirements in section 8.41 or provisions in 2010 or 2011 Iowa Acts regarding the receipt and appropriation of federal block grants, federal funds from the emergency contingency fund for temporary assistance for needy families state program established pursuant to the federal American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5 § 2101, received by the state during the fiscal year beginning July 1, 2010, and ending June 30, 2011, not otherwise appropriated in this section and remaining available as of July 1, 2011, and received by the state during the fiscal year beginning July 1, 2011, and ending June 30, 2012, are appropriated to the extent as may be necessary to be used in the following priority order: the family investment program for the fiscal year and for state child care assistance program payments for individuals enrolled in the family investment program who are employed. The federal funds appropriated in this paragraph “a” shall be expended only after all other funds appropriated in subsection 1 for the assistance under the family investment program under chapter 239B have been expended.

b. The department shall, on a quarterly basis, advise the legislative services agency and department of management of the amount of funds appropriated in this subsection that was expended in the prior quarter.

14. Of the amounts appropriated in this section, \$12,962,008 for the fiscal year beginning July 1, 2011, shall be transferred to the appropriation of the federal social services block grant made for that fiscal year.

15. For continuation of the program allowing the department to maintain categorical eligibility for the food assistance program as required under the section of this division relating to the family investment account:

..... \$ 146,072

16. The department may transfer funds allocated in this section to the appropriations made in this division of this Act for general administration and field operations for resources necessary to implement and operate the services referred to in this section and those funded in the appropriation made in this division of this Act for the family investment program from the general fund of the state.

Sec. 6. FAMILY INVESTMENT PROGRAM ACCOUNT.

1. Moneys credited to the family investment program (FIP) account for the fiscal year beginning July 1, 2011, and ending June 30, 2012, shall be used to provide assistance in accordance with chapter 239B.

2. The department may use a portion of the moneys credited to the FIP account under this section as necessary for salaries, support, maintenance, and miscellaneous purposes.

3. The department may transfer funds allocated in this section to the appropriations in this Act for general administration and field operations for resources necessary to implement and operate the services referred to in this section and those funded in the appropriation made in this division of this Act for the family investment program from the general fund of the state.

4. Moneys appropriated in this division of this Act and credited to the FIP account for the fiscal year beginning July 1, 2011, and ending June 30, 2012, are allocated as follows:

a. To be retained by the department of human services to be used for coordinating with the department of human rights to more effectively serve participants in the FIP program and other shared clients and to meet federal reporting requirements under the federal temporary assistance for needy families block grant:

..... \$ 20,000

b. To the department of human rights for staffing, administration, and implementation of the family development and self-sufficiency grant program in accordance with section 216A.107:

..... \$ 5,342,834

(1) Of the funds allocated for the family development and self-sufficiency grant program in this lettered paragraph, not more than 5 percent of the funds shall be used for the administration of the grant program.

(2) The department of human rights may continue to implement the family development and self-sufficiency grant program statewide during fiscal year 2011-2012.

c. For the diversion subaccount of the FIP account:

..... \$ 1,698,400

A portion of the moneys allocated for the subaccount may be used for field operations salaries, data management system development, and implementation costs and support deemed necessary by the director of human services in order to administer the FIP diversion program.

d. For the food stamp employment and training program:

..... \$ 66,588

(1) The department shall amend the food stamp employment and training state plan in order to maximize to the fullest extent permitted by federal law the use of the 50-50 match provisions for the claiming of allowable federal matching funds from the United States department of agriculture pursuant to the federal food stamp employment and training program for providing education, employment, and training services for eligible food assistance program participants, including but not limited to related dependent care and transportation expenses.

(2) The department shall continue the categorical federal food assistance program eligibility at 160 percent of the federal poverty level and continue to eliminate the asset test from eligibility requirements, consistent with federal food assistance program requirements. The department shall include as many food assistance households as is allowed by federal law. The eligibility provisions shall conform to all federal requirements including requirements addressing individuals who are incarcerated or otherwise ineligible.

e. For the JOBS program:

..... \$ 20,235,905

5. Of the child support collections assigned under FIP, an amount equal to the federal share of support collections shall be credited to the child support recovery appropriation made in this division of this Act. Of the remainder of the assigned child support collections received by the child support recovery unit, a portion shall be credited to the FIP account, a portion may be used to increase recoveries, and a portion may be used to sustain cash flow in the child support payments account. If as a consequence of the appropriations and allocations made in this section the resulting amounts are insufficient to sustain cash assistance payments and meet federal maintenance of effort requirements, the department shall seek supplemental funding. If child support collections assigned under FIP are greater than estimated or are otherwise determined not to be required for maintenance of effort, the state share of either amount may be transferred to or retained in the child support payment account.

6. The department may adopt emergency rules for the family investment, JOBS, food stamp, and medical assistance programs if necessary to comply with federal requirements.

Sec. 7. FAMILY INVESTMENT PROGRAM GENERAL FUND. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

To be credited to the family investment program (FIP) account and used for family investment program assistance under chapter 239B:

..... \$ 50,171,027

1. Of the funds appropriated in this section, \$7,824,377 is allocated for the JOBS program.

2. Of the funds appropriated in this section, \$2,463,854 is allocated for the family development and self-sufficiency grant program.

3. Notwithstanding section 8.39, for the fiscal year beginning July 1, 2011, if necessary to meet federal maintenance of effort requirements or to transfer federal temporary assistance for needy families block grant funding to be used for purposes of the federal social services block grant or to meet cash flow needs resulting from delays in receiving federal funding or to implement, in accordance with this division of this Act, activities currently funded with juvenile court services, county, or community moneys and state moneys used in combination with such moneys, the department of human services may transfer funds within or between any of the appropriations made in this division of this Act and appropriations in law for the federal social services block grant to the department for the following purposes, provided that the combined amount of state and federal temporary assistance for needy families block grant funding for each appropriation remains the same before and after the transfer:

- a. For the family investment program.
- b. For child care assistance.
- c. For child and family services.
- d. For field operations.
- e. For general administration.
- f. MH/MR/DD/BI community services (local purchase).

This subsection shall not be construed to prohibit the use of existing state transfer authority for other purposes. The department shall report any transfers made pursuant to this subsection to the legislative services agency.

4. Of the funds appropriated in this section, \$195,678 shall be used for continuation of a grant to an Iowa-based nonprofit organization with a history of providing tax preparation assistance to low-income Iowans in order to expand the usage of the earned income tax credit. The purpose of the grant is to supply this assistance to underserved areas of the state.

Sec. 8. CHILD SUPPORT RECOVERY. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For child support recovery, including salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 13,119,255
..... FTEs 475.00

1. The department shall expend up to \$24,329, including federal financial participation, for the fiscal year beginning July 1, 2011, for a child support public awareness campaign. The department and the office of the attorney general shall cooperate in continuation of the campaign. The public awareness campaign shall emphasize, through a variety of media activities, the importance of maximum involvement of both parents in the lives of their children as well as the importance of payment of child support obligations.

2. Federal access and visitation grant moneys shall be issued directly to private not-for-profit agencies that provide services designed to increase compliance with the child access provisions of court orders, including but not limited to neutral visitation sites and mediation services.

3. The appropriation made to the department for child support recovery may be used throughout the fiscal year in the manner necessary for purposes of cash flow management, and for cash flow management purposes the department may temporarily draw more than the amount appropriated, provided the amount appropriated is not exceeded at the close of the fiscal year.

4. With the exception of the funding amount specified, the requirements established under 2001 Iowa Acts, chapter 191, section 3, subsection 5, paragraph “c”, subparagraph (3), shall be applicable to parental obligation pilot projects for the fiscal year beginning July 1, 2011,

and ending June 30, 2012. Notwithstanding 441 IAC 100.8, providing for termination of rules relating to the pilot projects, the rules shall remain in effect until June 30, 2012.

Sec. 9. HEALTH CARE TRUST FUND — MEDICAL ASSISTANCE. Any funds remaining in the health care trust fund created in section 453A.35A for the fiscal year beginning July 1, 2011, and ending June 30, 2012, are appropriated to the department of human services to supplement the medical assistance program appropriations made in this Act, for medical assistance reimbursement and associated costs, including program administration and costs associated with implementation.

Sec. 10. MEDICAL ASSISTANCE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For medical assistance program reimbursement and associated costs as specifically provided in the reimbursement methodologies in effect on June 30, 2011, except as otherwise expressly authorized by law, and consistent with options under federal law and regulations:

..... \$ 909,993,421

1. Iowans support reducing the number of abortions performed in our state. For an abortion covered under the program, except in the case of a medical emergency, as defined in section 135L.1, for any woman, the physician shall certify both of the following:

a. That the woman has been given the opportunity to view an ultrasound image of the fetus as part of the standard of care before an abortion is performed.

b. That the woman has been provided information regarding the options relative to a pregnancy, including continuing the pregnancy to term and retaining parental rights following the child’s birth, continuing the pregnancy to term and placing the child for adoption, and terminating the pregnancy.

2. The department shall utilize not more than \$60,000 of the funds appropriated in this section to continue the AIDS/HIV health insurance premium payment program as established in 1992 Iowa Acts, Second Extraordinary Session, chapter 1001, section 409, subsection 6. Of the funds allocated in this subsection, not more than \$5,000 may be expended for administrative purposes.

3. Of the funds appropriated in this Act to the department of public health for addictive disorders, \$950,000 for the fiscal year beginning July 1, 2011, shall be transferred to the department of human services for an integrated substance abuse managed care system. The department shall not assume management of the substance abuse system in place of the managed care contractor unless such a change in approach is specifically authorized in law. The departments of human services and public health shall work together to maintain the level of mental health and substance abuse services provided by the managed care contractor through the Iowa plan for behavioral health. Each department shall take the steps necessary to continue the federal waivers as necessary to maintain the level of services.

4. a. The department shall aggressively pursue options for providing medical assistance or other assistance to individuals with special needs who become ineligible to continue receiving services under the early and periodic screening, diagnostic, and treatment program under the medical assistance program due to becoming 21 years of age who have been approved for additional assistance through the department’s exception to policy provisions, but who have health care needs in excess of the funding available through the exception to policy provisions.

b. Of the funds appropriated in this section, \$100,000 shall be used for participation in one or more pilot projects operated by a private provider to allow the individual or individuals to receive service in the community in accordance with principles established in *Olmstead v. L.C.*, 527 U.S. 581 (1999), for the purpose of providing medical assistance or other assistance to individuals with special needs who become ineligible to continue receiving services under the early and periodic screening, diagnosis, and treatment program under the medical assistance program due to becoming 21 years of age who have been approved for additional assistance through the department’s exception to policy provisions, but who have health care needs in excess of the funding available through the exception to the policy provisions.

5. Of the funds appropriated in this section, up to \$3,050,082 may be transferred to the field operations or general administration appropriations in this Act for operational costs associated with Part D of the federal Medicare Prescription Drug Improvement and Modernization Act of 2003, Pub. L. No. 108-173.

6. Of the funds appropriated in this section, up to \$442,100 may be used for the medical contract for clinical assessment services and prior authorization of services.

7. A portion of the funds appropriated in this section may be transferred to the appropriations in this division of this Act for general administration, the children’s health insurance program, or field operations to be used for the state match cost to comply with the payment error rate measurement (PERM) program for both the medical assistance and children’s health insurance programs as developed by the centers for Medicare and Medicaid services of the United States department of health and human services to comply with the federal Improper Payments Information Act of 2002, Pub. L. No. 107-300.

8. It is the intent of the general assembly that the department continue to implement the recommendations of the assuring better child health and development initiative II (ABCDII) clinical panel to the Iowa early and periodic screening, diagnostic, and treatment services healthy mental development collaborative board regarding changes to billing procedures, codes, and eligible service providers.

9. Of the funds appropriated in this section, a sufficient amount is allocated to supplement the incomes of residents of nursing facilities, intermediate care facilities for persons with mental illness, and intermediate care facilities for persons with mental retardation, with incomes of less than \$50 in the amount necessary for the residents to receive a personal needs allowance of \$50 per month pursuant to section 249A.30A.

10. Of the funds appropriated in this section, the following amounts shall be transferred to the appropriations made in this division of this Act for the state mental health institutes:

a. Cherokee mental health institute	\$ 9,098,425
b. Clarinda mental health institute	\$ 1,977,305
c. Independence mental health institute	\$ 9,045,894
d. Mount Pleasant mental health institute	\$ 5,752,587

11. a. Of the funds appropriated in this section, \$7,425,684 is allocated for the state match for a disproportionate share hospital payment of \$19,133,430 to hospitals that meet both of the conditions specified in subparagraphs (1) and (2). In addition, the hospitals that meet the conditions specified shall either certify public expenditures or transfer to the medical assistance program an amount equal to provide the nonfederal share for a disproportionate share hospital payment of \$7,500,000. The hospitals that meet the conditions specified shall receive and retain 100 percent of the total disproportionate share hospital payment of \$26,633,430.

(1) The hospital qualifies for disproportionate share and graduate medical education payments.

(2) The hospital is an Iowa state-owned hospital with more than 500 beds and eight or more distinct residency specialty or subspecialty programs recognized by the American college of graduate medical education.

b. Distribution of the disproportionate share payments shall be made on a monthly basis. The total amount of disproportionate share payments including graduate medical education, enhanced disproportionate share, and Iowa state-owned teaching hospital payments shall not exceed the amount of the state’s allotment under Pub. L. No. 102-234. In addition, the total amount of all disproportionate share payments shall not exceed the hospital-specific disproportionate share limits under Pub. L. No. 103-66.

12. The university of Iowa hospitals and clinics shall either certify public expenditures or transfer to the medical assistance appropriation an amount equal to provide the nonfederal share for increased medical assistance payments for inpatient and outpatient hospital services of \$9,900,000. The university of Iowa hospitals and clinics shall receive and retain 100 percent of the total increase in medical assistance payments.

13. Of the funds appropriated in this section, up to \$4,480,304 may be transferred to the IowaCare account created in section 249J.24.

14. Of the funds appropriated in this section, \$200,000 shall be used for the Iowa chronic care consortium pursuant to 2003 Iowa Acts, chapter 112, section 12, as amended by 2003 Iowa Acts, chapter 179, sections 166 and 167.

15. One hundred percent of the nonfederal share of payments to area education agencies that are medical assistance providers for medical assistance-covered services provided to medical assistance-covered children, shall be made from the appropriation made in this section.

16. Any new or renewed contract entered into by the department with a third party to administer behavioral health services under the medical assistance program shall provide that any interest earned on payments from the state during the state fiscal year shall be remitted to the department and treated as recoveries to offset the costs of the medical assistance program.

17. The department shall continue to implement the provisions in 2007 Iowa Acts, chapter 218, section 124 and section 126, as amended by 2008 Iowa Acts, chapter 1188, section 55, relating to eligibility for certain persons with disabilities under the medical assistance program in accordance with the federal Family Opportunity Act.

18. A portion of the funds appropriated in this section may be used for the medical contracting administrative activities associated with the money follows the person demonstration project.

19. Of the funds appropriated in this section, \$349,011 shall be used for the administration of the health insurance premium payment program, including salaries, support, maintenance, and miscellaneous purposes for the fiscal year beginning July 1, 2011.

20. a. The department may implement cost containment strategies recommended by the governor, and may adopt emergency rules for such implementation.

b. The department shall not implement the cost containment strategy to require a primary care referral for the provision of chiropractic services.

c. The department may increase the amounts allocated for salaries, support, maintenance, and miscellaneous purposes associated with the medical assistance program, as necessary, to implement the cost containment strategies. The department shall report any such increase to the legislative services agency and the department of management.

d. If the savings to the medical assistance program exceed the cost, the department may transfer any savings generated for the fiscal year due to medical assistance program cost containment efforts initiated pursuant to 2010 Iowa Acts, chapter 1031, Executive Order No. 20,³ issued December 16, 2009, or cost containment strategies initiated pursuant to this subsection, to the appropriation made in this division of this Act for general administration to defray the increased contract costs associated with implementing such efforts.

e. The department shall report the implementation of any cost containment strategies under this subsection to the individuals specified in this division of this Act for submission of reports on a quarterly basis.

21. Notwithstanding any provision of law to the contrary, the department of human services shall amend the section 1915(b) waiver and Iowa plan contract to include remedial services under the Iowa plan contract effective July 1, 2011.

22. Of the funds appropriated in this section, \$5,000,000 shall be used to reduce the waiting lists of these medical assistance home and community-based services waivers: the waiver for persons with intellectual disabilities, the waiver for persons with brain injury, and the children's mental health waiver. The department shall distribute the funding allocated under this subsection proportionately among these waivers.

23. a. The department may submit medical assistance program state plan amendments to the centers for Medicare and Medicaid services of the United States department of health and human services, and may adopt administrative rules pursuant to chapter 17A to implement any of the following if the respective state plan amendment is approved:

(1) Health homes pursuant to section 2703 of the federal Patient Protection and Affordable Care Act, Pub. L. No. 111-148. The department shall collaborate with the medical home system advisory council created pursuant to section 135.159 in developing such health homes.

³ Published in IAB XXXII, No. 18, (2/24/10) p. 2102

(2) Accountable care organization pilot programs, if such programs are advantageous to the medical assistance program.

b. Any health home or accountable care organization pilot program implemented pursuant to this subsection shall demonstrate value to the state with a positive return on investment within two years of implementation, and may utilize care coordination fees, pay-for-performance fees, or shared saving strategies if approved as part of the state plan amendment.

24. The department, in consultation with the Iowa pharmacy association and other appropriate entities, shall develop recommendations to replace the reimbursement methodology of average wholesale price minus 12 percent for covered brand-name prescription drugs, generic drugs, and over-the-counter drugs. The department shall report the recommendations to the persons designated in this division of this Act for submission of reports by December 15, 2011.

25. The department shall amend the state Medicaid health information technology plan to include costs related to the one-time development costs of the health information technology system developed by the department of public health.

Sec. 11. STATE SUPPLEMENTARY ASSISTANCE.

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

For the state supplementary assistance program:

..... \$ 16,850,747

2. The department shall increase the personal needs allowance for residents of residential care facilities by the same percentage and at the same time as federal supplemental security income and federal social security benefits are increased due to a recognized increase in the cost of living. The department may adopt emergency rules to implement this subsection.

3. If during the fiscal year beginning July 1, 2011, the department projects that state supplementary assistance expenditures for a calendar year will not meet the federal pass-through requirement specified in Tit. XVI of the federal Social Security Act, section 1618, as codified in 42 U.S.C. § 1382g, the department may take actions including but not limited to increasing the personal needs allowance for residential care facility residents and making programmatic adjustments or upward adjustments of the residential care facility or in-home health-related care reimbursement rates prescribed in this division of this Act to ensure that federal requirements are met. In addition, the department may make other programmatic and rate adjustments necessary to remain within the amount appropriated in this section while ensuring compliance with federal requirements. The department may adopt emergency rules to implement the provisions of this subsection.

Sec. 12. CHILDREN’S HEALTH INSURANCE PROGRAM.

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

For maintenance of the healthy and well kids in Iowa (hawk-i) program pursuant to chapter 514I, including supplemental dental services, for receipt of federal financial participation under Tit. XXI of the federal Social Security Act, which creates the children’s health insurance program:

..... \$ 32,806,102

2. Of the funds appropriated in this section, \$128,950 is allocated for continuation of the contract for outreach with the department of public health.

Sec. 13. CHILD CARE ASSISTANCE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For child care programs:

..... \$ 53,237,662

1. Of the funds appropriated in this section, \$51,896,082 shall be used for state child care assistance in accordance with section 237A.13.

2. Nothing in this section shall be construed or is intended as or shall imply a grant of entitlement for services to persons who are eligible for assistance due to an income level consistent with the waiting list requirements of section 237A.13. Any state obligation to provide services pursuant to this section is limited to the extent of the funds appropriated in this section.

3. Of the funds appropriated in this section, \$432,453 is allocated for the statewide program for child care resource and referral services under section 237A.26. A list of the registered and licensed child care facilities operating in the area served by a child care resource and referral service shall be made available to the families receiving state child care assistance in that area.

4. Of the funds appropriated in this section, \$936,974 is allocated for child care quality improvement initiatives including but not limited to the voluntary quality rating system in accordance with section 237A.30.

5. The department may use any of the funds appropriated in this section as a match to obtain federal funds for use in expanding child care assistance and related programs. For the purpose of expenditures of state and federal child care funding, funds shall be considered obligated at the time expenditures are projected or are allocated to the department's service areas. Projections shall be based on current and projected caseload growth, current and projected provider rates, staffing requirements for eligibility determination and management of program requirements including data systems management, staffing requirements for administration of the program, contractual and grant obligations and any transfers to other state agencies, and obligations for decategorization or innovation projects.

6. A portion of the state match for the federal child care and development block grant shall be provided as necessary to meet federal matching funds requirements through the state general fund appropriation made for child development grants and other programs for at-risk children in section 279.51.

7. If a uniform reduction ordered by the governor under section 8.31 or other operation of law, transfer, or federal funding reduction reduces the appropriation made in this section for the fiscal year, the percentage reduction in the amount paid out to or on behalf of the families participating in the state child care assistance program shall be equal to or less than the percentage reduction made for any other purpose payable from the appropriation made in this section and the federal funding relating to it. The percentage reduction to the other allocations made in this section shall be the same as the uniform reduction ordered by the governor or the percentage change of the federal funding reduction, as applicable. If there is an unanticipated increase in federal funding provided for state child care assistance, the entire amount of the increase shall be used for state child care assistance payments. If the appropriations made for purposes of the state child care assistance program for the fiscal year are determined to be insufficient, it is the intent of the general assembly to appropriate sufficient funding for the fiscal year in order to avoid establishment of waiting list requirements.

8. Notwithstanding section 8.33, moneys appropriated in this section or received from the federal appropriations made for the purposes of this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert to any fund but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 14. JUVENILE INSTITUTIONS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For operation of the Iowa juvenile home at Toledo and for salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:		
.....	\$	8,258,251
.....	FTEs	114.00

2. For operation of the state training school at Eldora and for salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	10,638,677
.....	FTEs	164.30

Of the funds appropriated in this subsection, \$91,150 shall be used for distribution to licensed classroom teachers at this and other institutions under the control of the department of human services based upon the average student yearly enrollment at each institution as determined by the department.

3. A portion of the moneys appropriated in this section shall be used by the state training school and by the Iowa juvenile home for grants for adolescent pregnancy prevention activities at the institutions in the fiscal year beginning July 1, 2011.

Sec. 15. CHILD AND FAMILY SERVICES.

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

For child and family services:

.....	\$	82,830,163
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2. In order to address a reduction of \$5,200,000 from the amount allocated under the appropriation made for the purposes of this section in prior years for purposes of juvenile delinquent graduated sanction services, up to \$5,200,000 of the amount of federal temporary assistance for needy families block grant funding appropriated in this division of this Act for child and family services shall be made available for purposes of juvenile delinquent graduated sanction services.

3. The department may transfer funds appropriated in this section as necessary to pay the nonfederal costs of services reimbursed under the medical assistance program, state child care assistance program, or the family investment program which are provided to children who would otherwise receive services paid under the appropriation in this section. The department may transfer funds appropriated in this section to the appropriations made in this division of this Act for general administration and for field operations for resources necessary to implement and operate the services funded in this section.

4. a. Of the funds appropriated in this section, up to \$30,169,129 is allocated as the statewide expenditure target under section 232.143 for group foster care maintenance and services. If the department projects that such expenditures for the fiscal year will be less than the target amount allocated in this lettered paragraph, the department may reallocate the excess to provide additional funding for shelter care or the child welfare emergency services addressed with the allocation for shelter care.

b. If at any time after September 30, 2011, annualization of a service area's current expenditures indicates a service area is at risk of exceeding its group foster care expenditure target under section 232.143 by more than 5 percent, the department and juvenile court services shall examine all group foster care placements in that service area in order to identify those which might be appropriate for termination. In addition, any aftercare services believed to be needed for the children whose placements may be terminated shall be identified. The department and juvenile court services shall initiate action to set dispositional review hearings for the placements identified. In such a dispositional review hearing, the juvenile court shall determine whether needed aftercare services are available and whether termination of the placement is in the best interest of the child and the community.

5. In accordance with the provisions of section 232.188, the department shall continue the child welfare and juvenile justice funding initiative during fiscal year 2011-2012. Of the funds appropriated in this section, \$1,717,753 is allocated specifically for expenditure for fiscal year 2011-2012 through the decategorization service funding pools and governance boards established pursuant to section 232.188.

6. A portion of the funds appropriated in this section may be used for emergency family assistance to provide other resources required for a family participating in a family preservation or reunification project or successor project to stay together or to be reunified.

7. Notwithstanding section 234.35 or any other provision of law to the contrary, state funding for shelter care and the child welfare emergency services contracting implemented to provide for or prevent the need for shelter care shall be limited to \$7,170,116. The department may execute contracts that result from the department's request for proposal, bid number ACFS-11-114, to provide the range of child welfare emergency services described in the request for proposals, and any subsequent amendments to the request for proposals.

8. Federal funds received by the state during the fiscal year beginning July 1, 2011, as the result of the expenditure of state funds appropriated during a previous state fiscal year for a service or activity funded under this section are appropriated to the department to be used as additional funding for services and purposes provided for under this section. Notwithstanding section 8.33, moneys received in accordance with this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert to any fund but shall remain available for the purposes designated until the close of the succeeding fiscal year.

9. Of the funds appropriated in this section, at least \$3,696,285 shall be used for protective child care assistance.

10. a. Of the funds appropriated in this section, up to \$2,062,488 is allocated for the payment of the expenses of court-ordered services provided to juveniles who are under the supervision of juvenile court services, which expenses are a charge upon the state pursuant to section 232.141, subsection 4. Of the amount allocated in this lettered paragraph, up to \$1,556,287 shall be made available to provide school-based supervision of children adjudicated under chapter 232, of which not more than \$15,000 may be used for the purpose of training. A portion of the cost of each school-based liaison officer shall be paid by the school district or other funding source as approved by the chief juvenile court officer.

b. Of the funds appropriated in this section, up to \$748,985 is allocated for the payment of the expenses of court-ordered services provided to children who are under the supervision of the department, which expenses are a charge upon the state pursuant to section 232.141, subsection 4.

c. Notwithstanding section 232.141 or any other provision of law to the contrary, the amounts allocated in this subsection shall be distributed to the judicial districts as determined by the state court administrator and to the department's service areas as determined by the administrator of the department's division of child and family services. The state court administrator and the division administrator shall make the determination of the distribution amounts on or before June 15, 2011. However, if this subsection is enacted on or after June 15, 2011, the determination shall be made not later than 10 calendar days after the effective date of this subsection.

d. Notwithstanding chapter 232 or any other provision of law to the contrary, a district or juvenile court shall not order any service which is a charge upon the state pursuant to section 232.141 if there are insufficient court-ordered services funds available in the district court or departmental service area distribution amounts to pay for the service. The chief juvenile court officer and the departmental service area manager shall encourage use of the funds allocated in this subsection such that there are sufficient funds to pay for all court-related services during the entire year. The chief juvenile court officers and departmental service area managers shall attempt to anticipate potential surpluses and shortfalls in the distribution amounts and shall cooperatively request the state court administrator or division administrator to transfer funds between the judicial districts' or departmental service areas' distribution amounts as prudent.

e. Notwithstanding any provision of law to the contrary, a district or juvenile court shall not order a county to pay for any service provided to a juvenile pursuant to an order entered under chapter 232 which is a charge upon the state under section 232.141, subsection 4.

f. Of the funds allocated in this subsection, not more than \$83,000 may be used by the judicial branch for administration of the requirements under this subsection.

g. Of the funds allocated in this subsection, \$17,000 shall be used by the department of human services to support the interstate commission for juveniles in accordance with the interstate compact for juveniles as provided in section 232.173.

11. Of the funds appropriated in this section, \$5,922,602 is allocated for juvenile delinquent graduated sanctions services. Any state funds saved as a result of efforts by juvenile court

services to earn federal Tit. IV-E match for juvenile court services administration may be used for the juvenile delinquent graduated sanctions services.

12. Of the funds appropriated in this section, \$988,285 shall be transferred to the department of public health to be used for the child protection center grant program in accordance with section 135.118.

13. If the department receives federal approval to implement a waiver under Tit. IV-E of the federal Social Security Act to enable providers to serve children who remain in the children’s families and communities, for purposes of eligibility under the medical assistance program, children who participate in the waiver shall be considered to be placed in foster care.

