

**CHAPTER 1165**

**APPROPRIATIONS — HEALTH AND HUMAN SERVICES**

*S.F. 2418*

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

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

DIVISION I  
DEPARTMENT ON AGING — FY 2018-2019

Section 1. 2017 Iowa Acts, chapter 174, section 40, unnumbered paragraphs 1 and 2, are amended to read as follows:

There is appropriated from the general fund of the state to the department on aging for the fiscal year beginning July 1, 2018, and ending June 30, 2019, 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:

.....	\$	5,521,238
		<u>11,042,924</u>
.....	FTEs	27.00

Sec. 2. 2017 Iowa Acts, chapter 174, section 40, subsections 2, 4, 5, 6, and 7, are amended to read as follows:

2. Of the funds appropriated in this section, ~~\$139,973~~ \$279,946 is transferred to the economic development authority for the Iowa commission on volunteer services to be used for the retired and senior volunteer program.

~~4. Of the funds appropriated in this section, at least \$125,000 shall be used to fund the unmet needs identified through Iowa’s aging and disability resource center network.~~

5. Of the funds appropriated in this section, at least ~~\$300,000~~ \$600,000 shall be used to fund home and community-based services through the area agencies on aging that enable older individuals to avoid more costly utilization of residential or institutional services and remain in their own homes.

6. Of the funds appropriated in this section, ~~\$406,268~~ \$812,537 shall be used for the purposes of chapter 231E and section 231.56A, of which \$175,000 shall be used for the office of substitute decision maker pursuant to chapter 231E, and the remainder shall be distributed equally to the area agencies on aging to administer the prevention of elder abuse, neglect, and exploitation program pursuant to section 231.56A, in accordance with the requirements of the federal Older Americans Act of 1965, 42 U.S.C. §3001 et seq., as amended.

7. Of the funds appropriated in this section, ~~\$375,000~~ \$1,000,000 shall be used to fund continuation of the aging and disability resource center lifelong links to provide individuals and caregivers with information and services to plan for and maintain independence.

Sec. 3. 2017 Iowa Acts, chapter 174, section 40, subsection 8, is amended by striking the subsection.

Sec. 4. 2017 Iowa Acts, chapter 174, section 40, is amended by adding the following new subsection:

NEW SUBSECTION. 9. Of the funds appropriated in this section, \$100,000 shall be used by the department on aging, in collaboration with the department of human services and affected stakeholders, to design a pilot initiative to provide long-term care options

counseling utilizing support planning protocols, to assist non-Medicaid eligible consumers who indicate a preference to return to the community and are deemed appropriate for discharge, to return to their community following a nursing facility stay. The department on aging shall submit the design plan as well as recommendations for legislation necessary to administer the initiative, including but not limited to legislation to allow the exchange of contact information for nursing facility residents appropriate for discharge planning, to the governor and the general assembly by December 15, 2018.

DIVISION II  
OFFICE OF LONG-TERM CARE OMBUDSMAN — FY 2018-2019

Sec. 5. 2017 Iowa Acts, chapter 174, section 41, is amended to read as follows:

SEC. 41. OFFICE OF LONG-TERM CARE OMBUDSMAN. There is appropriated from the general fund of the state to the office of long-term care ombudsman for the fiscal year beginning July 1, 2018, and ending June 30, 2019, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

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

.....	\$	580,140
		<u>1,149,821</u>
.....	FTEs	16.00

DIVISION III  
DEPARTMENT OF PUBLIC HEALTH — FY 2018-2019

Sec. 6. 2017 Iowa Acts, chapter 174, section 42, subsections 1, 2, 3, 4, 5, 6, 7, and 8, are amended to read as follows:

1. ADDICTIVE DISORDERS

For reducing the prevalence of the 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:

.....	\$	12,492,915
		<u>24,804,344</u>
.....	FTEs	10.00
		<u>11.00</u>

a. (1) Of the funds appropriated in this subsection, ~~\$2,010,612~~ \$4,021,225 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 initiatives. Activities of the programs and initiatives shall be in alignment with the United States centers for disease control and prevention best practices for comprehensive tobacco control programs that include the goals of preventing youth initiation of tobacco usage, reducing exposure to secondhand smoke, and promotion of tobacco cessation. To maximize resources, the department shall determine if third-party sources are available to instead provide nicotine replacement products to an applicant prior to provision of such products to an applicant under the initiative. The department shall track and report to the individuals specified in this Act, any reduction in the provision of nicotine replacement products realized by the initiative through implementation of the prerequisite screening.

(2) (a) The department shall collaborate with the alcoholic beverages division of the department of commerce for enforcement of tobacco laws, regulations, and ordinances and to engage in tobacco control activities approved by the division of tobacco use prevention and control of the department of public health as specified in the memorandum of understanding entered into between the divisions.

(b) For the fiscal year beginning July 1, 2018, and ending June 30, 2019, the terms of the memorandum of understanding, entered into between the division of tobacco use prevention and control of the department of public health and the alcoholic beverages division of the department of commerce, governing compliance checks conducted to ensure licensed retail

tobacco outlet conformity with tobacco laws, regulations, and ordinances relating to persons under 18 years of age, shall continue to restrict the number of such checks to one check per retail outlet, and one additional check for any retail outlet found to be in violation during the first check.

b. Of the funds appropriated in this subsection, ~~\$10,482,303~~ \$20,783,119 shall be used for problem gambling and substance-related disorder prevention, treatment, and recovery services, including a 24-hour helpline, public information resources, professional training, youth prevention, and program evaluation.

c. The requirement of [section 123.17, subsection 5](#), is met by the appropriations and allocations made in this division of this Act for purposes of substance-related disorder treatment and addictive disorders for the fiscal year beginning July 1, 2018.

d. The department of public health, in collaboration with the department of human services, shall engage a stakeholder workgroup to review reimbursement provisions applicable to substance use disorder services providers. The issues considered by the workgroup shall include but are not limited to the adequacy of reimbursement provisions including for both outpatient and residential treatment, whether it is appropriate to rebase reimbursement, whether there is equity in reimbursement compared to the reimbursement methodologies used for providers of similar behavioral health services, and access to substance use disorder services providers including whether the designated number of community mental health centers in the state is sufficient. The workgroup shall review the reports of previous workgroups including those authorized in [2014 Iowa Acts, chapter 1140, section 3, subsection 1](#), and shall report the workgroup’s findings and recommendations to the general assembly on or before December 15, 2018.

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:

.....	\$	2,662,816
.....		<u>5,820,625</u>
.....	FTEs	12.00
.....		<u>13.00</u>

a. Of the funds appropriated in this subsection, not more than ~~\$367,420~~ \$734,841 shall be used for the healthy opportunities for parents 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, 2018.

b. In order to implement the legislative intent stated in [sections 135.106](#) and [256I.9](#), that priority for home visitation program funding be given to programs using evidence-based or promising models for home visitation, it is the intent of the general assembly to phase in the funding priority in accordance with [2012 Iowa Acts, chapter 1133, section 2, subsection 2, paragraph “0b”](#).

c. Of the funds appropriated in this subsection, ~~\$1,537,550~~ \$3,075,101 shall be used for continuation of the department’s initiative to provide for adequate developmental surveillance and screening during a child’s first five years. The funds shall be used first to fully fund the current sites to ensure that the sites are fully operational, with the remaining funds to be used for expansion to additional sites. The full implementation and expansion shall include enhancing the scope of the initiative through collaboration with the child health specialty clinics to promote healthy child development through early identification and response to both biomedical and social determinants of healthy development; by monitoring child health metrics to inform practice, document long-term health impacts and savings, and provide for continuous improvement through training, education, and evaluation; and by providing for practitioner consultation particularly for children with behavioral conditions and needs. The department of public health shall also collaborate with the Iowa Medicaid enterprise and the child health specialty clinics to integrate the activities of the first five initiative into the establishment of patient-centered medical homes, community utilities, accountable care organizations, and other integrated care models developed to improve health quality and population health while reducing health care costs. To the maximum

extent possible, funding allocated in this paragraph shall be utilized as matching funds for medical assistance program reimbursement.

d. Of the funds appropriated in this subsection, ~~\$32,320~~ \$64,640 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 individuals who are elderly or with disabilities.

e. Of the funds appropriated in this subsection, ~~\$78,241~~ \$156,482 shall be used to provide audiological services and hearing aids for children. The department may enter into a contract to administer this paragraph.

f. Of the funds appropriated in this subsection, ~~\$11,500~~ \$23,000 is transferred to the university of Iowa college of dentistry for provision of primary dental services to children. State funds shall be matched on a dollar-for-dollar basis. The university of Iowa college of dentistry shall coordinate efforts with the department of public health, bureau of oral and health delivery systems, to provide dental care to underserved populations throughout the state.

g. Of the funds appropriated in this subsection, ~~\$25,000~~ \$50,000 shall be used to address youth suicide prevention.

h. Of the funds appropriated in this subsection, ~~\$20,255~~ \$40,511 shall be used to support the Iowa effort to address the survey of children who experience adverse childhood experiences known as ACEs.

i. The department of public health shall continue to administer the program to assist parents in this state with costs resulting from the death of a child in accordance with the provisions of [2014 Iowa Acts, chapter 1140, section 22, subsection 12](#).

j. Of the funds appropriated in this subsection, up to \$494,993 shall be used for childhood obesity prevention.

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:

.....	\$	2,085,375
		<u>4,528,109</u>
.....	FTEs	5.00
		<u>9.00</u>

a. Of the funds appropriated in this subsection, ~~\$76,877~~ \$153,755 shall be used for grants to individual patients who have an inherited metabolic disorder to assist with the costs of medically necessary foods and formula.

b. Of the funds appropriated in this subsection, ~~\$510,397~~ \$1,055,291 shall be used for the brain injury services program pursuant to [section 135.22B](#), including for contracting with an existing nationally affiliated and statewide organization whose purpose is to educate, serve, and support Iowans with brain injury and their families for resource facilitator services in accordance with [section 135.22B, subsection 9](#), and for contracting to enhance brain injury training and recruitment of service providers on a statewide basis. Of the amount allocated in this paragraph, ~~\$47,500~~ \$95,000 shall be used to fund one full-time equivalent position to serve as the state brain injury services program manager.

c. Of the funds appropriated in this subsection, ~~\$72,048~~ \$144,097 shall be used for the public purpose of continuing to contract with an existing national-affiliated organization to provide education, client-centered programs, and client and family support for people living with epilepsy and their families. The amount allocated in this paragraph in excess of \$50,000 \$100,000 shall be matched dollar-for-dollar by the organization specified.

d. Of the funds appropriated in this subsection, ~~\$404,775~~ \$809,550 shall be used for child health specialty clinics.

e. Of the funds appropriated in this subsection, ~~\$192,276~~ \$384,552 shall be used by the regional autism assistance program established pursuant to [section 256.35](#), and administered by the child health specialty clinic located at the university of Iowa hospitals and clinics. The funds shall be used to enhance interagency collaboration and coordination of educational, medical, and other human services for persons with autism, their families, and providers of services, including delivering regionalized services of care coordination, family navigation, and integration of services through the statewide system of regional child health specialty

clinics and fulfilling other requirements as specified in [chapter 225D](#). The university of Iowa shall not receive funds allocated under this paragraph for indirect costs associated with the regional autism assistance program.

f. Of the funds appropriated in this subsection, ~~\$288,687~~ \$577,375 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 paragraph “f”, ~~\$75,000~~ \$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, ~~\$48,766~~ \$97,532 shall be used for cervical and colon cancer screening, and ~~\$88,860~~ \$177,720 shall be used to enhance the capacity of the cervical cancer screening program to include provision of recommended prevention and early detection measures to a broader range of low-income women.

h. Of the funds appropriated in this subsection, ~~\$253,177~~ \$506,355 shall be used for the center for congenital and inherited disorders.

i. Of the funds appropriated in this subsection, ~~\$107,631~~ \$225,263 shall be used by the department of public health for reform-related activities, including but not limited to facilitation of communication to stakeholders at the state and local level, administering the patient-centered health advisory council pursuant to [section 135.159](#), and involvement in health care system innovation activities occurring across the state.

j. Of the funds appropriated in this subsection, ~~\$11,050~~ \$322,100 shall be used for administration of ~~chapter 124D~~ [124E](#), the medical cannabidiol Act.

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:

.....	\$	1,453,888
		<u>4,970,152</u>
.....	FTEs	13.00

a. Of the funds appropriated in this subsection, ~~\$47,787~~ \$95,575 is allocated for continuation of the child vision screening program implemented through the university of Iowa hospitals and clinics in collaboration with early childhood Iowa areas. The program shall submit a report to the individuals identified in this Act for submission of reports regarding the use of funds allocated under this paragraph “a”. The report shall include the objectives and results for the program year including the target population and how the funds allocated assisted the program in meeting the objectives; the number, age, and location within the state of individuals served; the type of services provided to the individuals served; the distribution of funds based on service provided; and the continuing needs of the program.

~~b. Of the funds appropriated in this subsection, \$52,828 is allocated for continuation of an initiative implemented at the university of Iowa to expand and improve the workforce engaged in mental health treatment and services. The initiative 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 initiative.~~

~~c. Of the funds appropriated in this section, \$41,657 shall be deposited in the governmental public health system fund created in [section 135A.8](#) to be used for the purposes of the fund.~~

d. Of the funds appropriated in this subsection, ~~\$24,034~~ \$48,069 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 135.180](#).

e. Of the funds appropriated in this subsection, the following amounts are allocated to be used as follows to support the Iowa collaborative safety net provider network goals of increased access, health system integration, and engagement.

(1) Not less than ~~\$260,931~~ \$542,829 is allocated to the Iowa prescription drug corporation for continuation of the pharmaceutical infrastructure for safety net providers as described in [2007 Iowa Acts, chapter 218, section 108](#), and for the prescription drug donation repository program created in [chapter 135M](#).

(2) Not less than ~~\$167,435~~ \$334,870 is allocated to free clinics and free clinics of Iowa for necessary infrastructure, statewide coordination, provider recruitment, service delivery, and provision of assistance to patients in securing a medical home inclusive of oral health care.

(3) Not less than ~~\$12,500~~ \$25,000 is allocated to the Iowa association of rural health clinics for necessary infrastructure and service delivery transformation.

(4) Not less than ~~\$50,000~~ \$205,493 is allocated to the Polk county medical society for continuation of the safety net provider patient access to a specialty health care initiative as described in [2007 Iowa Acts, chapter 218, section 109](#).

f. Of the funds appropriated in this subsection, ~~\$38,115~~ \$15,000 shall be used by the department in implementing the recommendations in the final report submitted by the direct care worker advisory council to the governor and the general assembly in March 2012, including by continuing to develop, promote, and make available on a statewide basis the prepare-to-care core curriculum and its associated modules and specialties through various formats including online access, community colleges, and other venues; exploring new and maintaining existing specialties including but not limited to oral health and dementia care; supporting instructor training; and assessing and making recommendations concerning the Iowa care book and information technology systems and infrastructure uses and needs.

g. Of the funds appropriated in this subsection, ~~\$95,594~~ \$176,188 shall be allocated for continuation of the contract with an independent statewide direct care worker organization previously selected through a request for proposals process. The contract shall continue to include performance and outcomes measures, and shall continue to allow the contractor to use a portion of the funds received under the contract to collect data to determine results based on the performance and outcomes measures.

h. Of the funds appropriated in this subsection, the department may use up to ~~\$29,087~~ \$58,175 for up to one full-time equivalent position to administer the volunteer health care provider program pursuant to [section 135.24](#).

i. Of the funds appropriated in this subsection, ~~\$48,069~~ \$96,138 shall be used for a matching dental education loan repayment program to be allocated to a dental nonprofit health service corporation to continue to develop the criteria and implement the loan repayment program.