14. Of the funds appropriated in this section, \$3,069,832 is allocated for the preparation for adult living program pursuant to section 234.46.

15. Of the funds appropriated in this section, \$520,150 shall be used for juvenile drug courts. The amount allocated in this subsection shall be distributed as follows:

To the judicial branch for salaries to assist with the operation of juvenile drug court programs operated in the following jurisdictions:

a. Marshall county:	\$	62,708
.....		
b. Woodbury county:	\$	125,682
.....		
c. Polk county:	\$	195,892
.....		
d. The third judicial district:	\$	67,934
.....		
e. The eighth judicial district:	\$	67,934
.....		

16. Of the funds appropriated in this section, \$227,337 shall be used for the public purpose of providing a grant to a nonprofit human services organization providing services to individuals and families in multiple locations in southwest Iowa and Nebraska for support of a project providing immediate, sensitive support and forensic interviews, medical exams, needs assessments, and referrals for victims of child abuse and their nonoffending family members.

17. Of the funds appropriated in this section, \$125,590 is allocated for the elevate approach of providing a support network to children placed in foster care.

18. Of the funds appropriated in this section, \$202,000 is allocated for use pursuant to section 235A.1 for continuation of the initiative to address child sexual abuse implemented pursuant to 2007 Iowa Acts, chapter 218, section 18, subsection 21.

19. Of the funds appropriated in this section, \$630,240 is allocated for the community partnership for child protection sites.

20. Of the funds appropriated in this section, \$371,250 is allocated for the department’s minority youth and family projects under the redesign of the child welfare system.

21. Of the funds appropriated in this section, \$1,200,495 is allocated for funding of the state match for the federal substance abuse and mental health services administration (SAMHSA) system of care grant.

22. Of the funds appropriated in this section, at least \$147,158 shall be used for the child welfare training academy.

23. Of the funds appropriated in this section, \$25,000 shall be used for the public purpose of providing a grant to a child welfare services provider headquartered in a county with a population between 205,000 and 215,000 in the latest certified federal census that provides multiple services including but not limited to a psychiatric medical institution for children, shelter, residential treatment, after school programs, school-based programming, and an Asperger’s syndrome program, to be used for support services for children with autism spectrum disorder and their families.

24. Of the funds appropriated in this section, \$250,000 shall be used for continuation of the central Iowa system of care program grant through June 30, 2012.

25. Of the funds appropriated in this section, \$160,000 shall be used to award a grant through a request for proposals process to a nonprofit entity that is providing child welfare treatment and prevention services in multiple locations throughout the state of Iowa. The

grant project shall replicate the model and outcomes of the system of care project for children and youth with emotional and behavior challenges operating in northeast Iowa. The grant project shall be implemented in a manner so as to ensure collaboration with local planning groups and agencies that are involved with providing mental health services, the families of children receiving these services, and the children receiving these services, in order to improve access and expand the array of appropriate community-based services. The grant project shall provide services to children and families in Cerro Gordo and Linn counties.

Sec. 16. ADOPTION SUBSIDY.

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

For adoption subsidy payments and services:

..... \$ 33,266,591

2. The department may transfer funds appropriated in this section to the appropriation made in this division of this Act for general administration for costs paid from the appropriation relating to adoption subsidy.

3. Federal funds received by the state during the fiscal year beginning July 1, 2011, as the result of the expenditure of state funds during a previous state fiscal year for a service or activity funded under this section are appropriated to the department to be used as additional funding for the services and activities funded under this section. Notwithstanding section 8.33, moneys received in accordance with this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert to any fund but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 17. JUVENILE DETENTION HOME FUND.

1. Moneys deposited in the juvenile detention home fund created in section 232.142 during the fiscal year beginning July 1, 2011, and ending June 30, 2012, are appropriated to the department of human services for the fiscal year beginning July 1, 2011, and ending June 30, 2012, for distribution of an amount equal to a percentage of the costs of the establishment, improvement, operation, and maintenance of county or multicounty juvenile detention homes in the fiscal year beginning July 1, 2010. Moneys appropriated for distribution in accordance with this section shall be allocated among eligible detention homes, prorated on the basis of an eligible detention home's proportion of the costs of all eligible detention homes in the fiscal year beginning July 1, 2010. The percentage figure shall be determined by the department based on the amount available for distribution for the fund. Notwithstanding section 232.142, subsection 3, the financial aid payable by the state under that provision for the fiscal year beginning July 1, 2011, shall be limited to the amount appropriated for the purposes of this section.

2. Representatives of chief juvenile court officers, the department of human rights, and the department of human services shall work with juvenile detention centers and other stakeholders to review the current methodology for distribution of moneys from the juvenile detention home fund, consider alternative distribution methodologies, and report findings and recommendations to the persons designated by this division of this Act for the submission of reports by December 15, 2011. It is the intent of the general assembly to shift responsibility for administering the fund from the department of human services to the division of criminal and juvenile justice planning of the department of human rights, effective with the fiscal year beginning July 1, 2012.

Sec. 18. FAMILY SUPPORT SUBSIDY PROGRAM.

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

For the family support subsidy program subject to the enrollment restrictions in section 225C.37, subsection 3:

..... \$ 1,167,998

2. The department shall use at least \$385,500 of the moneys appropriated in this section for the family support center component of the comprehensive family support program under section 225C.47. Not more than \$25,000 of the amount allocated in this subsection shall be used for administrative costs.

3. If at any time during the fiscal year, the amount of funding available for the family support subsidy program is reduced from the amount initially used to establish the figure for the number of family members for whom a subsidy is to be provided at any one time during the fiscal year, notwithstanding section 225C.38, subsection 2, the department shall revise the figure as necessary to conform to the amount of funding available.

Sec. 19. CONNER DECREE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For building community capacity through the coordination and provision of training opportunities in accordance with the consent decree of Conner v. Branstad, No. 4-86-CV-30871(S.D. Iowa, July 14, 1994):

..... \$ 33,622

Sec. 20. MENTAL HEALTH INSTITUTES.

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

1. For the state mental health institute at Cherokee for salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 5,877,308

..... FTEs 168.50

2. For the state mental health institute at Clarinda for salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 6,411,734

..... FTEs 86.10

3. For the state mental health institute at Independence for salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 10,275,685

..... FTEs 233.00

4. For the state mental health institute at Mount Pleasant for salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 944,323

..... FTEs 97.72

Sec. 21. STATE RESOURCE CENTERS.

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

a. For the state resource center at Glenwood for salaries, support, maintenance, and miscellaneous purposes:

..... \$ 18,507,801

b. For the state resource center at Woodward for salaries, support, maintenance, and miscellaneous purposes:

..... \$ 12,785,658

2. The department may continue to bill for state resource center services utilizing a scope of services approach used for private providers of ICFMR services, in a manner which does not shift costs between the medical assistance program, counties, or other sources of funding for the state resource centers.

3. The state resource centers may expand the time-limited assessment and respite services during the fiscal year.

4. If the department’s administration and the department of management concur with a finding by a state resource center’s superintendent that projected revenues can reasonably be expected to pay the salary and support costs for a new employee position, or that such costs for adding a particular number of new positions for the fiscal year would be less than the overtime costs if new positions would not be added, the superintendent may add the new position or positions. If the vacant positions available to a resource center do not include the position classification desired to be filled, the state resource center’s superintendent may reclassify any vacant position as necessary to fill the desired position. The superintendents of the state resource centers may, by mutual agreement, pool vacant positions and position classifications during the course of the fiscal year in order to assist one another in filling necessary positions.

5. If existing capacity limitations are reached in operating units, a waiting list is in effect for a service or a special need for which a payment source or other funding is available for the service or to address the special need, and facilities for the service or to address the special need can be provided within the available payment source or other funding, the superintendent of a state resource center may authorize opening not more than two units or other facilities and begin implementing the service or addressing the special need during fiscal year 2011-2012.

Sec. 22. MI/MR/DD STATE CASES.

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

For distribution to counties for state case services for persons with mental illness, mental retardation, and developmental disabilities in accordance with section 331.440:

..... \$ 12,169,482

2. For the fiscal year beginning July 1, 2011, and ending June 30, 2012, \$200,000 is allocated for state case services from the amounts appropriated from the fund created in section 8.41 to the department of human services from the funds received from the federal government under 42 U.S.C. ch. 6A, subch. XVII, relating to the community mental health center block grant, for the federal fiscal years beginning October 1, 2009, and ending September 30, 2010, beginning October 1, 2010, and ending September 30, 2011, and beginning October 1, 2011, and ending September 30, 2012. The allocation made in this subsection shall be made prior to any other distribution allocation of the appropriated federal funds.

3. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 23. MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES — COMMUNITY SERVICES FUND. There is appropriated from the general fund of the state to the mental health and developmental disabilities community services fund created in section 225C.7 for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For mental health and developmental disabilities community services in accordance with this division of this Act:

..... \$ 14,211,100

1. Of the funds appropriated in this section, \$14,187,556 shall be allocated to counties for funding of community-based mental health and developmental disabilities services. The moneys shall be allocated to a county as follows:

- a. Fifty percent based upon the county’s proportion of the state’s population of persons with an annual income which is equal to or less than the poverty guideline established by the federal office of management and budget.
- b. Fifty percent based upon the county’s proportion of the state’s general population.

2. a. A county shall utilize the funding the county receives pursuant to subsection 1 for services provided to persons with a disability, as defined in section 225C.2. However, no more than 50 percent of the funding shall be used for services provided to any one of the service populations.

b. A county shall use at least 50 percent of the funding the county receives under subsection 1 for contemporary services provided to persons with a disability, as described in rules adopted by the department.

3. Of the funds appropriated in this section, \$23,544 shall be used to support the Iowa compass program providing computerized information and referral services for Iowans with disabilities and their families.

4. a. Funding appropriated for purposes of the federal social services block grant is allocated for distribution to counties for local purchase of services for persons with mental illness or mental retardation or other developmental disability.

b. The funds allocated in this subsection shall be expended by counties in accordance with the county's county management plan approved by the board of supervisors. A county without an approved county management plan shall not receive allocated funds until the county's management plan is approved.

c. The funds provided by this subsection shall be allocated to each county as follows:

(1) Fifty percent based upon the county's proportion of the state's population of persons with an annual income which is equal to or less than the poverty guideline established by the federal office of management and budget.

(2) Fifty percent based upon the amount provided to the county for local purchase of services in the preceding fiscal year.

5. A county is eligible for funds under this section if the county qualifies for a state payment as described in section 331.439.

6. The latest certified census issued by the United States bureau of the census shall be applied for the population factors utilized in this section.

Sec. 24. SEXUALLY VIOLENT PREDATORS.

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

For costs associated with the commitment and treatment of sexually violent predators in the unit located at the state mental health institute at Cherokee, including costs of legal services and other associated costs, including salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	7,550,727
.....	FTEs	89.50

2. Unless specifically prohibited by law, if the amount charged provides for recoupment of at least the entire amount of direct and indirect costs, the department of human services may contract with other states to provide care and treatment of persons placed by the other states at the unit for sexually violent predators at Cherokee. The moneys received under such a contract shall be considered to be repayment receipts and used for the purposes of the appropriation made in this section.

Sec. 25. FIELD OPERATIONS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For field operations, including salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	54,789,921
.....	FTEs	1,781.00

Priority in filling full-time equivalent positions shall be given to those positions related to child protection services and eligibility determination for low-income families.

**Notwithstanding section 8.33, moneys appropriated in this section that remain*

* Item veto; see message at end of the Act

*unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.**

Sec. 26. GENERAL ADMINISTRATION. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For general administration, including salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	14,596,745
.....	FTEs	290.00

1. Of the funds appropriated in this section, \$38,543 allocated for the prevention of disabilities policy council established in section 225B.3.

2. The department shall report at least monthly to the legislative services agency concerning the department’s operational and program expenditures.

3. Of the funds appropriated in this section, \$132,300 shall be used to contract with a statewide association representing community providers of mental health, mental retardation and brain injury services programs to provide technical assistance, support, and consultation to providers of habilitation services and home and community-based waiver services for adults with disabilities under the medical assistance program. Notwithstanding section 8.47 or any other provision of law to the contrary, the department may utilize a sole source approach to contract with the association.

4. Of the funds appropriated in this section, \$176,400 shall be used to contract with an appropriate entity to expand the provision of nationally accredited and recognized internet-based training to include mental health and disability services providers. Notwithstanding section 8.47 or any other provision of law to the contrary, the department may utilize a sole source approach to enter into such contract.

5. Of the funds appropriated in this section, \$500,000 shall be used for implementation of child protection system improvements addressed in 2011 Iowa Acts, House File 562, ⁴ as enacted.

6. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 27. VOLUNTEERS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For development and coordination of volunteer services:

.....	\$	84,660
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Sec. 28. MEDICAL ASSISTANCE, STATE SUPPLEMENTARY ASSISTANCE, AND SOCIAL SERVICE PROVIDERS REIMBURSED UNDER THE DEPARTMENT OF HUMAN SERVICES.

1. a. (1) For the fiscal year beginning July 1, 2011, the total state funding amount for the nursing facility budget shall not exceed \$225,457,724.

(2) For the fiscal year beginning July 1, 2011, the department shall rebase case-mix nursing facility rates effective July 1, 2011. However, total nursing facility budget expenditures, including both case-mix and noncase-mix shall not exceed the amount specified in subparagraph (1). When calculating case-mix per diem cost and the patient-day-weighted medians used in rate-setting for nursing facilities effective July 1, 2011, the inflation factor applied from the midpoint of the cost report period to the first day of the state fiscal year

* Item veto; see message at end of the Act
⁴ Chapter 28 herein

rate period shall be adjusted to maintain state funding within the amount specified in subparagraph (1).

(3) The department, in cooperation with nursing facility representatives, shall review projections for state funding expenditures for reimbursement of nursing facilities on a quarterly basis and the department shall determine if an adjustment to the medical assistance reimbursement rate is necessary in order to provide reimbursement within the state funding amount for the fiscal year. Notwithstanding 2001 Iowa Acts, chapter 192, section 4, subsection 2, paragraph "c", and subsection 3, paragraph "a", subparagraph (2), if the state funding expenditures for the nursing facility budget for the fiscal year is projected to exceed the amount specified in subparagraph (1), the department shall adjust the reimbursement for nursing facilities reimbursed under the case-mix reimbursement system to maintain expenditures of the nursing facility budget within the specified amount for the fiscal year.

(4) For the fiscal year beginning July 1, 2011, special population nursing facilities shall be reimbursed in accordance with the methodology in effect on June 30, 2011.

b. For the fiscal year beginning July 1, 2011, the department shall reimburse pharmacy dispensing fees using a single rate of \$4.34 per prescription or the pharmacy's usual and customary fee, whichever is lower. However, the department shall adjust the dispensing fee specified in this paragraph to distribute an additional \$2,981,980 in reimbursements for pharmacy dispensing fees under this paragraph for the fiscal year.

c. (1) For the fiscal year beginning July 1, 2011, reimbursement rates for outpatient hospital services shall be rebased effective January 1, 2012.

(2) For the fiscal year beginning July 1, 2011, reimbursement rates for inpatient hospital services shall be rebased effective October 1, 2011.

(3) The total amount of increased funding available for reimbursement attributable to rebasing under this paragraph for the fiscal year beginning July 1, 2011, shall not exceed \$4,500,000.

(4) For the fiscal year beginning July 1, 2011, the graduate medical education and disproportionate share hospital fund shall remain at the amount in effect on June 30, 2011, except that the portion of the fund attributable to graduate medical education shall be reduced in an amount that reflects the elimination of graduate medical education payments made to out-of-state hospitals.

(5) In order to ensure the efficient use of limited state funds in procuring health care services for low-income Iowans, funds appropriated in this Act for hospital services shall not be used for activities which would be excluded from a determination of reasonable costs under the federal Medicare program pursuant to 42 U.S.C. § 1395X(v)(1)(N).

d. For the fiscal year beginning July 1, 2011, reimbursement rates for rural health clinics, hospices, and acute mental hospitals shall be increased in accordance with increases under the federal Medicare program or as supported by their Medicare audited costs.

e. For the fiscal year beginning July 1, 2011, independent laboratories and rehabilitation agencies shall be reimbursed using the same methodology in effect on June 30, 2011.

f. For the fiscal year beginning July 1, 2011, reimbursement rates for home health agencies shall remain at the rates in effect on June 30, 2011, not to exceed a home health agency's actual allowable cost.

g. For the fiscal year beginning July 1, 2011, federally qualified health centers shall receive cost-based reimbursement for 100 percent of the reasonable costs for the provision of services to recipients of medical assistance.

h. For the fiscal year beginning July 1, 2011, the reimbursement rates for dental services shall remain at the rates in effect on June 30, 2011.

i. (1) For the fiscal year beginning July 1, 2011, state-owned psychiatric medical institutions for children shall receive cost-based reimbursement for 100 percent of the actual and allowable costs for the provision of services to recipients of medical assistance.

(2) (a) For nonstate-owned psychiatric medical institutions for children, reimbursement rates shall remain at the rates in effect on June 30, 2011. However, the department shall adjust the reimbursement rates in effect on June 30, 2011, to distribute an additional \$350,000 in reimbursements for nonstate-owned psychiatric medical institutions for children under this subparagraph (2) for the fiscal year.

(b) The department, in consultation with representatives of the nonstate-owned psychiatric medical institutions for children, shall develop a reimbursement methodology required for federal compliance, to be implemented on July 1, 2012. To the extent possible, the reimbursement methodology shall be developed in a manner so as to be budget neutral to the institutions and cost effective for the state.

j. For the fiscal year beginning July 1, 2011, unless otherwise specified in this Act, all noninstitutional medical assistance provider reimbursement rates shall remain at the rates in effect on June 30, 2011, except for area education agencies, local education agencies, infant and toddler services providers, and those providers whose rates are required to be determined pursuant to section 249A.20.

k. Notwithstanding any provision to the contrary, for the fiscal year beginning July 1, 2011, the reimbursement rate for anesthesiologists shall remain at the rate in effect on June 30, 2011.

l. Notwithstanding section 249A.20, for the fiscal year beginning July 1, 2011, the average reimbursement rate for health care providers eligible for use of the federal Medicare resource-based relative value scale reimbursement methodology under that section shall remain at the rate in effect on June 30, 2011; however, this rate shall not exceed the maximum level authorized by the federal government.

m. For the fiscal year beginning July 1, 2011, the reimbursement rate for residential care facilities shall not be less than the minimum payment level as established by the federal government to meet the federally mandated maintenance of effort requirement. The flat reimbursement rate for facilities electing not to file annual cost reports shall not be less than the minimum payment level as established by the federal government to meet the federally mandated maintenance of effort requirement.

n. For the fiscal year beginning July 1, 2011, inpatient mental health services provided at hospitals shall be rebased effective October 1, 2011, subject to Medicaid program upper payment limit rules; community mental health centers and providers of mental health services to county residents pursuant to a waiver approved under section 225C.7, subsection 3, shall be reimbursed at 100 percent of the reasonable costs for the provision of services to recipients of medical assistance; and psychiatrists shall be reimbursed at the medical assistance program fee for service rate.

o. For the fiscal year beginning July 1, 2011, the reimbursement rate for consumer-directed attendant care shall remain at the rates in effect on June 30, 2011.

p. For the fiscal year beginning July 1, 2011, the reimbursement rate for providers of family planning services that are eligible to receive a 90 percent federal match shall remain at the rates in effect on June 30, 2011.

q. For the fiscal year beginning July 1, 2011, the department shall adjust the rates in effect on June 30, 2011, for providers of home and community-based services waiver services to distribute an additional \$1,500,000 in reimbursements to such providers for the fiscal year.

2. For the fiscal year beginning July 1, 2011, the reimbursement rate for providers reimbursed under the in-home-related care program shall not be less than the minimum payment level as established by the federal government to meet the federally mandated maintenance of effort requirement.

3. Unless otherwise directed in this section, when the department's reimbursement methodology for any provider reimbursed in accordance with this section includes an inflation factor, this factor shall not exceed the amount by which the consumer price index for all urban consumers increased during the calendar year ending December 31, 2002.

4. For the fiscal year beginning July 1, 2011, notwithstanding section 234.38, the foster family basic daily maintenance rate and the maximum adoption subsidy rate for children ages 0 through 5 years shall be \$15.74, the rate for children ages 6 through 11 years shall be \$16.37, the rate for children ages 12 through 15 years shall be \$17.92, and the rate for children and young adults ages 16 and older shall be \$18.16. The maximum supervised apartment living foster care reimbursement rate shall be \$25.00 per day. For youth ages 18 to 21 who have exited foster care, the maximum preparation for adult living program maintenance rate shall be \$574.00 per month. The maximum payment for adoption subsidy nonrecurring expenses shall be limited to \$500 and the disallowance of additional amounts for court costs and other

related legal expenses implemented pursuant to 2010 Iowa Acts, chapter 1031, section 408 shall be continued.

5. For the fiscal year beginning July 1, 2011, the maximum reimbursement rates under the supervised apartment living program and for social services providers under contract shall remain at the rates in effect on June 30, 2011, or the provider's actual and allowable cost plus inflation for each service, whichever is less. However, if a new service or service provider is added after June 30, 2011, the initial reimbursement rate for the service or provider shall be based upon actual and allowable costs. Providers may also be eligible for an additional amount as specified under the department's request for proposal, bid number ACFS-11-115.

6. For the fiscal year beginning July 1, 2011, the reimbursement rates for family-centered service providers, family foster care service providers, group foster care service providers, and the resource family recruitment and retention contractor shall remain at the rates in effect on June 30, 2011.

7. The group foster care reimbursement rates paid for placement of children out of state shall be calculated according to the same rate-setting principles as those used for in-state providers, unless the director of human services or the director's designee determines that appropriate care cannot be provided within the state. The payment of the daily rate shall be based on the number of days in the calendar month in which service is provided.

8. a. For the fiscal year beginning July 1, 2011, the reimbursement rate paid for shelter care and the child welfare emergency services implemented to provide or prevent the need for shelter care shall be established in a contract based on the requirements of the department's request for proposal, bid number ACFS-11-114.

b. For the fiscal year beginning July 1, 2011, the combined service and maintenance components of the reimbursement rate paid for shelter care services shall be based on the financial and statistical report submitted to the department. The maximum reimbursement rate shall be \$92.36 per day. The department shall reimburse a shelter care provider at the provider's actual and allowable unit cost, plus inflation, not to exceed the maximum reimbursement rate.

c. Notwithstanding section 232.141, subsection 8, for the fiscal year beginning July 1, 2011, the amount of the statewide average of the actual and allowable rates for reimbursement of juvenile shelter care homes that is utilized for the limitation on recovery of unpaid costs shall remain at the amount in effect for this purpose in the fiscal year beginning July 1, 2010.

9. For the fiscal year beginning July 1, 2011, the department shall calculate reimbursement rates for intermediate care facilities for persons with mental retardation at the 80th percentile. Beginning July 1, 2011, the rate calculation methodology shall utilize the consumer price index inflation factor applicable to the fiscal year beginning July 1, 2011.

10. For the fiscal year beginning July 1, 2011, for child care providers reimbursed under the state child care assistance program, the department shall set provider reimbursement rates based on the rate reimbursement survey completed in December 2004. Effective July 1, 2011, the child care provider reimbursement rates shall remain at the rates in effect on June 30, 2011. The department shall set rates in a manner so as to provide incentives for a nonregistered provider to become registered by applying the increase only to registered and licensed providers.

11. The department may adopt emergency rules to implement this section.

Sec. 29. EMERGENCY RULES.

1. If specifically authorized by a provision of this division of this Act, the department of human services or the mental health, and disability services commission may adopt administrative rules under section 17A.4, subsection 3, and section 17A.5, subsection 2, paragraph "b", to implement the provisions and the rules shall become effective immediately upon filing or on a later effective date specified in the rules, unless the effective date is delayed by the administrative rules review committee. Any rules adopted in accordance with this section shall not take effect before the rules are reviewed by the administrative rules review committee. The delay authority provided to the administrative rules review committee under section 17A.4, subsection 7, and section 17A.8, subsection 9, shall be applicable to a delay imposed under this section, notwithstanding a provision in those sections making them inapplicable to section 17A.5, subsection 2, paragraph "b". Any rules

adopted in accordance with the provisions of this section shall also be published as notice of intended action as provided in section 17A.4.

2. If during the fiscal year beginning July 1, 2011, the department of human services is adopting rules in accordance with this section or as otherwise directed or authorized by state law, and the rules will result in an expenditure increase beyond the amount anticipated in the budget process or if the expenditure was not addressed in the budget process for the fiscal year, the department shall notify the persons designated by this division of this Act for submission of reports, the chairpersons and ranking members of the committees on appropriations, and the department of management concerning the rules and the expenditure increase. The notification shall be provided at least 30 calendar days prior to the date notice of the rules is submitted to the administrative rules coordinator and the administrative code editor.

Sec. 30. CIVIL MONETARY PENALTIES — DIRECT CARE WORKER INITIATIVES PROPOSAL. The department of human services shall develop a proposal, in collaboration with the department of public health, requesting federal approval for the use of a portion of the funds received by the department of human services as civil monetary penalties from nursing facilities to support direct care worker initiatives that enhance the quality of care in nursing facilities. The proposal shall request use of the funds for direct care worker initiatives based on recommendations of the direct care worker task force established pursuant to 2005 Iowa Acts, chapter 88, as included in the report submitted to the governor and the general assembly in December 2006. Upon completion of the proposal, the department of human services shall submit the proposal to the centers for Medicare and Medicaid services of the United States department of health and human services for approval. The department of human services shall notify the persons designated in this division of this Act for submission of reports upon receipt of approval of the proposal.

Sec. 31. FEDERAL GRANTS REPORTING. During the fiscal year beginning July 1, 2011, the departments and agencies receiving an appropriation in this Act from the general fund of the state shall report to the persons designated by this Act for submission of reports and the department of management within 60 calendar days of applying for or renewing a federal grant with a value over \$1,000. The report shall list the federal funding source and address the potential need for the commitment of state funding in order to match or continue the funding provided by the federal grant in the present or the future.

Sec. 32. REPORTS. Any reports or information required to be compiled and submitted under this Act shall be submitted to the chairpersons and ranking members of the joint appropriations subcommittee on health and human services, the legislative services agency, and the legislative caucus staffs on or before the dates specified for submission of the reports or information.

Sec. 33. EFFECTIVE UPON ENACTMENT AND RETROACTIVE APPLICABILITY. The following provisions of this division of this Act, being deemed of immediate importance, take effect upon enactment and if approved by the governor on or after July 1, 2011, apply retroactively to June 30, 2011:

The provision under the appropriation for child and family services, relating to requirements of section 232.143 for representatives of the department of human services and juvenile court services to establish a plan for continuing group foster care expenditures for fiscal year 2011-2012.

* Item veto; see message at end of the Act

DIVISION V
 PHARMACEUTICAL SETTLEMENT ACCOUNT,
 IOWACARE ACCOUNT, NONPARTICIPATING PROVIDER REIMBURSEMENT FUND,
 HEALTH CARE
 TRANSFORMATION ACCOUNT, MEDICAID FRAUD ACCOUNT,
 QUALITY ASSURANCE TRUST FUND, AND
 HOSPITAL HEALTH CARE ACCESS TRUST FUND — FY 2011-2012

Sec. 34. PHARMACEUTICAL SETTLEMENT ACCOUNT. There is appropriated from the pharmaceutical settlement account created in section 249A.33 to the department of human services for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

Notwithstanding any provision of law to the contrary, to supplement the appropriations made in this Act for medical contracts under the medical assistance program:

..... \$ 10,907,457

1. Of the funds appropriated in this section, up to \$200,000 may be transferred to the appropriation made to the department for general administration in this Act for the same fiscal year to be used for additional full-time equivalent positions in the development of key health initiatives such as cost containment, development and oversight of managed care programs, and development of health strategies targeted toward improved quality and reduced costs in the Medicaid program.

2. Of the funds appropriated in this section, \$50,000 shall be used for home and community-based services waiver quality assurance programs, including the review and streamlining of processes and policies related to oversight and quality management to meet state and federal requirements. The department shall submit a report to the persons designated by this Act for submission of reports by December 15, 2011, regarding the modifications to the quality assurance programs.

Sec. 35. APPROPRIATIONS FROM IOWACARE ACCOUNT.

1. There is appropriated from the IowaCare account created in section 249J.24 to the state board of regents for distribution to the university of Iowa hospitals and clinics for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, equipment, and miscellaneous purposes, for the provision of medical and surgical treatment of indigent patients, for provision of services to members of the expansion population pursuant to chapter 249J, and for medical education:

..... \$ 27,284,584

a. (1) Funds appropriated in this subsection used for abortions shall be used in a manner consistent with options under federal Medicaid law and regulation.

(2) Iowans support reducing the number of abortions performed in our state. For an abortion covered under this subsection, except in the case of a medical emergency, as defined in section 135L.1, for any woman, the physician shall certify both of the following:

(a) That the woman has been given the opportunity to view an ultrasound image of the fetus as part of the standard of care before an abortion is performed.

(b) That the woman has been provided information regarding the options relative to a pregnancy, including continuing the pregnancy to term and retaining parental rights following the child's birth, continuing the pregnancy to term and placing the child for adoption, and terminating the pregnancy.

b. Notwithstanding any provision of law to the contrary, the amount appropriated in this subsection shall be distributed based on claims submitted, adjudicated, and paid by the Iowa Medicaid enterprise.

c. The university of Iowa hospitals and clinics shall certify public expenditures in an amount equal to provide the nonfederal share on total expenditures not to exceed \$20,000,000.

2. There is appropriated from the IowaCare account created in section 249J.24 to the state board of regents for distribution to the university of Iowa hospitals and clinics for the fiscal

year beginning July 1, 2011, and ending June 30, 2012, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, equipment, and miscellaneous purposes, for the provision of medical and surgical treatment of indigent patients, for provision of services to members of the expansion population pursuant to chapter 249J, and for medical education:

..... \$ 44,226,279

Notwithstanding any provision of law to the contrary, the amount appropriated in this subsection shall be distributed based on claims submitted, adjudicated, and paid by the Iowa Medicaid enterprise.

3. There is appropriated from the IowaCare account created in section 249J.24, to the state board of regents for distribution to university of Iowa physicians for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amount, or so much thereof as is necessary to be used for the purposes designated:

For salaries, support, maintenance, equipment, and miscellaneous purposes for the provision of medical and surgical treatment of indigent patients, for provision of services to members of the expansion population pursuant to chapter 249J, and for medical education:

..... \$ 16,277,753

Notwithstanding any provision of law to the contrary, the amount appropriated in this subsection shall be distributed based on claims submitted, adjudicated, and paid by the Iowa Medicaid enterprise. Once the entire amount appropriated in this subsection has been distributed, claims shall continue to be submitted and adjudicated by the Iowa Medicaid enterprise; however, no payment shall be made based upon such claims.

4. There is appropriated from the IowaCare account created in section 249J.24 to the department of human services for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For distribution to a publicly owned acute care teaching hospital located in a county with a population over 350,000 for the provision of medical and surgical treatment of indigent patients, for provision of services to members of the expansion population pursuant to chapter 249J, and for medical education:

..... \$ 65,000,000

a. Notwithstanding any provision of law to the contrary, the amount appropriated in this subsection shall be distributed based on claims submitted, adjudicated, and paid by the Iowa Medicaid enterprise plus a monthly disproportionate share hospital payment. Any amount appropriated in this subsection in excess of \$60,000,000 shall be distributed only if the sum of the expansion population claims adjudicated and paid by the Iowa Medicaid enterprise plus the estimated disproportionate share hospital payments exceeds \$60,000,000. The amount paid in excess of \$60,000,000 shall not adjust the original monthly payment amount but shall be distributed monthly based on actual claims adjudicated and paid by the Iowa Medicaid enterprise plus the estimated disproportionate share hospital amount. Any amount appropriated in this subsection in excess of \$60,000,000 shall be allocated only if federal funds are available to match the amount allocated. Pursuant to paragraph "b", of the amount appropriated in this subsection, not more than \$4,000,000 shall be distributed for prescription drugs and podiatry services.

b. Notwithstanding any provision of law to the contrary, the hospital identified in this subsection, shall be reimbursed for outpatient prescription drugs and podiatry services provided to members of the expansion population pursuant to all applicable medical assistance program rules, in an amount not to exceed \$4,000,000.

c. Notwithstanding the total amount of proceeds distributed pursuant to section 249J.24, subsection 4, paragraph "a", unnumbered paragraph 1, for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the county treasurer of a county with a population of over 350,000 in which a publicly owned acute care teaching hospital is located shall distribute the proceeds collected pursuant to section 347.7 in a total amount of \$38,000,000, which would otherwise be distributed to the county hospital, to the treasurer of state for deposit in the IowaCare account.

d. (1) Notwithstanding the amount collected and distributed for deposit in the IowaCare account pursuant to section 249J.24, subsection 4, paragraph "a", subparagraph (1), the

first \$19,000,000 in proceeds collected pursuant to section 347.7 between July 1, 2011, and December 31, 2011, shall be distributed to the treasurer of state for deposit in the IowaCare account and collections during this time period in excess of \$19,000,000 shall be distributed to the acute care teaching hospital identified in this subsection. Of the collections in excess of the \$19,000,000 received by the acute care teaching hospital under this subparagraph (1), \$2,000,000 shall be distributed by the acute care teaching hospital to the treasurer of state for deposit in the IowaCare account in the month of January 2012, following the July 1 through December 31, 2011, period.

(2) Notwithstanding the amount collected and distributed for deposit in the IowaCare account pursuant to section 249J.24, subsection 4, paragraph “a”, subparagraph (2), the first \$19,000,000 in collections pursuant to section 347.7 between January 1, 2012, and June 30, 2012, shall be distributed to the treasurer of state for deposit in the IowaCare account and collections during this time period in excess of \$19,000,000 shall be distributed to the acute care teaching hospital identified in this subsection. Of the collections in excess of the \$19,000,000 received by the acute care teaching hospital under this subparagraph (2), \$2,000,000 shall be distributed by the acute care teaching hospital to the treasurer of state for deposit in the IowaCare account in the month of July 2012, following the January 1 through June 30, 2012, period.

5. There is appropriated from the IowaCare account created in section 249J.24 to the department of human services for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amount, or so much thereof as is necessary to be used for the purpose designated:

For payment to the regional provider network specified by the department pursuant to section 249J.7 for provision of covered services to members of the expansion population pursuant to chapter 249J:

..... \$ 3,472,176

Notwithstanding any provision of law to the contrary, the amount appropriated in this subsection shall be distributed based on claims submitted, adjudicated, and paid by the Iowa Medicaid enterprise. Once the entire amount appropriated in this subsection has been distributed, claims shall continue to be submitted and adjudicated by the Iowa Medicaid enterprise; however, no payment shall be made based upon such claims.

6. There is appropriated from the IowaCare account created in section 249J.24 to the department of human services for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amount, or so much thereof as is necessary to be used for the purposes designated:

For a care coordination pool to pay the expansion population providers consisting of the university of Iowa hospitals and clinics, the publicly owned acute care teaching hospital as specified in section 249J.7, and current medical assistance program providers that are not expansion population network providers pursuant to section 249J.7, for services covered by the full benefit medical assistance program but not under the IowaCare program pursuant to section 249J.6, that are provided to expansion population members:

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

a. Notwithstanding sections 249J.6 and 249J.7, the amount appropriated in this subsection is intended to provide payment for medically necessary services provided to expansion population members for continuation of care provided by the university of Iowa hospitals and clinics or the publicly owned acute care teaching hospital as specified in section 249J.7. Payment may only be made for services that are not otherwise covered under section 249J.6, and which are follow-up services to covered services provided by the hospitals specified in this paragraph “a”.

b. The funds appropriated in this subsection are intended to provide limited payment for continuity of care services for an expansion population member, and are intended to cover the costs of services to expansion population members, regardless of the member’s county of residence or medical home assignment, if the care is related to specialty or hospital services provided by the hospitals specified in paragraph “a”.

c. The funds appropriated in this subsection are not intended to provide for expanded coverage under the IowaCare program, and shall not be used to cover emergency transportation services.

d. The department shall adopt administrative rules pursuant to chapter 17A to establish a prior authorization process and to identify covered services for reimbursement under this subsection.

7. There is appropriated from the IowaCare account created in section 249J.24 to the department of human services for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amount or so much thereof as is necessary to be used for the purposes designated:

For a laboratory test and radiology pool for services authorized by a federally qualified health center designated by the department as part of the IowaCare regional provider network that does not have the capability to provide these services on site:

..... \$ 500,000

Notwithstanding sections 249J.6 and 249J.7, the amount appropriated in this subsection is intended to provide reimbursement for services provided to expansion population members that have previously been paid for through expenditure by designated regional provider network providers of their own funds, not to expand coverage under the IowaCare program or to expand the expansion population provider network. The department shall designate the laboratory and radiology provider associated with each designated regional provider network provider that may receive reimbursement. The department shall adopt administrative rules pursuant to chapter 17A to establish a prior authorization process and to identify covered services for reimbursement under this subsection. All other medical assistance program payment policies and rules for laboratory and radiology services shall apply to services provided under this subsection. If the entire amount appropriated under this subsection is expended, laboratory tests and radiology services ordered by a designated regional provider network provider shall be the financial responsibility of the regional provider network provider.

Sec. 36. APPROPRIATIONS FROM NONPARTICIPATING PROVIDER REIMBURSEMENT FUND — DEPARTMENT OF HUMAN SERVICES. Notwithstanding any provision to the contrary, and subject to the availability of funds, there is appropriated from the nonparticipating provider reimbursement fund created in section 249J.24A to the department of human services for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amount or so much thereof as is necessary for the purposes designated:

To reimburse nonparticipating providers in accordance with section 249J.24A:

..... \$ 2,000,000

Sec. 37. APPROPRIATIONS FROM ACCOUNT FOR HEALTH CARE TRANSFORMATION — DEPARTMENT OF HUMAN SERVICES. Notwithstanding any provision to the contrary, there is appropriated from the account for health care transformation created in section 249J.23 to the department of human services for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For the provision of an IowaCare nurse helpline for the expansion population as provided in section 249J.6:

..... \$ 100,000

2. For other health promotion partnership activities pursuant to section 249J.14:

..... \$ 600,000

3. For the costs related to audits, performance evaluations, and studies required pursuant to chapter 249J:

..... \$ 125,000

4. For administrative costs associated with chapter 249J:

..... \$ 1,132,412

5. For planning and development, in cooperation with the department of public health, of a phased-in program to provide a dental home for children in accordance with section 249J.14:

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

6. For continuation of the establishment of the tuition assistance for individuals serving individuals with disabilities pilot program, as enacted in 2008 Iowa Acts, chapter 1187, section 130:

..... \$ 50,000

7. For medical contracts:

..... \$ 2,000,000

8. For payment to the publicly owned acute care teaching hospital located in a county with a population of over 350,000 that is a participating provider pursuant to chapter 249J:

..... \$ 290,000

Disbursements under this subsection shall be made monthly. The hospital shall submit a report following the close of the fiscal year regarding use of the funds appropriated in this subsection to the persons specified in this Act to receive reports.

9. For transfer to the department of public health to be used for the costs of medical home system advisory council established pursuant to section 135.159, including for the incorporation of the work and duties of the prevention and chronic care management advisory council pursuant to section 135.161, as amended by this Act:

..... \$ 233,357

10. For implementation of a uniform cost report:

..... \$ 150,000

The uniform cost report shall be used in the development of specified Medicaid reimbursement rates over a multiyear timeframe. The department of human services, in collaboration with affected providers, shall finalize a uniform cost report that includes provider type-specific cost schedules by December 15, 2011. The uniform cost report shall be applied to providers of home and community-based services waiver services, habilitation services, case management services and community mental health centers, residential care facilities, psychiatric medical institutions for children, and intermediate care facilities for the mentally retarded in the development of Medicaid reimbursement rates. The department shall collaborate with affected Medicaid providers to test the effectiveness of the uniform cost report and determine the fiscal impact of implementing the uniform cost report during the fiscal year beginning July 1, 2012. A report of the findings and fiscal impact shall be submitted to the governor and the general assembly by December 31, 2013. The rates paid in the fiscal year beginning July 1, 2014, shall be established using uniform cost reports submitted in the fiscal year beginning July 1, 2012. Implementation of the uniform cost report shall be limited to the extent of the funding available.

11. For implementation of an electronic medical records system:

..... \$ 100,000

a. The implementation of an electronic medical records system shall include system purchase or development for home and community-based services providers and mental health services providers that comply with the requirements of federal and state laws and regulation by the fiscal year beginning July 1, 2013.

b. The department shall analyze the costs and benefits of providing an electronic medical records and billing system for home and community-based services providers and mental health services providers that comply with the requirements of federal and state laws and regulation. The analysis shall include a review of all of the following: including the capability for an electronic medical records and billing system within the procurement for the Medicaid management information system, developing the system, and utilizing capacity within the health information network established by the department of public health. If the analysis demonstrates that a program may be implemented in a cost-effective manner and within available funds, the department may take steps to implement such a system. The department shall report the results of the analysis, activities, and recommendations to the persons designated in this Act for submission of reports by December 15, 2011.

c. Notwithstanding section 8.33, funds allocated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available in succeeding fiscal years to be used for the purposes designated.

12. For transfer to the department of public health to support the department's activities relating to health and long-term care access as specified pursuant to chapter 135, division XXIV:

..... \$ 134,214

13. For an accountable care organization pilot project as specified in the division of this Act relating to prior appropriations and related changes:

..... \$ 100,000
 *14. For the development of a provider payment system plan to provide recommendations to reform the health care provider payment system as an effective way to promote coordination of care, lower costs, and improve quality as specified in the division of this Act relating to cost containment:

..... \$ 200,000*
 15. For transfer to the department of public health to be used as state matching funds for the health information technology system developed by the department of public health:

..... \$ 363,987

16. To supplement the appropriation for medical assistance:
 \$ 1,956,245

Notwithstanding section 8.39, subsection 1, without the prior written consent and approval of the governor and the director of the department of management, the director of human services may transfer funds among the appropriations made in this section as necessary to carry out the purposes of the account for health care transformation. The department shall report any transfers made pursuant to this section to the legislative services agency.

Sec. 38. MEDICAID FRAUD ACCOUNT — DEPARTMENT OF INSPECTIONS AND APPEALS. There is appropriated from the Medicaid fraud account created in section 249A.7 to the department of inspections and appeals for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For the inspection and certification of assisted living programs and adult day care services, including program administration and costs associated with implementation:

..... \$ 1,339,527

Sec. 39. QUALITY ASSURANCE TRUST FUND — DEPARTMENT OF HUMAN SERVICES. Notwithstanding any provision to the contrary and subject to the availability of funds, there is appropriated from the quality assurance trust fund created in section 249L.4 to the department of human services for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amounts, or so much thereof as is necessary for the purposes designated:

To supplement the appropriation made in this Act from the general fund of the state to the department of human services for medical assistance:

..... \$ 29,000,000

Sec. 40. HOSPITAL HEALTH CARE ACCESS TRUST FUND — DEPARTMENT OF HUMAN SERVICES. Notwithstanding any provision to the contrary and subject to the availability of funds, there is appropriated from the hospital health care access trust fund created in section 249M.4 to the department of human services for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amounts, or so much thereof as is necessary, for the purposes designated:

1. To supplement the appropriation made in this Act from the general fund of the state to the department of human services for medical assistance:

..... \$ 39,223,800

2. For deposit in the nonparticipating provider reimbursement fund created in section 249J.24A to be used for the purposes of the fund:

..... \$ 776,200

Sec. 41. MEDICAL ASSISTANCE PROGRAM — NONREVERSION FOR FY 2011-2012. Notwithstanding section 8.33, if moneys appropriated for purposes of the medical assistance program for the fiscal year beginning July 1, 2011, and ending June 30, 2012, from the general fund of the state, the Medicaid fraud account, the quality assurance trust fund, and the hospital health care access trust fund, are in excess of actual expenditures for the medical assistance program and remain unencumbered or unobligated

* Item veto; see message at end of the Act

at the close of the fiscal year, the excess moneys shall not revert but shall remain available for expenditure for the purposes of the medical assistance program until the close of the succeeding fiscal year.

DIVISION VI
HEALTH AND HUMAN SERVICES
MH/MR/DD SERVICES ALLOWED GROWTH FUNDING FOR FISCAL YEAR 2011-2012

Sec. 42. MENTAL HEALTH, MENTAL RETARDATION, AND DEVELOPMENTAL DISABILITIES SERVICES PROPERTY TAX RELIEF. Notwithstanding the standing appropriation in section 426B.1, subsection 2, for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the amount appropriated from the general fund of the state pursuant to that provision shall not exceed the following amount:

..... \$ 81,199,911

Sec. 43. SENATE FILE 209 APPROPRIATION — FY 2010-2011.

1. Of the amount credited to the property tax relief fund from the appropriation made pursuant to 2011 Iowa Acts, Senate File 209,⁵ section 21, subsection 1, there is appropriated to the department of human services for the fiscal year beginning July 1, 2010, and ending June 30, 2011, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For distribution in accordance with this section:

..... \$ 10,000,000

2. a. For the purposes of this subsection, unless the context otherwise requires:

(1) “County management plan” means the county management plan for the county’s mental health, mental retardation, and developmental disabilities services system in accordance with section 331.439.

(2) “Risk pool board” means the risk pool board created in section 426B.5.

(3) “Services fund” means the county mental health, mental retardation, and developmental disabilities services fund created in section 331.424A.

b. The appropriation made in this section shall be distributed to counties with persons on a waiting list between April 21, 2011, and the date of application for adult mental health, mental retardation, and developmental disabilities services in accordance with the county management plan in effect as of January 1, 2011. All of the following provisions shall apply to such distribution:

(1) A county’s application for the funding distribution must be received by the department on or before July 15, 2011, or within 10 calendar days of the enactment date of this section, whichever is later.

(2) The county’s application shall provide all of the following information:

(a) A declaration that the county cannot provide services in accordance with the county’s management plan and remain in compliance with the 99 percent budgeting requirement in section 331.439, subsection 5, resulting in the creation of a waiting list.

(b) An accounting of the individuals to be removed from the county’s waiting list as a result of the funding applied for under this subsection, along with the following information in a format specified by the department:

(i) Each individual’s unique client identifier established pursuant to section 225C.6A, subsection 3.

(ii) The date the individual was originally placed on the county waiting list.

(iii) The services needed by the individual.

(iv) The projected cost for each service needed for that individual for the period beginning on the date the individual is removed from the waiting list through June 30, 2012.

(v) The total cost for all of the services for each individual for the fiscal year.

(3) The application shall be accompanied by a signed statement by the county’s board of supervisors certifying that the individuals for whom funding is provided under this subsection

⁵ Chapter 123 herein

will not subsequently be placed by the county on a waiting list for services through June 30, 2012.

(4) The risk pool board may accept or reject an application for assistance in whole or in part if the board determines the application does not meet the intent or a requirement of this section and may prorate distribution of funding as necessary to conform to the amount available for distribution. The decision of the risk pool board is final. The risk pool board shall issue a funding decision within 15 working days of the final receipt date for applications.

(5) The funding under this subsection shall be distributed within 15 working days of the date the risk pool board’s funding decision is issued.

c. If there is a balance remaining following the distribution of funding under paragraph “b”, the balance shall be distributed in a second distribution process for individuals placed on a waiting list after April 21, 2011, in accordance with the county management plan provisions for the services in effect as of January 1, 2011. In addition, notwithstanding 2010 Iowa Acts, chapter 1192, section 48, subsection 4, paragraph “c”, any funding rebated by counties pursuant to that provision and any moneys otherwise available in the risk pool in the property tax relief fund for the fiscal year beginning July 1, 2011, pursuant to section 426B.5, subsection 2, shall also be included in the second distribution process. The distribution process under this lettered paragraph shall be in lieu of any risk pool distribution for the fiscal year beginning July 1, 2011, under section 426B.5. All provisions applicable under paragraph “b” shall apply except that a county’s application for the second funding distribution process must be received by the department on or before December 1, 2011.

d. If moneys from a distribution made under this subsection are not expended by a county by November 1, 2012, for services provided prior to July 1, 2012, the county shall reimburse the unexpended moneys to the department by November 30, 2012, and the moneys reimbursed shall be credited to the risk pool in the property tax relief fund.

e. The risk pool board shall submit a report to the governor and general assembly on or before December 31, 2012, regarding the expenditure of funds distributed under this subsection.

Sec. 44. 2010 Iowa Acts, chapter 1193, section 1, is amended to read as follows:

SECTION 1. ADULT MH/MR/DD SERVICES ALLOWED GROWTH FUNDING — FY 2011-2012.

1. Notwithstanding section 331.439, subsection 3, the allowed growth factor adjustment for county mental health, mental retardation, and developmental disabilities service expenditures for the fiscal year beginning July 1, 2011, shall be established by statute which shall be enacted within thirty calendar days of the convening of the Eighty-fourth General Assembly, 2011 Session, on January 10, 2011. The governor shall submit to the general assembly a recommendation for such allowed growth factor adjustment and the amounts of related appropriations to the general assembly on or before January 11, 2011.

2. The appropriation and allocations made in this section fulfill the requirements of the governor and general assembly under subsection 1.

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

For distribution to counties of the county mental health, mental retardation, and developmental disabilities allowed growth factor adjustment for fiscal year 2011-2012 as provided in this section in lieu of the allowed growth factor provisions of section 331.438, subsection 2, and section 331.439, subsection 3, and chapter 426B:

..... \$ 54,697,893

b. Of the amount credited to the property tax relief fund from the appropriation made pursuant to 2011 Iowa Acts, Senate File 209,⁶ section 21, subsection 1, there is appropriated to the department of human services for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For distribution to counties as described in paragraph “a”:

⁶ Chapter 123 herein

..... \$ 10,000,000

Sec. 45. 2010 Iowa Acts, chapter 1193, section 1, as amended by this division of this Act, is amended by adding the following new subsections:

NEW SUBSECTION. 4. Of the amounts appropriated in this section, \$28,000,000 shall be distributed as provided in this subsection.

a. To be eligible to receive a distribution under this subsection, a county must meet the following requirements:

(1) The county is levying for the maximum amount allowed for the county’s mental health, mental retardation, and developmental disabilities services fund under section 331.424A for taxes due and payable in the fiscal year beginning July 1, 2011; the county is levying for at least 90 percent of the maximum amount allowed for the county’s services fund and that levy rate is more than \$2 per \$1,000 of the assessed value of all taxable property in the county; or the county is levying at least 92 percent of the maximum amount allowed for the county’s mental health, mental retardation, and developmental disabilities services fund under section 331.424A for the fiscal year and had a negative services fund balance for the fiscal year beginning July 1, 2009, after disregarding the temporary funding increase provided to counties for the fiscal year beginning July 1, 2009, through the federal American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5.

(2) In the fiscal year beginning July 1, 2009, the county’s mental health, mental retardation, and developmental disabilities services fund ending balance under generally accepted accounting principles was equal to or less than 15 percent of the county’s actual gross expenditures for that fiscal year.

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

c. The distributions made pursuant to this subsection are subject to the distribution provisions and withholding requirements established in this section for the county mental health, mental retardation, and developmental disabilities allowed growth factor adjustment for the fiscal year beginning July 1, 2011.

NEW SUBSECTION. 5. The following amount of the funding appropriated in this section for distribution to counties is the allowed growth factor adjustment for fiscal year 2011-2012, and shall be credited to the allowed growth funding pool created in the property tax relief fund and for distribution in accordance with section 426B.5, subsection 1:

..... \$ 36,697,893

For the distribution made for the fiscal year beginning July 1, 2011, a county that is levying at least 92 percent of the maximum amount allowed for the county’s mental health, mental retardation, and developmental disabilities services fund under section 331.424A for the fiscal year and had a negative services fund balance for the fiscal year beginning July 1, 2009, after disregarding the temporary funding increase provided to counties for the fiscal year beginning July 1, 2009, through the federal American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, shall be deemed to have met the allocation eligibility requirement under section 426B.5, subsection 1, paragraph “d”, subparagraph (1), subparagraph division (a).

NEW SUBSECTION. 6. The following formula amounts shall be utilized only to calculate preliminary distribution amounts for the allowed growth factor adjustment for fiscal year 2011-2012 under this section by applying the indicated formula provisions to the formula amounts and producing a preliminary distribution total for each county:

a. For calculation of a distribution amount for eligible counties from the allowed growth funding pool created in the property tax relief fund in accordance with the requirements in section 426B.5, subsection 1, and including the allocation eligibility provision authorized in subsection 5 of this section:

..... \$ 49,773,346

b. For calculation of a distribution amount for counties from the mental health and developmental disabilities (MH/DD) community services fund in accordance with the

formula provided in the appropriation made for the MH/DD community services fund for the fiscal year beginning July 1, 2011:

..... \$ 14,187,556

NEW SUBSECTION. 7. a. After applying the applicable statutory distribution formulas to the amounts indicated in subsection 6 for purposes of producing preliminary distribution totals, the department of human services shall apply a withholding factor to adjust an eligible individual county’s preliminary distribution total. In order to be eligible for a distribution under this section, a county must be levying 90 percent or more of the maximum amount allowed for the county’s mental health, mental retardation, and developmental disabilities services fund under section 331.424A for taxes due and payable in the fiscal year for which the distribution is payable.

b. An ending balance percentage for each county shall be determined by expressing the county’s ending balance on a modified accrual basis under generally accepted accounting principles for the fiscal year beginning July 1, 2009, in the county’s mental health, mental retardation, and developmental disabilities services fund created under section 331.424A, as a percentage of the county’s gross expenditures from that fund for that fiscal year. If a county borrowed moneys for purposes of providing services from the county’s services fund on or before July 1, 2009, and the county’s services fund ending balance for that fiscal year includes the loan proceeds or an amount designated in the county budget to service the loan for the borrowed moneys, those amounts shall not be considered to be part of the county’s ending balance for purposes of calculating an ending balance percentage under this subsection.

c. For purposes of calculating withholding factors and for ending balance amounts used for other purposes under law, the county ending balances shall be adjusted, using forms developed for this purpose by the county finance committee, to disregard the temporary funding increase provided to the counties for the fiscal year through the federal American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5. In addition, a county may adjust the ending balance amount by rebating to the department all or a portion of the allowed growth and MH/DD services fund moneys the county received for the fiscal year beginning July 1, 2010, in accordance with 2009 Iowa Acts, chapter 179, section 1, as amended by 2009 Iowa Acts, chapter 1192,⁷ sections 47 and 48, or from any other services fund moneys available to the county. The rebate must be remitted to the department on or before June 1, 2011, in order to be counted. However, if this division of this Act is enacted after June 1, 2011, the rebate must be remitted not later than 10 calendar days after the date of the governor’s approval of this Act. The amount rebated by a county shall be subtracted dollar-for-dollar from the county’s ending balance amount for the fiscal year beginning July 1, 2009, for purposes of calculating the withholding factor and for other ending balance purposes for the fiscal year beginning July 1, 2011. **The rebates received by the department shall be credited to the property tax relief fund and distributed as additional funding for the fiscal year beginning July 1, 2011, in accordance with the formula provisions in this section.**

d. The withholding factor for a county shall be the following applicable percent:

(1) For an ending balance percentage of less than 5 percent, a withholding factor of 0 percent. In addition, a county that is subject to this lettered paragraph shall receive an inflation adjustment equal to 3 percent of the gross expenditures reported for the county’s services fund for the fiscal year.

(2) For an ending balance percentage of 5 percent or more but less than 10 percent, a withholding factor of 0 percent. In addition, a county that is subject to this lettered paragraph shall receive an inflation adjustment equal to 2 percent of the gross expenditures reported for the county’s services fund for the fiscal year.

(3) For an ending balance percentage of 10 percent or more but less than 25 percent, a withholding factor of 25 percent. However, for counties with an ending balance percentage of 10 percent or more but less than 15 percent, the amount withheld shall be limited to the amount by which the county’s ending balance was in excess of the ending balance percentage of 10 percent.

⁷ According to enrolled Act; the phrase “2010 Iowa Acts, chapter 1192” probably intended

* Item veto; see message at end of the Act

(4) For an ending balance percentage of 25 percent or more, a withholding percentage of 100 percent.

NEW SUBSECTION. 8. The total withholding amounts applied pursuant to subsection 7 shall be equal to a withholding target amount of \$13,075,453. If the department of human services determines that the amount appropriated is insufficient or the amount to be withheld in accordance with subsection 7 is not equal to the target withholding amount, the department shall adjust the withholding factors listed in subsection 7 as necessary to achieve the target withholding amount. However, in making such adjustments to the withholding factors, the department shall strive to minimize changes to the withholding factors for those ending balance percentage ranges that are lower than others and shall only adjust the zero withholding factor or the inflation adjustment percentages specified in subsection 7, paragraph “d”, when the amount appropriated is insufficient.