~~j. Of the funds appropriated in this subsection, \$26,455 is transferred to the college student aid commission for deposit in the rural Iowa primary care trust fund created in [section 261.113](#) to be used for the purposes of the fund.~~

k. Of the funds appropriated in this subsection, ~~\$75,000~~ \$100,000 shall be used for the purposes of the Iowa donor registry as specified in [section 142C.18](#).

l. Of the funds appropriated in this subsection, ~~\$48,069~~ \$96,138 shall be used for continuation of a grant to a nationally affiliated volunteer eye organization that has an established program for children and adults and that is solely dedicated to preserving sight and preventing blindness through education, nationally certified vision screening and training, and community and patient service programs. The organization shall submit a report to the individuals identified in this Act for submission of reports regarding the use of funds allocated under this paragraph "l". The report shall include the objectives and results for the program year including the target population and how the funds allocated assisted the program in meeting the objectives; the number, age, and location within the state of individuals served; the type of services provided to the individuals served; the distribution of funds based on services provided; and the continuing needs of the program.

m. Of the funds appropriated in this subsection, ~~\$436,327~~ \$2,000,000 shall be deposited in the medical residency training account created in [section 135.175, subsection 5](#), paragraph "a", and is appropriated from the account to the department of public health to be used for the purposes of the medical residency training state matching grants program as specified in [section 135.176](#).

n. Of the funds appropriated in this subsection, \$250,000 shall be used for the public purpose of providing funding to Des Moines university to establish a provider education project to provide primary care physicians with the training and skills necessary to recognize signs of mental illness in patients.

##### 5. ESSENTIAL PUBLIC HEALTH SERVICES

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:

..... \$ 4,098,939  
7,662,464

6. INFECTIOUS DISEASES

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

..... \$ 823,213  
1,796,426  
..... FTEs 4.00

7. 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:

..... \$ 2,097,569  
4,095,139  
..... FTEs 138.00  
141.00

a. Of the funds appropriated in this subsection, not more than ~~\$152,350~~ \$304,700 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, up to ~~\$121,630~~ \$243,260 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, and for continuation of a training program for sexual assault response team (SART) members, including representatives of law enforcement, victim advocates, prosecutors, and certified medical personnel. The amount allocated in this paragraph "b" 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, up to ~~\$287,813~~ \$500,000 shall be used for the state poison control center. Pursuant to the directive under [2014 Iowa Acts, chapter 1140, section 102](#), the federal matching funds available to the state poison control center from the department of human services under the federal Children's Health Insurance Program Reauthorization Act allotment shall be subject to the federal administrative cap rule of 10 percent applicable to funding provided under Tit. XXI of the federal Social Security Act and included within the department's calculations of the cap.

d. Of the funds appropriated in this subsection, up to ~~\$258,491~~ \$504,796 shall be used for childhood lead poisoning provisions.

8. 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:

..... \$ 485,607  
971,215  
..... FTEs 4.00

Sec. 7. 2017 Iowa Acts, chapter 174, section 42, subsections 10 and 11, are amended by striking the subsections.

DIVISION IV  
DEPARTMENT OF VETERANS AFFAIRS — FY 2018-2019

Sec. 8. 2017 Iowa Acts, chapter 174, section 43, is amended to read as follows:

SEC. 43. 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, 2018, and ending June 30, 2019, 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, and for not more than the following full-time equivalent positions:

.....	\$	571,278
		<u>1,150,500</u>
.....	FTEs	15.00

2. IOWA VETERANS HOME

For salaries, support, maintenance, and miscellaneous purposes:

.....	\$	3,614,070
		<u>7,162,976</u>

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. 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 who are participating in the community reentry program.

d. The Iowa veterans home shall continue to include in the annual discharge report applicant information and to provide for the collection of demographic information including but not limited to the number of individuals applying for admission and admitted or denied admittance and the basis for the admission or denial; the age, gender, and race of such individuals; and the level of care for which such individuals applied for admission including residential or nursing level of care.

3. HOME OWNERSHIP ASSISTANCE PROGRAM

For transfer to the Iowa finance authority for the continuation of the home ownership assistance program for persons who are or were eligible members of the armed forces of the United States, pursuant to [section 16.54](#):

.....	\$	1,000,000
		<u>2,000,000</u>

Sec. 9. 2017 Iowa Acts, chapter 174, section 44, is amended to read as follows:

SEC. 44. LIMITATION OF COUNTY COMMISSIONS OF VETERAN AFFAIRS FUND STANDING APPROPRIATIONS. Notwithstanding the standing appropriation in [section 35A.16](#) for the fiscal year beginning July 1, 2018, and ending June 30, 2019, the amount 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 veteran affairs fund under [section 35A.16](#):

.....	\$	473,962
		<u>990,000</u>

DIVISION V  
DEPARTMENT OF HUMAN SERVICES — FY 2018-2019

Sec. 10. 2017 Iowa Acts, chapter 174, section 45, is amended to read as follows:

SEC. 45. 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, 2018, and ending June 30, 2019, 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, 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](#):

.....	\$	2,556,231
		<u>4,539,006</u>

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](#):



..... \$ 2,787,846  
5,412,060

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

..... \$ 1,449,490  
2,883,980

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, 2019, the moneys shall revert.

4. For field operations:

..... \$ 15,648,116  
31,296,232

5. For general administration:

..... \$ 1,872,000  
3,744,000

6. For state child care assistance:

..... \$ 23,933,413  
47,166,826

a. Of the funds appropriated in this subsection, ~~\$13,164,048~~ \$26,205,412 is transferred to the child care and development block grant appropriation made by the Eighty-seventh General Assembly, 2018 session, for the federal fiscal year beginning October 1, 2018, and ending September 30, 2019. Of this amount, ~~\$100,000~~ \$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.

b. Any funds appropriated in this subsection remaining unallocated shall be used for state child care assistance payments for families who are employed including but not limited to individuals enrolled in the family investment program.

7. For child and family services:

..... \$ 16,190,327  
32,380,654

8. For child abuse prevention grants:

..... \$ 62,500  
125,000

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

..... \$ 965,033  
1,913,203

Pregnancy prevention grants shall be awarded to programs in existence on or before July 1, 2018, if the programs have demonstrated positive outcomes. Grants shall be awarded to pregnancy prevention programs which are developed after July 1, 2018, 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.

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

..... \$ 518,593  
1,037,186

11. a. Notwithstanding any provision to the contrary, including but not limited to requirements in [section 8.41](#) or provisions in 2017 or 2018 Iowa Acts regarding the receipt and appropriation of federal block grants, federal funds from the temporary assistance for needy families block grant received by the state and not otherwise appropriated in this section and remaining available for the fiscal year beginning July 1, 2018, are appropriated to the department of human services to the extent as may be necessary to be used in the following priority order: the family investment program, for state child care assistance program payments for families who are employed, and for the family investment program share of system costs to develop and maintain a new, integrated for eligibility determination system and related functions. The federal funds appropriated in this paragraph “a” shall be expended only after all other funds appropriated in subsection 1 for assistance under the family investment program, in subsection 6 for child care assistance, or in subsection 10 for technology costs related to the family investment program, as applicable, have been expended. For the purposes of this subsection, the funds appropriated in subsection 6, paragraph “a”, for transfer to the child care and development block grant appropriation are considered fully expended when the full amount has been transferred.

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.

12. Of the amounts appropriated in this section, ~~\$6,481,004~~ \$12,962,008 for the fiscal year beginning July 1, 2018, is transferred to the appropriation of the federal social services block grant made to the department of human services for that fiscal year.

13. For continuation of the program providing categorical eligibility for the food assistance program as specified for the program in the section of this division of this Act relating to the family investment program account:

.....	\$	12,500
		<u>14,236</u>

14. The department may transfer funds allocated in this section to the appropriations made in this division of this Act for the same fiscal year 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 same fiscal year for the family investment program from the general fund of the state.

15. With the exception of moneys allocated under this section for the family development and self-sufficiency grant program, to the extent moneys allocated in this section are deemed by the department not to be necessary to support the purposes for which they are allocated, such moneys may be credited used in the same fiscal year for any other purpose for which funds are allocated in this section or in section 7<sup>1</sup> of this division for the family investment program account. If there are conflicting needs, priority shall first be given to the family investment program account as specified under subsection 1 of this section and used for the purposes of assistance under the family investment program under [chapter 239B](#) in the same fiscal year, followed by state child care assistance program payments for families who are employed, followed by other priorities as specified by the department.

Sec. 11. 2017 Iowa Acts, chapter 174, section 46, subsection 4, is amended to read as follows:

4. Moneys appropriated in this division of this Act and credited to the FIP account for the fiscal year beginning July 1, 2018, and ending June 30, 2019, 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 FIP and other shared clients and to meet federal reporting requirements under the federal temporary assistance for needy families block grant:

.....	\$	10,000
		<u>5,000</u>

<sup>1</sup> According to Act; a reference to section 46 probably intended

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](#):

..... \$ 3,096,417  
6,192,834

(1) Of the funds allocated for the family development and self-sufficiency grant program in this paragraph “b”, 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 2018-2019.

(3) The department of human rights may engage in activities to strengthen and improve family outcomes measures and data collection systems under the family development and self-sufficiency grant program.

c. For the diversion subaccount of the FIP account:

..... \$ 407,500  
749,694

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. To the extent moneys allocated in this paragraph “c” are deemed by the department not to be necessary to support diversion activities, such moneys may be used for other efforts intended to increase engagement by family investment program participants in work, education, or training activities, or for the purposes of assistance under the family investment program in accordance with [chapter 239B](#).

d. For the food assistance employment and training program:

..... \$ 33,294  
66,588

(1) The department shall apply the federal supplemental nutrition assistance program (SNAP) employment and training state plan in order to maximize to the fullest extent permitted by federal law the use of the 50 percent federal reimbursement provisions for the claiming of allowable federal reimbursement funds from the United States department of agriculture pursuant to the federal SNAP 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:

..... \$ 6,761,645  
12,139,821

Sec. 12. 2017 Iowa Acts, chapter 174, section 46, is amended by adding the following new subsection:

**NEW SUBSECTION. 7.** The department of human services shall convene a workgroup to review opportunities to increase state engagement in the supplemental nutrition assistance program (SNAP) employment and training program. The workgroup shall explore the feasibility of expansion of the current pilot program to a statewide basis, the potential involvement of community-based organizations to the extent allowed by federal law, and the leveraging of state and private funding to match available federal funds. The membership of the workgroup shall include representatives of the department of human services, community colleges, community-based organizations serving SNAP recipients, philanthropic organizations, and other stakeholders with relevant interest or expertise as

determined by the department. The workgroup shall submit a report of its findings and recommendations to the governor and the general assembly by December 15, 2018.

Sec. 13. 2017 Iowa Acts, chapter 174, section 47, unnumbered paragraph 2, is amended to read as follows:

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

.....	\$	21,502,240
		<u>40,365,715</u>

Sec. 14. 2017 Iowa Acts, chapter 174, section 47, subsections 1, 2, 4, and 5, are amended to read as follows:

1. Of the funds appropriated in this section, ~~\$3,973,798~~ \$6,727,761 is allocated for the JOBS program.

2. Of the funds appropriated in this section, ~~\$1,656,927~~ \$3,313,854 is allocated for the family development and self-sufficiency grant program.

4. Of the funds appropriated in this section, ~~\$97,839~~ \$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.

5. Of the funds appropriated in this section, ~~\$30,000~~ \$70,000 shall be used for the continuation of an ~~unfunded pilot project~~ the parenting program, as defined specified in ~~441 IAC 100.1~~ 100,<sup>2</sup> relating to parental obligations, in which the child support recovery unit participates, to support the efforts of a nonprofit organization committed to strengthening the community through youth development, healthy living, and social responsibility headquartered in a county with a population over 350,000 according to the latest certified federal census. The funds allocated in this subsection shall be used by the recipient organization to develop a larger community effort, through public and private partnerships, to support a broad-based multi-county ~~fatherhood~~ parenthood initiative that promotes payment of child support obligations, improved family relationships, and full-time employment.

Sec. 15. 2017 Iowa Acts, chapter 174, section 48, unnumbered paragraph 2, is amended to read as follows:

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

.....	\$	6,293,317
		<u>14,586,635</u>
.....	FTEs	<u>459.00</u>

Sec. 16. 2017 Iowa Acts, chapter 174, section 48, subsection 1, is amended to read as follows:

1. The department shall expend up to ~~\$12,164~~ \$24,329, including federal financial participation, for the fiscal year beginning July 1, 2018, 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.

Sec. 17. 2017 Iowa Acts, chapter 174, section 48, subsection 4, is amended by striking the subsection.

Sec. 18. 2017 Iowa Acts, chapter 174, section 51, unnumbered paragraph 2, is amended to read as follows:

For medical assistance program reimbursement and associated costs as specifically provided in the reimbursement methodologies in effect on June 30, 2018, except as otherwise

<sup>2</sup> According to Act; a reference to 441 IAC ch. 100 probably intended

expressly authorized by law, consistent with options under federal law and regulations, and contingent upon receipt of approval from the office of the governor of reimbursement for each abortion performed under the program:

.....	\$	642,202,870
		<u>1,337,841,375</u>

Sec. 19. 2017 Iowa Acts, chapter 174, section 51, subsections 3, 4, 5, 6, 7, 8, 14, 17, 18, and 19, are amended to read as follows:

3. The department shall utilize not more than ~~\$30,000~~ \$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 ~~\$2,500~~ \$5,000 may be expended for administrative purposes.

4. Of the funds appropriated in this Act to the department of public health for addictive disorders, ~~\$475,000~~ \$950,000 for the fiscal year beginning July 1, 2018, is transferred to the department of human services for an integrated substance-related disorder managed care system. The departments of human services and public health shall work together to maintain the level of mental health and substance-related disorder treatment services provided by the managed care contractors. Each department shall take the steps necessary to continue the federal waivers as necessary to maintain the level of services.

5. 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, ~~\$50,000~~ \$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, 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 the policy provisions.

6. Of the funds appropriated in this section, up to ~~\$1,525,041~~ \$3,050,082 may be transferred to the field operations or general administration appropriations in this division of 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.

7. Of the funds appropriated in this section, up to ~~\$221,050~~ \$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.

8. 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, and to support other reviews and quality control activities to improve the integrity of these programs.

14. Of the funds appropriated in this section, ~~\$174,505~~ \$349,011 shall be used for the administration of the health insurance premium payment program, including salaries, support, maintenance, and miscellaneous purposes.

17. a. Of the funds appropriated in this section, up to ~~\$25,000~~ \$50,000 may be transferred by the department to the appropriation made in this division of this Act to the department for the same fiscal year for general administration to be used for associated administrative expenses and for not more than one full-time equivalent position, in addition to those authorized for the same fiscal year, to be assigned to implementing the children's mental health home project.

b. Of the funds appropriated in this section, up to ~~\$200,000~~ \$400,000 may be transferred by the department to the appropriation made to the department in this division of this Act for the same fiscal year for Medicaid program-related general administration planning and implementation activities. The funds may be used for contracts or for personnel in addition to the amounts appropriated for and the positions authorized for general administration for the fiscal year.

c. Of the funds appropriated in this section, up to ~~\$1,500,000~~ \$3,000,000 may be transferred by the department to the appropriations made in this division of this Act for the same fiscal year for general administration or medical contracts to be used to support the development and implementation of standardized assessment tools for persons with mental illness, an intellectual disability, a developmental disability, or a brain injury.

18. Of the funds appropriated in this section, ~~\$75,000~~ \$150,000 shall be used for lodging expenses associated with care provided at the university of Iowa hospitals and clinics for patients with cancer whose travel distance is 30 miles or more and whose income is at or below 200 percent of the federal poverty level as defined by the most recently revised poverty income guidelines published by the United States department of health and human services. The department of human services shall establish the maximum number of overnight stays and the maximum rate reimbursed for overnight lodging, which may be based on the state employee rate established by the department of administrative services. The funds allocated in this subsection shall not be used as nonfederal share matching funds.

19. Of the funds appropriated in this section, up to ~~\$1,691,940~~ \$3,383,880 shall be used for administration of the state family planning services program as enacted in this 2017 Act, and of this amount the department may use to ~~up \$100,000~~ up to \$200,000 for administrative expenses.

Sec. 20. 2017 Iowa Acts, chapter 174, section 51, is amended by adding the following new subsections:

*\*NEW SUBSECTION. 22. Of the funds appropriated in this section, \$195,000 shall be used by the department of human services through a request for proposals process to establish a partnership between the university of Iowa hospitals and clinics and a durable medical equipment provider and manufacturer to provide new, refurbished, or repaired durable medical equipment to Medicaid members in the state. Such durable medical equipment provider and manufacturer shall be authorized as a Medicaid provider in the state on or after April 1, 2018, and shall have the capability to provide assessments for customized wheelchairs, manufacture bathing aid equipment and mobility bathing aids, offer in-home care, and sell durable medical equipment at cost in Iowa and online.\**

**NEW SUBSECTION. 23.** The department of human services shall expand Medicaid coverage to provide care for young adults with complex medical conditions in a special population nursing facility as specified by rule of the department pursuant to this subsection. The department shall adopt rules pursuant to [chapter 17A](#) to expand the criteria for a special population nursing facility under the Medicaid program to include a nursing facility that serves residents, 100 percent of whom are aged 30 and under and require the skilled level of care, and to include a nursing facility that serves residents, 100 percent of whom require care from a facility licensed by the department of inspections and appeals as an intermediate care facility for persons with medical complexity as defined by rule of the department.

**NEW SUBSECTION. 24.** Consistent with the informational bulletin published May 9, 2017, by the centers for Medicare and Medicaid services of the United States department of health and human services, in implementing the regulation that finalized criteria for home and community-based settings appropriate for provision of home and community-based

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\* Item veto; see message at end of the Act

services, the department of human services shall continue progress with the statewide transition plan to be approved by March 17, 2019, but shall extend the transition period to demonstrate compliance with the home and community-based settings criteria until March 17, 2022, for those settings to which a transition period applies.

NEW SUBSECTION. 25. The department of human services shall utilize \$3,000,000 of the funds appropriated under this section to adjust current supported community living provider daily rate cells under the tiered rate reimbursement methodology effective with dates of service beginning July 1, 2018. The department shall work with the Medicaid program actuary to evaluate the current tiered rates and the tiered rates phase-in plan to determine the necessary apportionment of such funds. In addition, the department, working with the Medicaid program actuary, shall review the current tiered rates and the tiered rates phase-in plan and shall propose recommendations for any changes. The department shall convene the tiered rate provider workgroup initially convened in the fiscal year beginning July 1, 2016, to review the actuarial findings and recommendations. The tiered rates may be adjusted based upon the actuarial findings and recommendations if such adjustments are budget neutral. A report of the actuarial findings, recommendations, and comments provided by the tiered rate provider workgroup shall be submitted to the governor and the general assembly by December 15, 2018. If additional funding is appropriated to implement the recommendations, the additional funding shall be incorporated into the managed care organization capitation rate setting process for the fiscal year beginning July 1, 2019.

NEW SUBSECTION. 26. The department of human services shall review all current Medicaid fee schedules and shall submit a report to the governor and the general assembly by January 15, 2019, regarding how the current rates compare to the equivalent Medicare fee schedules or other appropriate reimbursement methodologies for specific services and including a plan for phased-in implementation of any changes.

NEW SUBSECTION. 27. Of the funds appropriated in this section, \$1,545,530 shall be used and may be transferred to other appropriations in this division of this Act as necessary to administer the provisions in the division of this Act relating to Medicaid program administration.

NEW SUBSECTION. 28. Of the funds appropriated in this section, \$876,015 shall be used and may be transferred to other appropriations in this division of this Act as necessary to administer the provisions of 2018 Iowa Acts, House File 2456, as enacted.

Sec. 21. 2017 Iowa Acts, chapter 174, section 52, is amended to read as follows:

SEC. 52. 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, 2018, and ending June 30, 2019, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For medical contracts:

.....	\$	8,813,232
		<u>16,603,198</u>

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~~ \$50,000 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 ~~\$100,000~~ \$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.

4. Of the funds appropriated in this section, ~~\$500,000~~ \$1,000,000 shall be used for planning and development, in cooperation with the department of public health, of a phased-in program to provide a dental home for children.

5. Of the funds appropriated in this section, ~~\$475,000~~ \$573,000 shall be credited to the autism support program fund created in [section 225D.2](#) to be used for the autism support program created in [chapter 225D](#), with the exception of the following amounts of this allocation which shall be used as follows:

a. ~~Of the funds allocated in this subsection, \$125,000 shall be deposited in the board-certified behavior analyst and board-certified assistant behavior analyst grants program fund created in [section 135.181](#), to be used for the purposes of the fund.~~

b. ~~Of the funds allocated in this subsection, \$12,500 shall be used for the public purpose of continuation of a grant to a nonprofit provider of child welfare services provider headquartered that has been in existence for more than 115 years, is located in a county with a population between 205,000 200,000 and 215,000 in 220,000 according to the latest certified federal census that provides multiple services including but not limited to, is licensed as a psychiatric medical institution for children, shelter, residential treatment, after school programs, and provides school-based programming, and an Asperger's syndrome program, to be used for support services for children with autism spectrum disorder and their families.~~

c. ~~Of the funds allocated in this subsection, \$12,500 shall be used for the public purpose of continuing a grant to a hospital-based provider headquartered in a county with a population between 90,000 and 95,000 in the latest certified federal census that provides multiple services including but not limited to diagnostic, therapeutic, and behavioral services to individuals with autism spectrum disorder across one's lifespan. The grant recipient shall utilize the funds to continue the pilot project to determine the necessary support services for children with autism spectrum disorder and their families to be included in the children's disabilities services system. The grant recipient shall submit findings and recommendations based upon the results of the pilot project to the individuals specified in this division of this Act for submission of reports by December 31, 2018.~~

Sec. 22. 2017 Iowa Acts, chapter 174, section 53, unnumbered paragraph 2, is amended to read as follows:

For the state supplementary assistance program:

..... \$ 5,186,329  
10,250,873

Sec. 23. 2017 Iowa Acts, chapter 174, section 53, 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 not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 24. 2017 Iowa Acts, chapter 174, section 54, is amended to read as follows:

SEC. 54. 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, 2018, and ending June 30, 2019, 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:

..... \$ 4,259,226  
7,064,057

2. Of the funds appropriated in this section, ~~\$21,400~~ \$42,800 is allocated for continuation of the contract for outreach with the department of public health.



Sec. 25. 2017 Iowa Acts, chapter 174, section 55, unnumbered paragraph 2, is amended to read as follows:

For child care programs:

.....	\$	<u>19,671,808</u>
		<u>40,816,931</u>

Sec. 26. 2017 Iowa Acts, chapter 174, section 55, subsections 1 and 4, are amended to read as follows:

1. Of the funds appropriated in this section, ~~\$16,746,808~~ \$34,966,931 shall be used for state child care assistance in accordance with [section 237A.13](#).

4. Of the funds appropriated in this section, ~~\$2,925,000~~ \$5,850,000 shall be credited to the early childhood programs grants account in the early childhood Iowa fund created in [section 256I.11](#). The moneys shall be distributed for funding of community-based early childhood programs targeted to children from birth through five years of age developed by early childhood Iowa areas in accordance with approved community plans as provided in [section 256I.8](#).

Sec. 27. 2017 Iowa Acts, chapter 174, section 56, is amended to read as follows:

SEC. 56. JUVENILE INSTITUTION. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2018, and ending June 30, 2019, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. 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:

.....	\$	<u>5,675,221</u>
		<u>12,762,443</u>
.....	FTEs	<u>189.00</u>

Of the funds appropriated in this subsection, ~~\$45,575~~ \$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.

2. A portion of the moneys appropriated in this section shall be used by the state training school at Eldora for grants for adolescent pregnancy prevention activities at the institution in the fiscal year beginning July 1, 2018.

3. Of the funds appropriated in this subsection, \$212,000 shall be used by the state training school at Eldora for a substance use disorder treatment program at the institution in the fiscal year beginning July 1, 2018.

Sec. 28. 2017 Iowa Acts, chapter 174, section 57, is amended to read as follows:

SEC. 57. 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, 2018, and ending June 30, 2019, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For child and family services:

.....	\$	<u>43,639,687</u>
		<u>84,939,774</u>

2. 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.

3. a. Of the funds appropriated in this section, up to ~~\$17,868,324~~ \$34,536,648 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 paragraph “a”, 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, 2018, 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.

4. In accordance with the provisions of [section 232.188](#), the department shall continue the child welfare and juvenile justice funding initiative during fiscal year 2018-2019. Of the funds appropriated in this section, ~~\$858,876~~ \$1,717,753 is allocated specifically for expenditure for fiscal year 2018-2019 through the decategorization services funding pools and governance boards established pursuant to [section 232.188](#).

5. 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.

6. 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 ~~\$4,048,079~~ \$8,096,158.

7. Federal funds received by the state during the fiscal year beginning July 1, 2018, 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.

8. a. Of the funds appropriated in this section, up to ~~\$1,645,000~~ \$3,290,000 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 paragraph “a”, up to ~~\$778,143~~ \$1,556,287 shall be made available to provide school-based supervision of children adjudicated under [chapter 232](#), of which not more than ~~\$7,500~~ \$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 ~~\$374,492~~ \$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 of human services’ 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, 2018.

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~~ \$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, ~~\$8,500~~ \$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](#).

9. Of the funds appropriated in this section, ~~\$6,126,613~~ \$12,253,227 is allocated for juvenile delinquent graduated sanctions services. Any state funds saved as a result of efforts by juvenile court services to earn a federal Tit. IV-E match for juvenile court services administration may be used for the juvenile delinquent graduated sanctions services.

10. Of the funds appropriated in this section, ~~\$829,142~~ \$1,658,285 is transferred to the department of public health to be used for the child protection center grant program for child protection centers located in Iowa in accordance with [section 135.118](#). The grant amounts under the program shall be equalized so that each center receives a uniform base amount of ~~\$122,500~~ \$245,000, so that ~~\$25,000~~ \$50,000 is awarded to establish a satellite child protection center in a city in north central Iowa that is the county seat of a county with a population between 44,000 and 45,000 according to the 2010 federal decennial census, and so that the remaining funds are awarded through a funding formula based upon the volume of children served.

11. 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 through 25 years of age, children who participate in the waiver shall be considered to be placed in foster care.

12. Of the funds appropriated in this section, ~~\$2,012,583~~ \$4,025,167 is allocated for the preparation for adult living program pursuant to [section 234.46](#).

13. Of the funds appropriated in this section, ~~\$113,668~~ \$227,337 shall be used for the public purpose of continuing 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.

14. Of the funds appropriated in this section, ~~\$150,310~~ \$300,620 is allocated for the foster care youth council approach of providing a support network to children placed in foster care.

15. Of the funds appropriated in this section, ~~\$101,000~~ \$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](#).

16. Of the funds appropriated in this section, ~~\$315,120~~ \$630,240 is allocated for the community partnership for child protection sites.

17. Of the funds appropriated in this section, ~~\$185,625~~ \$371,250 is allocated for the department's minority youth and family projects under the redesign of the child welfare system.

18. Of the funds appropriated in this section, ~~\$568,297~~ \$851,595 is allocated for funding of the community circle of care collaboration for children and youth in northeast Iowa.

19. Of the funds appropriated in this section, at least ~~\$73,579~~ \$147,158 shall be used for the continuation of the child welfare provider training academy, a collaboration between the coalition for family and children's services in Iowa and the department.

20. Of the funds appropriated in this section, ~~\$105,936~~ \$211,872 shall be used for continuation of the central Iowa system of care program grant through June 30, 2019.

21. Of the funds appropriated in this section, ~~\$117,500~~ \$235,000 shall be used for the public purpose of the continuation and expansion of a system of care program grant implemented

in Cerro Gordo and Linn counties to utilize a comprehensive and long-term approach for helping children and families by addressing the key areas in a child’s life of childhood basic needs, education and work, family, and community.

22. Of the funds appropriated in this section, at least ~~\$12,500~~ \$25,000 shall be used to continue and to expand the foster care respite pilot program in which postsecondary students in social work and other human services-related programs receive experience by assisting family foster care providers with respite and other support.

23. Of the funds appropriated in this section, ~~\$55,000~~ \$110,000 shall be used for the public purpose of funding community-based services and other supports with a system of care approach for children with a serious emotional disturbance and their families through a nonprofit provider of child welfare services that has been in existence for more than 115 years, is located in a county with a population of more than 200,000 but less than 220,000 according to the latest certified federal census, is licensed as a psychiatric medical institution for children, and was a system of care grantee prior to July 1, 2018.

Sec. 29. 2017 Iowa Acts, chapter 174, section 58, subsection 1, paragraph a, is amended to read as follows:

a. For adoption subsidy payments and services:

.....	\$	20,388,955
		<u>40,445,137</u>

Sec. 30. 2017 Iowa Acts, chapter 174, section 60, is amended to read as follows:

SEC. 60. 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, 2018, and ending June 30, 2019, 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](#):

.....	\$	534,641
		<u>949,282</u>

2. At least ~~\$393,750~~ \$787,500 of the moneys appropriated in this section is transferred to the department of public health for the family support center component of the comprehensive family support program under [chapter 225C, subchapter V](#).

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. 31. 2017 Iowa Acts, chapter 174, section 61, is amended to read as follows:

SEC. 61. 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, 2018, and ending June 30, 2019, 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):

.....	\$	16,816
		<u>33,632</u>

Sec. 32. 2017 Iowa Acts, chapter 174, section 62, subsection 1, is amended to read as follows:

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2018, and ending June 30, 2019, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

a. For operation of the state mental health institute at Cherokee as required by [chapters 218 and 226](#) for salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	6,935,127
		<u>13,870,254</u>
.....	FTEs	162.00

b. For operation of the state mental health institute at Independence as required by chapters 218 and 226 for salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	8,756,810
		<u>17,513,621</u>
.....	FTEs	204.00

Sec. 33. 2017 Iowa Acts, chapter 174, section 63, subsection 1, is amended to read as follows:

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2018, and ending June 30, 2019, 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:

.....	\$	8,943,890
		<u>16,858,523</u>

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

.....	\$	6,038,517
		<u>11,386,679</u>

Sec. 34. 2017 Iowa Acts, chapter 174, section 64, subsection 1, is amended to read as follows:

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2018, and ending June 30, 2019, 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:

.....	\$	4,732,373
		<u>10,864,747</u>
.....	FTEs	112.00
		<u>132.00</u>

Sec. 35. 2017 Iowa Acts, chapter 174, section 65, is amended to read as follows:

SEC. 65. 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, 2018, and ending June 30, 2019, 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:

.....	\$	24,242,217
		<u>49,074,517</u>
.....	FTEs	1,583.00
		<u>1,539.00</u>

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.