Sec. 46. 2010 Iowa Acts, chapter 1193, section 99, is amended to read as follows:

SEC. 99. MH/MR/DD SERVICES FUND TRANSFER. Notwithstanding section 331.424A, subsection 5, and section 331.432, subsection 3, for the fiscal year beginning July 1, 2010, and ending June 30, 2011, a county may transfer moneys from other funds of the county to the county’s mental health, mental retardation, and developmental disabilities services fund created in section 331.424A. A county transferring moneys from other funds of the county to the county’s services fund pursuant to this section shall submit a report detailing the transfers made and funds affected. The county shall submit the report along with the county expenditure and information report submitted by December 1, ~~2010~~ 2011, in accordance with section 331.439.

Sec. 47. JUDICIAL BRANCH AND DEPARTMENT OF HUMAN SERVICES WORKGROUP — RESIDENTIAL CARE FACILITIES. The workgroup implemented by the judicial branch and the department of human services pursuant to 2010 Iowa Acts, chapter 1192, section 24, subsection 2, and continued pursuant to 2011 Iowa Acts, Senate File 525,⁸ shall also address recommendations included in the final report of the stakeholder workgroup on residential care facilities implemented pursuant to 2010 Iowa Acts, chapter 1192, section 27, subsection 7. The recommendations addressed shall include but are not limited to educating judicial magistrates and mental health patient advocates on ways to enhance the consistency of services for individuals who are court ordered to a residential care facility. In addition, the workgroup shall address issues involved with identifying facilities with the capacity to provide an appropriate placement for an individual who has been arrested, charged, or convicted of assault, a forcible felony, arson, or an offense that requires registration as a sex offender under chapter 692A. The recommendations shall be included in the recommendations and report submitted by the workgroup pursuant to 2011 Iowa Acts, Senate File 525.⁹

Sec. 48. EFFECTIVE UPON ENACTMENT AND RETROACTIVE APPLICABILITY. The section of this division of this Act amending 2010 Iowa Acts, chapter 1193, section 99, being deemed of immediate importance, takes effect upon enactment and is retroactively applicable to December 1, 2010.

Sec. 49. EFFECTIVE UPON ENACTMENT AND RETROACTIVE APPLICABILITY. The section of this division of this Act making an appropriation for the fiscal year beginning July 1, 2010, of moneys credited to the property tax relief fund pursuant to 2011 Iowa Acts, Senate File 209,¹⁰ being deemed of immediate importance, takes effect upon enactment and applies retroactively to April 21, 2011.

⁸ Chapter 121 herein

⁹ Chapter 121 herein

¹⁰ Chapter 123 herein

DIVISION VII
PRIOR APPROPRIATIONS AND RELATED CHANGES

COMMUNITY HOUSING AND SERVICES REVOLVING LOAN PROGRAM

Sec. 50. NEW SECTION. 16.185 Community housing and services for persons with disabilities revolving loan program fund.

1. A community housing and services for persons with disabilities revolving loan program fund is created within the authority to further the availability of affordable housing and supportive services for Medicaid waiver-eligible individuals with behaviors that provide significant barriers to accessing traditional rental and supportive services opportunities. The moneys in the fund are annually appropriated to the authority to be used for the development and operation of a revolving loan program to provide financing to construct affordable permanent supportive housing or develop infrastructure in which to provide supportive services, including through new construction, acquisition and rehabilitation of existing housing or infrastructure, or conversion or adaptive reuse.

2. Moneys transferred by the authority for deposit in the community housing and services for persons with disabilities revolving loan program fund, moneys appropriated to the community housing and services for persons with disabilities revolving loan program, and any other moneys available to and obtained or accepted by the authority for placement in the fund shall be credited to the fund. Additionally, payment of interest, recaptures of awards, and other repayments to the community housing and services for persons with disabilities revolving loan program fund shall be credited to the fund. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund. Notwithstanding section 8.33, moneys credited to the fund from any other fund that remain unencumbered or unobligated at the close of the fiscal year shall not revert to the other fund.

3. *a.* The authority shall annually allocate moneys available in the fund for the development of permanent supportive housing for Medicaid waiver-eligible individuals. The authority shall develop a joint application process for the allocation of United States housing and urban development HOME investment partnerships program funding and the funds available under this section. Moneys allocated to such projects may be in the form of loans, forgivable loans, or a combination of loans and forgivable loans.

b. The authority shall annually allocate moneys available in the fund for the development of infrastructure in which to provide supportive services for Medicaid waiver-eligible individuals who meet the psychiatric medical institution for children level of care. Moneys allocated to such projects may be in the form of loans, forgivable loans, or a combination of loans and forgivable loans.

4. *a.* A project shall demonstrate written approval of the project by the department of human services to the authority prior to application for funding under this section.

b. In order to be approved by the department of human services for application for funding for development of permanent supportive housing under this section, a project shall include all of the following components:

(1) Provision of services to any of the following Medicaid waiver-eligible individuals:

(a) Individuals who are currently underserved in community placements, including individuals who are physically aggressive or have behaviors that are difficult to manage or individuals who meet the psychiatric medical institution for children level of care.

(b) Individuals who are currently residing in out-of-state facilities.

(c) Individuals who are currently receiving care in a licensed health care facility.

(2) A plan to provide each individual with crisis stabilization services to ensure that the individual's behavioral issues are appropriately addressed by the provider.

(3) Policies and procedures that prohibit discharge of the individual from the waiver services provided by the project provider unless an alternative placement that is acceptable to the client or the client's guardian is identified.

c. In order to be approved by the department of human services for application for funding for development of infrastructure in which to provide supportive services under this section, a project shall include all of the following components:

(1) Provision of services to Medicaid waiver-eligible individuals who meet the psychiatric medical institution for children level of care.

(2) Policies and procedures that prohibit discharge of the individual from the waiver services provided by the project provider unless an alternative placement that is acceptable to the client or the client's guardian is identified.

d. Housing provided through a project under this section is exempt from the requirements of chapter 135O.

5. The authority, in collaboration with the department of human services, shall adopt rules pursuant to chapter 17A to administer this section.

VIETNAM CONFLICT VETERANS BONUS

Sec. 51. Section 35A.8A, subsection 2, paragraph d, Code 2011, is amended to read as follows:

d. The person files an application for compensation under this section, in a manner determined by the department of veterans affairs, by ~~July 1, 2010~~ May 1, 2011.

VIETNAM CONFLICT VETERANS BONUS FUND

Sec. 52. 2008 Iowa Acts, chapter 1187, section 68, as amended by 2009 Iowa Acts, chapter 182, section 82, and 2010 Iowa Acts, chapter 1192, section 55, is amended to read as follows:

Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year ~~beginning July 1, 2010~~ repeal of section 35A.8A. Upon such repeal, the remaining moneys shall be transferred to the veterans trust fund and, notwithstanding section 35A.13, subsection 3, shall only be expended in accordance with an appropriation for purposes of a bonus enacted for veterans of the conflicts in Panama, Grenada, Lebanon, or the Persian Gulf.

INJURED VETERANS GRANT PROGRAM

Sec. 53. 2008 Iowa Acts, chapter 1187, section 69, unnumbered paragraph 1, as amended by 2009 Iowa Acts, chapter 182, section 83, and 2010 Iowa Acts, chapter 1192, section 56, is amended to read as follows:

Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year beginning July 1, ~~2010~~ 2011.

BEHAVIORAL HEALTH SERVICES ACCOUNT — MEDICAL ASSISTANCE

Sec. 54. 2009 Iowa Acts, chapter 182, section 9, subsection 16, paragraph b, as amended by 2010 Iowa Acts, chapter 1192, section 63, is amended to read as follows:

b. The department shall continue to maintain a separate account within the medical assistance budget for the deposit of all funds remitted pursuant to a contract with a third party to administer behavioral health services under the medical assistance program established pursuant to 2008 Iowa Acts, chapter 1187, section 9, subsection 20. Notwithstanding section 8.33, other than funds remaining from the appropriation allocations made for implementation of the emergency mental health crisis services and system, for implementation of the mental health services system for children and youth, and for training of child welfare services providers in 2008 Iowa Acts, chapter 1187, section 9, subsection 20, paragraph "c", subparagraphs (1), (2), and (6), as authorized in 2009 Iowa Acts, chapter 182, section 72, shall not revert but shall remain available in succeeding fiscal years to be used for the purposes designated until expended and any other funds remaining in the account that remain unencumbered or unobligated at the end of the fiscal year shall not revert but

shall remain available in succeeding fiscal years ~~and are appropriated to the department to be used for the medical assistance program to be used for purposes of crisis stabilization and other mental and behavioral health service improvements.~~

CHILD WELFARE DECATEGORY
FY 2009-2010 NONREVERSION

Sec. 55. 2009 Iowa Acts, chapter 182, section 14, subsection 5, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Notwithstanding section 232.188, subsection 5, moneys from the allocations made in this subsection or made from any other source for the decategorization of child welfare and juvenile justice funding initiative under section 232.188 for the fiscal year beginning July 1, 2009, that are designated as carryover funding that remain unencumbered or unobligated at the close of the fiscal year beginning July 1, 2010, shall not revert but shall be transferred to the community housing and services for persons with disabilities revolving loan program fund created in section 16.185, as enacted by this division of this Act.

AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 — ALLOCATION FOR
INFANT AND TODDLER CARE QUALITY

Sec. 56. 2009 Iowa Acts, chapter 183, section 62, subsection 3, is amended to read as follows:

3. For the purposes of this subsection, “federal poverty level” means the poverty level defined by the most recently revised poverty income guidelines published by the United States department of health and human services. The program shall provide financial assistance to families with infants and toddlers less than thirty-six months of age ~~two~~ that have a family income of more than 145 percent but not more than 185 percent of the federal poverty level. However, the department may adjust the qualifying criteria or the financial assistance purpose provisions specified in this subsection or make other changes as necessary for implementation to conform with federal requirements for the funding. Outcome reporting and other grant requirements shall be developed by the department in cooperation with the Iowa empowerment board.

Sec. 57. 2009 Iowa Acts, chapter 183, section 62, subsection 4, is amended to read as follows:

4. The financial assistance shall be for any of the following purposes:
- a. For making temporary payments to qualifying families whose members are recently unemployed and seeking work to use in meeting immediate family needs.
 - b. For providing sliding scale subsidies for qualifying families for child care provided to the families’ infants and toddlers by providers who are accredited by the national association for the education of young children or the national association for family child care, or who have a rating at level 3 2 or higher under the child care quality rating system implemented pursuant to section 237A.30.
 - c. For expanding training and other support for infant care providers in the community and this state.
 - d. For ensuring child care environments are healthy and safe.
 - e. For promoting positive relationships between parents and providers in their mutual efforts to care for very young children.
 - f. For ensuring that parents have the information and resources needed to choose quality child care.

IOWA DEPARTMENT ON AGING CASE MANAGEMENT REVIEW

Sec. 58. 2010 Iowa Acts, chapter 1192, section 1, subsection 2, is amended to read as follows:

2. a. Of the funds appropriated in this section, \$1,246,514 shall be transferred to the department of human services in equal amounts on a quarterly basis for reimbursement

of case management services provided under the medical assistance elderly waiver. The department of human services shall adopt rules for case management services provided under the medical assistance elderly waiver in consultation with the department on aging.

~~b. The department of human services shall review projections for state funding expenditures for reimbursement of case management services under the medical assistance elderly waiver on a quarterly basis and shall determine if an adjustment to the medical assistance reimbursement rates are necessary to provide reimbursement within the state funding amounts budgeted under the appropriations made for the fiscal year for the medical assistance program. Any temporary enhanced federal financial participation that may become available for the medical assistance program during the fiscal year shall not be used in projecting the medical assistance elderly waiver case management budget. The department of human services shall revise such reimbursement rates as necessary to maintain expenditures for medical assistance elderly waiver case management services within the state funding amounts budgeted under the appropriations made for the fiscal year for the medical assistance program.~~

IOWA VETERANS HOME

Sec. 59. 2010 Iowa Acts, chapter 1192, section 3, subsection 2, is amended by adding the following new paragraph:

NEW PARAGRAPH. d. The funds appropriated in this subsection to the Iowa veterans home that remain available for expenditure for the succeeding fiscal year pursuant to section 35D.18, subsection 5, shall be distributed to be used in the succeeding fiscal year in accordance with this lettered paragraph. The first \$500,000 shall remain available to be used for the purposes of the Iowa veterans home. On or before October 15, 2011, the department of management shall transfer the remaining balance to the appropriation to the department of human services for medical assistance.

MEDICAL ASSISTANCE PROGRAM

Sec. 60. 2010 Iowa Acts, chapter 1192, section 11, is amended by adding the following new subsection:

NEW SUBSECTION. 25. The department may increase the amounts allocated for salaries, support, maintenance, and miscellaneous purposes associated with the medical assistance program as necessary to implement cost containment efforts in order to accomplish medical assistance program savings. These amounts may be transferred to the appropriation made in this division of this Act for the health insurance premium payment program.

STATE SUPPLEMENTARY ASSISTANCE PROGRAM

Sec. 61. 2010 Iowa Acts, chapter 1192, section 14, is amended by adding the following new subsection:

NEW SUBSECTION. 4. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

CHILD WELFARE TRAINING ACADEMY

Sec. 62. 2010 Iowa Acts, chapter 1192, section 19, subsection 22, is amended to read as follows:

22. Of the funds appropriated in this section, at least \$47,158 shall be used for the child welfare training academy. Notwithstanding section 8.33, moneys allocated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

ADOPTION SUBSIDY TRANSFER AND NONREVERSION

Sec. 63. 2010 Iowa Acts, chapter 1192, section 20, is amended by adding the following new subsections:

NEW SUBSECTION. 4. Of the funds appropriated in this section, \$60,000 shall be transferred to the appropriation made in this division of this Act for the state mental health institute at Cherokee to be used for children's beds at the institute.

NEW SUBSECTION. 5. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

DEPARTMENT OF HUMAN SERVICES — FIELD OPERATIONS

Sec. 64. 2010 Iowa Acts, chapter 1192, section 29, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

DEPARTMENT OF HUMAN SERVICES — GENERAL ADMINISTRATION

Sec. 65. 2010 Iowa Acts, chapter 1192, section 30, is amended by adding the following new subsection:

NEW SUBSECTION. 5. Notwithstanding section 8.33, moneys appropriated in this section and the designated allocations that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

IOWA DEPARTMENT ON AGING CASE MANAGEMENT REVIEW

Sec. 66. 2010 Iowa Acts, chapter 1192, section 37, subsection 1, is amended to read as follows:

1. a. Of the funds appropriated in this section, \$1,010,000 shall be transferred to the department of human services in equal amounts on a quarterly basis for reimbursement of case management services provided under the medical assistance elderly waiver.

~~b. The department of human services shall review projections for state funding expenditures for reimbursement of case management services under the medical assistance elderly waiver on a quarterly basis and shall determine if an adjustment to the medical assistance reimbursement rates are necessary to provide reimbursement within the state funding amounts budgeted under the appropriations made for the fiscal year for the medical assistance program. Any temporary enhanced federal financial participation that may become available for the medical assistance program during the fiscal year shall not be used in projecting the medical assistance elderly waiver case management budget. The department of human services shall revise such reimbursement rates as necessary to maintain expenditures for medical assistance elderly waiver case management services within the state funding amounts budgeted under the appropriations made for the fiscal year for the medical assistance program.~~

QUALITY ASSURANCE TRUST FUND — DEPARTMENT OF HUMAN SERVICES

Sec. 67. 2010 Iowa Acts, chapter 1192, section 44, is amended to read as follows:

SEC. 44. QUALITY ASSURANCE TRUST FUND — DEPARTMENT OF HUMAN SERVICES. Notwithstanding any provision to the contrary and subject to the availability of funds, there is appropriated from the quality assurance trust fund created in section 249L.4 to the department of human services for the fiscal year beginning July 1, 2010, and ending

June 30, 2011, the following amounts, or so much thereof as is necessary for the purposes designated:

To supplement the appropriation made in this Act from the general fund of the state to the department of human services for medical assistance:

..... \$ 13,900,000
33,708,458

1. Of the funds appropriated in this section, \$7,500,000 shall be used for nursing facility reimbursement under the medical assistance program in accordance with the nursing facility reimbursement provisions of division IV of this Act, to continue application of the administrative rules changes relating to nursing facility reimbursement and payment procedures made pursuant to 2010 Iowa Acts, Senate File 2366,¹¹ if enacted, for the fiscal year beginning July 1, 2010, and ending June 30, 2011, and to restore the 5 percent reduction made in nursing facility reimbursement in accordance with executive order number 19¹² issued October 8, 2009.

2. The costs associated with the implementation of this section shall be funded exclusively through moneys appropriated from the quality assurance trust fund, and shall result in budget neutrality to the general fund of the state for the fiscal year beginning July 1, 2010, and ending June 30, 2011.

INJURED VETERANS TRUST FUND

Sec. 68. INJURED VETERANS TRUST FUND. There is appropriated from the general fund of the state to the department of veterans affairs for the fiscal year beginning July 1, 2010, and ending June 30, 2011, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

To be credited to the injured veterans trust fund created pursuant to section 35A.14 to be used for the injured veterans grant program:

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

The department shall review the rules and statutory provisions pertaining to the injured veterans grant program and propose amendments to improve the program. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until expended.

MERCHANT MARINE BONUS FUND TRANSFER

Sec. 69. DEPARTMENT OF CULTURAL AFFAIRS — MERCHANT MARINE BONUS FUND.

1. The appropriation made from the merchant marine bonus fund to the department of cultural affairs for the fiscal year beginning July 1, 2010, and ending June 30, 2011, in 2010 Iowa Acts, chapter 1193, section 82, shall be transferred on the effective date of this section to the department of veterans affairs to be used for departmental costs.

2. Moneys transferred pursuant to this section that remain unencumbered or unobligated at the close of the fiscal year shall be credited to the veterans trust fund created in section 35A.13.

Sec. 70. DECATEGORIZATION PROJECT FUNDING. For the period beginning June 1, 2010, and ending June 30, 2012, a child welfare and juvenile justice funding decategorization initiative project that is incorporated and owns real property may utilize project funding to purchase liability insurance.

¹¹ 2010 Iowa Acts, chapter 1182
¹² Published in IAB XXXII, No. 9, (10/21/09) p. 1139

STATE INSTITUTION — APPROPRIATION TRANSFERS

Sec. 71. DEPARTMENT OF HUMAN SERVICES. There is transferred between the following designated appropriations made to the department of human services for the fiscal year beginning July 1, 2010, and ending June 30, 2011, not more than the following amounts:

1. From the appropriation made for purposes of the state resource center at Glenwood in 2010 Iowa Acts, chapter 1192, section 25, subsection 1, paragraph “a”, to the appropriation made for purposes of the Iowa juvenile home at Toledo in 2010 Iowa Acts, chapter 1192, section 17, subsection 1:

..... \$ 400,000

2. From the appropriation made for purposes of the state resource center at Woodward in 2010 Iowa Acts, chapter 1192, section 25, subsection 1, paragraph “b”, to the appropriation made for purposes of the state mental health institute at Independence in 2010 Iowa Acts, chapter 1192, section 24, subsection 1, paragraph “c”:

..... \$ 400,000

Sec. 72. ACCOUNTABLE CARE ORGANIZATION — PILOT.

1. a. If an entity applies for certification from the secretary of the United States department of health and human services prior to January 1, 2012, and is subsequently certified to administer an accountable care organization pilot project, pursuant to the federal Patient Protection and Accountability Act, Pub. L. No. 111-148, the department of human services shall work with the entity to provide access to the complete deidentified claims data of the medical assistance recipients receiving health care services through the pilot project for the purposes of identifying areas of utilization, need, and potential cost savings to the medical assistance program subject to all applicable state and federal laws and regulations. The department may also employ new payment models, information technology, and data analytics provisions necessary to the administration of the pilot project.

b. The department of human services shall work with an entity to administer an accountable care organization pilot project, only if the centers for Medicare and Medicaid services of the United States department of health and human services approves participation of the medical assistance program in the pilot project and the entity meets all of the following requirements:

(1) At a minimum, includes the participation of a prospective payment system hospital, ten primary care physicians, a home health care practice, a palliative care services, a hospice service, and a community mental health center, all of which agree to be paid under a partial or global payment for identified services.

(2) Requires all participating providers to utilize electronic health records.

(3) Includes delivery of mental health services to recipients of medical assistance through collaboration with the regional community mental health center, a federally qualified health center, and at least one nursing facility as consistent with any other law enacted by the Eighty-fourth general assembly, 2011 session, that redesigns the mental health delivery system in the state.

c. The entity certified to implement the pilot project shall report to the joint appropriations subcommittee for health and human services during the 2012 legislative session detailing the progress and expected outcomes of the pilot project.

Sec. 73. EMERGENCY RULES. For purposes of the initial rules to implement the provisions of section 16.185, as enacted by this division of this Act, the Iowa finance authority may adopt administrative rules under section 17A.4, subsection 3, and section 17A.5, subsection 2, paragraph “b”, to implement the provisions and the rules shall become effective immediately upon filing or on a later effective date specified in the rules, unless the effective date is delayed by the administrative rules review committee. Any rules adopted in accordance with this section shall not take effect before the rules are reviewed by the administrative rules review committee. The delay authority provided to the administrative rules review committee under section 17A.4, subsection 7, and section 17A.8, subsection 9, shall be applicable to a delay imposed under this section, notwithstanding a provision in those sections making them inapplicable to section 17A.5, subsection 2, paragraph “b”. Any

rules adopted in accordance with the provisions of this section shall also be published as a notice of intended action as provided in section 17A.4.

Sec. 74. EFFECTIVE UPON ENACTMENT AND RETROACTIVE APPLICABILITY. Except as otherwise provided by this division of this Act, this division of this Act, being deemed of immediate importance, takes effect upon enactment and if approved by the governor on or after July 1, 2011, applies retroactively to June 30, 2011.

Sec. 75. RETROACTIVE APPLICABILITY. The section of this division of this Act addressing child welfare and juvenile justice funding decategorization initiative project funding for the period beginning June 1, 2010, and ending June 30, 2012, applies retroactively to June 1, 2010.

Sec. 76. RETROACTIVE APPLICABILITY. The section of this division of this Act amending section 35A.8A, applies retroactively to July 1, 2010.

Sec. 77. RETROACTIVE APPLICABILITY. The section of this division of this Act making transfers between appropriations made to the department of human services for state institutions in 2010 Iowa Acts, chapter 1192, applies retroactively to January 1, 2011.

DIVISION VIII PREVENTION AND CHRONIC CARE MANAGEMENT

Sec. 78. Section 135.159, subsection 10, Code 2011, is amended to read as follows:

10. ~~the department shall integrate the recommendations and policies developed by the prevention and chronic care management advisory council pursuant to section 135.161, Code 2011, into the medical home system and shall incorporate the development and implementation of the state initiative for prevention and chronic care management as developed pursuant to section 135.161, Code 2011, into the duties of the medical home system advisory council beginning January 1, 2012.~~

Sec. 79. Section 135.162, subsections 1 and 3, Code 2011, are amended to read as follows:

1. The director shall convene a clinicians advisory panel to advise and recommend to the department clinically appropriate, evidence-based best practices regarding the implementation of the medical home as defined in section 135.157 ~~and the prevention and chronic care management initiative pursuant to section 135.161~~. The director shall act as chairperson of the advisory panel.

3. The clinicians advisory panel shall meet on a quarterly basis to receive updates from the director regarding strategic planning and implementation progress on the medical home ~~and the prevention and chronic care management initiative~~ and shall provide clinical consultation to the department regarding the medical home ~~and the initiative~~.

Sec. 80. Section 136.3, subsection 14, Code 2011, is amended to read as follows:

14. Perform those duties authorized pursuant to sections 135.156, and 135.159, ~~and 135.161~~, and other provisions of law.

Sec. 81. REPEAL. Section 135.161, Code 2011, is repealed.

Sec. 82. EFFECTIVE DATE. This division of this Act takes effect December 31, 2011.

DIVISION IX MISCELLANEOUS

Sec. 83. Section 29C.20B, Code 2011, is amended to read as follows:

29C.20B Disaster case management.

1. ~~The rebuild Iowa office homeland security and emergency management division shall work with the department of human services and nonprofit, voluntary, and faith-based organizations active in disaster recovery and response in coordination with the homeland security and emergency management division~~ the department of human services to establish

a statewide system of disaster case management to be activated following the governor's proclamation of a disaster emergency or the declaration of a major disaster by the president of the United States for individual assistance purposes. Under the system, the ~~department of human services~~ homeland security and emergency management division shall coordinate case management services locally through local committees as established in each local emergency management commission's emergency plan. ~~Beginning July 1, 2011, the department of human services shall assume the duties of the rebuild Iowa office under this subsection.~~

2. ~~The department of human services~~ homeland security and emergency management division, in conjunction with the ~~rebuild Iowa office, the homeland security and emergency management division~~ department of human services, and an Iowa representative to the national voluntary organizations active in disaster, shall adopt rules pursuant to chapter 17A to create coordination mechanisms and standards for the establishment and implementation of a statewide system of disaster case management which shall include at least all of the following:

- a. Disaster case management standards.
- b. Disaster case management policies.
- c. Reporting requirements.
- d. Eligibility criteria.
- e. Coordination mechanisms necessary to carry out the services provided.
- f. Develop formal working relationships with agencies and create interagency agreements for those considered to provide disaster case management services.
- g. Coordination of all available services for individuals from multiple agencies.

Sec. 84. Section 135.106, Code 2011, is amended by adding the following new subsection:
NEW SUBSECTION. 4. It is the intent of the general assembly that priority for home visitation funding be given to approaches using evidence-based or promising models for home visitation.

Sec. 85. Section 147.136, Code 2011, is amended to read as follows:
147.136 Scope of recovery.

1. ~~In~~ Except as otherwise provided in subsection 2, in an action for damages for personal injury against a physician and surgeon, osteopathic physician and surgeon, dentist, podiatric physician, optometrist, pharmacist, chiropractor, or nurse licensed to practice that profession in this state, or against a hospital licensed for operation in this state, based on the alleged negligence of the practitioner in the practice of the profession or occupation, or upon the alleged negligence of the hospital in patient care, in which liability is admitted or established, the damages awarded shall not include actual economic losses incurred or to be incurred in the future by the claimant by reason of the personal injury, including but not limited to, the cost of reasonable and necessary medical care, rehabilitation services, and custodial care, and the loss of services and loss of earned income, to the extent that those losses are replaced or are indemnified by insurance, or by governmental, employment, or service benefit programs or from any other source ~~except the assets of the claimant or of the members of the claimant's immediate family.~~

2. This section shall not bar recovery of economic losses replaced or indemnified by any of the following:

- a. Benefits received under the medical assistance program under chapter 249A.
- b. The assets of the claimant or of the members of the claimant's immediate family.

Sec. 86. Section 153.14, subsection 1, Code 2011, is amended to read as follows:

1. Students of dentistry who practice dentistry upon patients at clinics in connection with their regular course of instruction at ~~the state~~ an accredited dental college, students of dental hygiene who practice upon patients at clinics in connection with their regular course of instruction at state-approved schools, and students of dental assisting who practice upon patients at clinics in connection with a regular course of instruction determined by the board pursuant to section 153.39.

Sec. 87. Section 154A.24, subsection 3, paragraph s, Code 2011, is amended by striking the paragraph.

Sec. 88. **NEW SECTION. 155A.43 Pharmaceutical collection and disposal program — annual allocation.**

Of the fees collected pursuant to sections 124.301 and 147.80 and chapter 155A by the board of pharmacy, and retained by the board pursuant to section 147.82, not more than one hundred twenty-five thousand dollars, may be allocated annually by the board for administering the pharmaceutical collection and disposal program originally established pursuant to 2009 Iowa Acts, chapter 175, section 9. The program shall provide for the management and disposal of unused, excess, and expired pharmaceuticals. The board of pharmacy may cooperate with the Iowa pharmacy association and may consult with the department and sanitary landfill operators in administering the program.

Sec. 89. Section 225B.8, Code 2011, is amended to read as follows:

225B.8 Repeal.

This chapter is repealed July 1, ~~2011~~ 2012.