Sec. 36. 2017 Iowa Acts, chapter 174, section 66, is amended to read as follows:

SEC. 66. 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, 2018, and ending June 30, 2019, 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:

.....	\$	7,016,520
		<u>13,833,040</u>
.....	FTEs	294.00

2. Of the funds appropriated in this section, ~~\$75,000~~ \$150,000 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 services waiver services for adults with disabilities under the medical assistance program.

3. Of the funds appropriated in this section, ~~\$25,000~~ \$50,000 is transferred to the Iowa finance authority to be used for administrative support of the council on homelessness established in [section 16.2D](#) and for the council to fulfill its duties in addressing and reducing homelessness in the state.

4. Of the funds appropriated in this section, ~~\$100,000~~ \$200,000 shall be transferred to and deposited in the administrative fund of the Iowa ABLE savings plan trust created in [section 12I.4](#), to be used for implementation and administration activities of the Iowa ABLE savings plan trust.

5. Of the funds appropriated in this section, ~~\$100,000~~ \$200,000 is transferred to the economic development authority for the Iowa commission on volunteer services to continue to be used for RefugeeRISE AmeriCorps program established under [section 15H.8](#) for member recruitment and training to improve the economic well-being and health of economically disadvantaged refugees in local communities across Iowa. Funds transferred may be used to supplement federal funds under federal regulations.

7. Of the funds appropriated in this section, \$300,000 shall be used to contract for children’s well-being collaboratives grants for the development and implementation of children’s well-being collaboratives to establish and coordinate prevention and early intervention services to promote improved mental health and well-being for children and families, as enacted in [2017 Iowa Acts, chapter 174, section 88.](#)

8. The department of human services shall submit the strategic plan to create and implement a children’s mental health system submitted to the governor by the children’s system state board established by Executive Order Number Two<sup>3</sup> issued April 23, 2018, to the general assembly by November 15, 2018.

Sec. 37. 2017 Iowa Acts, chapter 174, section 67, is amended to read as follows:

SEC. 67. DEPARTMENT-WIDE DUTIES. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2018, and ending June 30, 2019, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes at facilities under the purview of the department of human services:

.....	\$	1,439,637
		<u>2,879,274</u>

Sec. 38. 2017 Iowa Acts, chapter 174, section 68, is amended to read as follows:

SEC. 68. VOLUNTEERS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2018, and ending June 30, 2019, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For development and coordination of volunteer services:

.....	\$	42,343
		<u>84,686</u>

<sup>3</sup> Published in IAB XL, No. 23 (5/9/18) p. 2899

Sec. 39. 2017 Iowa Acts, chapter 174, section 70, subsection 1, paragraph f, subparagraph (1), is amended to read as follows:

(1) For the fiscal year beginning July 1, 2018, reimbursement rates for home health agencies shall continue to be based on the Medicare low utilization payment adjustment (LUPA) methodology with state geographic wage adjustments and shall be adjusted to increase the rates to the extent possible within the \$1,000,000 of state funding appropriated for this purpose. The department shall continue to update the rates every two years to reflect the most recent Medicare LUPA rates to the extent possible within the state funding appropriated for this purpose.

Sec. 40. 2017 Iowa Acts, chapter 174, section 70, subsection 1, paragraphs j and k, are amended to read as follows:

j. For the fiscal year beginning July 1, 2018, unless otherwise specified in this Act, all noninstitutional medical assistance provider reimbursement rates shall remain at the rates in effect on June 30, 2018, except for area education agencies, local education agencies, infant and toddler services providers, home and community-based services providers including consumer-directed attendant care providers under a section 1915(c) or 1915(i) waiver, targeted case management providers, and those providers whose rates are required to be determined pursuant to [section 249A.20](#), or to meet federal mental health parity requirements.

k. Notwithstanding any provision to the contrary, for the fiscal year beginning July 1, 2018, the reimbursement rate for anesthesiologists shall be adjusted to implement the cost containment strategies authorized for the medical assistance program in this 2017 Act remain at the rate in effect on June 30, 2018, and updated on January 1, 2019, to align with the most current Iowa Medicare anesthesia base rate.

Sec. 41. 2017 Iowa Acts, chapter 174, section 70, subsection 7, is amended to read as follows:

7. a. For the purposes of this subsection, “combined reimbursement rate” means the combined service and maintenance reimbursement rate for a service level under the department’s reimbursement methodology. ~~Effective July 1, 2018, the combined reimbursement rate for a group foster care service level shall be the amount designated in this subsection. However, if a group foster care provider’s reimbursement rate for a service level as of June 30, 2018, is more than the rate designated in this subsection, the provider’s reimbursement shall remain at the higher rate.~~

b. ~~Unless a group foster care provider is subject to the exception provided in paragraph “a”, effective July 1, 2018, the combined reimbursement rates for the service levels under the department’s reimbursement methodology shall be as follows:~~

~~(1) For service level, community - D1, the daily rate shall be at least \$84.17.~~

~~(2) For service level, comprehensive - D2, the daily rate shall be at least \$119.09.~~

~~(3) For service level, enhanced - D3, the daily rate shall be at least \$131.09 established by contract.~~

Sec. 42. 2017 Iowa Acts, chapter 174, section 70, subsection 11, is amended to read as follows:

11. a. ~~For the fiscal year beginning July 1, 2018, Effective July 1, 2018, the child care provider reimbursement rates shall remain at the rates in effect on June 30, 2018. Effective January 1, 2019, for child care providers reimbursed under the state child care assistance program, the department shall set utilize \$3,000,000 of the amount appropriated for child care assistance under this division to increase provider reimbursement rates based on the rate reimbursement survey completed in December 2004 2014. Effective July 1, 2018, the child care provider reimbursement rates shall remain at the rates in effect on June 30, 2018. The department shall increase the lowest rate that is furthest from the fiftieth percentile to a rate consistent with the relative percentage of the second lowest rate as compared to the fiftieth percentile. As funds remain available, the department shall increase the subsequent lowest rates in a similar manner until the \$3,000,000 is projected to be fully expended in the fiscal year.~~ 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.

b. Effective January 1, 2019, for infant and toddler child care providers reimbursed under the state child care assistance program, the department shall set provider reimbursement rates at the seventy-fifth percentile of the rate reimbursement survey completed in December 2014, within the expected increase for the federal child care and development block grant expenditure requirement for infant and toddler quality improvement, subject to quality rating system criteria developed pursuant to section 237A.30. 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.

Sec. 43. 2017 Iowa Acts, chapter 174, section 70, subsection 13, is amended by striking the subsection.

Sec. 44. REPEAL. 2017 Iowa Acts, chapter 174, section 69, is repealed.

DIVISION VI  
HEALTH CARE ACCOUNTS AND FUNDS — FY 2018-2019

Sec. 45. 2017 Iowa Acts, chapter 174, section 75, is amended to read as follows:

SEC. 75. 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, 2018, and ending June 30, 2019, 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 for the fiscal year beginning July 1, 2018, and ending June 30, 2019:

	\$	400,000
		1,446,266

Sec. 46. 2017 Iowa Acts, chapter 174, section 76, is amended to read as follows:

SEC. 76. 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, 2018, and ending June 30, 2019, 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 for the same fiscal year:

	\$	18,352,604
		36,705,208

Sec. 47. 2017 Iowa Acts, chapter 174, section 77, is amended to read as follows:

SEC. 77. 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, 2018, and ending June 30, 2019, 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 for the same fiscal year:

	\$	16,960,277
		33,920,554



DIVISION VII  
PRIOR YEAR APPROPRIATIONS AND OTHER PROVISIONS  
FEDERAL FUNDING

Sec. 48. 2017 Iowa Acts, chapter 165, section 13, subsection 3, paragraphs b and e, are amended to read as follows:

b. Child and family services:

(1) FFY 2017-2018:  
..... \$ 7,672,390  
8,022,390

(2) FFY 2018-2019:  
..... \$ 7,672,390  
8,272,390

e. For distribution to counties for state case services provided for persons with mental illness, intellectual disability, or a developmental disability in accordance with [section 331.440](#), Code 2013, or in accordance with a dispute resolution process implemented in accordance with [section 331.394, subsections 5 or 6](#):

(1) FFY 2017-2018:  
..... \$ 600,000  
250,000

(2) FFY 2018-2019:  
..... \$ 600,000  
0

Moneys appropriated in this lettered paragraph “e” that remain unencumbered or unallocated at the close of a federal fiscal year shall not revert but shall be retained by the department and used to supplement amounts otherwise appropriated for child and family services under paragraph “b”.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)

Sec. 49. 2017 Iowa Acts, chapter 174, section 6, is amended to read as follows:

SEC. 6. 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, 2017, and ending June 30, 2018, 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, 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](#):  
..... \$ 5,112,462  
4,539,006

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](#):  
..... \$ 5,575,693  
5,412,060

3. To be used for the family development and self-sufficiency grant program in accordance with [section 216A.107](#):  
..... \$ 2,898,980  
2,883,980

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, 2018, the moneys shall revert.

4. For field operations:

.....	\$	31,296,232
5. For general administration:		
.....	\$	3,744,000
6. For state child care assistance:		
.....	\$	47,866,826
		<u>53,603,561</u>

a. Of the funds appropriated in this subsection, ~~\$26,328,097~~ \$26,205,412 is transferred to the child care and development block grant appropriation made by the Eighty-seventh General Assembly, 2017 session, for the federal fiscal year beginning October 1, 2017, and ending September 30, 2018. 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.

b. Any funds appropriated in this subsection remaining unallocated shall be used for state child care assistance payments for families who are employed including but not limited to individuals enrolled in the family investment program.

7. For child and family services:		
.....	\$	32,380,654
8. For child abuse prevention grants:		
.....	\$	125,000
9. For pregnancy prevention grants on the condition that family planning services are funded:		
.....	\$	1,930,067
		<u>1,913,203</u>

Pregnancy prevention grants shall be awarded to programs in existence on or before July 1, 2017, if the programs have demonstrated positive outcomes. Grants shall be awarded to pregnancy prevention programs which are developed after July 1, 2017, 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.

10. For technology needs and other resources necessary to meet federal welfare reform reporting, tracking, and case management requirements:		
.....	\$	1,037,186
		<u>294,155</u>

11. a. Notwithstanding any provision to the contrary, including but not limited to requirements in [section 8.41](#) or provisions in 2016 or 2017 Iowa Acts regarding the receipt and appropriation of federal block grants, federal funds from the temporary assistance for needy families block grant received by the state and not otherwise appropriated in this section and remaining available for the fiscal year beginning July 1, 2017, are appropriated to the department of human services to the extent as may be necessary to be used in the following priority order: the family investment program, for state child care assistance program payments for families who are employed, and for the family investment program share of costs to develop and maintain a new, integrated eligibility determination system. The federal funds appropriated in this paragraph “a” shall be expended only after all other funds appropriated in subsection 1 for assistance under the family investment program, in subsection 6 for child care assistance, or in subsection 10 for technology costs related to the family investment program, as applicable, have been expended. For the purposes of this subsection, the funds appropriated in subsection 6, paragraph “a”, for transfer to the child care and development block grant appropriation are considered fully expended when the full amount has been transferred.

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.

12. Of the amounts appropriated in this section, \$12,962,008 for the fiscal year beginning July 1, 2017, is transferred to the appropriation of the federal social services block grant made to the department of human services for that fiscal year.

13. For continuation of the program providing categorical eligibility for the food assistance program as specified for the program in the section of this division of this Act relating to the family investment program account:

.....	\$	25,000
		14,236

14. The department may transfer funds allocated in this section to the appropriations made in this division of this Act for the same fiscal year 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 same fiscal year for the family investment program from the general fund of the state.

15. With the exception of moneys allocated under this section for the family development and self-sufficiency grant program, to the extent moneys allocated in this section are deemed by the department not to be necessary to support the purposes for which they are allocated, such moneys may be credited used in the same fiscal year for any other purpose for which funds are allocated in this section or in section 7 of this division for the family investment program account. If there are competing needs, priority shall first be given to the family investment program account as specified under subsection 1 of this section and used for the purposes of assistance under the family investment program in accordance with chapter 239B in the same fiscal year, followed by state child care assistance program payments for families who are employed, followed by other priorities as specified by the department.

MEDICAID TRANSFERS TO SUPPORT REVIEWS AND QUALITY CONTROL ACTIVITIES

Sec. 50. 2017 Iowa Acts, chapter 174, section 12, subsection 8, is amended to read as follows:

8. 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, and to support other reviews and quality control activities to improve the integrity of these programs.

STATE SUPPLEMENTARY ASSISTANCE

Sec. 51. 2017 Iowa Acts, chapter 174, 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 not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

JUVENILE INSTITUTION

Sec. 52. 2017 Iowa Acts, chapter 174, section 17, is amended by adding the following new subsection:

NEW SUBSECTION. 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.

## MENTAL HEALTH INSTITUTES

Sec. 53. 2017 Iowa Acts, chapter 174, section 23, 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 not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

## STATE RESOURCE CENTERS

Sec. 54. 2017 Iowa Acts, chapter 174, section 24, is amended by adding the following new subsection:

NEW SUBSECTION. 6. Notwithstanding [section 8.33](#), and notwithstanding the amount limitation specified in [section 222.92](#), 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.

## SEXUALLY VIOLENT PREDATORS

Sec. 55. 2017 Iowa Acts, chapter 174, section 25, is amended by adding the following new subsection:

NEW SUBSECTION. 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. 56. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 57. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to July 1, 2017.

DIVISION VIII  
DECATEGORIZATION

Sec. 58. DECATEGORIZATION CARRYOVER FUNDING — TRANSFER TO MEDICAID PROGRAM. Notwithstanding [section 232.188](#), [subsection 5](#), paragraph “b”, any state appropriated moneys in the funding pool that remained unencumbered or unobligated at the close of the fiscal year beginning July 1, 2015, and were deemed carryover funding to remain available for the two succeeding fiscal years that still remain unencumbered or unobligated at the close of the fiscal year beginning July 1, 2017, shall not revert but shall be transferred to the medical assistance program for the fiscal year beginning July 1, 2018.

Sec. 59. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 60. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to July 1, 2017.

DIVISION IX  
STATE CASES

Sec. 61. [Section 218.99](#), Code 2018, is amended to read as follows:  
**218.99 Counties to be notified of patients’ personal accounts.**

The administrator in control of a state institution shall direct the business manager of each institution under the administrator’s jurisdiction which is mentioned in [section 331.424](#), [subsection 1](#), paragraph “a”, subparagraphs (1) and (2), and for which services are paid

under [section 331.424A](#), to quarterly inform the county of residence of any patient or resident who has an amount in excess of two hundred dollars on account in the patients' personal deposit fund and the amount on deposit. The administrators shall direct the business manager to further notify the county of residence at least fifteen days before the release of funds in excess of two hundred dollars or upon the death of the patient or resident. If the patient or resident has no residency in this state or the person's residency is unknown ~~so that the person is deemed to be a state case~~, notice shall be made to the director of human services and the administrator in control of the institution involved.

Sec. 62. [Section 222.60, subsection 1](#), paragraph b, Code 2018, is amended to read as follows:

b. The state when the person is a resident in another state or in a foreign country, or when the person's residence is unknown. ~~The payment responsibility shall be deemed to be a state case.~~

Sec. 63. [Section 222.60, subsection 2](#), paragraph b, Code 2018, is amended to read as follows:

b. The cost of a regional administrator-required diagnosis and an evaluation is at the mental health and disability services region's expense. ~~For a state case~~ When a person is a resident in another state or in a foreign country, or when the persons' residence is unknown, the state may apply the diagnosis and evaluation provisions of [this subsection](#) at the state's expense.

Sec. 64. [Section 222.65, subsection 1](#), Code 2018, is amended to read as follows:

1. If the administrator concurs with a certified determination as to residency of the person ~~so that the person is deemed a state case~~ in another state or in a foreign country, or the person's residence is unknown under [section 222.60](#), the administrator shall cause the person either to be transferred to a resource center or a special unit or to be transferred to the place of foreign residency.

Sec. 65. [Section 222.66](#), Code 2018, is amended to read as follows:

**222.66 Transfers — ~~state cases~~ no residency in the state or residency unknown — expenses.**

~~1.~~ The transfer to a resource center or a special unit or to the place of residency of a person with an intellectual disability who has no residence in this state or whose residency is unknown, shall be made in accordance with such directions as shall be prescribed by the administrator and when practicable by employees of the state resource center or the special unit. The actual and necessary expenses of such transfers shall be paid by the department on itemized vouchers sworn to by the claimants and approved by the administrator and the approved amount is appropriated to the department from any funds in the state treasury not otherwise appropriated.

~~2. The case of a person with an intellectual disability who is determined to have no residence in this state or whose residence is unknown shall be considered a state case.~~

Sec. 66. [Section 222.67](#), Code 2018, is amended to read as follows:

**222.67 Charge on finding of residency.**

If a person has been received into a resource center or a special unit as a patient whose residency is unknown and the administrator determines that the residency of the patient was at the time of admission in a county of this state, the administrator shall certify the determination and charge all legal costs and expenses pertaining to the admission and support of the patient to the county of residence. The certification shall be sent to the county of residence. The certification shall be accompanied by a copy of the evidence supporting the determination. If the person's residency status has been determined in accordance with [section 331.394](#), the legal costs and expenses shall be charged to the county ~~or as a state case~~ in accordance with that determination. The costs and expenses shall be collected as provided by law in other cases.

Sec. 67. [Section 222.70](#), Code 2018, is amended to read as follows:

**222.70 Residency disputes.**

If a dispute arises between counties or between the department and a county as to the residency of a person admitted to a resource center, ~~or a special unit, or a community-based service~~, the dispute shall be resolved as provided in [section 331.394](#).

Sec. 68. [Section 226.45](#), Code 2018, is amended to read as follows:

**226.45 Reimbursement to county or state.**

If a patient is not receiving medical assistance under [chapter 249A](#) and the amount to ~~in~~ the account of any patient in the patients' personal deposit fund exceeds two hundred dollars, the business manager of the hospital may apply any of the excess to reimburse the county of residence or the state ~~for a state case when the patient is a resident in another state or in a foreign country, or when the patient's residence is unknown~~ for liability incurred by the county or the state for the payment of care, support and maintenance of the patient, when billed by the county of residence or by the administrator ~~for a state case when the patient is a resident in another state or in a foreign country, or when the patient's residence is unknown~~.

Sec. 69. [Section 230.1, subsection 1](#), paragraph b, Code 2018, is amended to read as follows:

b. By the state ~~as a state case~~ if such person has no residence in this state, if the person's residence is unknown, or if the person is under eighteen years of age.

Sec. 70. [Section 230.2](#), Code 2018, is amended to read as follows:

**230.2 Finding of residence.**

If a person's residency status is disputed, the residency shall be determined in accordance with [section 331.394](#). Otherwise, the district court may, when the person is ordered placed in a hospital for psychiatric examination and appropriate treatment, or as soon thereafter as the court obtains the proper information, make one of the following determinations and enter of record whether the residence of the person is in a county or the person is ~~deemed to be a state case~~ a resident in another state or in a foreign country, or when the person's residence is unknown, as follows:

1. That the person's residence is in the county from which the person was placed in the hospital.
2. That the person's residence is in another county of the state.
3. That the person's residence is in a foreign state or country ~~and the person is deemed to be a state case~~.
4. That the person's residence is unknown ~~and the person is deemed to be a state case~~.

Sec. 71. [Section 230.8](#), Code 2018, is amended to read as follows:

**230.8 Transfers of persons with mental illness — expenses.**

The transfer to any state hospitals or to the places of their residence of persons with mental illness who have no residence in this state or whose residence is unknown ~~and deemed to be a state case~~, shall be made according to the directions of the administrator, and when practicable by employees of the state hospitals. The actual and necessary expenses of such transfers shall be paid by the department on itemized vouchers sworn to by the claimants and approved by the administrator.

Sec. 72. [Section 230.9](#), Code 2018, is amended to read as follows:

**230.9 Subsequent discovery of residence.**

If, after a person has been received by a state hospital for persons with mental illness ~~as a state case patient~~ whose residence is supposed to be outside this state, the administrator determines that the residence of the person was, at the time of admission or commitment, in a county of this state, the administrator shall certify the determination and charge all legal costs and expenses pertaining to the admission or commitment and support of the person to the county of residence. The certification shall be sent to the county of residence. The certification shall be accompanied by a copy of the evidence supporting the determination. The costs and expenses shall be collected as provided by law in other cases. If the person's residency status has been determined in accordance with [section 331.394](#), the legal costs and expenses shall be charged ~~to the county of residence or as a state case~~ in accordance with that determination.

Sec. 73. [Section 230.11](#), Code 2018, is amended to read as follows:

**230.11 Recovery of costs from state.**

Costs and expenses attending the taking into custody, care, and investigation of a person who has been admitted or committed to a state hospital, United States department of veterans affairs hospital, or other agency of the United States government, for persons with mental illness and who has no residence in this state or whose residence is unknown, including cost of commitment, if any, shall be paid as a state case as approved by the administrator. The amount of the costs and expenses approved by the administrator is appropriated to the department from any money in the state treasury not otherwise appropriated. Payment shall be made by the department on itemized vouchers executed by the auditor of the county which has paid them, and approved by the administrator.

Sec. 74. [Section 249A.26, subsection 2](#), paragraph b, Code 2018, is amended to read as follows:

b. The state shall pay for one hundred percent of the nonfederal share of the costs of case management provided for adults, day treatment, partial hospitalization, and the home and community-based services waiver services for persons who have no residence in this state or whose residence is unknown so that the persons are deemed to be state cases.

Sec. 75. [Section 249A.26, subsection 7](#), Code 2018, is amended by striking the subsection.

Sec. 76. [Section 331.394](#), Code 2018, is amended to read as follows:

**331.394 County of residence — services to residents — service authorization appeals — disputes between counties or regions and the department.**

1. For the purposes of [this section](#), unless the context otherwise requires:

a. “*County of residence*” means the county in this state in which, at the time a person applies for or receives services, the person is living and has established an ongoing presence with the declared, good faith intention of living in the county for a permanent or indefinite period of time. The county of residence of a person who is a homeless person is the county where the homeless person usually sleeps. A person maintains residency in the county or state in which the person last resided while the person is present in another county or this state receiving services in a hospital, a correctional facility, a halfway house for community-based corrections or substance-related treatment, a nursing facility, an intermediate care facility for persons with an intellectual disability, or a residential care facility, or for the purpose of attending a college or university.

b. “*Homeless person*” means the same as defined in [section 48A.2](#).

c. “*Mental health professional*” means the same as defined in [section 228.1](#).

d. “*Person*” means a person who is a United States citizen or a qualified alien as defined in 8 U.S.C. §1641.

2. If a person appeals a decision regarding a service authorization or other services-related decision made by a regional administrator that cannot be resolved informally, the appeal shall be heard in a contested case proceeding by a state administrative law judge. The administrative law judge’s decision shall be considered final agency action under [chapter 17A](#).

3. If a service authorization or other services-related decision made by a regional administrator concerning a person varies from the type and amount of service identified to be necessary for the person in a clinical determination made by a mental health professional and the mental health professional believes that failure to provide the type and amount of service identified could cause an immediate danger to the person’s health or safety, the person may request an expedited review of the regional administrator’s decision to be made by the department of human services. An expedited review held in accordance with [this subsection](#) is subject to the following procedures:

a. The request for the expedited review shall be filed within five business days of receiving the notice of decision by the regional administrator. The request must be in writing, plainly state the request for an expedited review in the caption and body of the request, and be supported by written documentation from the mental health professional who made

the clinical determination stating how the notice of decision on services could cause an immediate danger to the person's health or safety.

b. The expedited review shall be performed by a mental health professional, who is either the administrator of the division of mental health and disability services of the department of human services or the administrator's designee. If the administrator is not a mental health professional, the expedited review shall be performed by a designee of the administrator who is a mental health professional and is free of any conflict of interest to perform the expedited review. The expedited review shall be performed within two business days of the time the request is filed. If the reviewer determines the information submitted in connection with the request is inadequate to perform the review, the reviewer shall request the submission of additional information and the review shall be performed within two business days of the time that adequate information is submitted. The regional administrator and the person, with the assistance of the mental health professional who made the clinical determination, shall each provide a brief statement of facts, conclusions, and reasons for the decision made. Supporting clinical information shall also be attached. All information related to the proceedings and any related filings shall be considered to be mental health information subject to [chapter 228](#).

c. The administrator or designee shall issue an order, including a brief statement of findings of fact, conclusions of law, and policy reasons for the order, to justify the decision made concerning the expedited review. If the decision concurs with the contention that there is an immediate danger to the person's health or safety, the order shall identify the type and amount of service which shall be provided for the person. The administrator or designee shall give such notice as is practicable to persons who are required to comply with the order. The order is effective when issued.

d. The decision of the administrator or designee shall be considered a final agency action and is subject to judicial review in accordance with [section 17A.19](#). The record for judicial review consists of any documents regarding the matter that were considered or prepared by the administrator or designee. The administrator or designee shall maintain these documents as the official record of the decision. If the matter is appealed to the district court, the record shall be filed as confidential.

4. If a county of residence is part of a mental health and disability services region that has agreed to pool funding and liability for services, the responsibilities of the county under law regarding such services shall be performed on behalf of the county by the regional administrator. The county of residence or the county's mental health and disability services region, as applicable, is responsible for paying the public costs of the mental health and disability services that are not covered by the medical assistance program under [chapter 249A](#) and are provided in accordance with the region's approved service management plan to persons who are residents of the county or region.

5. a. The dispute resolution process implemented in accordance with [this subsection](#) applies to residency disputes. The dispute resolution process is not applicable to disputes involving persons committed to a state facility pursuant to [chapter 812](#) or [rule of criminal procedure 2.22](#), Iowa court rules, or to disputes involving service authorization decisions made by a region.

b. If a county, or region, or the department, as applicable, receives a billing for services provided to a resident in another county or region, or objects to a residency determination certified by the department or another county's or region's regional administrator and asserts either that the person has residency in another county or region or the person is not a resident of this state or the person's residency is unknown so that the person is deemed a state case, the person's residency status shall be determined as provided in [this subsection](#). ~~The county or region shall notify the department of the county's or region's assertion within one hundred twenty days of receiving the billing. If the county or region asserts that the person has residency in another county or region, that the county or region shall be notified at the same time as the department. If the department disputes a residency determination certification made by a regional administrator, the department shall notify the affected counties or regions of the department's assertion notify the other county or region within one hundred twenty days of receiving the billing for services.~~

c. ~~The department,~~ county, or region that received the notification, as applicable, shall respond to the party that provided the notification within forty-five days of receiving the



notification. If the parties cannot agree to a settlement as to the person's residency status within ninety days of the date of notification, on motion of any of the parties, the matter shall be referred to the department of inspections and appeals for a contested case hearing under [chapter 17A](#) before an administrative law judge assigned in accordance with [section 10A.801](#) to determine the person's residency status.

d. (1) The administrative law judge's determination of the person's residency status shall be considered final agency action, notwithstanding contrary provisions of [section 17A.15](#). The party that does not prevail in the determination or subsequent judicial review is liable for costs associated with the proceeding, including reimbursement of the department of inspections and appeals' actual costs associated with the administrative proceeding. Judicial review of the determination may be sought in accordance with [section 17A.19](#).

(2) If following the determination of a person's residency status in accordance with [this subsection](#), additional evidence becomes available that merits a change in that determination, the parties affected may change the determination by mutual agreement. Otherwise, a party may move that the matter be reconsidered by the ~~department~~, county, or region, or by the administrative law judge.

e. (1) Unless a petition is filed for judicial review, the administrative law judge's determination of the person's residency status shall result in one of the following:

(a) If a county or region is determined to be the person's residence, the county or region shall pay the amounts due and shall reimburse any other amounts paid for services provided by the other county or region ~~or the department~~ on the person's behalf prior to the determination.

(b) ~~If it is determined that the person is not a resident of this state or the person's residency is unknown so that the person is deemed to be a state case, the department shall pay the amounts due and shall reimburse the county or region, as applicable, for any payment made on behalf of the person prior to the determination~~ neither the region in which the services were provided nor the state shall be liable for payment of amounts due for services provided to the person prior to the determination.

(2) The payment or reimbursement shall be remitted within forty-five days of the date the determination was issued. After the forty-five-day period, a penalty of not greater than one percent per month may be added to the amount due.

6. a. The dispute resolution process implemented in accordance with [this subsection](#) applies beginning July 1, 2012, to billing disputes between the state and a county or region, other than residency disputes or other dispute processes under [this section](#), involving the responsibility for service costs for services provided on or after July 1, 2011, under any of the following:

- (1) [Chapter 221](#).
- (2) [Chapter 222](#).
- (3) [Chapter 229](#).
- (4) [Chapter 230](#).
- (5) [Chapter 249A](#).
- (6) [Chapter 812](#).

b. If a county, region, or the department, as applicable, disputes a billing for service costs listed in paragraph "a", the dispute shall be resolved as provided in [this subsection](#). The county or region shall notify the department of the county's or region's assertion within ninety days of receiving the billing. However, for services provided on or after July 1, 2011, for which a county has received the billing as of July 1, 2012, the county shall notify the department of the county's assertion on or before October 1, 2012. If the department disputes such a billing of a regional administrator, the department shall notify the affected counties or regions of the department's assertion.

c. The department, county, or region that received the notification, as applicable, shall respond to the party that provided the notification within forty-five days of receiving the notification. If the parties cannot agree to a settlement as to the dispute within ninety days of the date of notification, on motion of any of the parties, the matter shall be referred to the department of inspections and appeals for a contested case hearing under [chapter 17A](#) before an administrative law judge assigned in accordance with [section 10A.801](#) to determine facts and issue a decision to resolve the dispute.

d. (1) The administrative law judge's decision is a final agency action, notwithstanding contrary provisions of [section 17A.15](#). The party that does not prevail in the decision or subsequent judicial review is liable for costs associated with the proceeding, including reimbursement of the department of inspections and appeals' actual costs associated with the administrative proceeding. Judicial review of the decision may be sought in accordance with [section 17A.19](#).

(2) If following the decision regarding a dispute in accordance with [this subsection](#), additional evidence becomes available that merits a change in that decision, the parties affected may change the decision by mutual agreement. Otherwise, a party may move that the matter be reconsidered by the department, county, or region, or by the administrative law judge.

e. (1) Unless a petition is filed for judicial review, the administrative law judge's decision regarding a disputed billing shall result in one of the following:

(a) If a county or region is determined to be responsible for the disputed amounts, the county or region shall pay the amounts due and shall reimburse any other amounts paid for services provided by the other county or region or the department on the person's behalf prior to the decision.

(b) If it is determined that the state is responsible for the disputed amounts, the state shall pay the amounts due and shall reimburse the county or region, as applicable, for any payment made on behalf of the person prior to the decision.

(2) The payment or reimbursement shall be remitted within forty-five days of the date the decision was issued. After the forty-five-day period, a penalty of not greater than one percent per month may be added to the amount due.