Sec. 90. Section 232.188, subsection 5, paragraph b, unnumbered paragraph 1, Code 2011, is amended to read as follows:

Notwithstanding section 8.33, moneys designated for a project's decategorization services funding pool that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure as directed by the project's governance board for child welfare and juvenile justice systems enhancements and other purposes of the project ~~until the close of the succeeding fiscal year and~~ for the next two succeeding fiscal years. Such moneys shall be known as "*carryover funding*". Moneys may be made available to a funding pool from one or more of the following sources:

Sec. 91. Section 235B.19, Code 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 2A. a. The department shall serve a copy of the petition and any order authorizing protective services, if issued, on the dependent adult and on persons who are competent adults and reasonably ascertainable at the time the petition is filed in accordance with the following priority:

(1) An attorney in fact named by the dependent adult in a durable power of attorney for health care pursuant to chapter 144B.

(2) The dependent adult's spouse.

(3) The dependent adult's children.

(4) The dependent adult's grandchildren.

(5) The dependent adult's siblings.

(6) The dependent adult's aunts and uncles.

(7) The dependent adult's nieces and nephews.

(8) The dependent adult's cousins.

b. When the department has served a person in one of the categories specified in paragraph "a", the department shall not be required to serve a person in any other category.

c. The department shall serve the dependent adult's copy of the petition and order personally upon the dependent adult. Service of the petition and all other orders and notices shall be in a sealed envelope with the proper postage on the envelope, addressed to the person being served at the person's last known post office address, and deposited in a mail receptacle provided by the United States postal service. The department shall serve such copies of emergency orders authorizing protective services and notices within three days after filing the petition and receiving such orders.

d. The department and all persons served by the department with notices under this subsection shall be prohibited from all of the following without prior court approval after the department's petition has been filed:

(1) Selling, removing, or otherwise disposing of the dependent adult's personal property.

(2) Withdrawing funds from any bank, savings and loan association, credit union, or other financial institution, or from an account containing securities in which the dependent adult has an interest.

Sec. 92. Section 237A.1, subsection 3, paragraph n, Code 2011, is amended to read as follows:

n. A program offered to a child whose parent, guardian, or custodian is engaged solely in a recreational or social activity, remains immediately available and accessible on the physical premises on which the child's care is provided, and does not engage in employment while the care is provided. However, if the recreational or social activity is provided in a fitness center or on the premises of a nonprofit organization the parent, guardian, or custodian of the child may be employed to teach or lead the activity.

Sec. 93. Section 249A.4B, subsection 2, paragraph a, subparagraph (18), Code 2011, is amended to read as follows:

(18) The ~~Iowa/Nebraska~~ Iowa primary care association.

Sec. 94. REPEAL. Section 135.27A, Code 2011, is repealed December 31, 2011.

DIVISION X MEDICAID PRESCRIPTION DRUGS

**Sec. 95. Section 249A.20A, subsection 4, Code 2011, is amended to read as follows:*

*4. With the exception of drugs prescribed for the treatment of human immunodeficiency virus or acquired immune deficiency syndrome, transplantation, or cancer and drugs prescribed for mental illness with the exception of drugs and drug compounds that do not have a significant variation in a therapeutic profile or side effect profile within a therapeutic class, prescribing and dispensing of prescription drugs not included on the preferred drug list shall be subject to prior authorization.**

**Sec. 96. 2010 Iowa Acts, chapter 1031, section 348, is amended to read as follows:*

SEC. 348. MEDICAID NONPREFERRED DRUG LIST PRESCRIBING.

1. The department shall adopt rules pursuant to chapter 17A to restrict physicians and other prescribers to prescribing not more than a 72-hour or three-day supply of a prescription drug not included on the medical assistance preferred drug list while seeking approval to continue prescribing the medication.

2. ~~Notwithstanding subsection 1, the department shall adopt rules pursuant to chapter 17A to restrict a physician or other prescriber prescribing a chemically unique mental health prescription drug to prescribing not more than a seven-day supply of the prescription drug while requesting approval to continue to prescribe the medication. The rules shall provide that if an approval or disapproval is not received by the physician or other prescriber within 48 hours of the request, the request is deemed approved.~~*

Sec. 97. REPEAL. 2010 Iowa Acts, chapter 1031, section 349, is repealed.

Sec. 98. RESCINDING AND ADOPTION OF RULES. The department of human services shall rescind the rules adopted pursuant to 2010 Iowa Acts, chapter 1031, section 347, chapter 1031, section 348, subsection 2, and chapter 1031, section 349, and shall instead adopt emergency rules under section 17A.4, subsection 3, and section 17A.5, subsection 2, paragraph "b", to implement section 249A.20A, as amended in this division of this Act, and the rules shall be effective immediately upon filing and retroactively applicable to January 1, 2011, unless a later date is specified in the rules. Any rules adopted in accordance with this section shall also be published as a notice of intended action as provided in section 17A.4.

Sec. 99. EFFECTIVE UPON ENACTMENT AND RETROACTIVE APPLICABILITY. This division of this Act, being deemed of immediate importance, takes effect upon enactment and applies retroactively to January 1, 2011.

* Item veto; see message at end of the Act

DIVISION XI
IOWA FALSE CLAIMS ACT

Sec. 100. Section 685.1, subsection 11, Code 2011, is amended to read as follows:

11. "Original source" means an individual who has direct and independent prior to a public disclosure under section 685.3, subsection 5, paragraph "c", has voluntarily disclosed to the state the information on which the allegations or transactions in a claim are based; or who has knowledge of the information on which the allegations are based that is independent of and materially adds to the publicly disclosed allegations or transactions, and has voluntarily provided the information to the state before filing an action under section 685.3 which is based on the information this chapter.

Sec. 101. Section 685.1, Code 2011, is amended by adding the following new subsection:
NEW SUBSECTION. 15. "State" means the state of Iowa.

Sec. 102. Section 685.2, subsection 1, unnumbered paragraph 1, Code 2011, is amended to read as follows:

A person who commits any of the following acts is liable to the state for a civil penalty of not less than ~~five thousand dollars~~ and not more than ~~ten thousand dollars~~ the civil penalty allowed under the federal False Claims Act, as codified in 31 U.S.C. § 3729 et seq., as may be adjusted in accordance with the inflation adjustment procedures prescribed in the federal Civil Penalties Inflation Adjustment Act of 1990, Pub. L. No. 101-410, for each false or fraudulent claim, plus three times the amount of damages which the state sustains ~~because of the act of that person:~~

Sec. 103. Section 685.3, subsection 5, paragraph c, Code 2011, is amended by striking the paragraph and inserting in lieu thereof the following:

c. A court shall dismiss an action or claim under this section, unless opposed by the state, if substantially the same allegations or transactions as alleged in the action or claim were publicly disclosed in a state criminal, civil, or administrative hearing in which the state or an agent of the state is a party; in a state legislative, state auditor, or other state report, hearing, audit, or investigation; or by the news media, unless the action is brought by the attorney general or the qui tam plaintiff is an original source of the information.

Sec. 104. Section 685.3, subsection 6, Code 2011, is amended to read as follows:

6. a. Any employee, contractor, or agent who shall be entitled to all relief necessary to make that employee, contractor, or agent whole, if that employee, contractor, or agent is discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of employment because of lawful acts performed done by the employee, contractor, or agent on behalf of the employee, contractor, or agent or associated others in furtherance of an action under this section or other efforts to stop a violation one or more violations of this chapter, shall be entitled to all relief necessary to make the employee, contractor, or agent whole. Such relief

b. Relief under paragraph "a" shall include reinstatement with the same seniority status such that employee, contractor, or agent would have had but for the discrimination, two times the amount of back pay, interest on the back pay, and compensation for any special damages sustained as a result of the discrimination, including litigation costs and reasonable attorney fees. An employee, contractor, or agent may bring an action under this subsection may be brought in the appropriate district court of the state for the relief provided in this subsection.

c. A civil action under this subsection shall not be brought more than three years after the date when the retaliation occurred.

DIVISION XII
VOLUNTEER HEALTH CARE PROVIDER PROGRAM

**Sec. 105. Section 135.24, subsection 2, paragraphs b and c, Code 2011, are amended to read as follows:*

b. Procedures for registration of hospitals, free clinics, field dental clinics, and specialty health care provider offices.

*c. Criteria for and identification of hospitals, clinics, free clinics, field dental clinics, specialty health care provider offices, or other health care facilities, health care referral programs, or charitable organizations, eligible to participate in the provision of free medical, dental, chiropractic, pharmaceutical, nursing, optometric, psychological, social work, behavioral science, podiatric, physical therapy, occupational therapy, respiratory therapy, or emergency medical care services through the volunteer health care provider program. A hospital, a clinic, a free clinic, a field dental clinic, a specialty health care provider office, a health care facility, a health care referral program, a charitable organization, or a health care provider participating in the program shall not bill or charge a patient for any health care provider service provided under the volunteer health care provider program.**

Sec. 106. Section 135.24, Code 2011, is amended by adding the following new subsection: NEW SUBSECTION. 6A. A hospital providing free care under this section shall be considered a state agency solely for the purposes of this section and chapter 669 and shall be afforded protection under chapter 669 as a state agency for all claims arising from the provision of free care by a health care provider registered under subsection 3 who is providing services at the hospital in accordance with this section, if the hospital has registered with the department pursuant to subsection 1.

**Sec. 107. Section 135.24, subsection 7, Code 2011, is amended by adding the following new paragraph:*

*NEW PARAGRAPH. 0e. "Hospital" means hospital as defined in section 135B.1.**

DIVISION XIII
HEALTH CARE COST CONTAINMENT

Sec. 108. ALL-PAYER CLAIMS DATABASE. The department of human services in consultation with the division of insurance of the department of commerce shall investigate the costs associated with and the privacy implications of implementing an all-payer claims database to provide for the collection and analysis of claims data from multiple payers of health care. The department shall report its findings and recommendations to the individuals specified in this Act for submission of reports by December 15, 2011.

**Sec. 109. PROVIDER PAYMENT SYSTEM PLAN — PILOT PROJECT.* The department of human services shall develop a provider payment system plan to provide recommendations to reform the health care provider payment system as an effective way to promote coordination of care, lower costs, and improve quality. The plan shall provide analysis and recommendations regarding but not limited to accountable care organizations, a global payment system, or an episode of care payment system.*

Sec. 110. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION XIV
HEALTH INFORMATION TECHNOLOGY SYSTEM

Sec. 111. HEALTH INFORMATION TECHNOLOGY SYSTEM — BUSINESS MODEL AND FINANCIAL SUSTAINABILITY PLAN.

* Item veto; see message at end of the Act

1. The department of public health shall convene a workgroup to develop a business model and financial sustainability plan for implementation of a statewide health information technology system. The workgroup shall incorporate the results of the public and private collaborative efforts described in chapter 135, division XXI into its deliberations. The workgroup shall include all of the following selected by the director of public health, unless otherwise specified:

- a. Two members who are representatives of hospitals selected by the Iowa hospital association, one of which represents the largest health system in the state.
- b. One member who is a representative of the university of Iowa hospitals and clinics.
- c. One member who is a licensed practicing physician selected by the Iowa medical society.
- d. One member who is a licensed practicing physician selected by the Iowa osteopathic medical association.
- e. Two members who are representatives of insurance carriers selected by the federation of Iowa insurers, one of which represents the largest carrier.
- f. One member who represents the Iowa Medicaid enterprise.
- g. One member who represents the department of public health.
- h. One member who is a business entrepreneur selected by the governor.

2. In developing the business model and financial sustainability plan the workgroup shall consider and make recommendations regarding fees to be paid by participants who choose to use the health information technology system; strategies to avoid the use of general fund appropriations for sustainability of the health information technology system; the establishment of a dedicated electronic health finance fund; and the transitioning of technical infrastructure, business operations, and governance of the health information technology system to a nongovernmental entity.

3. The department of public health shall submit the proposed business model and financial sustainability plan to the executive committee established pursuant to section 135.156 and the state board of health for approval.

4. The approved business model and financial sustainability plan shall be submitted to the governor and the general assembly no later than December 1, 2011, for review and subsequent action.

Sec. 112. HEALTH INFORMATION TECHNOLOGY SYSTEM — STRATEGIC AND OPERATIONAL PLAN — PILOT. For the purposes of administering a health information technology system pilot project during the fiscal year beginning July 1, 2011, the department of public health shall incorporate all of the following legal standards and policy provisions into the strategic and operational plan for the pilot project:

1. A participant shall not be compelled by subpoena, court order, or other process of law to access health information through the health information technology system in order to gather records or information not created by the participant.

2. A provider who relies reasonably and in good faith upon any health information provided through the health information technology system in treatment of a patient who is the subject of the health information shall be immune from criminal or civil liability arising from any damages caused by such reasonable, good faith reliance. Such immunity shall not apply to acts or omissions constituting negligence, recklessness, or intentional misconduct.

3. A participant who has disclosed health information through the health information technology system in compliance with applicable law and the standards, requirements, policies, procedures, and agreements of the health information technology system shall not be subject to criminal or civil liability for the use or disclosure of health information by another participant.

4. Notwithstanding chapter 22, the following records shall be kept confidential, unless otherwise ordered by a court or consented to by the patient or by a person duly authorized to release such information:

a. The protected health information contained in, stored in, submitted to, transferred or exchanged by, or released from the health information technology system.

b. Any protected health information in the possession of the department due to its administration of the health information technology system.

DIVISION XV
DEPARTMENT ON AGING — FY 2012-2013

Sec. 113. DEPARTMENT ON AGING. There is appropriated from the general fund of the state to the department on aging for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For aging programs for the department on aging and area agencies on aging to provide citizens of Iowa who are 60 years of age and older with case management for frail elders, Iowa’s aging and disabilities resource center, and other services which may include but are not limited to adult day services, respite care, chore services, information and assistance, and material aid, for information and options counseling for persons with disabilities who are 18 years of age or older, and for salaries, support, administration, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	5,151,288
.....	FTEs	35.00

1. Funds appropriated in this section may be used to supplement federal funds under federal regulations. To receive funds appropriated in this section, a local area agency on aging shall match the funds with moneys from other sources according to rules adopted by the department. Funds appropriated in this section may be used for elderly services not specifically enumerated in this section only if approved by an area agency on aging for provision of the service within the area.

2. The amount appropriated in this section includes additional funding of \$225,000 for delivery of long-term care services to seniors with low or moderate incomes.

3. Of the funds appropriated in this section, \$89,973 shall be transferred to the department of economic development for the Iowa commission on volunteer services to be used for the retired and senior volunteer program.

4. a. The department on aging shall establish and enforce procedures relating to expenditure of state and federal funds by area agencies on aging that require compliance with both state and federal laws, rules, and regulations, including but not limited to all of the following:

(1) Requiring that expenditures are incurred only for goods or services received or performed prior to the end of the fiscal period designated for use of the funds.

(2) Prohibiting prepayment for goods or services not received or performed prior to the end of the fiscal period designated for use of the funds.

(3) Prohibiting the prepayment for goods or services not defined specifically by good or service, time period, or recipient.

(4) Prohibiting the establishment of accounts from which future goods or services which are not defined specifically by good or service, time period, or recipient, may be purchased.

b. The procedures shall provide that if any funds are expended in a manner that is not in compliance with the procedures and applicable federal and state laws, rules, and regulations, and are subsequently subject to repayment, the area agency on aging expending such funds in contravention of such procedures, laws, rules and regulations, not the state, shall be liable for such repayment.

DIVISION XVI
DEPARTMENT OF PUBLIC HEALTH — FY 2012-2013

Sec. 114. DEPARTMENT OF PUBLIC HEALTH. There is appropriated from the general fund of the state to the department of public health for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. ADDICTIVE DISORDERS

For reducing the prevalence of use of tobacco, alcohol, and other drugs, and treating individuals affected by addictive behaviors, including gambling, and for not more than the following full-time equivalent positions:

.....	\$	11,751,595
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..... FTEs 13.00

a. (1) Of the funds appropriated in this subsection, \$1,626,915 shall be used for the tobacco use prevention and control initiative, including efforts at the state and local levels, as provided in chapter 142A. The commission on tobacco use prevention and control established pursuant to section 142A.3 shall advise the director of public health in prioritizing funding needs and the allocation of moneys appropriated for the programs and activities of the initiative under this subparagraph (1) and shall make recommendations to the director in the development of budget requests relating to the initiative.

(2) Of the funds allocated in this paragraph “a”, \$226,915 shall be transferred to the alcoholic beverages division of the department of commerce for enforcement of tobacco laws, regulations, and ordinances in accordance with 2011 Iowa Acts, House File 467, ¹³ as enacted.

b. Of the funds appropriated in this subsection, \$10,124,680 shall be used for problem gambling and substance abuse prevention, treatment, and recovery services, including a 24-hour helpline, public information resources, professional training, and program evaluation.

(1) Of the funds allocated in this paragraph “b”, \$8,566,254 shall be used for substance abuse prevention and treatment.

(a) Of the funds allocated in this subparagraph (1), \$449,650 shall be used for the public purpose of a grant program to provide substance abuse prevention programming for children.

(i) Of the funds allocated in this subparagraph division (a), \$213,769 shall be used for grant funding for organizations that provide programming for children by utilizing mentors. Programs approved for such grants shall be certified or will be certified within six months of receiving the grant award by the Iowa commission on volunteer services as utilizing the standards for effective practice for mentoring programs.

(ii) Of the funds allocated in this subparagraph division (a), \$213,419 shall be used for grant funding for organizations that provide programming that includes youth development and leadership. The programs shall also be recognized as being programs that are scientifically based with evidence of their effectiveness in reducing substance abuse in children.

(iii) The department of public health shall utilize a request for proposals process to implement the grant program.

(iv) All grant recipients shall participate in a program evaluation as a requirement for receiving grant funds.

(v) Of the funds allocated in this subparagraph division (a), up to \$22,461 may be used to administer substance abuse prevention grants and for program evaluations.

(b) Of the funds allocated in this subparagraph (1), \$136,531 shall be used for culturally competent substance abuse treatment pilot projects.

(i) The department shall utilize the amount allocated in this subparagraph division (b) for at least three pilot projects to provide culturally competent substance abuse treatment in various areas of the state. Each pilot project shall target a particular ethnic minority population. The populations targeted shall include but are not limited to African American, Asian, and Latino.

(ii) The pilot project requirements shall provide for documentation or other means to ensure access to the cultural competence approach used by a pilot project so that such approach can be replicated and improved upon in successor programs.

(2) Of the funds allocated in this paragraph “b”, up to \$1,558,426 may be used for problem gambling prevention, treatment, and recovery services.

(a) Of the funds allocated in this subparagraph (2), \$1,289,500 shall be used for problem gambling prevention and treatment.

(b) Of the funds allocated in this subparagraph (2), up to \$218,926 may be used for a 24-hour helpline, public information resources, professional training, and program evaluation.

(c) Of the funds allocated in this subparagraph (2), up to \$50,000 may be used for the licensing of problem gambling treatment programs.

¹³ Chapter 63 herein

(3) It is the intent of the general assembly that from the moneys allocated in this paragraph "b", persons with a dual diagnosis of substance abuse and gambling addictions shall be given priority in treatment services.

c. Notwithstanding any provision of law to the contrary, to standardize the availability, delivery, cost of delivery, and accountability of problem gambling and substance abuse treatment services statewide, the department shall continue implementation of a process to create a system for delivery of treatment services in accordance with the requirements specified in 2008 Iowa Acts, chapter 1187, section 3, subsection 4. To ensure the system provides a continuum of treatment services that best meets the needs of Iowans, the problem gambling and substance abuse treatment services in any area may be provided either by a single agency or by separate agencies submitting a joint proposal.

(1) The system for delivery of substance abuse and problem gambling treatment shall include problem gambling prevention.

(2) The system for delivery of substance abuse and problem gambling treatment shall include substance abuse prevention by July 1, 2014.

(3) Of the funds allocated in paragraph "b", the department may use up to \$50,000 for administrative costs to continue developing and implementing the process in accordance with this paragraph "c".

d. The requirement of section 123.53, subsection 5, is met by the appropriations and allocations made in this Act for purposes of substance abuse treatment and addictive disorders for the fiscal year beginning July 1, 2012.

e. The department of public health shall work with all other departments that fund substance abuse prevention and treatment services and all such departments shall, to the extent necessary, collectively meet the state maintenance of effort requirements for expenditures for substance abuse services as required under the federal substance abuse prevention and treatment block grant.

f. The department shall amend or otherwise revise departmental policies and contract provisions in order to eliminate free t-shirt distribution, banner production, and other unnecessary promotional expenditures.

2. HEALTHY CHILDREN AND FAMILIES

For promoting the optimum health status for children, adolescents from birth through 21 years of age, and families, and for not more than the following full-time equivalent positions:

.....	\$	1,297,135
.....	FTEs	10.00

a. Of the funds appropriated in this subsection, not more than \$369,659 shall be used for the healthy opportunities to experience success (HOPES)-healthy families Iowa (HFI) program established pursuant to section 135.106. The funding shall be distributed to renew the grants that were provided to the grantees that operated the program during the fiscal year ending June 30, 2012.

b. Of the funds appropriated in this subsection, \$164,942 shall be used to continue to address the healthy mental development of children from birth through five years of age through local evidence-based strategies that engage both the public and private sectors in promoting healthy development, prevention, and treatment for children.

c. Of the funds appropriated in this subsection, \$15,798 shall be distributed to a statewide dental carrier to provide funds to continue the donated dental services program patterned after the projects developed by the lifeline network to provide dental services to indigent elderly and disabled individuals.

d. Of the funds appropriated in this subsection, \$56,338 shall be used for childhood obesity prevention.

e. Of the funds appropriated in this subsection, \$81,880 shall be used to provide audiological services and hearing aids for children. The department may enter into a contract to administer this paragraph.

3. CHRONIC CONDITIONS

For serving individuals identified as having chronic conditions or special health care needs, and for not more than the following full-time equivalent positions:

.....	\$	1,680,828
.....	FTEs	4.00

a. Of the funds appropriated in this subsection, \$80,291 shall be used for grants to individual patients who have phenylketonuria (PKU) to assist with the costs of necessary special foods.

b. Of the funds appropriated in this subsection, \$241,800 is allocated for continuation of the contracts for resource facilitator services in accordance with section 135.22B, subsection 9, and for brain injury training services and recruiting of service providers to increase the capacity within this state to address the needs of individuals with brain injuries and such individuals' families.

c. Of the funds appropriated in this subsection, \$249,437 shall be used as additional funding to leverage federal funding through the federal Ryan White Care Act, Tit. II, AIDS drug assistance program supplemental drug treatment grants.

d. Of the funds appropriated in this subsection, \$15,627 shall be used for the public purpose of providing a grant to an existing national-affiliated organization to provide education, client-centered programs, and client and family support for people living with epilepsy and their families.

e. Of the funds appropriated in this subsection, \$394,151 shall be used for child health specialty clinics.

f. Of the funds appropriated in this subsection, \$248,533 shall be used for the comprehensive cancer control program to reduce the burden of cancer in Iowa through prevention, early detection, effective treatment, and ensuring quality of life. Of the funds allocated in this lettered paragraph, \$75,000 shall be used to support a melanoma research symposium, a melanoma biorepository and registry, basic and translational melanoma research, and clinical trials.

g. Of the funds appropriated in this subsection, \$63,225 shall be used for cervical and colon cancer screening.

h. Of the funds appropriated in this subsection, \$264,417 shall be used for the center for congenital and inherited disorders.

i. Of the funds appropriated in this subsection, \$64,968 shall be used for the prescription drug donation repository program created in chapter 135M.

4. COMMUNITY CAPACITY

For strengthening the health care delivery system at the local level, and for not more than the following full-time equivalent positions:

.....	\$	2,117,583
.....	FTEs	14.00

a. Of the funds appropriated in this subsection, \$50,000 is allocated for a child vision screening program implemented through the university of Iowa hospitals and clinics in collaboration with early childhood Iowa areas.

b. Of the funds appropriated in this subsection, \$55,654 is allocated for continuation of an initiative implemented at the university of Iowa and \$50,246 is allocated for continuation of an initiative at the state mental health institute at Cherokee to expand and improve the workforce engaged in mental health treatment and services. The initiatives shall receive input from the university of Iowa, the department of human services, the department of public health, and the mental health and disability services commission to address the focus of the initiatives.

c. Of the funds appropriated in this subsection, \$585,745 shall be used for essential public health services that promote healthy aging throughout the lifespan, contracted through a formula for local boards of health, to enhance health promotion and disease prevention services.

d. Of the funds appropriated in this section, \$60,908 shall be deposited in the governmental public health system fund created in section 135A.8 to be used for the purposes of the fund.

e. Of the funds appropriated in this subsection, \$72,271 shall be used for the mental health professional shortage area program implemented pursuant to section 135.80.

f. Of the funds appropriated in this subsection, \$19,131 shall be used for a grant to a statewide association of psychologists that is affiliated with the American psychological association to be used for continuation of a program to rotate intern psychologists in placements in urban and rural mental health professional shortage areas, as defined in section 135.80.

g. Of the funds appropriated in this subsection, the following amounts shall be allocated to the Iowa collaborative safety net provider network established pursuant to section 135.153 to be used for the purposes designated. The following amounts allocated under this lettered paragraph shall be distributed to the specified provider and shall not be reduced for administrative or other costs prior to distribution:

(1) For distribution to the Iowa primary care association for statewide coordination of the Iowa collaborative safety net provider network:

..... \$ 66,290

(2) For distribution to the local boards of health that provide direct services for pilot programs in three counties to assist patients in determining an appropriate medical home:

..... \$ 38,804

(3) For distribution to maternal and child health centers for pilot programs in three counties to assist patients in determining an appropriate medical home:

..... \$ 38,804

(4) For distribution to free clinics for necessary infrastructure, statewide coordination, provider recruitment, service delivery, and provision of assistance to patients in determining an appropriate medical home:

..... \$ 62,025

(5) For distribution to rural health clinics for necessary infrastructure, statewide coordination, provider recruitment, service delivery, and provision of assistance to patients in determining an appropriate medical home:

..... \$ 55,215

(6) For continuation of the safety net provider patient access to specialty health care initiative as described in 2007 Iowa Acts, chapter 218, section 109:

..... \$ 130,000

(7) For continuation of the pharmaceutical infrastructure for safety net providers as described in 2007 Iowa Acts, chapter 218, section 108:

..... \$ 135,000

The Iowa collaborative safety net provider network may continue to distribute funds allocated pursuant to this lettered paragraph through existing contracts or renewal of existing contracts.

h. (1) Of the funds appropriated in this subsection, \$74,500 shall be used for continued implementation of the recommendations of the direct care worker task force established pursuant to 2005 Iowa Acts, chapter 88, based upon the report submitted to the governor and the general assembly in December 2006. The department may use a portion of the funds allocated in this lettered paragraph for an additional position to assist in the continued implementation.

(2) It is the intent of the general assembly that a board of direct care workers shall be established within the department of public health by July 1, 2014, contingent upon the availability of funds to establish and maintain the board.

i. (1) Of the funds appropriated in this subsection, \$65,050 shall be used for allocation to an independent statewide direct care worker association under a contract with terms determined by the director of public health relating to education, outreach, leadership development, mentoring, and other initiatives intended to enhance the recruitment and retention of direct care workers in health care and long-term care settings.

(2) Of the funds appropriated in this subsection, \$29,000 shall be used to provide scholarships or other forms of subsidization for direct care worker educational conferences, training, or outreach activities.

j. Of the funds appropriated in this subsection, the department may use up to \$29,259 for up to one full-time equivalent position to administer the volunteer health care provider program pursuant to section 135.24.

k. Of the funds appropriated in this subsection, \$25,000 shall be used for a matching dental education loan repayment program to be allocated to a dental nonprofit health service corporation to develop the criteria and implement the loan repayment program.

5. HEALTHY AGING

* Item veto; see message at end of the Act

To provide public health services that reduce risks and invest in promoting and protecting good health over the course of a lifetime with a priority given to older Iowans and vulnerable populations:

..... \$ 3,648,571

a. Of the funds appropriated in this subsection, \$1,004,593 shall be used for local public health nursing services.

b. Of the funds appropriated in this subsection, \$2,643,977 shall be used for home care aide services.

6. ENVIRONMENTAL HAZARDS

For reducing the public’s exposure to hazards in the environment, primarily chemical hazards, and for not more than the following full-time equivalent positions:

..... \$ 406,888

..... FTEs 4.00

Of the funds appropriated in this subsection, \$272,188 shall be used for childhood lead poisoning provisions.

7. INFECTIOUS DISEASES

For reducing the incidence and prevalence of communicable diseases, and for not more than the following full-time equivalent positions:

..... \$ 672,923

..... FTEs 4.00

8. PUBLIC PROTECTION

For protecting the health and safety of the public through establishing standards and enforcing regulations, and for not more than the following full-time equivalent positions:

..... \$ 1,388,116

..... FTEs 125.00

a. Of the funds appropriated in this subsection, not more than \$235,845 shall be credited to the emergency medical services fund created in section 135.25. Moneys in the emergency medical services fund are appropriated to the department to be used for the purposes of the fund.

b. Of the funds appropriated in this subsection, \$105,309 shall be used for sexual violence prevention programming through a statewide organization representing programs serving victims of sexual violence through the department’s sexual violence prevention program. The amount allocated in this lettered paragraph shall not be used to supplant funding administered for other sexual violence prevention or victims assistance programs.

c. Of the funds appropriated in this subsection, not more than \$218,291 shall be used for the state poison control center.

9. RESOURCE MANAGEMENT

For establishing and sustaining the overall ability of the department to deliver services to the public, and for not more than the following full-time equivalent positions:

..... \$ 409,777

..... FTEs 7.00

The university of Iowa hospitals and clinics under the control of the state board of regents shall not receive indirect costs from the funds appropriated in this section. The university of Iowa hospitals and clinics billings to the department shall be on at least a quarterly basis.

DIVISION XVII
DEPARTMENT OF VETERANS AFFAIRS — FY 2012-2013

Sec. 115. DEPARTMENT OF VETERANS AFFAIRS. There is appropriated from the general fund of the state to the department of veterans affairs for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. DEPARTMENT OF VETERANS AFFAIRS ADMINISTRATION

For salaries, support, maintenance, and miscellaneous purposes, including the war orphans educational assistance fund created in section 35.8, and for not more than the following full-time equivalent positions:

..... \$ 499,416

..... FTEs 16.34

2. IOWA VETERANS HOME

For salaries, support, maintenance, and miscellaneous purposes:

..... \$ 4,476,075

a. The Iowa veterans home billings involving the department of human services shall be submitted to the department on at least a monthly basis.

b. If there is a change in the employer of employees providing services at the Iowa veterans home under a collective bargaining agreement, such employees and the agreement shall be continued by the successor employer as though there had not been a change in employer.

c. Within available resources and in conformance with associated state and federal program eligibility requirements, the Iowa veterans home may implement measures to provide financial assistance to or on behalf of veterans or their spouses participating in the community reentry program.

d. The Iowa veterans home expenditure report shall be submitted monthly to the legislative services agency.

3. STATE EDUCATIONAL ASSISTANCE — CHILDREN OF DECEASED VETERANS

For provision of educational assistance pursuant to section 35.9:

..... \$ 6,208

Sec. 116. LIMITATION OF COUNTY COMMISSION OF VETERANS AFFAIRS FUND STANDING APPROPRIATIONS. Notwithstanding the standing appropriation in the following designated section for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the amounts appropriated from the general fund of the state pursuant to that section for the following designated purposes shall not exceed the following amount:

For the county commissions of veterans affairs fund under section 35A.16:

..... \$ 495,000

DIVISION XVIII
DEPARTMENT OF HUMAN SERVICES — FY 2012-2013

Sec. 117. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT. There is appropriated from the fund created in section 8.41 to the department of human services for the fiscal year beginning July 1, 2012, and ending June 30, 2013, from moneys received under the federal temporary assistance for needy families (TANF) block grant pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, and successor legislation, and from moneys received under the emergency contingency fund for temporary assistance for needy families state program established pursuant to the federal American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5 § 2101, and successor legislation, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. To be credited to the family investment program account and used for assistance under the family investment program under chapter 239B:

..... \$ 10,750,369

2. To be credited to the family investment program account and used for the job opportunities and basic skills (JOBS) program and implementing family investment agreements in accordance with chapter 239B:

..... \$ 6,205,764

3. To be used for the family development and self-sufficiency grant program in accordance with section 216A.107:

..... \$ 1,449,490

Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year. However, unless such moneys are encumbered or obligated on or before September 30, 2013, the moneys shall revert.

* Item veto; see message at end of the Act

- 4. For field operations: \$ 15,648,116
- 5. For general administration: \$ 1,872,000
- 6. For state child care assistance: \$ 8,191,343

The funds appropriated in this subsection shall be transferred to the child care and development block grant appropriation made by the Eighty-fourth General Assembly, 2012 Session, for the federal fiscal year beginning October 1, 2012, and ending September 30, 2013. Of this amount, \$100,000 shall be used for provision of educational opportunities to registered child care home providers in order to improve services and programs offered by this category of providers and to increase the number of providers. The department may contract with institutions of higher education or child care resource and referral centers to provide the educational opportunities. Allowable administrative costs under the contracts shall not exceed 5 percent. The application for a grant shall not exceed two pages in length.

- 7. For mental health and developmental disabilities community services: \$ 2,447,026
- 8. For child and family services: \$ 16,042,215
- 9. For child abuse prevention grants: \$ 62,500
- 10. For pregnancy prevention grants on the condition that family planning services are funded: \$ 965,033

Pregnancy prevention grants shall be awarded to programs in existence on or before July 1, 2012, if the programs have demonstrated positive outcomes. Grants shall be awarded to pregnancy prevention programs which are developed after July 1, 2012, if the programs are based on existing models that have demonstrated positive outcomes. Grants shall comply with the requirements provided in 1997 Iowa Acts, chapter 208, section 14, subsections 1 and 2, including the requirement that grant programs must emphasize sexual abstinence. Priority in the awarding of grants shall be given to programs that serve areas of the state which demonstrate the highest percentage of unplanned pregnancies of females of childbearing age within the geographic area to be served by the grant.

11. For technology needs and other resources necessary to meet federal welfare reform reporting, tracking, and case management requirements: \$ 518,593

- 12. To be credited to the state child care assistance appropriation made in this section to be used for funding of community-based early childhood programs targeted to children from birth through five years of age developed by early childhood Iowa areas as provided in section 256I.11: \$ 3,175,000

The department shall transfer TANF block grant funding appropriated and allocated in this subsection to the child care and development block grant appropriation in accordance with federal law as necessary to comply with the provisions of this subsection.

13. a. Notwithstanding any provision to the contrary, including but not limited to requirements in section 8.41 or provisions in 2011 or 2012 Iowa Acts regarding the receipt and appropriation of federal block grants, federal funds from the emergency contingency fund for temporary assistance for needy families state program established pursuant to the federal American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5 § 2101, received by the state during the fiscal year beginning July 1, 2011, and ending June 30, 2012, not otherwise appropriated in this section and remaining available as of July 1, 2012, and received by the state during the fiscal year beginning July 1, 2012, and ending June 30, 2013, are appropriated to the extent as may be necessary to be used in the following priority order: the family investment program for the fiscal year and for state child care assistance program payments for individuals enrolled in the family investment program who are employed. The federal funds appropriated in this paragraph “a” shall be expended

only after all other funds appropriated in subsection 1 for the assistance under the family investment program under chapter 239B have been expended.

b. The department shall, on a quarterly basis, advise the legislative services agency and department of management of the amount of funds appropriated in this subsection that was expended in the prior quarter.

14. Of the amounts appropriated in this section, \$6,481,004 for the fiscal year beginning July 1, 2012, shall be transferred to the appropriation of the federal social services block grant made for that fiscal year.

15. For continuation of the program allowing the department to maintain categorical eligibility for the food assistance program as required under the section of this division relating to the family investment account:

..... \$ 73,036

16. The department may transfer funds allocated in this section to the appropriations made in this division of this Act for general administration and field operations for resources necessary to implement and operate the services referred to in this section and those funded in the appropriation made in this division of this Act for the family investment program from the general fund of the state.

Sec. 118. FAMILY INVESTMENT PROGRAM ACCOUNT.

1. Moneys credited to the family investment program (FIP) account for the fiscal year beginning July 1, 2012, and ending June 30, 2013, shall be used to provide assistance in accordance with chapter 239B.

2. The department may use a portion of the moneys credited to the FIP account under this section as necessary for salaries, support, maintenance, and miscellaneous purposes.

3. The department may transfer funds allocated in this section to the appropriations in this division of this Act for general administration and field operations for resources necessary to implement and operate the services referred to in this section and those funded in the appropriation made in this division of this Act for the family investment program from the general fund of the state.

4. Moneys appropriated in this division of this Act and credited to the FIP account for the fiscal year beginning July 1, 2012, and ending June 30, 2013, are allocated as follows:

a. To be retained by the department of human services to be used for coordinating with the department of human rights to more effectively serve participants in the FIP program and other shared clients and to meet federal reporting requirements under the federal temporary assistance for needy families block grant:

..... \$ 10,000

b. To the department of human rights for staffing, administration, and implementation of the family development and self-sufficiency grant program in accordance with section 216A.107:

..... \$ 2,671,417

(1) Of the funds allocated for the family development and self-sufficiency grant program in this lettered paragraph, not more than 5 percent of the funds shall be used for the administration of the grant program.

(2) The department of human rights may continue to implement the family development and self-sufficiency grant program statewide during fiscal year 2012-2013.

c. For the diversion subaccount of the FIP account:

..... \$ 849,200

A portion of the moneys allocated for the subaccount may be used for field operations salaries, data management system development, and implementation costs and support deemed necessary by the director of human services in order to administer the FIP diversion program.

d. For the food stamp employment and training program:

..... \$ 33,294

(1) The department shall amend the food stamp employment and training state plan in order to maximize to the fullest extent permitted by federal law the use of the 50-50 match provisions for the claiming of allowable federal matching funds from the United States department of agriculture pursuant to the federal food stamp employment and training

program for providing education, employment, and training services for eligible food assistance program participants, including but not limited to related dependent care and transportation expenses.

(2) The department shall continue the categorical federal food assistance program eligibility at 160 percent of the federal poverty level and continue to eliminate the asset test from eligibility requirements, consistent with federal food assistance program requirements. The department shall include as many food assistance households as is allowed by federal law. The eligibility provisions shall conform to all federal requirements including requirements addressing individuals who are incarcerated or otherwise ineligible.

e. For the JOBS program:

..... \$ 10,117,952

5. Of the child support collections assigned under FIP, an amount equal to the federal share of support collections shall be credited to the child support recovery appropriation made in this division of this Act. Of the remainder of the assigned child support collections received by the child support recovery unit, a portion shall be credited to the FIP account, a portion may be used to increase recoveries, and a portion may be used to sustain cash flow in the child support payments account. If as a consequence of the appropriations and allocations made in this section the resulting amounts are insufficient to sustain cash assistance payments and meet federal maintenance of effort requirements, the department shall seek supplemental funding. If child support collections assigned under FIP are greater than estimated or are otherwise determined not to be required for maintenance of effort, the state share of either amount may be transferred to or retained in the child support payment account.

6. The department may adopt emergency rules for the family investment, JOBS, food stamp, and medical assistance programs if necessary to comply with federal requirements.

Sec. 119. FAMILY INVESTMENT PROGRAM GENERAL FUND. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

To be credited to the family investment program (FIP) account and used for family investment program assistance under chapter 239B:

..... \$ 25,085,513

1. Of the funds appropriated in this section, \$3,912,188 is allocated for the JOBS program.

2. Of the funds appropriated in this section, \$1,231,927 is allocated for the family development and self-sufficiency grant program.

3. Notwithstanding section 8.39, for the fiscal year beginning July 1, 2012, if necessary to meet federal maintenance of effort requirements or to transfer federal temporary assistance for needy families block grant funding to be used for purposes of the federal social services block grant or to meet cash flow needs resulting from delays in receiving federal funding or to implement, in accordance with this division of this Act, activities currently funded with juvenile court services, county, or community moneys and state moneys used in combination with such moneys, the department of human services may transfer funds within or between any of the appropriations made in this division of this Act and appropriations in law for the federal social services block grant to the department for the following purposes, provided that the combined amount of state and federal temporary assistance for needy families block grant funding for each appropriation remains the same before and after the transfer:

- a. For the family investment program.
- b. For child care assistance.
- c. For child and family services.
- d. For field operations.
- e. For general administration.
- f. MH/MR/DD/BI community services (local purchase).

This subsection shall not be construed to prohibit the use of existing state transfer authority for other purposes. The department shall report any transfers made pursuant to this subsection to the legislative services agency.

4. Of the funds appropriated in this section, \$97,839 shall be used for continuation of a grant to an Iowa-based nonprofit organization with a history of providing tax preparation

assistance to low-income Iowans in order to expand the usage of the earned income tax credit. The purpose of the grant is to supply this assistance to underserved areas of the state.

Sec. 120. CHILD SUPPORT RECOVERY. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For child support recovery, including salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:	\$	6,559,627
.....		
.....	FTEs	475.00

1. The department shall expend up to \$12,164, including federal financial participation, for the fiscal year beginning July 1, 2012, for a child support public awareness campaign. The department and the office of the attorney general shall cooperate in continuation of the campaign. The public awareness campaign shall emphasize, through a variety of media activities, the importance of maximum involvement of both parents in the lives of their children as well as the importance of payment of child support obligations.

2. Federal access and visitation grant moneys shall be issued directly to private not-for-profit agencies that provide services designed to increase compliance with the child access provisions of court orders, including but not limited to neutral visitation sites and mediation services.

3. The appropriation made to the department for child support recovery may be used throughout the fiscal year in the manner necessary for purposes of cash flow management, and for cash flow management purposes the department may temporarily draw more than the amount appropriated, provided the amount appropriated is not exceeded at the close of the fiscal year.

4. With the exception of the funding amount specified, the requirements established under 2001 Iowa Acts, chapter 191, section 3, subsection 5, paragraph “c”, subparagraph (3), shall be applicable to parental obligation pilot projects for the fiscal year beginning July 1, 2012, and ending June 30, 2013. Notwithstanding 441 IAC 100.8, providing for termination of rules relating to the pilot projects, the rules shall remain in effect until June 30, 2013.

Sec. 121. HEALTH CARE TRUST FUND — MEDICAL ASSISTANCE. Any funds remaining in the health care trust fund created in section 453A.35A for the fiscal year beginning July 1, 2012, and ending June 30, 2013, are appropriated to the department of human services to supplement the medical assistance program appropriations made in this Act, for medical assistance reimbursement and associated costs, including program administration and costs associated with implementation.

Sec. 122. MEDICAL ASSISTANCE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For medical assistance program reimbursement and associated costs as specifically provided in the reimbursement methodologies in effect on June 30, 2012, except as otherwise expressly authorized by law, and consistent with options under federal law and regulations:	\$	914,993,421
.....		

1. Iowans support reducing the number of abortions performed in our state. For an abortion covered under the program, except in the case of a medical emergency, as defined in section 135L.1, for any woman, the physician shall certify both of the following:

a. That the woman has been given the opportunity to view an ultrasound image of the fetus as part of the standard of care before an abortion is performed.

b. That the woman has been provided information regarding the options relative to a pregnancy, including continuing the pregnancy to term and retaining parental rights following the child’s birth, continuing the pregnancy to term and placing the child for adoption, and terminating the pregnancy.

2. The department shall utilize not more than \$60,000 of the funds appropriated in this section to continue the AIDS/HIV health insurance premium payment program as established in 1992 Iowa Acts, Second Extraordinary Session, chapter 1001, section 409, subsection 6. Of the funds allocated in this subsection, not more than \$5,000 may be expended for administrative purposes.

3. Of the funds appropriated in this Act to the department of public health for addictive disorders, \$950,000 for the fiscal year beginning July 1, 2012, shall be transferred to the department of human services for an integrated substance abuse managed care system. The department shall not assume management of the substance abuse system in place of the managed care contractor unless such a change in approach is specifically authorized in law. The departments of human services and public health shall work together to maintain the level of mental health and substance abuse services provided by the managed care contractor through the Iowa plan for behavioral health. Each department shall take the steps necessary to continue the federal waivers as necessary to maintain the level of services.

4. a. The department shall aggressively pursue options for providing medical assistance or other assistance to individuals with special needs who become ineligible to continue receiving services under the early and periodic screening, diagnostic, and treatment program under the medical assistance program due to becoming 21 years of age who have been approved for additional assistance through the department's exception to policy provisions, but who have health care needs in excess of the funding available through the exception to policy provisions.

b. Of the funds appropriated in this section, \$100,000 shall be used for participation in one or more pilot projects operated by a private provider to allow the individual or individuals to receive service in the community in accordance with principles established in *Olmstead v. L.C.*, 527 U.S. 581 (1999), for the purpose of providing medical assistance or other assistance to individuals with special needs who become ineligible to continue receiving services under the early and periodic screening, diagnosis, and treatment program under the medical assistance program due to becoming 21 years of age who have been approved for additional assistance through the department's exception to policy provisions, but who have health care needs in excess of the funding available through the exception to the policy provisions.

5. Of the funds appropriated in this section, up to \$3,050,082 may be transferred to the field operations or general administration appropriations in this Act for operational costs associated with Part D of the federal Medicare Prescription Drug Improvement and Modernization Act of 2003, Pub. L. No. 108-173.

6. Of the funds appropriated in this section, up to \$442,100 may be transferred to the appropriation in this division of this Act for medical contracts to be used for clinical assessment services and prior authorization of services.

7. A portion of the funds appropriated in this section may be transferred to the appropriations in this division of this Act for general administration, medical contracts, the children's health insurance program, or field operations to be used for the state match cost to comply with the payment error rate measurement (PERM) program for both the medical assistance and children's health insurance programs as developed by the centers for Medicare and Medicaid services of the United States department of health and human services to comply with the federal Improper Payments Information Act of 2002, Pub. L. No. 107-300.

8. It is the intent of the general assembly that the department continue to implement the recommendations of the assuring better child health and development initiative II (ABCDII) clinical panel to the Iowa early and periodic screening, diagnostic, and treatment services healthy mental development collaborative board regarding changes to billing procedures, codes, and eligible service providers.

9. Of the funds appropriated in this section, a sufficient amount is allocated to supplement the incomes of residents of nursing facilities, intermediate care facilities for persons with mental illness, and intermediate care facilities for persons with mental retardation, with incomes of less than \$50 in the amount necessary for the residents to receive a personal needs allowance of \$50 per month pursuant to section 249A.30A.

10. Of the funds appropriated in this section, the following amounts shall be transferred to the appropriations made in this division of this Act for the state mental health institutes:

a. Cherokee mental health institute	\$ 9,098,425
b. Clarinda mental health institute	\$ 1,977,305
c. Independence mental health institute	\$ 9,045,894
d. Mount Pleasant mental health institute	\$ 5,752,587

11. a. Of the funds appropriated in this section, \$7,425,684 is allocated for the state match for a disproportionate share hospital payment of \$19,133,430 to hospitals that meet both of the conditions specified in subparagraphs (1) and (2). In addition, the hospitals that meet the conditions specified shall either certify public expenditures or transfer to the medical assistance program an amount equal to provide the nonfederal share for a disproportionate share hospital payment of \$7,500,000. The hospitals that meet the conditions specified shall receive and retain 100 percent of the total disproportionate share hospital payment of \$26,633,430.

(1) The hospital qualifies for disproportionate share and graduate medical education payments.

(2) The hospital is an Iowa state-owned hospital with more than 500 beds and eight or more distinct residency specialty or subspecialty programs recognized by the American college of graduate medical education.

b. Distribution of the disproportionate share payments shall be made on a monthly basis. The total amount of disproportionate share payments including graduate medical education, enhanced disproportionate share, and Iowa state-owned teaching hospital payments shall not exceed the amount of the state's allotment under Pub. L. No. 102-234. In addition, the total amount of all disproportionate share payments shall not exceed the hospital-specific disproportionate share limits under Pub. L. No. 103-66.

12. The university of Iowa hospitals and clinics shall either certify public expenditures or transfer to the medical assistance appropriation an amount equal to provide the nonfederal share for increased medical assistance payments for inpatient and outpatient hospital services of \$9,900,000. The university of Iowa hospitals and clinics shall receive and retain 100 percent of the total increase in medical assistance payments.

13. Of the funds appropriated in this section, up to \$4,480,304 may be transferred to the IowaCare account created in section 249J.24.

14. Of the funds appropriated in this section, \$200,000 shall be used for the Iowa chronic care consortium pursuant to 2003 Iowa Acts, chapter 112, section 12, as amended by 2003 Iowa Acts, chapter 179, sections 166 and 167.

15. One hundred percent of the nonfederal share of payments to area education agencies that are medical assistance providers for medical assistance-covered services provided to medical assistance-covered children, shall be made from the appropriation made in this section.

16. Any new or renewed contract entered into by the department with a third party to administer behavioral health services under the medical assistance program shall provide that any interest earned on payments from the state during the state fiscal year shall be remitted to the department and treated as recoveries to offset the costs of the medical assistance program.

17. The department shall continue to implement the provisions in 2007 Iowa Acts, chapter 218, section 124 and section 126, as amended by 2008 Iowa Acts, chapter 1188, section 55, relating to eligibility for certain persons with disabilities under the medical assistance program in accordance with the federal Family Opportunity Act.

18. A portion of the funds appropriated in this section may be transferred to the appropriation in this division of this Act for medical contracts to be used for administrative activities associated with the money follows the person demonstration project.

19. Of the funds appropriated in this section, \$349,011 shall be used for the administration of the health insurance premium payment program, including salaries, support, maintenance, and miscellaneous purposes for the fiscal year beginning July 1, 2012.

20. a. The department may continue to implement cost containment strategies recommended by the governor, and may adopt emergency rules for such implementation.

b. The department shall not implement the cost containment strategy to require a primary care referral for the provision of chiropractic services.

c. The department may increase the amounts allocated for salaries, support, maintenance, and miscellaneous purposes associated with the medical assistance program, as necessary, to implement the cost containment strategies. The department shall report any such increase to the legislative services agency and the department of management.

d. If the savings to the medical assistance program exceed the cost, the department may transfer any savings generated for the fiscal year due to medical assistance program cost containment efforts initiated pursuant to 2010 Iowa Acts, chapter 1031, Executive Order No. 20,¹⁴ issued December 16, 2009, or cost containment strategies initiated pursuant to this subsection, to the appropriation made in this division of this Act for medical contracts or general administration to defray the increased contract costs associated with implementing such efforts.

e. The department shall report the implementation of any cost containment strategies under this subsection to the individuals specified in this division of this Act for submission of reports on a quarterly basis.

21. Notwithstanding any provision of law to the contrary, the department of human services shall continue implementation of the amended section 1915(b) waiver and Iowa plan contract for inclusion of remedial services under the Iowa plan contract for the fiscal year beginning July 1, 2012.

22. a. Of the funds appropriated in this section, \$5,000,000 shall be used to continue the reduction in the waiting lists of these medical assistance home and community-based services waivers implemented pursuant to this Act for 2011-2012: the waiver for persons with intellectual disabilities, the waiver for persons with brain injury, and the children’s mental health waiver.

b. In addition to the funds allocated in paragraph “a”, \$5,000,000 of the funds appropriated in this section shall be used to implement reductions in the waiting lists of all medical assistance home and community-based services waivers.

Sec. 123. MEDICAL CONTRACTS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For medical contracts:

..... \$ 5,453,728

1. The department of inspections and appeals shall provide all state matching funds for survey and certification activities performed by the department of inspections and appeals. The department of human services is solely responsible for distributing the federal matching funds for such activities.

2. Of the funds appropriated in this section, \$25,000 shall be used for continuation of home and community-based services waiver quality assurance programs, including the review and streamlining of processes and policies related to oversight and quality management to meet state and federal requirements.

3. Of the amount appropriated in this section, up to \$200,000 may be transferred to the appropriation for general administration in this division of this Act to be used for additional full-time equivalent positions in the development of key health initiatives such as cost containment, development and oversight of managed care programs, and development of health strategies targeted toward improved quality and reduced costs in the Medicaid program.

Sec. 124. STATE SUPPLEMENTARY ASSISTANCE.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the state supplementary assistance program:

..... \$ 8,425,373

¹⁴ Published in IAB XXXII, No. 18, (2/24/10) p. 2102

2. The department shall increase the personal needs allowance for residents of residential care facilities by the same percentage and at the same time as federal supplemental security income and federal social security benefits are increased due to a recognized increase in the cost of living. The department may adopt emergency rules to implement this subsection.

3. If during the fiscal year beginning July 1, 2012, the department projects that state supplementary assistance expenditures for a calendar year will not meet the federal pass-through requirement specified in Tit. XVI of the federal Social Security Act, section 1618, as codified in 42 U.S.C. § 1382g, the department may take actions including but not limited to increasing the personal needs allowance for residential care facility residents and making programmatic adjustments or upward adjustments of the residential care facility or in-home health-related care reimbursement rates prescribed in this division of this Act to ensure that federal requirements are met. In addition, the department may make other programmatic and rate adjustments necessary to remain within the amount appropriated in this section while ensuring compliance with federal requirements. The department may adopt emergency rules to implement the provisions of this subsection.

Sec. 125. CHILDREN’S HEALTH INSURANCE PROGRAM.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For maintenance of the healthy and well kids in Iowa (hawk-i) program pursuant to chapter 514I, including supplemental dental services, for receipt of federal financial participation under Tit. XXI of the federal Social Security Act, which creates the children’s health insurance program:

..... \$ 16,403,051

2. Of the funds appropriated in this section, \$64,475 is allocated for continuation of the contract for outreach with the department of public health.

Sec. 126. CHILD CARE ASSISTANCE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For child care programs:

..... \$ 26,618,831

1. Of the funds appropriated in this section, \$25,948,041 shall be used for state child care assistance in accordance with section 237A.13.

2. Nothing in this section shall be construed or is intended as or shall imply a grant of entitlement for services to persons who are eligible for assistance due to an income level consistent with the waiting list requirements of section 237A.13. Any state obligation to provide services pursuant to this section is limited to the extent of the funds appropriated in this section.

3. Of the funds appropriated in this section, \$216,226 is allocated for the statewide program for child care resource and referral services under section 237A.26. A list of the registered and licensed child care facilities operating in the area served by a child care resource and referral service shall be made available to the families receiving state child care assistance in that area.

4. Of the funds appropriated in this section, \$468,487 is allocated for child care quality improvement initiatives including but not limited to the voluntary quality rating system in accordance with section 237A.30.

5. The department may use any of the funds appropriated in this section as a match to obtain federal funds for use in expanding child care assistance and related programs. For the purpose of expenditures of state and federal child care funding, funds shall be considered obligated at the time expenditures are projected or are allocated to the department’s service areas. Projections shall be based on current and projected caseload growth, current and projected provider rates, staffing requirements for eligibility determination and management of program requirements including data systems management, staffing requirements for

administration of the program, contractual and grant obligations and any transfers to other state agencies, and obligations for decategorization or innovation projects.

6. A portion of the state match for the federal child care and development block grant shall be provided as necessary to meet federal matching funds requirements through the state general fund appropriation made for child development grants and other programs for at-risk children in section 279.51.

7. If a uniform reduction ordered by the governor under section 8.31 or other operation of law, transfer, or federal funding reduction reduces the appropriation made in this section for the fiscal year, the percentage reduction in the amount paid out to or on behalf of the families participating in the state child care assistance program shall be equal to or less than the percentage reduction made for any other purpose payable from the appropriation made in this section and the federal funding relating to it. The percentage reduction to the other allocations made in this section shall be the same as the uniform reduction ordered by the governor or the percentage change of the federal funding reduction, as applicable. If there is an unanticipated increase in federal funding provided for state child care assistance, the entire amount of the increase shall be used for state child care assistance payments. If the appropriations made for purposes of the state child care assistance program for the fiscal year are determined to be insufficient, it is the intent of the general assembly to appropriate sufficient funding for the fiscal year in order to avoid establishment of waiting list requirements.

8. Notwithstanding section 8.33, moneys appropriated in this section or received from the federal appropriations made for the purposes of this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert to any fund but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 127. JUVENILE INSTITUTIONS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For operation of the Iowa juvenile home at Toledo and for salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	4,129,125
.....	FTEs	114.00

2. For operation of the state training school at Eldora and for salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	5,319,338
.....	FTEs	164.30

Of the funds appropriated in this subsection, \$45,575 shall be used for distribution to licensed classroom teachers at this and other institutions under the control of the department of human services based upon the average student yearly enrollment at each institution as determined by the department.

3. A portion of the moneys appropriated in this section shall be used by the state training school and by the Iowa juvenile home for grants for adolescent pregnancy prevention activities at the institutions in the fiscal year beginning July 1, 2012.