Sec. 77. REPEAL. [Section 226.9C](#), Code 2018, is repealed.

#### DIVISION X IOWA DEPARTMENT ON AGING — MEDICAID CLAIMING

Sec. 78. IOWA DEPARTMENT ON AGING — MEDICAID CLAIMING. The department on aging and the department of human services shall collaborate to develop a cost allocation plan requesting Medicaid administrative funding to provide for the claiming of federal financial participation for aging and disability resource center activities that are performed to assist with administration of the Medicaid program. By January 1, 2019, the department of human services shall submit to the centers for Medicare and Medicaid services of the United States department of health and human services any Medicaid state plan amendment as necessary and shall enter into an interagency agreement with the department on aging to implement this section.

Sec. 79. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

#### DIVISION XI EXECUTIVE DIRECTOR — DEPARTMENT OF VETERANS AFFAIRS

Sec. 80. 2008 Iowa Acts, chapter 1191, section 14, subsection 3, is amended to read as follows:

3. The following are range 3 positions: administrator of the division of criminal and juvenile justice planning of the department of human rights, administrator of the division of community action agencies of the department of human rights, ~~executive director of the department of veterans affairs~~, and chairperson and members of the employment appeal board of the department of inspections and appeals.

Sec. 81. 2008 Iowa Acts, chapter 1191, section 14, subsection 5, as amended by 2013 Iowa Acts, chapter 123, section 63, is amended to read as follows:

5. The following are range 5 positions: administrator of the division of homeland security and emergency management of the department of public defense, state public defender, drug policy coordinator, labor commissioner, workers' compensation commissioner, director of

the department of cultural affairs, director of the department of elder affairs, director of the law enforcement academy, members of the property assessment appeal board, executive director of the department of veterans affairs, and administrator of the historical division of the department of cultural affairs.

Sec. 82. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

#### DIVISION XII FAMILY PLANNING SERVICES PROGRAM

Sec. 83. [Section 217.41B, subsection 3](#), Code 2018, is amended to read as follows:

3. a. (1) Distribution of family planning services program funds shall not be made to any entity that performs abortions or that maintains or operates a facility where abortions are performed, which shall not be interpreted to include a nonpublic entity that is a distinct location of a nonprofit health care delivery system, if the distinct location provides family planning services but does not perform abortions or maintain or operate as a facility where abortions are performed.

(2) The department of human services shall adopt rules pursuant to [chapter 17A](#) to require that as a condition of eligibility as a provider under the family planning services program, each distinct location of a nonprofit health care delivery system shall enroll in the program as a separate provider, be assigned a distinct provider identification number, and complete an attestation that abortions are not performed at the distinct location.

(3) For the purposes of [this section](#), “nonprofit health care delivery system” means an Iowa nonprofit corporation that controls, directly or indirectly, a regional health care network consisting of hospital facilities and various ambulatory and clinic locations that provide a range of primary, secondary, and tertiary inpatient, outpatient, and physician services.

b. For the purposes of [this section](#), “abortion” does not include any of the following:

a. (1) The treatment of a woman for a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death.

b. (2) The treatment of a woman for a spontaneous abortion, commonly known as a miscarriage, when not all of the products of human conception are expelled.

#### DIVISION XIII PROVISIONAL REGIONALIZATION AUTHORIZATION

Sec. 84. [Section 331.389, subsection 1](#), paragraphs b and c, Code 2018, are amended to read as follows:

~~b. The director of human services shall exempt a county from being required to enter into a regional service system if the county furnishes evidence that the county complies with the requirements in [subsection 3](#), paragraphs “c”, “d”, “e”, and “f”, and is able to provide the core services required by law to the county’s residents in a manner that is as cost effective and with outcomes that are at least equal to what could be provided to the residents if the county would provide the services through a regional service system. The director shall identify criteria for evaluating the evidence provided by counties applying for the exemption. The criteria identified shall be specified in rule adopted by the state commission.~~

~~e. b. If a county has been exempted pursuant to [this subsection](#) prior to July 1, 2014, from the requirement to enter into a regional service system, the county and the county’s board of supervisors shall fulfill all requirements under [this chapter](#) and [chapter 225C](#) for a regional service system, regional service system management plan, regional governing board, and regional administrator, and any other provisions applicable to a region of counties providing local mental health and disability services.~~

Sec. 85. [Section 331.389, subsection 2](#), Code 2018, is amended to read as follows:

~~2. The director of human services shall approve any region meeting the requirements of [subsection 3](#). However, the director of human services, in consultation with the state commission, may grant a waiver from the requirement relating to the minimum number~~

~~of counties if there is convincing evidence that compliance with such requirement is not workable.~~

Sec. 86. [Section 331.389, subsection 3](#), paragraph a, Code 2018, is amended to read as follows:

a. ~~The counties comprising the region are contiguous except that a region may include a county that is not contiguous with any of the other counties in the region, if the county that is not contiguous has had a formal relationship for two years or longer with one or more of the other counties in the region for the provision of mental health and disability services.~~

Sec. 87. [Section 331.389, subsection 4](#), paragraph c, Code 2018, is amended to read as follows:

c. ~~During the period of April 2, 2013, through July 1, 2013, the~~ The department shall work with any county that has not agreed to be part of a region in accordance with paragraph “a” and with the regions forming around the county to resolve issues preventing the county from joining a region. ~~By July 1, 2013, a~~ A county that has not agreed to be part of a region in accordance with paragraph “a” shall be assigned by the department to a region, unless exempted pursuant to [subsection 1](#) prior to July 1, 2014.

Sec. 88. [Section 331.389, subsection 4](#), paragraph e, unnumbered paragraph 1, Code 2018, is amended to read as follows:

On or before June 30, 2014, unless exempted pursuant to [subsection 1](#) prior to July 1, 2014, all counties shall be in compliance with all of the following mental health and disability services region implementation criteria:

Sec. 89. [Section 331.424A, subsection 8](#), Code 2018, is amended to read as follows:

8. a. For the fiscal year beginning July 1, 2017, the regional per capita expenditure target amount is the sum of the base expenditure amount for all counties in the region divided by the population of the region. However, a regional per capita expenditure target amount shall not exceed the statewide per capita expenditure target amount. For the fiscal year beginning July 1, 2018, and each subsequent fiscal year, the regional per capita expenditure target amount for each region is equal to the regional per capita expenditure target amount for the fiscal year beginning July 1, 2017.

b. Notwithstanding paragraph “a”, for the fiscal year beginning July 1, 2019, the regional per capita expenditure target amount for a region formed pursuant to the section of this Act which authorizes regionalization is the sum of the base expenditure amount for all counties in the region divided by the population of the region. However, the regional per capita expenditure target amount shall not exceed the statewide per capita expenditure target amount. For the fiscal year beginning July 1, 2020, and each subsequent fiscal year, the regional per capita expenditure target amount for the region shall be equal to the regional per capita expenditure target amount for the fiscal year beginning July 1, 2019.

Sec. 90. MENTAL HEALTH AND DISABILITY SERVICES — REGIONALIZATION AUTHORIZATION.

1. Upon receiving a request from any county within the county social services mental health and disability services region to be removed from the region, the director of human services may authorize the county to join with other counties requesting to be removed from the county social services mental health and disability services region in the formation of a proposed new mental health and disability services region.

2. County formation of a proposed new mental health and disability services region pursuant to this section is subject to all of the following:

a. The aggregate population of all counties forming the region is at least 100,000 and includes at least one incorporated city with a population of more than 24,000. For purposes of this subparagraph, <sup>4</sup> “population” means the same as defined in [section 331.388, subsection 3](#), Code 2018.

<sup>4</sup> According to Act; the word “paragraph” probably intended

b. Notwithstanding [section 331.389, subsection 4](#), on or before February 1, 2019, the counties forming the region have complied with [section 331.389, subsection 3](#), as amended in this division of this Act, and all of the following additional requirements:

(1) The board of supervisors of each county forming the region has voted to approve a [chapter 28E](#) agreement.

(2) The duly authorized representatives of all the counties forming the region have signed a [chapter 28E](#) agreement that is in compliance with [section 331.392](#) and [441 IAC 25.14](#).

(3) The county board of supervisors' or supervisors' designee members and other members of the region's governing board are appointed in accordance with [section 331.390](#).

(4) Executive staff for the region's regional administrator are identified or engaged.

(5) The regional service management plan is developed in accordance with [section 331.393](#) and [441 IAC 25.18](#) and [441 IAC 25.21](#) and is submitted to the department.

(6) The initial regional service management plan shall identify the service provider network for the region, identify the information technology and data management capacity to be employed to support regional functions, and establish business functions, accounting procedures, and other administrative processes.

c. Each county forming the region shall submit the compliance information required in paragraph "b" to the director of human services on or before February 1, 2019. Within 45 days of receipt of such information, the director of human services shall determine if the region is in full compliance and shall approve the region if the region has met all of the requirements of this section.

d. The director of human services shall work with a county making a request under this section that has not agreed or is unable to join the proposed new region to resolve issues preventing the county from joining the proposed new region.

e. By February 1, 2019, the director of human services shall assign a county making a request under this section that has not reached an agreement to be part of the proposed new region to an existing region or to the new proposed region, consistent with this section.

3. If approved by the department, the region shall commence full operations no later than July 1, 2019.

Sec. 91. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

#### DIVISION XIV MANDATORY REPORTER TRAINING AND CERTIFICATION WORKGROUP

Sec. 92. DEPARTMENT OF HUMAN SERVICES — MANDATORY REPORTER TRAINING AND CERTIFICATION WORKGROUP. The department of human services, in cooperation with the departments of education and public health, shall facilitate a study by a workgroup of stakeholders to make recommendations relating to mandatory child abuse and mandatory dependent adult abuse reporter training and certification requirements. The workgroup shall develop interdepartmental strategies for improving mandatory child abuse and mandatory dependent adult abuse reporter training and certification requirements. The workgroup shall consist of representatives from the departments of human services, education, public health, public safety, and human rights, the department on aging, and the office of the attorney general; a court appointed special advocate; and other experts the department of human services deems necessary. The membership of the workgroup shall also include four members of the general assembly. The legislative members shall serve as ex officio, nonvoting members of the workgroup, with one member to be appointed by each of the following: the majority leader of the senate, the minority leader of the senate, the speaker of the house of representatives, and the minority leader of the house of representatives. The workgroup shall submit a report with recommendations, including but not limited to strategies developed and other proposed improvements, to the governor and the general assembly on or before December 15, 2018.

DIVISION XV  
NURSING FACILITY QUALITY ASSURANCE ASSESSMENT

Sec. 93. [Section 249L.3, subsection 1](#), paragraph d, Code 2018, is amended to read as follows:

d. The aggregate quality assurance assessments imposed under [this chapter](#) shall not exceed ~~the lower of three percent of the aggregate non-Medicare revenues of a nursing facility or~~ the maximum amount that may be assessed pursuant to the indirect guarantee threshold as established pursuant to [42 C.F.R. §433.68\(f\)\(3\)\(i\)](#), and shall be stated on a per-patient-day basis.

Sec. 94. [Section 249L.4, subsection 2](#), Code 2018, is amended to read as follows:

2. Moneys in the trust fund shall be used, subject to their appropriation by the general assembly, by the department only for reimbursement of nursing facility services for which federal financial participation under the medical assistance program is available to match state funds. ~~Any moneys~~ Moneys appropriated from the trust fund for reimbursement of nursing facilities, in addition to the quality assurance assessment pass-through and the quality assurance assessment rate add-on which shall be used as specified in [subsection 5](#), paragraph “b”, shall be used in a manner such that no less than thirty-five percent of the amount received by a nursing facility is used for increases in compensation and costs of employment for direct care workers, and no less than sixty percent of the total is used to increase compensation and costs of employment for all nursing facility staff. For the purposes of use of such funds, “*direct care worker*”, “*nursing facility staff*”, “*increases in compensation*”, and “*costs of employment*” mean as defined or specified in [this chapter](#).

Sec. 95. DIRECTIVES TO DEPARTMENT OF HUMAN SERVICES.

1. The department of human services shall request approval from the centers for Medicare and Medicaid services of the United States department of health and human services for any waiver or state plan amendment necessary to administer this division of this Act.

2. The change in the quality assurance assessment shall accrue beginning on the first day of the calendar quarter following the date of approval of any waiver or state plan amendment.

DIVISION XVI  
SEXUAL OFFENSES AND SEX OFFENDERS

Sec. 96. [Section 229A.2, subsection 4](#), Code 2018, is amended to read as follows:

4. “*Discharge*” means an unconditional discharge from the sexually violent predator program. A person released from a secure facility into a transitional release program or released with ~~or without~~ supervision is not considered to be discharged.

Sec. 97. [Section 229A.5B, subsection 1](#), unnumbered paragraph 1, Code 2018, is amended to read as follows:

A person who is detained pursuant to [section 229A.5](#) or is subject to an order of civil commitment under [this chapter](#) shall remain in custody unless released by court order or discharged under [section 229A.8](#) or [229A.10](#). A person who has been placed in a transitional release program or who is under release with ~~or without~~ supervision is considered to be in custody. A person in custody under [this chapter](#) shall not do any of the following:

Sec. 98. [Section 229A.5C, subsection 4](#), Code 2018, is amended to read as follows:

4. A person who committed a public offense while in a transitional release program or on release with ~~or without~~ supervision may be returned to a secure facility operated by the department of human services upon completion of any term of confinement that resulted from the commission of the public offense.

Sec. 99. [Section 229A.6A, subsection 1](#), paragraph d, Code 2018, is amended to read as follows:

d. To a facility for placement or treatment in a transitional release program or for release with ~~or without~~ supervision. A transport order is not required under this paragraph.

Sec. 100. [Section 229A.7, subsection 7](#), Code 2018, is amended to read as follows:

7. The control, care, and treatment of a person determined to be a sexually violent predator shall be provided at a facility operated by the department of human services. At all times prior to placement in a transitional release program or release with ~~or without~~ supervision, persons committed for control, care, and treatment by the department of human services pursuant to [this chapter](#) shall be kept in a secure facility and those patients shall be segregated at all times from any other patient under the supervision of the department of human services. A person committed pursuant to [this chapter](#) to the custody of the department of human services may be kept in a facility or building separate from any other patient under the supervision of the department of human services. The department of human services may enter into a [chapter 28E](#) agreement with the department of corrections or other appropriate agency in this state or another state for the confinement of patients who have been determined to be sexually violent predators. Patients who are in the custody of the director of the department of corrections pursuant to a [chapter 28E](#) agreement and who have not been placed in a transitional release program or released with ~~or without~~ supervision shall be housed and managed separately from criminal offenders in the custody of the director of the department of corrections, and except for occasional instances of supervised incidental contact, shall be segregated from those offenders.

Sec. 101. [Section 229A.8B, subsection 3](#), Code 2018, is amended to read as follows:

3. Upon the return of the committed person to a secure facility, the director of human services or the director's designee shall notify the court that issued the ex parte order that the absconder has been returned to a secure facility, and the court shall set a hearing ~~within five days~~ to determine if a violation occurred. If a court order was not issued, the director or the director's designee shall contact the nearest district court with jurisdiction to set a hearing to determine whether a violation of the rules or directives occurred. The court shall schedule a hearing ~~within five days of~~ after receiving notice that the committed person has been returned from the transitional release program to a secure facility.

Sec. 102. [Section 229A.9A](#), Code 2018, is amended to read as follows:

**229A.9A Release with ~~or without~~ supervision.**

1. In any proceeding under [section 229A.8](#), the court may order the committed person released with ~~or without~~ supervision if any of the following apply:

a. The attorney general stipulates to the release with ~~or without~~ supervision.

b. The court or jury has determined that the person should be ~~discharged~~ released from ~~the program~~ a secure facility or a transitional release program, but the court has determined the person suffers from a mental abnormality and it is in the best interest of the community to order release with ~~or without~~ supervision before the committed person is discharged.

2. If release with ~~or without~~ supervision is ordered, the department of human services shall prepare within sixty days of the order of the court a release plan addressing the person's needs for counseling, medication, community support services, residential services, vocational services, alcohol or other drug abuse treatment, sex offender treatment, or any other treatment or supervision necessary.

3. The court shall set a hearing on the release plan prepared by the department of human services before the committed person is released from a secure facility or a transitional release program.

4. If the court orders release with supervision, the court shall order supervision by an agency with jurisdiction that is familiar with the placement of criminal offenders in the community. The agency with jurisdiction shall be responsible for initiating proceedings for violations of the release plan as provided in [section 229A.9B](#). ~~If the court orders release without supervision, the agency with jurisdiction shall also be responsible for initiating proceedings for any violations of the release plan as provided in [section 229A.9B](#).~~

5. A committed person may not petition the court for release with ~~or without~~ supervision.

6. A committed person released with ~~or without~~ supervision is not considered discharged from civil commitment under [this chapter](#).

7. After being released with ~~or without~~ supervision, the person may petition the court for discharge as provided in [section 229A.8](#).

8. The court shall retain jurisdiction over the committed person who has been released with ~~or without~~ supervision until the person is discharged from the program. The department of human services or a judicial district department of correctional services shall not be held liable for any acts committed by a committed person who has been ordered released with ~~or without~~ supervision.

Sec. 103. [Section 229A.9B](#), Code 2018, is amended to read as follows:

**229A.9B Violations of release with ~~or without~~ supervision.**

1. If a committed person violates the release plan, the agency with jurisdiction over the person may request the ~~district~~ court to issue an emergency ex parte order directing any law enforcement officer to take the person into custody so that the person can be returned to a secure facility. The request for an ex parte order may be made orally or by telephone, but the original written request or a facsimile copy of the request shall be filed with the clerk of court no later than 4:30 p.m. on the next business day the office of the clerk of court is open.

2. If a committed person has absconded in violation of the conditions of the person's release plan, a presumption arises that the person poses a risk to public safety. The department of human services or contracting agency, in cooperation with local law enforcement agencies, may make a public announcement about the absconder. The public announcement may include a description of the committed person, that the committed person is on release with ~~or without~~ supervision from the sexually violent predator program, and any other information pertinent to public safety.

3. Upon the return of the committed person to a secure facility, the director of human services or the director's designee shall notify the court that issued the ex parte order that the committed person has been returned to a secure facility, and the court shall set hearing ~~within five days~~ to determine if a violation occurred. If a court order was not issued, the director or the director's designee shall contact the nearest district court with jurisdiction to set a hearing to determine whether a violation of the conditions of the release plan occurred. The court shall schedule a hearing ~~within five days of~~ after receiving notice that the committed person has been returned to a secure facility.

4. At the hearing, the burden shall be upon the attorney general to show by a preponderance of the evidence that a violation of the release plan occurred.

5. If the court determines a violation occurred, the court shall receive release recommendations from the department of human services and either order that the committed person be returned to release with ~~or without~~ supervision or placed in a transitional release program, or be confined in a secure facility. The court may impose further conditions upon the committed person if returned to release with ~~or without~~ supervision or placed in the transitional release program. If the court determines no violation occurred, the committed person shall be returned to release with ~~or without~~ supervision.

Sec. 104. [Section 232.68, subsection 2](#), paragraph a, subparagraph (3), Code 2018, is amended to read as follows:

(3) The commission of a sexual offense with or to a child pursuant to [chapter 709, section 726.2](#), or [section 728.12, subsection 1](#), as a result of the acts or omissions of the person responsible for the care of the child or of a person who is fourteen years of age or older and resides in a home with the child. Notwithstanding [section 702.5](#), the commission of a sexual offense under this subparagraph includes any sexual offense referred to in this subparagraph with or to a person under the age of eighteen years.

Sec. 105. [Section 232.68, subsection 2](#), paragraph a, subparagraph (9), Code 2018, is amended to read as follows:

(9) (a) ~~Knowingly~~ A person who is responsible for the care of a child knowingly allowing a ~~person another person~~ custody ~~or of~~, control ~~or over~~, or unsupervised access to a ~~child or minor child~~ child under the age of fourteen or a child with a physical or mental disability, after knowing the ~~person other person~~ is required to register or is on the sex offender registry under [chapter 692A](#) for a violation of [section 726.6](#).

(b) This subparagraph does not apply in any of the following circumstances:



(i) A child living with a parent or guardian who is a sex offender required to register or on the sex offender registry under [chapter 692A](#).

(ii) A child living with a parent or guardian who is married to and living with a sex offender required to register or on the sex offender registry under [chapter 692A](#).

(iii) A child who is a sex offender required to register or on the sex offender registry under [chapter 692A](#) who is living with the child's parent, guardian, or foster parent and is also living with the child to whom access was allowed.

(c) For purposes of this subparagraph, "control over" means any of the following:

(i) A person who has accepted, undertaken, or assumed supervision of a child from the parent or guardian of the child.

(ii) A person who has undertaken or assumed temporary supervision of a child without explicit consent from the parent or guardian of the child.

Sec. 106. [Section 901A.2, subsection 6](#), Code 2018, is amended to read as follows:

6. A person who has been placed in a transitional release program, released with ~~or without~~ supervision, or discharged pursuant to [chapter 229A](#), and who is subsequently convicted of a sexually predatory offense or a sexually violent offense, shall be sentenced to life in prison on the same terms as a class "A" felon under [section 902.1](#), notwithstanding any other provision of the Code to the contrary. The terms and conditions applicable to sentences for class "A" felons under [chapters 901 through 909](#) shall apply to persons sentenced under [this subsection](#). However, if the person commits a sexually violent offense which is a misdemeanor offense under [chapter 709](#), the person shall be sentenced to life in prison, with eligibility for parole as provided in [chapter 906](#).

#### DIVISION XVII MEDICAID RETROACTIVE ELIGIBILITY

Sec. 107. 2017 Iowa Acts, chapter 174, section 12, subsection 15, paragraph a, subparagraph (7), is amended to read as follows:

(7) (a) Elimination of the three-month retroactive Medicaid coverage benefit for Medicaid applicants effective October 1, 2017. The department shall seek a waiver from the centers for Medicare and Medicaid services of the United States department of health and human services to implement the strategy. If federal approval is received, an applicant's Medicaid coverage shall be effective on the first day of the month of application, as allowed under the Medicaid state plan.

(b) Effective July 1, 2018, a three-month retroactive Medicaid coverage benefit shall apply to a Medicaid applicant who is otherwise Medicaid-eligible and is a resident of a nursing facility licensed under [chapter 135C](#). The department shall seek federal approval for any Medicaid waiver or state plan amendment necessary to implement this subparagraph (b).<sup>5</sup>

Sec. 108. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

#### DIVISION XVIII MENTAL HEALTH AND DISABILITY SERVICES — TRANSFER OF FUNDS

Sec. 109. MENTAL HEALTH AND DISABILITY SERVICES — TRANSFER OF FUNDS. Notwithstanding [section 331.432](#), a county with a population of over 300,000 based on the most recent federal decennial census, may transfer funds from any other fund of the county to the mental health and disability regional services fund for the purposes of providing mental health and disability services for the fiscal year beginning July 1, 2018, and ending June 30, 2019. The county shall submit a report to the governor and the general assembly by September 1, 2019, including the source of any funds transferred, the amount of the funds transferred, and the mental health and disability services provided with the transferred funds.

<sup>5</sup> According to Act; the phrase "subparagraph division (b)" probably intended

DIVISION XIX  
MISCELLANEOUS TECHNICAL PROVISIONS

Sec. 110. [Section 135.15](#), Code 2018, is amended to read as follows:

**135.15 Oral and health delivery system bureau established — responsibilities.**

An oral and health delivery system bureau is established within the division of health promotion and chronic disease prevention of the department. The bureau shall be responsible for all of the following:

1. Providing population-based oral health services, including public health training, improvement of dental support systems for families, technical assistance, awareness-building activities, and educational services, at the state and local level to assist Iowans in maintaining optimal oral health throughout all stages of life.

2. Performing infrastructure building and enabling services through the administration of state and federal grant programs targeting access improvement, prevention, and local oral health programs utilizing maternal and child health programs, Medicaid, and other new or existing programs.

3. Leveraging federal, state, and local resources for programs under the purview of the bureau.

4. Facilitating ongoing strategic planning and application of evidence-based research in oral health care policy development that improves oral health care access and the overall oral health of all Iowans.

5. Developing and implementing an ongoing oral health surveillance system for the evaluation and monitoring of the oral health status of children and other underserved populations.

6. Facilitating the provision of oral health services through dental homes. For the purposes of [this section](#), “*dental home*” means a network of individualized care based on risk assessment, which includes oral health education, dental screenings, preventive services, diagnostic services, treatment services, and emergency services.

Sec. 111. [Section 135.175, subsection 1](#), paragraph a, Code 2018, is amended to read as follows:

a. A health care workforce support initiative is established to provide for the coordination and support of various efforts to address the health care workforce shortage in this state. This initiative shall include the medical residency training state matching grants program created in [section 135.176](#), the nurse residency state matching grants program created in [section 135.178](#), and the fulfilling Iowa’s need for dentists matching grant program created in [section 135.179](#).

Sec. 112. [Section 135.175, subsection 5](#), Code 2018, is amended by adding the following new paragraph:

NEW PARAGRAPH. b. The nurse residency state matching grants program account. The nurse residency state matching grants program account shall be under the control of the department and the moneys in the account shall be used for the purposes of the nurse residency state matching grants program as specified in [section 135.178](#). Moneys in the account shall consist of moneys appropriated or allocated for deposit in or received by the fund or the account and specifically dedicated to the nurse residency state matching grants program account for the purposes of such account.

Sec. 113. [Section 135.175, subsection 6](#), paragraph a, Code 2018, is amended to read as follows:

a. Moneys in the fund and the accounts in the fund shall only be appropriated in a manner consistent with the principles specified and the strategic plan developed pursuant to [section 135.163](#) to support the medical residency training state matching grants program, the nurse residency state matching grants program, the fulfilling Iowa’s need for dentists matching grant program, and to provide funding for state health care workforce shortage programs as provided in [this section](#).

DIVISION XX  
STATE TRAINING SCHOOL — ELDORA

Sec. 114. [Section 233A.1](#), Code 2018, is amended to read as follows:

**233A.1 State training school — Eldora and Toledo.**

1. Effective January 1, 1992, a diagnosis and evaluation center and other units are established at ~~Eldora~~ the state training school to provide to court-committed male juvenile delinquents a program which focuses upon appropriate developmental skills, treatment, placements, and rehabilitation.

2. The diagnosis and evaluation center which is used to identify appropriate treatment and placement alternatives for juveniles and any other units for juvenile delinquents which are located at ~~Eldora and the unit for juvenile delinquents at Toledo~~ shall together be known as the “state training school”. For the purposes of [this chapter](#) “director” means the director of human services and “superintendent” means the administrator in charge of the diagnosis and evaluation center for juvenile delinquents and other units at ~~Eldora and the unit for juvenile delinquents at Toledo~~ the state training school.

3. The number of children present at any one time at the state training school at ~~Eldora~~ shall not exceed the population guidelines established under [1990 Iowa Acts, ch. 1239, §21](#), as adjusted for subsequent changes in the capacity at the training school.

Sec. 115. [Section 233A.14](#), Code 2018, is amended to read as follows:

**233A.14 Transfers to other institutions.**

The administrator may transfer to the ~~schools~~ state training school minor wards of the state from any institution under the administrator’s charge but no person shall be so transferred who is mentally ill or has an intellectual disability. Any child in the ~~schools~~ state training school who is mentally ill or has an intellectual disability may be transferred by the administrator to the proper state institution.

Sec. 116. [Section 915.29, subsection 1](#), unnumbered paragraph 1, Code 2018, is amended to read as follows:

The department of human services shall notify a registered victim regarding a juvenile adjudicated delinquent for a violent crime, committed to the custody of the department of human services, and placed at the state training school at ~~Eldora or Toledo~~, of the following:

DIVISION XXI  
GERIATRIC PATIENT HOUSING REVIEW

Sec. 117. GERIATRIC PATIENT HOUSING REVIEW.

1. During the 2018 legislative interim, the department on aging and the departments of human services, inspections and appeals, and corrections, cooperatively, shall review issues and develop policy recommendations relating to housing for geriatric persons, including geriatric individuals who are registered on the sex offender registry or who are sexually aggressive. The review shall address all aspects of the issue including the feasibility of private entities utilizing facilities located at Mount Pleasant, Clarinda, or other vacant, state-owned facilities to care for such geriatric persons; related workforce recruitment and training; requirements that a facility must meet in order to receive Medicaid reimbursement; and any other information or issues deemed appropriate by the agencies.

2. The agencies shall submit a joint report with recommendations to the governor and general assembly by December 15, 2018.

DIVISION XXII  
WRONGFUL BIRTH OR WRONGFUL LIFE CAUSE OF ACTION

Sec. 118. NEW SECTION. 613.15B Wrongful birth or wrongful life cause of action — prohibitions — exceptions.

1. A cause of action shall not arise and damages shall not be awarded, on behalf of any person, based on a wrongful birth claim that, but for an act or omission of the defendant, a child would not or should not have been born.

2. A cause of action shall not arise and damages shall not be awarded, on behalf of any person, based on a wrongful life claim that, but for an act or omission of the defendant, the person bringing the action would not or should not have been born.

3. The prohibitions specified in [this section](#) apply to any claim regardless of whether the child is born healthy or with a birth defect or disorder or other adverse medical condition. However, the prohibitions specified in [this section](#) shall not apply to any of the following:

a. A civil action for damages for an intentional or grossly negligent act or omission, including any act or omission that constitutes a public offense.

b. A civil action for damages for the intentional failure of a physician to comply with the duty imposed by licensure pursuant to [chapter 148](#) to provide a patient with all information reasonably necessary to make decisions about a pregnancy.

Sec. 119. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 120. APPLICABILITY. This division of this Act applies on or after the effective date of this division of this Act to causes of action that accrue on or after that date. A cause of action that accrues before the effective date of this division of this Act is governed by the law in effect prior to the effective date of this division of this Act.

#### DIVISION XXIII TRANSFERS OF FUNDS BETWEEN DHS INSTITUTIONS

Sec. 121. [Section 218.6](#), Code 2018, is amended to read as follows:

**218.6 Transfer of appropriations made to institutions.**

1. 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 between the appropriations made for the institutions, listed as follows:

1. [a.](#) The state resource centers.
2. [b.](#) The state mental health institutes.
3. [c.](#) The state training school.
4. [d.](#) The civil commitment unit for sexual offenders.

2. The department shall report any transfer made pursuant to [subsection 1](#) during a fiscal quarter to the legislative services agency within thirty days of the beginning of the subsequent fiscal quarter.

#### DIVISION XXIV MEDICAL CANNABIDIOL

Sec. 122. [Section 124E.7, subsections 7 and 8](#), Code 2018, are amended to read as follows:

7. A medical cannabidiol manufacturer shall not employ a person who is under eighteen years of age or who has been convicted of a disqualifying felony offense. An employee of a medical cannabidiol manufacturer shall be subject to a background investigation conducted by the division of criminal investigation of the department of public safety and a national criminal history background check pursuant to [section 124E.19](#).