Sec. 128. CHILD AND FAMILY SERVICES.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For child and family services:

.....	\$	41,415,081
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2. In order to address a reduction of \$5,200,000 from the amount allocated under the appropriation made for the purposes of this section in prior years for purposes of juvenile delinquent graduated sanction services, up to \$2,600,000 of the amount of federal temporary assistance for needy families block grant funding appropriated in this division of this Act

for child and family services shall be made available for purposes of juvenile delinquent graduated sanction services.

3. The department may transfer funds appropriated in this section as necessary to pay the nonfederal costs of services reimbursed under the medical assistance program, state child care assistance program, or the family investment program which are provided to children who would otherwise receive services paid under the appropriation in this section. The department may transfer funds appropriated in this section to the appropriations made in this division of this Act for general administration and for field operations for resources necessary to implement and operate the services funded in this section.

4. a. Of the funds appropriated in this section, up to \$15,084,564 is allocated as the statewide expenditure target under section 232.143 for group foster care maintenance and services. If the department projects that such expenditures for the fiscal year will be less than the target amount allocated in this lettered paragraph, the department may reallocate the excess to provide additional funding for shelter care or the child welfare emergency services addressed with the allocation for shelter care.

b. If at any time after September 30, 2012, annualization of a service area's current expenditures indicates a service area is at risk of exceeding its group foster care expenditure target under section 232.143 by more than 5 percent, the department and juvenile court services shall examine all group foster care placements in that service area in order to identify those which might be appropriate for termination. In addition, any aftercare services believed to be needed for the children whose placements may be terminated shall be identified. The department and juvenile court services shall initiate action to set dispositional review hearings for the placements identified. In such a dispositional review hearing, the juvenile court shall determine whether needed aftercare services are available and whether termination of the placement is in the best interest of the child and the community.

5. In accordance with the provisions of section 232.188, the department shall continue the child welfare and juvenile justice funding initiative during fiscal year 2012-2013. Of the funds appropriated in this section, \$858,876 is allocated specifically for expenditure for fiscal year 2012-2013 through the decategorization service funding pools and governance boards established pursuant to section 232.188.

6. A portion of the funds appropriated in this section may be used for emergency family assistance to provide other resources required for a family participating in a family preservation or reunification project or successor project to stay together or to be reunified.

7. Notwithstanding section 234.35 or any other provision of law to the contrary, state funding for shelter care and the child welfare emergency services contracting implemented to provide for or prevent the need for shelter care shall be limited to \$3,585,058. The department may continue or execute contracts that result from the department's request for proposal, bid number ACFS-11-114, to provide the range of child welfare emergency services described in the request for proposals, and any subsequent amendments to the request for proposals.

8. Federal funds received by the state during the fiscal year beginning July 1, 2012, as the result of the expenditure of state funds appropriated during a previous state fiscal year for a service or activity funded under this section are appropriated to the department to be used as additional funding for services and purposes provided for under this section. Notwithstanding section 8.33, moneys received in accordance with this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert to any fund but shall remain available for the purposes designated until the close of the succeeding fiscal year.

9. Of the funds appropriated in this section, at least \$1,848,142 shall be used for protective child care assistance.

10. a. Of the funds appropriated in this section, up to \$1,031,244 is allocated for the payment of the expenses of court-ordered services provided to juveniles who are under the supervision of juvenile court services, which expenses are a charge upon the state pursuant to section 232.141, subsection 4. Of the amount allocated in this lettered paragraph, up to \$778,143 shall be made available to provide school-based supervision of children adjudicated under chapter 232, of which not more than \$7,500 may be used for the purpose of training.

A portion of the cost of each school-based liaison officer shall be paid by the school district or other funding source as approved by the chief juvenile court officer.

b. Of the funds appropriated in this section, up to \$374,492 is allocated for the payment of the expenses of court-ordered services provided to children who are under the supervision of the department, which expenses are a charge upon the state pursuant to section 232.141, subsection 4.

c. Notwithstanding section 232.141 or any other provision of law to the contrary, the amounts allocated in this subsection shall be distributed to the judicial districts as determined by the state court administrator and to the department’s service areas as determined by the administrator of the department’s division of child and family services. The state court administrator and the division administrator shall make the determination of the distribution amounts on or before June 15, 2012.

d. Notwithstanding chapter 232 or any other provision of law to the contrary, a district or juvenile court shall not order any service which is a charge upon the state pursuant to section 232.141 if there are insufficient court-ordered services funds available in the district court or departmental service area distribution amounts to pay for the service. The chief juvenile court officer and the departmental service area manager shall encourage use of the funds allocated in this subsection such that there are sufficient funds to pay for all court-related services during the entire year. The chief juvenile court officers and departmental service area managers shall attempt to anticipate potential surpluses and shortfalls in the distribution amounts and shall cooperatively request the state court administrator or division administrator to transfer funds between the judicial districts’ or departmental service areas’ distribution amounts as prudent.

e. Notwithstanding any provision of law to the contrary, a district or juvenile court shall not order a county to pay for any service provided to a juvenile pursuant to an order entered under chapter 232 which is a charge upon the state under section 232.141, subsection 4.

f. Of the funds allocated in this subsection, not more than \$41,500 may be used by the judicial branch for administration of the requirements under this subsection.

g. Of the funds allocated in this subsection, \$8,500 shall be used by the department of human services to support the interstate commission for juveniles in accordance with the interstate compact for juveniles as provided in section 232.173.

11. Of the funds appropriated in this section, \$2,961,301 is allocated for juvenile delinquent graduated sanctions services. Any state funds saved as a result of efforts by juvenile court services to earn federal Tit. IV-E match for juvenile court services administration may be used for the juvenile delinquent graduated sanctions services.

12. Of the funds appropriated in this section, \$494,142 shall be transferred to the department of public health to be used for the child protection center grant program in accordance with section 135.118.

13. If the department receives federal approval to implement a waiver under Tit. IV-E of the federal Social Security Act to enable providers to serve children who remain in the children’s families and communities, for purposes of eligibility under the medical assistance program, children who participate in the waiver shall be considered to be placed in foster care.

14. Of the funds appropriated in this section, \$1,534,916 is allocated for the preparation for adult living program pursuant to section 234.46.

15. Of the funds appropriated in this section, \$260,075 shall be used for juvenile drug courts. The amount allocated in this subsection shall be distributed as follows:

To the judicial branch for salaries to assist with the operation of juvenile drug court programs operated in the following jurisdictions:

a. Marshall county:	\$	31,354
.....		
b. Woodbury county:	\$	62,841
.....		
c. Polk county:	\$	97,946
.....		
d. The third judicial district:	\$	33,967
.....		
e. The eighth judicial district:		

..... \$ 33,967

16. Of the funds appropriated in this section, \$113,668 shall be used for the public purpose of providing a grant to a nonprofit human services organization providing services to individuals and families in multiple locations in southwest Iowa and Nebraska for support of a project providing immediate, sensitive support and forensic interviews, medical exams, needs assessments, and referrals for victims of child abuse and their nonoffending family members.

17. Of the funds appropriated in this section, \$62,795 is allocated for the elevate approach of providing a support network to children placed in foster care.

18. Of the funds appropriated in this section, \$101,000 is allocated for use pursuant to section 235A.1 for continuation of the initiative to address child sexual abuse implemented pursuant to 2007 Iowa Acts, chapter 218, section 18, subsection 21.

19. Of the funds appropriated in this section, \$315,120 is allocated for the community partnership for child protection sites.

20. Of the funds appropriated in this section, \$185,625 is allocated for the department’s minority youth and family projects under the redesign of the child welfare system.

21. Of the funds appropriated in this section, \$600,247 is allocated for funding of the state match for the federal substance abuse and mental health services administration (SAMHSA) system of care grant.

22. Of the funds appropriated in this section, at least \$73,579 shall be used for the child welfare training academy.

23. Of the funds appropriated in this section, \$12,500 shall be used for the public purpose of continuation of a grant to a child welfare services provider headquartered in a county with a population between 205,000 and 215,000 in the latest certified federal census that provides multiple services including but not limited to a psychiatric medical institution for children, shelter, residential treatment, after school programs, school-based programming, and an Asperger’s syndrome program, to be used for support services for children with autism spectrum disorder and their families.

24. Of the funds appropriated in this section \$125,000 shall be used for continuation of the central Iowa system of care program grant through June 30, 2013.

25. Of the funds appropriated in this section, \$80,000 shall be used for the public purpose of the continuation of a system of care grant implemented in Cerro Gordo and Linn counties in accordance with this Act in FY 2011-2012.

Sec. 129. ADOPTION SUBSIDY.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For adoption subsidy payments and services:

..... \$ 16,633,295

2. The department may transfer funds appropriated in this section to the appropriation made in this division of this Act for general administration for costs paid from the appropriation relating to adoption subsidy.

3. Federal funds received by the state during the fiscal year beginning July 1, 2012, as the result of the expenditure of state funds during a previous state fiscal year for a service or activity funded under this section are appropriated to the department to be used as additional funding for the services and activities funded under this section. Notwithstanding section 8.33, moneys received in accordance with this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert to any fund but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 130. JUVENILE DETENTION HOME FUND. Moneys deposited in the juvenile detention home fund created in section 232.142 during the fiscal year beginning July 1, 2012, and ending June 30, 2013, are appropriated to the department of human services for the fiscal year beginning July 1, 2012, and ending June 30, 2013, for distribution of an amount equal to a percentage of the costs of the establishment, improvement, operation, and

maintenance of county or multicounty juvenile detention homes in the fiscal year beginning July 1, 2011. Moneys appropriated for distribution in accordance with this section shall be allocated among eligible detention homes, prorated on the basis of an eligible detention home's proportion of the costs of all eligible detention homes in the fiscal year beginning July 1, 2011. The percentage figure shall be determined by the department based on the amount available for distribution for the fund. Notwithstanding section 232.142, subsection 3, the financial aid payable by the state under that provision for the fiscal year beginning July 1, 2012, shall be limited to the amount appropriated for the purposes of this section.

Sec. 131. FAMILY SUPPORT SUBSIDY PROGRAM.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the family support subsidy program subject to the enrollment restrictions in section 225C.37, subsection 3:

..... \$ 583,999

2. The department shall use at least \$192,750 of the moneys appropriated in this section for the family support center component of the comprehensive family support program under section 225C.47. Not more than \$12,500 of the amount allocated in this subsection shall be used for administrative costs.

3. If at any time during the fiscal year, the amount of funding available for the family support subsidy program is reduced from the amount initially used to establish the figure for the number of family members for whom a subsidy is to be provided at any one time during the fiscal year, notwithstanding section 225C.38, subsection 2, the department shall revise the figure as necessary to conform to the amount of funding available.

Sec. 132. CONNER DECREE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For building community capacity through the coordination and provision of training opportunities in accordance with the consent decree of Conner v. Branstad, No. 4-86-CV-30871(S.D. Iowa, July 14, 1994):

..... \$ 16,811

Sec. 133. MENTAL HEALTH INSTITUTES. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For the state mental health institute at Cherokee for salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 2,938,654

..... FTEs 168.50

2. For the state mental health institute at Clarinda for salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 3,205,867

..... FTEs 86.10

3. For the state mental health institute at Independence for salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 5,137,842

..... FTEs 233.00

4. For the state mental health institute at Mount Pleasant for salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 472,161

..... FTEs 97.72

Sec. 134. STATE RESOURCE CENTERS.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

a. For the state resource center at Glenwood for salaries, support, maintenance, and miscellaneous purposes:

..... \$ 9,253,900

b. For the state resource center at Woodward for salaries, support, maintenance, and miscellaneous purposes:

..... \$ 6,392,829

2. The department may continue to bill for state resource center services utilizing a scope of services approach used for private providers of ICFMR services, in a manner which does not shift costs between the medical assistance program, counties, or other sources of funding for the state resource centers.

3. The state resource centers may expand the time-limited assessment and respite services during the fiscal year.

4. If the department’s administration and the department of management concur with a finding by a state resource center’s superintendent that projected revenues can reasonably be expected to pay the salary and support costs for a new employee position, or that such costs for adding a particular number of new positions for the fiscal year would be less than the overtime costs if new positions would not be added, the superintendent may add the new position or positions. If the vacant positions available to a resource center do not include the position classification desired to be filled, the state resource center’s superintendent may reclassify any vacant position as necessary to fill the desired position. The superintendents of the state resource centers may, by mutual agreement, pool vacant positions and position classifications during the course of the fiscal year in order to assist one another in filling necessary positions.

5. If existing capacity limitations are reached in operating units, a waiting list is in effect for a service or a special need for which a payment source or other funding is available for the service or to address the special need, and facilities for the service or to address the special need can be provided within the available payment source or other funding, the superintendent of a state resource center may authorize opening not more than two units or other facilities and begin implementing the service or addressing the special need during fiscal year 2012-2013.

Sec. 135. MI/MR/DD STATE CASES.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For distribution to counties for state case services for persons with mental illness, mental retardation, and developmental disabilities in accordance with section 331.440:

..... \$ 6,084,741

2. For the fiscal year beginning July 1, 2012, and ending June 30, 2013, \$100,000 is allocated for state case services from the amounts appropriated from the fund created in section 8.41 to the department of human services from the funds received from the federal government under 42 U.S.C. ch. 6A, subch. XVII, relating to the community mental health center block grant, for the federal fiscal years beginning October 1, 2010, and ending September 30, 2011, beginning October 1, 2011, and ending September 30, 2012, and beginning October 1, 2012, and ending September 30, 2013. The allocation made in this subsection shall be made prior to any other distribution allocation of the appropriated federal funds.

3. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 136. MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES — COMMUNITY SERVICES FUND. There is appropriated from the general fund of the state to the mental health and developmental disabilities community services fund created in section 225C.7 for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For mental health and developmental disabilities community services in accordance with this division of this Act:

..... \$ 14,211,100

1. Of the funds appropriated in this section, \$14,187,556 shall be allocated to counties for funding of community-based mental health and developmental disabilities services. The moneys shall be allocated to a county as follows:

a. Fifty percent based upon the county’s proportion of the state’s population of persons with an annual income which is equal to or less than the poverty guideline established by the federal office of management and budget.

b. Fifty percent based upon the county’s proportion of the state’s general population.

2. a. A county shall utilize the funding the county receives pursuant to subsection 1 for services provided to persons with a disability, as defined in section 225C.2. However, no more than 50 percent of the funding shall be used for services provided to any one of the service populations.

b. A county shall use at least 50 percent of the funding the county receives under subsection 1 for contemporary services provided to persons with a disability, as described in rules adopted by the department.

3. Of the funds appropriated in this section, \$23,544 shall be used to support the Iowa compass program providing computerized information and referral services for Iowans with disabilities and their families.

4. a. Funding appropriated for purposes of the federal social services block grant is allocated for distribution to counties for local purchase of services for persons with mental illness or mental retardation or other developmental disability.

b. The funds allocated in this subsection shall be expended by counties in accordance with the county’s county management plan approved by the board of supervisors. A county without an approved county management plan shall not receive allocated funds until the county’s management plan is approved.

c. The funds provided by this subsection shall be allocated to each county as follows:

(1) Fifty percent based upon the county’s proportion of the state’s population of persons with an annual income which is equal to or less than the poverty guideline established by the federal office of management and budget.

(2) Fifty percent based upon the amount provided to the county for local purchase of services in the preceding fiscal year.

5. A county is eligible for funds under this section if the county qualifies for a state payment as described in section 331.439.

6. The most recent population estimates issued by the United States bureau of the census shall be applied for the population factors utilized in this section.

Sec. 137. SEXUALLY VIOLENT PREDATORS.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For costs associated with the commitment and treatment of sexually violent predators in the unit located at the state mental health institute at Cherokee, including costs of legal services and other associated costs, including salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 3,775,363
..... FTEs 89.50

2. Unless specifically prohibited by law, if the amount charged provides for recoupment of at least the entire amount of direct and indirect costs, the department of human services may contract with other states to provide care and treatment of persons placed by the other states at the unit for sexually violent predators at Cherokee. The moneys received under

such a contract shall be considered to be repayment receipts and used for the purposes of the appropriation made in this section.

Sec. 138. FIELD OPERATIONS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For field operations, including salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	27,394,960
.....	FTEs	1,781.00

Priority in filling full-time equivalent positions shall be given to those positions related to child protection services and eligibility determination for low-income families.

Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 139. GENERAL ADMINISTRATION. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For general administration, including salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	7,298,372
.....	FTEs	285.00

1. Of the funds appropriated in this section, \$19,271 allocated for the prevention of disabilities policy council established in section 225B.3.

2. The department shall report at least monthly to the legislative services agency concerning the department's operational and program expenditures.

3. Of the funds appropriated in this section, \$66,150 shall be used to continue the contract for the provision of a program to provide technical assistance, support, and consultation to providers of habilitation services and home and community-based waiver services for adults with disabilities under the medical assistance program.

4. Of the funds appropriated in this section, \$88,200 shall be used to continue the contract to expand the provision of nationally accredited and recognized internet-based training to include mental health and disability services providers.

5. Of the funds appropriated in this section, \$250,000 shall be used for continuation of child protection system improvements addressed in 2011 Iowa Acts, House File 562, ¹⁵ as enacted.

6. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 140. VOLUNTEERS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For development and coordination of volunteer services:

.....	\$	42,330
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Sec. 141. MEDICAL ASSISTANCE, STATE SUPPLEMENTARY ASSISTANCE, AND SOCIAL SERVICE PROVIDERS REIMBURSED UNDER THE DEPARTMENT OF HUMAN SERVICES.

* Item veto; see message at end of the Act
¹⁵ Chapter 28 herein

1. a. (1) For the fiscal year beginning July 1, 2012, the total state funding amount for the nursing facility budget shall not exceed \$225,457,724.

(2) The department, in cooperation with nursing facility representatives, shall review projections for state funding expenditures for reimbursement of nursing facilities on a quarterly basis and the department shall determine if an adjustment to the medical assistance reimbursement rate is necessary in order to provide reimbursement within the state funding amount for the fiscal year. Notwithstanding 2001 Iowa Acts, chapter 192, section 4, subsection 2, paragraph "c", and subsection 3, paragraph "a", subparagraph (2), if the state funding expenditures for the nursing facility budget for the fiscal year is projected to exceed the amount specified in subparagraph (1), the department shall adjust the reimbursement for nursing facilities reimbursed under the case-mix reimbursement system to maintain expenditures of the nursing facility budget within the specified amount for the fiscal year.

(3) For the fiscal year beginning July 1, 2012, special population nursing facilities shall be reimbursed in accordance with the methodology in effect on June 30, 2012.

b. For the fiscal year beginning July 1, 2012, the department shall reimburse pharmacy dispensing fees using a single rate of \$4.34 per prescription or the pharmacy's usual and customary fee, whichever is lower. However, the department shall adjust the dispensing fee specified in this paragraph to distribute an additional \$2,981,980 in reimbursements for pharmacy dispensing fees under this paragraph for the fiscal year.

c. (1) For the fiscal year beginning July 1, 2012, reimbursement rates for outpatient hospital services shall remain at the rates in effect on June 30, 2012.

(2) For the fiscal year beginning July 1, 2012, reimbursement rates for inpatient hospital services shall remain at the rates in effect on June 30, 2012.

(3) For the fiscal year beginning July 1, 2012, the graduate medical education and disproportionate share hospital fund shall remain at the amount in effect on June 30, 2012, except that the portion of the fund attributable to graduate medical education shall be reduced in an amount that reflects the elimination of graduate medical education payments made to out-of-state hospitals.

(4) In order to ensure the efficient use of limited state funds in procuring health care services for low-income Iowans, funds appropriated in this Act for hospital services shall not be used for activities which would be excluded from a determination of reasonable costs under the federal Medicare program pursuant to 42 U.S.C. § 1395X(v)(1)(N).

d. For the fiscal year beginning July 1, 2012, reimbursement rates for rural health clinics, hospices, and acute mental hospitals shall be increased in accordance with increases under the federal Medicare program or as supported by their Medicare audited costs.

e. For the fiscal year beginning July 1, 2012, independent laboratories and rehabilitation agencies shall be reimbursed using the same methodology in effect on June 30, 2012.

f. For the fiscal year beginning July 1, 2012, reimbursement rates for home health agencies shall remain at the rates in effect on June 30, 2012, not to exceed a home health agency's actual allowable cost.

g. For the fiscal year beginning July 1, 2012, federally qualified health centers shall receive cost-based reimbursement for 100 percent of the reasonable costs for the provision of services to recipients of medical assistance.

h. For the fiscal year beginning July 1, 2012, the reimbursement rates for dental services shall remain at the rates in effect on June 30, 2012.

i. (1) For the fiscal year beginning July 1, 2012, state-owned psychiatric medical institutions for children shall receive cost-based reimbursement for 100 percent of the actual and allowable costs for the provision of services to recipients of medical assistance.

(2) For the nonstate-owned psychiatric medical institutions for children, reimbursement rates shall be based on the reimbursement methodology developed by the department as required for federal compliance.

j. For the fiscal year beginning July 1, 2012, unless otherwise specified in this Act, all noninstitutional medical assistance provider reimbursement rates shall remain at the rates in effect on June 30, 2012, except for area education agencies, local education agencies, infant and toddler services providers, and those providers whose rates are required to be determined pursuant to section 249A.20.

k. Notwithstanding any provision to the contrary, for the fiscal year beginning July 1, 2012, the reimbursement rate for anesthesiologists shall remain at the rate in effect on June 30, 2012.

l. Notwithstanding section 249A.20, for the fiscal year beginning July 1, 2012, the average reimbursement rate for health care providers eligible for use of the federal Medicare resource-based relative value scale reimbursement methodology under that section shall remain at the rate in effect on June 30, 2012; however, this rate shall not exceed the maximum level authorized by the federal government.

m. For the fiscal year beginning July 1, 2012, the reimbursement rate for residential care facilities shall not be less than the minimum payment level as established by the federal government to meet the federally mandated maintenance of effort requirement. The flat reimbursement rate for facilities electing not to file annual cost reports shall not be less than the minimum payment level as established by the federal government to meet the federally mandated maintenance of effort requirement.

n. For the fiscal year beginning July 1, 2012, inpatient mental health services provided at hospitals shall remain at the rates in effect on June 30, 2012, subject to Medicaid program upper payment limit rules; community mental health centers and providers of mental health services to county residents pursuant to a waiver approved under section 225C.7, subsection 3, shall be reimbursed at 100 percent of the reasonable costs for the provision of services to recipients of medical assistance; and psychiatrists shall be reimbursed at the medical assistance program fee for service rate.

o. For the fiscal year beginning July 1, 2012, the reimbursement rate for consumer-directed attendant care shall remain at the rates in effect on June 30, 2012.

p. For the fiscal year beginning July 1, 2012, the reimbursement rate for providers of family planning services that are eligible to receive a 90 percent federal match shall remain at the rates in effect on June 30, 2012.

q. For the fiscal year beginning July 1, 2012, the department shall adjust the rates in effect on June 30, 2012, for providers of home and community-based services waiver services to distribute an additional \$1,500,000 in reimbursements to such providers for the fiscal year.

2. For the fiscal year beginning July 1, 2012, the reimbursement rate for providers reimbursed under the in-home-related care program shall not be less than the minimum payment level as established by the federal government to meet the federally mandated maintenance of effort requirement.

3. Unless otherwise directed in this section, when the department's reimbursement methodology for any provider reimbursed in accordance with this section includes an inflation factor, this factor shall not exceed the amount by which the consumer price index for all urban consumers increased during the calendar year ending December 31, 2002.

4. For the fiscal year beginning July 1, 2012, notwithstanding section 234.38, the foster family basic daily maintenance rate and the maximum adoption subsidy rate for children ages 0 through 5 years shall be \$15.74, the rate for children ages 6 through 11 years shall be \$16.37, the rate for children ages 12 through 15 years shall be \$17.92, and the rate for children and young adults ages 16 and older shall be \$18.16. The maximum supervised apartment living foster care reimbursement rate shall be \$25.00 per day. For youth ages 18 to 21 who have exited foster care, the maximum preparation for adult living program maintenance rate shall be \$574.00 per month. The maximum payment for adoption subsidy nonrecurring expenses shall be limited to \$500 and the disallowance of additional amounts for court costs and other related legal expenses implemented pursuant to 2010 Iowa Acts, chapter 1031, section 408 shall be continued.

5. For the fiscal year beginning July 1, 2012, the maximum reimbursement rates under the supervised apartment living program and for social services providers under contract shall remain at the rates in effect on June 30, 2012, or the provider's actual and allowable cost plus inflation for each service, whichever is less. However, if a new service or service provider is added after June 30, 2012, the initial reimbursement rate for the service or provider shall be based upon actual and allowable costs. Providers may also be eligible for an additional amount as specified under the department's request for proposal, bid number ACFS-11-115.

6. For the fiscal year beginning July 1, 2012, the reimbursement rates for family-centered service providers, family foster care service providers, group foster care service providers,

and the resource family recruitment and retention contractor shall remain at the rates in effect on June 30, 2012.

7. The group foster care reimbursement rates paid for placement of children out of state shall be calculated according to the same rate-setting principles as those used for in-state providers, unless the director of human services or the director's designee determines that appropriate care cannot be provided within the state. The payment of the daily rate shall be based on the number of days in the calendar month in which service is provided.

8. a. For the fiscal year beginning July 1, 2012, the reimbursement rate paid for shelter care and the child welfare emergency services implemented to provide or prevent the need for shelter care shall be established in a contract based on the requirements of the department's request for proposal, bid number ACFS-11-114.

b. For the fiscal year beginning July 1, 2012, the combined service and maintenance components of the reimbursement rate paid for shelter care services shall be based on the financial and statistical report submitted to the department. The maximum reimbursement rate shall be \$92.36 per day. The department shall reimburse a shelter care provider at the provider's actual and allowable unit cost, plus inflation, not to exceed the maximum reimbursement rate.

c. Notwithstanding section 232.141, subsection 8, for the fiscal year beginning July 1, 2012, the amount of the statewide average of the actual and allowable rates for reimbursement of juvenile shelter care homes that is utilized for the limitation on recovery of unpaid costs shall remain at the amount in effect for this purpose in the fiscal year beginning July 1, 2011.

9. For the fiscal year beginning July 1, 2012, the department shall calculate reimbursement rates for intermediate care facilities for persons with mental retardation at the 80th percentile. Beginning July 1, 2012, the rate calculation methodology shall utilize the consumer price index inflation factor applicable to the fiscal year beginning July 1, 2012.

10. For the fiscal year beginning July 1, 2012, for child care providers reimbursed under the state child care assistance program, the department shall set provider reimbursement rates based on the rate reimbursement survey completed in December 2004. Effective July 1, 2012, the child care provider reimbursement rates shall remain at the rates in effect on June 30, 2012. The department shall set rates in a manner so as to provide incentives for a nonregistered provider to become registered by applying the increase only to registered and licensed providers.

11. The department may adopt emergency rules to implement this section.

Sec. 142. EMERGENCY RULES.

1. If specifically authorized by a provision of this division of this Act, the department of human services or the mental health, and disability services commission may adopt administrative rules under section 17A.4, subsection 3, and section 17A.5, subsection 2, paragraph "b", to implement the provisions and the rules shall become effective immediately upon filing or on a later effective date specified in the rules, unless the effective date is delayed by the administrative rules review committee. Any rules adopted in accordance with this section shall not take effect before the rules are reviewed by the administrative rules review committee. The delay authority provided to the administrative rules review committee under section 17A.4, subsection 7, and section 17A.8, subsection 9, shall be applicable to a delay imposed under this section, notwithstanding a provision in those sections making them inapplicable to section 17A.5, subsection 2, paragraph "b". Any rules adopted in accordance with the provisions of this section shall also be published as notice of intended action as provided in section 17A.4.

2. If during the fiscal year beginning July 1, 2012, the department of human services is adopting rules in accordance with this section or as otherwise directed or authorized by state law, and the rules will result in an expenditure increase beyond the amount anticipated in the budget process or if the expenditure was not addressed in the budget process for the fiscal year, the department shall notify the persons designated by this division of this Act for submission of reports, the chairpersons and ranking members of the committees on appropriations, and the department of management concerning the rules and the expenditure increase. The notification shall be provided at least 30 calendar days prior to the date notice

of the rules is submitted to the administrative rules coordinator and the administrative code editor.

Sec. 143. REPORTS. Any reports or information required to be compiled and submitted under this Act shall be submitted to the chairpersons and ranking members of the joint appropriations subcommittee on health and human services, the legislative services agency, and the legislative caucus staffs on or before the dates specified for submission of the reports or information.

Sec. 144. EFFECTIVE DATE. The following provision of this division of this Act, being deemed of immediate importance, take effect upon enactment:

The provision under the appropriation for child and family services, relating to requirements of section 232.143 for representatives of the department of human services and juvenile court services to establish a plan for continuing group foster care expenditures for fiscal year 2012-2013.

DIVISION XIX
PHARMACEUTICAL SETTLEMENT ACCOUNT,
IOWACARE ACCOUNT, NONPARTICIPATING PROVIDER
REIMBURSEMENT FUND, HEALTH CARE TRANSFORMATION ACCOUNT,
MEDICAID FRAUD ACCOUNT, QUALITY ASSURANCE TRUST FUND,
AND HOSPITAL HEALTH CARE ACCESS TRUST FUND — FY 2012-2013

Sec. 145. PHARMACEUTICAL SETTLEMENT ACCOUNT. There is appropriated from the pharmaceutical settlement account created in section 249A.33 to the department of human services for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

Notwithstanding any provision of law to the contrary, to supplement the appropriations made in this Act for medical contracts under the medical assistance program:
..... \$ 2,716,807

Sec. 146. APPROPRIATIONS FROM IOWACARE ACCOUNT.

1. There is appropriated from the IowaCare account created in section 249J.24 to the state board of regents for distribution to the university of Iowa hospitals and clinics for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, equipment, and miscellaneous purposes, for the provision of medical and surgical treatment of indigent patients, for provision of services to members of the expansion population pursuant to chapter 249J, and for medical education:
..... \$ 27,284,584

a. (1) Funds appropriated in this subsection used for abortions shall be used in a manner consistent with options under federal Medicaid law and regulation.

(2) Iowans support reducing the number of abortions performed in our state. For an abortion covered under this subsection, except in the case of a medical emergency, as defined in section 135L.1, for any woman, the physician shall certify both of the following:

(a) That the woman has been given the opportunity to view an ultrasound image of the fetus as part of the standard of care before an abortion is performed.

(b) That the woman has been provided information regarding the options relative to a pregnancy, including continuing the pregnancy to term and retaining parental rights following the child's birth, continuing the pregnancy to term and placing the child for adoption, and terminating the pregnancy.

b. Notwithstanding any provision of law to the contrary, the amount appropriated in this subsection shall be distributed based on claims submitted, adjudicated, and paid by the Iowa Medicaid enterprise.

c. The university of Iowa hospitals and clinics shall certify public expenditures in an amount equal to provide the nonfederal share on total expenditures not to exceed \$20,000,000.

2. There is appropriated from the IowaCare account created in section 249J.24 to the state board of regents for distribution to the university of Iowa hospitals and clinics for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, equipment, and miscellaneous purposes, for the provision of medical and surgical treatment of indigent patients, for provision of services to members of the expansion population pursuant to chapter 249J, and for medical education:

..... \$ 44,226,279

Notwithstanding any provision of law to the contrary, the amount appropriated in this subsection shall be distributed based on claims submitted, adjudicated, and paid by the Iowa Medicaid enterprise.

3. There is appropriated from the IowaCare account created in section 249J.24, to the state board of regents for distribution to university of Iowa physicians for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary to be used for the purposes designated:

For salaries, support, maintenance, equipment, and miscellaneous purposes for the provision of medical and surgical treatment of indigent patients, for provision of services to members of the expansion population pursuant to chapter 249J, and for medical education:

..... \$ 16,277,753

Notwithstanding any provision of law to the contrary, the amount appropriated in this subsection shall be distributed based on claims submitted, adjudicated, and paid by the Iowa Medicaid enterprise. Once the entire amount appropriated in this subsection has been distributed, claims shall continue to be submitted and adjudicated by the Iowa Medicaid enterprise; however, no payment shall be made based upon such claims.

4. There is appropriated from the IowaCare account created in section 249J.24 to the department of human services for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For distribution to a publicly owned acute care teaching hospital located in a county with a population over 350,000 for the provision of medical and surgical treatment of indigent patients, for provision of services to members of the expansion population pursuant to chapter 249J, and for medical education:

..... \$ 65,000,000

a. Notwithstanding any provision of law to the contrary, the amount appropriated in this subsection shall be distributed based on claims submitted, adjudicated, and paid by the Iowa Medicaid enterprise plus a monthly disproportionate share hospital payment. Any amount appropriated in this subsection in excess of \$60,000,000 shall be distributed only if the sum of the expansion population claims adjudicated and paid by the Iowa Medicaid enterprise plus the estimated disproportionate share hospital payments exceeds \$60,000,000. The amount paid in excess of \$60,000,000 shall not adjust the original monthly payment amount but shall be distributed monthly based on actual claims adjudicated and paid by the Iowa Medicaid enterprise plus the estimated disproportionate share hospital amount. Any amount appropriated in this subsection in excess of \$60,000,000 shall be allocated only if federal funds are available to match the amount allocated. Pursuant to paragraph "b", of the amount appropriated in this subsection, not more than \$4,000,000 shall be distributed for prescription drugs and podiatry services.

b. Notwithstanding any provision of law to the contrary, the hospital identified in this subsection, shall be reimbursed for outpatient prescription drugs and podiatry services provided to members of the expansion population pursuant to all applicable medical assistance program rules, in an amount not to exceed \$4,000,000.

c. Notwithstanding the total amount of proceeds distributed pursuant to section 249J.24, subsection 4, paragraph "a", unnumbered paragraph 1, for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the county treasurer of a county with a population of over 350,000 in which a publicly owned acute care teaching hospital is located shall distribute the proceeds collected pursuant to section 347.7 in a total amount of \$38,000,000, which would otherwise be distributed to the county hospital, to the treasurer of state for deposit in the IowaCare account.

d. (1) Notwithstanding the amount collected and distributed for deposit in the IowaCare account pursuant to section 249J.24, subsection 4, paragraph “a”, subparagraph (1), the first \$19,000,000 in proceeds collected pursuant to section 347.7 between July 1, 2012, and December 31, 2012, shall be distributed to the treasurer of state for deposit in the IowaCare account and collections during this time period in excess of \$19,000,000 shall be distributed to the acute care teaching hospital identified in this subsection. Of the collections in excess of the \$19,000,000 received by the acute care teaching hospital under this subparagraph (1), \$2,000,000 shall be distributed by the acute care teaching hospital to the treasurer of state for deposit in the IowaCare account in the month of January 2013, following the July 1 through December 31, 2012, period.

(2) Notwithstanding the amount collected and distributed for deposit in the IowaCare account pursuant to section 249J.24, subsection 4, paragraph “a”, subparagraph (2), the first \$19,000,000 in collections pursuant to section 347.7 between January 1, 2013, and June 30, 2013, shall be distributed to the treasurer of state for deposit in the IowaCare account and collections during this time period in excess of \$19,000,000 shall be distributed to the acute care teaching hospital identified in this subsection. Of the collections in excess of the \$19,000,000 received by the acute care teaching hospital under this subparagraph (2), \$2,000,000 shall be distributed by the acute care teaching hospital to the treasurer of state for deposit in the IowaCare account in the month of July 2013, following the January 1 through June 30, 2013, period.

5. There is appropriated from the IowaCare account created in section 249J.24 to the department of human services for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary to be used for the purpose designated:

For payment to the regional provider network specified by the department pursuant to section 249J.7 for provision of covered services to members of the expansion population pursuant to chapter 249J:

..... \$ 3,472,176

Notwithstanding any provision of law to the contrary, the amount appropriated in this subsection shall be distributed based on claims submitted, adjudicated, and paid by the Iowa Medicaid enterprise. Once the entire amount appropriated in this subsection has been distributed, claims shall continue to be submitted and adjudicated by the Iowa Medicaid enterprise; however, no payment shall be made based upon such claims.

6. There is appropriated from the IowaCare account created in section 249J.24 to the department of human services for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary to be used for the purposes designated:

For a care coordination pool to pay the expansion population providers consisting of the university of Iowa hospitals and clinics, the publicly owned acute care teaching hospital as specified in section 249J.7, and current medical assistance program providers that are not expansion population network providers pursuant to section 249J.7, for services covered by the full benefit medical assistance program but not under the IowaCare program pursuant to section 249J.6, that are provided to expansion population members:

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

a. Notwithstanding sections 249J.6 and 249J.7, the amount appropriated in this subsection is intended to provide payment for medically necessary services provided to expansion population members for continuation of care provided by the university of Iowa hospitals and clinics or the publicly owned acute care teaching hospital as specified in section 249J.7. Payment may only be made for services that are not otherwise covered under section 249J.6, and which are follow-up services to covered services provided by the hospitals specified in this paragraph “a”.

b. The funds appropriated in this subsection are intended to provide limited payment for continuity of care services for an expansion population member, and are intended to cover the costs of services to expansion population members, regardless of the member’s county of residence or medical home assignment, if the care is related to specialty or hospital services provided by the hospitals specified in paragraph “a”.

c. The funds appropriated in this subsection are not intended to provide for expanded coverage under the IowaCare program, and shall not be used to cover emergency transportation services.

d. The department shall adopt administrative rules pursuant to chapter 17A to establish a prior authorization process and to identify covered services for reimbursement under this subsection.

7. There is appropriated from the IowaCare account created in section 249J.24 to the department of human services for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount or so much thereof as is necessary to be used for the purposes designated:

For a laboratory test and radiology pool for services authorized by a federally qualified health center designated by the department as part of the IowaCare regional provider network that does not have the capability to provide these services on site:

..... \$ 500,000

Notwithstanding sections 249J.6 and 249J.7, the amount appropriated in this subsection is intended to provide reimbursement for services provided to expansion population members that have previously been paid for through expenditure by designated regional provider network providers of their own funds, not to expand coverage under the IowaCare program or to expand the expansion population provider network. The department shall designate the laboratory and radiology provider associated with each designated regional provider network provider that may receive reimbursement. The department shall adopt administrative rules pursuant to chapter 17A to establish a prior authorization process and to identify covered services for reimbursement under this subsection. All other medical assistance program payment policies and rules for laboratory and radiology services shall apply to services provided under this subsection. If the entire amount appropriated under this subsection is expended, laboratory tests and radiology services ordered by a designated regional provider network provider shall be the financial responsibility of the regional provider network provider.

Sec. 147. APPROPRIATIONS FROM NONPARTICIPATING PROVIDER REIMBURSEMENT FUND — DEPARTMENT OF HUMAN SERVICES. Notwithstanding any provision to the contrary, and subject to the availability of funds, there is appropriated from the nonparticipating provider reimbursement fund created in section 249J.24A to the department of human services for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount or so much thereof as is necessary for the purposes designated:

To reimburse nonparticipating providers in accordance with section 249J.24A:

..... \$ 2,000,000

Sec. 148. APPROPRIATIONS FROM ACCOUNT FOR HEALTH CARE TRANSFORMATION — DEPARTMENT OF HUMAN SERVICES. Notwithstanding any provision to the contrary, there is appropriated from the account for health care transformation created in section 249J.23 to the department of human services for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For the provision of an IowaCare nurse helpline for the expansion population as provided in section 249J.6:

..... \$ 50,000

2. For other health promotion partnership activities pursuant to section 249J.14:

..... \$ 300,000

3. For the costs related to audits, performance evaluations, and studies required pursuant to chapter 249J:

..... \$ 62,500

4. For administrative costs associated with chapter 249J:

..... \$ 566,206

5. For planning and development, in cooperation with the department of public health, of a phased-in program to provide a dental home for children in accordance with section 249J.14:

..... \$ 500,000

6. For continuation of the establishment of the tuition assistance for individuals serving individuals with disabilities pilot program, as enacted in 2008 Iowa Acts, chapter 1187, section 130:

..... \$ 25,000

7. For medical contracts:

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

8. For payment to the publicly owned acute care teaching hospital located in a county with a population of over 350,000 that is a participating provider pursuant to chapter 249J:

..... \$ 145,000

Disbursements under this subsection shall be made monthly. The hospital shall submit a report following the close of the fiscal year regarding use of the funds appropriated in this subsection to the persons specified in this Act to receive reports.

9. For transfer to the department of public health to be used for the costs of medical home system advisory council established pursuant to section 135.159:

..... \$ 116,679

10. For continued implementation of a uniform cost report:

..... \$ 75,000

11. For continued implementation of an electronic medical records system:

..... \$ 50,000

Notwithstanding section 8.33, funds allocated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available in succeeding fiscal years to be used for the purposes designated.

12. For transfer to the department of public health to support the department's activities relating to health and long-term care access as specified pursuant to chapter 135, division XXIV:

..... \$ 67,107

13. For continuation of an accountable care organization pilot project:

..... \$ 50,000

**14. For the continued development of a provider payment system plan to provide recommendations to reform the health care provider payment system as an effective way to promote coordination of care, lower costs, and improve quality:*

..... \$ 100,000*

15. For transfer to the department of public health to be used as state matching funds for the health information technology system developed by the department of public health:

..... \$ 181,993

16. To supplement the appropriation for medical assistance:

..... \$ 1,956,245

Notwithstanding section 8.39, subsection 1, without the prior written consent and approval of the governor and the director of the department of management, the director of human services may transfer funds among the appropriations made in this section as necessary to carry out the purposes of the account for health care transformation. The department shall report any transfers made pursuant to this section to the legislative services agency.

Sec. 149. MEDICAID FRAUD ACCOUNT — DEPARTMENT OF INSPECTIONS AND APPEALS. There is appropriated from the Medicaid fraud account created in section 249A.7 to the department of inspections and appeals for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For the inspection and certification of assisted living programs and adult day care services, including program administration and costs associated with implementation:

..... \$ 669,764

Sec. 150. MEDICAID FRAUD ACCOUNT — DEPARTMENT OF HUMAN SERVICES. There is appropriated from the Medicaid fraud account created in section 249A.7 to the department of human services for the fiscal year beginning July 1, 2012, and

* Item veto; see message at end of the Act

ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

To supplement the appropriation made in this Act from the general fund of the state to the department of human services for medical assistance:

..... \$ 2,000,000

Sec. 151. QUALITY ASSURANCE TRUST FUND — DEPARTMENT OF HUMAN SERVICES. Notwithstanding any provision to the contrary and subject to the availability of funds, there is appropriated from the quality assurance trust fund created in section 249L.4 to the department of human services for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amounts, or so much thereof as is necessary for the purposes designated:

To supplement the appropriation made in this Act from the general fund of the state to the department of human services for medical assistance:

..... \$ 29,000,000

Sec. 152. HOSPITAL HEALTH CARE ACCESS TRUST FUND — DEPARTMENT OF HUMAN SERVICES. Notwithstanding any provision to the contrary and subject to the availability of funds, there is appropriated from the hospital health care access trust fund created in section 249M.4 to the department of human services for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amounts, or so much thereof as is necessary, for the purposes designated:

1. To supplement the appropriation made in this Act from the general fund of the state to the department of human services for medical assistance:

..... \$ 39,223,800

2. For deposit in the nonparticipating provider reimbursement fund created in section 249J.24A to be used for the purposes of the fund:

..... \$ 776,200

Sec. 153. MEDICAL ASSISTANCE PROGRAM — NONREVERSION FOR FY 2012-2013. Notwithstanding section 8.33, if moneys appropriated for purposes of the medical assistance program for the fiscal year beginning July 1, 2012, and ending June 30, 2013, from the general fund of the state, the Medicaid fraud account, the quality assurance trust fund, and the hospital health care access trust fund, are in excess of actual expenditures for the medical assistance program and remain unencumbered or unobligated at the close of the fiscal year, the excess moneys shall not revert but shall remain available for expenditure for the purposes of the medical assistance program until the close of the succeeding fiscal year.

DIVISION XX

MH/MR/DD SERVICES ALLOWED GROWTH FUNDING FOR FISCAL YEAR 2012-2013

Sec. 154. MENTAL HEALTH, MENTAL RETARDATION, AND DEVELOPMENTAL DISABILITIES SERVICES PROPERTY TAX RELIEF. Notwithstanding the standing appropriation in section 426B.1, subsection 2, for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the amount appropriated from the general fund of the state pursuant to that provision shall not exceed the following amount:

..... \$ 81,199,911

Sec. 155. ADULT MH/MR/DD SERVICES ALLOWED GROWTH FUNDING — FY 2012-2013.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For distribution to counties of the county mental health, mental retardation, and developmental disabilities allowed growth factor adjustment for fiscal year 2012-2013 as provided in this section in lieu of the allowed growth factor provisions of section 331.438, subsection 2, and section 331.439, subsection 3, and chapter 426B:

..... \$ 74,697,893
 2. Of the amount appropriated in this section, \$38,000,000 shall be distributed as provided in this subsection.

a. To be eligible to receive a distribution under this subsection, a county must meet the following requirements:

(1) The county is levying for the maximum amount allowed for the county’s mental health, mental retardation, and developmental disabilities services fund under section 331.424A for taxes due and payable in the fiscal year beginning July 1, 2012, or the county is levying for at least 90 percent of the maximum amount allowed for the county’s services fund and that levy rate is more than \$2 per \$1,000 of the assessed value of all taxable property in the county.

(2) In the fiscal year beginning July 1, 2010, the county’s mental health, mental retardation, and developmental disabilities services fund ending balance under generally accepted accounting principles was equal to or less than 15 percent of the county’s actual gross expenditures for that fiscal year.

b. The amount of a county’s distribution from the allocation made in this subsection shall be determined based upon the county’s proportion of the general population of the counties eligible to receive a distribution under this subsection. The most recent population estimates issued by the United States bureau of the census shall be applied in determining population for the purposes of this paragraph.

c. The distributions made pursuant to this subsection are subject to the distribution provisions and withholding requirements established in this section for the county mental health, mental retardation, and developmental disabilities allowed growth factor adjustment for the fiscal year beginning July 1, 2012.

3. The following amount of the funding appropriated in this section is the allowed growth factor adjustment for fiscal year 2012-2013, and shall be credited to the allowed growth funding pool created in the property tax relief fund and for distribution in accordance with section 426B.5, subsection 1:

..... \$ 36,697,893

4. The following formula amounts shall be utilized only to calculate preliminary distribution amounts for the allowed growth factor adjustment for fiscal year 2012-2013 under this section by applying the indicated formula provisions to the formula amounts and producing a preliminary distribution total for each county:

a. For calculation of a distribution amount for eligible counties from the allowed growth funding pool created in the property tax relief fund in accordance with the requirements in section 426B.5, subsection 1:

..... \$ 49,773,346

b. For calculation of a distribution amount for counties from the mental health and developmental disabilities (MH/DD) community services fund in accordance with the formula provided in the appropriation made for the MH/DD community services fund for the fiscal year beginning July 1, 2012:

..... \$ 14,187,556

5. a. After applying the applicable statutory distribution formulas to the amounts indicated in subsection 4 for purposes of producing preliminary distribution totals, the department of human services shall apply a withholding factor to adjust an eligible individual county’s preliminary distribution total. In order to be eligible for a distribution under this section, a county must be levying 90 percent or more of the maximum amount allowed for the county’s mental health, mental retardation, and developmental disabilities services fund under section 331.424A for taxes due and payable in the fiscal year for which the distribution is payable.

b. An ending balance percentage for each county shall be determined by expressing the county’s ending balance on a modified accrual basis under generally accepted accounting principles for the fiscal year beginning July 1, 2010, in the county’s mental health, mental retardation, and developmental disabilities services fund created under section 331.424A, as a percentage of the county’s gross expenditures from that fund for that fiscal year. If a county borrowed moneys for purposes of providing services from the county’s services fund on or before July 1, 2010, and the county’s services fund ending balance for that fiscal year includes the loan proceeds or an amount designated in the county budget to service the loan for the

borrowed moneys, those amounts shall not be considered to be part of the county's ending balance for purposes of calculating an ending balance percentage under this subsection.

c. For purposes of calculating withholding factors and for ending balance amounts used for other purposes under law, the county ending balances shall be adjusted, using forms developed for this purpose by the county finance committee, to disregard the temporary funding increase provided to the counties for the fiscal year through the federal American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5. In addition, a county may adjust the ending balance amount by rebating to the department all or a portion of the allowed growth and MH/DD services fund moneys the county received for the fiscal year beginning July 1, 2011, in accordance with this Act, or from any other services fund moneys available to the county. The rebate must be remitted to the department on or before June 1, 2012, in order to be counted. The amount rebated by a county shall be subtracted dollar-for-dollar from the county's ending balance amount for the fiscal year beginning July 1, 2010, for purposes of calculating the withholding factor and for other ending balance purposes for the fiscal year beginning July 1, 2012. The rebates received by the department shall be credited to the property tax relief fund and distributed as additional funding for the fiscal year beginning July 1, 2012, in accordance with the formula provisions in this section.

d. The withholding factor for a county shall be the following applicable percent:

(1) For an ending balance percentage of less than 5 percent, a withholding factor of 0 percent. In addition, a county that is subject to this lettered paragraph shall receive an inflation adjustment equal to 3 percent of the gross expenditures reported for the county's services fund for the fiscal year.

(2) For an ending balance percentage of 5 percent or more but less than 10 percent, a withholding factor of 0 percent. In addition, a county that is subject to this lettered paragraph shall receive an inflation adjustment equal to 2 percent of the gross expenditures reported for the county's services fund for the fiscal year.

(3) For an ending balance percentage of 10 percent or more but less than 25 percent, a withholding factor of 25 percent. However, for counties with an ending balance of 10 percent or more but less than 15 percent, the amount withheld shall be limited to the amount by which the county's ending balance was in excess of the ending balance percentage of 10 percent.

(4) For an ending balance percentage of 25 percent or more, a withholding percentage of 100 percent.

6. The total withholding amounts applied pursuant to subsection 5 shall be equal to a withholding target amount of \$13,075,453. If the department of human services determines that the amount appropriated is insufficient or the amount to be withheld in accordance with subsection 5 is not equal to the target withholding amount, the department shall adjust the withholding factors listed in subsection 5 as necessary to achieve the target withholding amount. However, in making such adjustments to the withholding factors, the department shall strive to minimize changes to the withholding factors for those ending balance percentage ranges that are lower than others and shall only adjust the zero withholding factor or the inflation adjustment percentages specified in subsection 5, paragraph "d", when the amount appropriated is insufficient.

DIVISION XXI CONDITIONAL RETROACTIVE APPLICABILITY

Sec. 156. EFFECTIVE DATE AND RETROACTIVE APPLICABILITY. Unless otherwise provided, this Act, if approved by the governor on or after July 1, 2011, takes effect upon enactment and applies retroactively to July 1, 2011.

Approved July 26, 2011, with exceptions noted.

TERRY E. BRANSTAD, Governor

Dear Mr. Secretary:

I hereby transmit House File 649, an Act relating to and making appropriations for health and human services and including other related provisions and appropriations, and including effective, retroactive, and applicability date provisions.

House File 649 is, therefore, signed on this date with the following exceptions, which I hereby disapprove.

I am unable to approve the item designated as Section 2, subsection 4, lettered paragraph h, numbered paragraph 2 in its entirety. This item requires that the Department of Public Health establish a board of direct care workers contingent upon availability of funds. Funding for such a board would come from license fees and requiring direct care workers to pay such fees would be unduly burdensome and costly for both the State of Iowa and the workers.

I am unable to approve the item designated as Section 3, subsection 2, lettered paragraph d in its entirety. This item creates a redundant, overly burdensome mandate requiring the Iowa Veterans' Home to report expenditure reports monthly to the Legislative Services Agency for fiscal year 2012. While I strongly support transparency efforts that publicly disclose how departments spend their resources, this information is already available within the State's accounting and budgeting systems.

I am unable to approve the designated portion of Section 25. This item creates carry-forward language which is unnecessary for the Department of Human Services from fiscal year 2012 to fiscal year 2013 for field operations. The carry-forward language does not work to advance my goals of returning predictability and sustainability back to government budgeting.

I am unable to approve the item designated as Section 26, paragraph 6 in its entirety. This item creates carry-forward language which is unnecessary for the Department of Human Services from fiscal year 2012 to fiscal year 2013 for general administration. The carry-forward language does not work to advance my goals of returning predictability and sustainability back to government budgeting.

I am unable to approve the item designated as Section 31 in its entirety. This item creates a redundant mandate requiring the Iowa Department on Aging, Department of Human Services, Department of Public Health, and Department of Veterans' Affairs to report to the Legislature, Legislative Services Agency, the Department of Management, and the legislative caucus staff when a department is applying for or renewing a federal grant with a value of over \$1,000. While I strongly support communication and collaboration among state agencies and branches of government, this item is unnecessary because Iowa Code section 8.9, paragraph 2(a) requires that all grant applications submitted and grant moneys received shall be reported to the Office of Grant Enterprise Management. Iowa Code section 8.9, paragraph 2(b) provides that a report shall be submitted to the legislature on July 1st and January 1st of each year.

I am unable to approve the item designated as Section 37, paragraph 14 in its entirety. This item directs the Department of Human Services and the Iowa Medicaid Enterprise to study new provider payment methodologies. I support innovation in Medicaid to allow sustainability and greater quality of care. However, due to the austere nature of this budget and our need to focus on current cost containment strategies proposed by the Iowa Medicaid Enterprise, I cannot approve of a new study further stretching department resources.

I am unable to approve the designated portion of Section 45, paragraph 7, lettered paragraph c. Spending for the county rebates was inadvertently located in two locations with two different directives to the department. The first location, Section 43, subsection 5, lettered paragraph c, allows the Department of Human Services to target funding that decreases county mental health waiting lists which I approve. The language I disapprove here distributes funding that does not necessarily provide additional funding to counties with a waiting list as the requirements for distribution of targeted growth are not dependent on a county having a waiting list.

I am unable to approve the items designated as Sections 95, 96, 97, 98, and 99 in their entirety. These items reinstate the mental health drug exemption from the Medicaid preferred drug list retroactive to January 1, 2011. These items unduly harm a sound, clinically appropriate approach that has resulted in minimal impacts to Iowa Medicaid patients and providers, but that has provided valuable cost savings to a vital entitlement program.

I am unable to approve the items designated as Sections 105, 106, and 107 in their entirety. These items extend the State's indemnification to hospitals that already have their own liability insurance and who are already required to provide volunteer services. The State currently provides specialty healthcare providers that have limited resources with indemnification when they provide volunteer services to the most vulnerable citizens of Iowa. Because hospitals with their own liability insurance already provide volunteer services, members of the public would receive no benefit while the State would experience unnecessary costs.

I am unable to approve the item designated as Section 109 in its entirety. This item directs the Department of Human Services and the Iowa Medicaid Enterprise to study new payment methodologies. I support innovation in Medicaid to allow sustainability and greater quality of care. However, due to the austere nature of this budget and our need to focus on current cost containment strategies proposed by the Iowa Medicaid Enterprise, I cannot approve of a new study further stretching department resources.

I am unable to approve the item designated as Section 114, subsection 4, lettered paragraph h, numbered paragraph 2 in its entirety. This item requires that the Department of Public Health establish a board of direct care workers contingent upon availability of funds. Funding for such a board would come from license fees and requiring direct care workers to pay such fees would be unduly burdensome and costly for both the State of Iowa and the workers.

I am unable to approve the item designated as Section 115, subsection 2, lettered paragraph d in its entirety. This item creates a redundant, overly burdensome mandate requiring the Iowa Veterans' Home shall report expenditure reports monthly to the Legislative Services Agency for fiscal year 2013. While I strongly support transparency efforts that publicly disclose how departments spend their resources, this information is already available within the State's accounting and budgeting systems.

I am unable to approve the designated portion of Section 138. This item creates carry-forward language which is unnecessary for the Department of Human Services from fiscal year 2013 to 2014 for field operations. The carry-forward language does not work to advance my goals of returning predictability and sustainability back to government budgeting.

I am unable to approve the item designated as Section 139, paragraph 6 in its entirety. This item creates carry-forward language which is unnecessary for the Department of Human Services from fiscal year 2013 to 2014 for general administration. The carry-forward language does not work to advance my goals of returning predictability and sustainability back to government budgeting.

I am unable to approve the item designated as Section 148, paragraph 14 in its entirety. This item directs the Department of Human Services and the Iowa Medicaid Enterprise to study new provider payment methodologies. I support innovation in Medicaid to allow sustainability and greater quality of care. However, due to the austere nature of this budget and our need to focus on current cost containment strategies proposed by the Iowa Medicaid Enterprise, I cannot approve of a new study further stretching department resources.

For the above reasons, I respectfully disapprove the designated items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in House File 649 are hereby approved as of this date.

Sincerely,
TERRY E. BRANSTAD, *Governor*