8. A medical cannabidiol manufacturer owner shall not have been convicted of a disqualifying felony offense and shall be subject to a background investigation conducted by the division of criminal investigation of the department of public safety and a national criminal history background check pursuant to [section 124E.19](#).

Sec. 123. [Section 124E.9, subsections 7 and 8](#), Code 2018, are amended to read as follows:

7. A medical cannabidiol dispensary shall not employ a person who is under eighteen years of age or who has been convicted of a disqualifying felony offense. An employee of a medical cannabidiol dispensary shall be subject to a background investigation conducted by the division of criminal investigation of the department of public safety and a national criminal history background check pursuant to [section 124E.19](#).

8. A medical cannabidiol dispensary owner shall not have been convicted of a disqualifying felony offense and shall be subject to a background investigation conducted by the division of criminal investigation of the department of public safety and a national criminal history background check pursuant to [section 124E.19](#).

Sec. 124. [Section 124E.10](#), Code 2018, is amended by striking the section and inserting in lieu thereof the following:

**124E.10 Fees.**

All fees collected by the department under [this chapter](#) shall be retained by the department for operation of the medical cannabidiol registration card program and the medical cannabidiol manufacturer and medical cannabidiol dispensary licensing programs. The moneys retained by the department shall be considered repayment receipts as defined in [section 8.2](#) and shall be used for any of the department's duties under [this chapter](#), including but not limited to the addition of full-time equivalent positions for program services and investigations. Notwithstanding [section 8.33](#), moneys retained by the department pursuant to [this section](#) shall not revert to the general fund of the state but shall remain available for expenditure only for the purposes specified in [this section](#).

Sec. 125. **NEW SECTION. 124E.19 Background investigations.**

1. The division of criminal investigation of the department of public safety shall conduct thorough background investigations for the purposes of licensing medical cannabidiol manufacturers and medical cannabidiol dispensaries under [this chapter](#). The results of any background investigation conducted pursuant to [this section](#) shall be presented to the department.

a. An applicant for a medical cannabidiol manufacturer license or a medical cannabidiol dispensary license and their owners, investors, and employees shall submit all required information on a form prescribed by the department of public safety.

b. The department shall charge an applicant for a medical cannabidiol manufacturer license or a medical cannabidiol dispensary license a fee determined by the department of public safety and adopted by the department by rule to defray the costs associated with background investigations conducted pursuant to the requirements of [this section](#). The fee shall be in addition to any other fees charged by the department. The fee may be retained by the department of public safety and shall be considered repayment receipts as defined in [section 8.2](#).

2. The department shall require an applicant for a medical cannabidiol manufacturer license or a medical cannabidiol dispensary license, their owners and investors, and applicants for employment at a medical cannabidiol manufacturer or medical cannabidiol dispensary to submit fingerprints and other required identifying information to the department on a form prescribed by the department of public safety. The department shall submit the fingerprint cards and other identifying information to the division of criminal investigation of the department of public safety for submission to the federal bureau of investigation for the purpose of conducting a national criminal history record check. The department may require employees and contractors involved in carrying out a background investigation to submit fingerprints and other identifying information for the same purpose.

3. The department may enter into a [chapter 28E](#) agreement with the department of public safety to meet the requirements of [this section](#).

4. An applicant for a medical cannabidiol manufacturer license or a medical cannabidiol dispensary license shall submit information and fees required by [this section](#) at the time of application.

5. The results of background investigations conducted pursuant to [this section](#) shall not be considered public records under [chapter 22](#).

Sec. 126. **EFFECTIVE UPON ENACTMENT.** This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION XXV  
DEPARTMENT OF HUMAN SERVICES PROGRAMS AND ACTIVITIES  
INMATES OF PUBLIC INSTITUTIONS — MEDICAID

Sec. 127. [Section 249A.38](#), Code 2018, is amended to read as follows:

**249A.38 Inmates of public institutions — suspension or termination of medical assistance.**

1. ~~The following conditions shall apply to~~ Following the first thirty days of commitment, the department shall suspend the eligibility of an individual who is an inmate of a public institution as defined in [42 C.F.R. §435.1010](#), who is enrolled in the medical assistance program at the time of commitment to the public institution, and who remains eligible for medical assistance as an individual except for the individual's institutional status:

~~a. The department shall suspend the individual's eligibility for up to the initial twelve months of the period of commitment. The department shall delay the suspension of eligibility for a period of up to the first thirty days of commitment if such delay is approved by the centers for Medicare and Medicaid services of the United States department of health and human services. If such delay is not approved, the department shall suspend eligibility during the entirety of the initial twelve months of the period of commitment. Claims submitted on behalf of the individual under the medical assistance program for covered services provided during the delay period shall only be reimbursed if federal financial participation is applicable to such claims.~~

~~b. The department shall terminate an individual's eligibility following a twelve-month period of suspension of the individual's eligibility under paragraph "a", during the period of the individual's commitment to the public institution.~~

2. ~~a.~~ A public institution shall provide the department and the social security administration with a monthly report of the individuals who are committed to the public institution and of the individuals who are discharged from the public institution. The monthly report to the department shall include the date of commitment or the date of discharge, as applicable, of each individual committed to or discharged from the public institution during the reporting period. The monthly report shall be made through the reporting system created by the department for public, nonmedical institutions to report inmate populations. Any medical assistance expenditures, including but not limited to monthly managed care capitation payments, provided on behalf of an individual who is an inmate of a public institution but is not reported to the department in accordance with [this subsection](#), shall be the financial responsibility of the respective public institution.

~~b.~~ The department shall provide a public institution with the forms necessary to be used by the individual in expediting restoration of the individual's medical assistance benefits upon discharge from the public institution.

~~3. This section applies to individuals as specified in [subsection 1](#) on or after January 1, 2012.~~

4. 3. The department may adopt rules pursuant to [chapter 17A](#) to implement [this section](#).

MEDICAID PROGRAM ADMINISTRATION

Sec. 128. MEDICAID PROGRAM ADMINISTRATION.

1. PROVIDER PROCESSES AND PROCEDURES.

a. When all of the required documents and other information necessary to process a claim have been received by a managed care organization, the managed care organization shall either provide payment to the claimant within the timelines specified in the managed care contract or, if the managed care organization is denying the claim in whole or in part, shall provide notice to the claimant including the reasons for such denial consistent with national industry best practice guidelines.

b. A managed care organization shall correct any identified system configuration error within a reasonable time frame approved by the department, and shall fully and accurately reprocess claims affected by such errors within thirty days of the successful system correction. The department shall define "system configuration error" as appropriate to

include errors in provider data caused by a managed care organization or improper claims edits that result in incorrect payments to providers.

c. A managed care organization shall provide written notice to affected individuals at least sixty days prior to making any program or procedural change, as determined necessary by the department. The department shall develop and distribute a list of the types of changes that require the sixty-day notice to the managed care organizations effective July 1, 2018. Such changes may include but are not limited to billing and collection provisions, provider network provisions, member or provider services, and prior authorization requirements.

d. The department of human services shall engage dedicated provider relations staff to assist Medicaid providers in resolving billing conflicts with managed care organizations including those involving denied claims, technical omissions, or incomplete information. If the provider relations staff observe trends evidencing fraudulent claims or improper reimbursement, the staff shall forward such evidence to the department of human services for further review.

e. The department of human services shall adopt rules pursuant to [chapter 17A](#) to require the inclusion by a managed care organization of advanced registered nurse practitioners and physician assistants as primary care providers for the purposes of population health management.

f. The department of human services shall provide for the development and shall require the use of standardized Medicaid provider enrollment forms to be used by the department and uniform Medicaid provider credentialing specifications to be used by managed care organizations.

## 2. MEMBER SERVICES AND PROCESSES.

a. If a Medicaid member is receiving court-ordered services or treatment for a substance-related disorder pursuant to [chapter 125](#) or for a mental illness pursuant to [chapter 229](#), such services or treatment shall be provided and reimbursed for an initial period of three days before a managed care organization may apply medical necessity criteria to determine the most appropriate services, treatment, or placement for the Medicaid member.

b. The department of human services shall maintain and update Medicaid member eligibility files in a timely manner consistent with national industry best practices.

c. The department of human services shall utilize an independent, external quality review vendor to complete a review of a random case sample of decreased level of care determinations using national best practices to ensure that appropriate medically necessary services are provided to meet Medicaid member needs. The department shall report the findings of the review to the governor and the general assembly by December 15, 2018, including any plan necessary to address the findings.

d. The department of human services, on an annual basis, shall conduct an analysis of all Medicaid member appeals that have been dismissed, withdrawn, or overturned to determine if there are any negative patterns or trends based on the analysis. The services of any member whose appeal is subject to the analysis shall continue for the period during which an interdisciplinary team conducts a new assessment to determine which services are medically necessary for that member, which period shall not exceed ninety days. A report of the analysis and findings shall be submitted to the governor and the general assembly on a biannual basis and the department shall develop a plan as necessary to address any negative patterns or trends identified by the analysis.

## 3. MEDICAID PROGRAM REVIEW AND OVERSIGHT.

a. (1) The department of human services shall facilitate a workgroup, in collaboration with representatives of the managed care organizations and health home providers, to review the health home programs. The review shall include all of the following:

(a) An analysis of the state plan amendments applicable to health homes.

(b) An analysis of the current health home system, including the rationale for any recommended changes.

(c) The development of a clear and consistent delivery model linked to program-determined outcomes and data reporting requirements.

(d) A work plan to be used in communicating with stakeholders regarding the administration and operation of the health home programs.

(2) The department of human services shall submit a report of the workgroup's findings, recommendations, and any actions taken by December 15, 2018, to the governor and to the Eighty-eighth General Assembly, 2019 session, for consideration.

(3) The workgroup and the workgroup's activities shall not affect the department's authority to apply or enforce the Medicaid state plan amendment relative to health homes.

b. The department of human services, in collaboration with Medicaid providers and managed care organizations, shall initiate a review process to determine the effectiveness of prior authorizations used by the managed care organizations with the goal of making adjustments based on relevant service costs and member outcomes data utilizing existing industry-accepted standards. Prior authorization policies shall comply with existing rules, guidelines, and procedures developed by the centers for Medicare and Medicaid services of the United States department of health and human services.

c. The department of human services shall enter into a contract with an independent review organization to perform an audit of a random sample of small dollar claims paid to or denied Medicaid long-term services and supports providers during the first quarter of the 2018 calendar year. The department of human services shall submit a report of the findings of the audit to the governor and the general assembly by February 1, 2019. The department may take any action specified in the managed care contract relative to any claim the auditor determines to be incorrectly paid or denied, subject to appeal by the managed care organization to the director of human services. For the purposes of this paragraph, "small dollar claims" means those claims less than or equal to two thousand five hundred dollars.

#### MEDICAID PROGRAM PHARMACY COPAYMENT

Sec. 129. 2005 Iowa Acts, chapter 167, section 42, is amended to read as follows:

SEC. 42. COPAYMENTS FOR PRESCRIPTION DRUGS UNDER THE MEDICAL ASSISTANCE PROGRAM. The department of human services shall require recipients of medical assistance to pay the following copayments a copayment of \$1 on each prescription filled for a covered prescription drug, including each refill of such prescription, ~~as follows:~~

~~1. A copayment of \$1 on each prescription filled<sup>6</sup> for each covered nonpreferred generic prescription drug.~~

~~2. A copayment of \$1 for each covered preferred brand-name or generic prescription drug.~~

~~3. A copayment of \$1 for each covered nonpreferred brand-name prescription drug for which the cost to the state is up to and including \$25.~~

~~4. A copayment of \$2 for each covered nonpreferred brand-name prescription drug for which the cost to the state is more than \$25 and up to and including \$50.~~

~~5. A copayment of \$3 for each covered nonpreferred brand-name prescription drug for which the cost to the state is more than \$50.~~

#### MEDICAL ASSISTANCE ADVISORY COUNCIL

Sec. 130. [Section 249A.4B, subsection 2](#), paragraph a, subparagraphs (27) and (28), Code 2018, are amended by striking the subparagraphs.

Sec. 131. MEDICAL ASSISTANCE ADVISORY COUNCIL — REVIEW OF MEDICAID MANAGED CARE REPORT DATA. The executive committee of the medical assistance advisory council shall review the data collected and analyzed for inclusion in periodic reports to the general assembly, including but not limited to the information and data specified in [2016 Iowa Acts, chapter 1139, section 93](#), to determine which data points and information should be included and analyzed to more accurately identify trends and issues with, and promote the effective and efficient administration of, Medicaid managed care for all stakeholders. At a minimum, the areas of focus shall include consumer protection, provider network access and safeguards, outcome achievement, and program integrity. The executive committee shall report its findings and recommendations to the medical assistance advisory council for review and comment by October 1, 2018, and shall submit a final report

<sup>6</sup> According to Act; the words "on each prescription filled" were not included in 2005 Iowa Acts, chapter 167, section 42



of findings and recommendations to the governor and the general assembly by December 31, 2018.

#### TARGETED CASE MANAGEMENT AND INPATIENT PSYCHIATRIC SERVICES REIMBURSEMENT

Sec. 132. [Section 249A.31](#), Code 2018, is amended to read as follows:

**249A.31 Cost-based reimbursement.**

1. ~~Providers of individual case management services for persons with an intellectual disability, a developmental disability, or chronic mental illness shall receive cost-based reimbursement for one hundred percent of the reasonable costs for the provision of the services in accordance with standards adopted by the mental health and disability services commission pursuant to [section 225C.6](#). Effective July 1, 2018, targeted case management services shall be reimbursed based on a statewide fee schedule amount developed by rule of the department pursuant to [chapter 17A](#).~~

2. ~~Effective July 1, 2010 2014, the department shall apply a cost-based reimbursement methodology for reimbursement of psychiatric medical institution for children providers of inpatient psychiatric services for individuals under twenty-one years of age shall be reimbursed as follows:~~

~~a. For non-state-owned providers, services shall be reimbursed according to a fee schedule without reconciliation.~~

~~b. For state-owned providers, services shall be reimbursed at one hundred percent of the actual and allowable cost of providing the service.~~

#### DIVISION XXVI PREAPPLICATION SCREENING ASSESSMENT

Sec. 133. [Section 229.5A](#), Code 2018, is amended to read as follows:

**229.5A Preapplication screening assessment — program.**

Prior to filing an application pursuant to [section 229.6](#), the clerk of the district court or the clerk's designee shall inform the interested person referred to in [section 229.6, subsection 1](#), about the option of requesting a preapplication screening assessment through a preapplication screening assessment program, if available. ~~The state court administrator shall prescribe practices and procedures for implementation of the preapplication screening assessment program.~~

Sec. 134. [Section 602.1209, subsection 16](#), Code 2018, is amended to read as follows:

16. Prescribe practices and procedures for the implementation of the preapplication screening assessment program referred to in [sections section 125.74 and 229.5A](#).

#### DIVISION XXVII COVERAGE OF BEHAVIORAL HEALTH SERVICES PROVIDED BY CERTAIN PROVIDERS

Sec. 135. [Section 249A.15](#), Code 2018, is amended to read as follows:

**249A.15 Licensed psychologists eligible for payment — provisional licensees.**

1. The department shall adopt rules pursuant to [chapter 17A](#) entitling psychologists who are licensed pursuant to [chapter 154B](#) and psychologists who are licensed in the state where the services are provided and have a doctorate degree in psychology, have had at least two years of clinical experience in a recognized health setting, or have met the standards of a national register of health service providers in psychology, to payment for services provided to recipients of medical assistance, subject to limitations and exclusions the department finds necessary on the basis of federal laws and regulations and of funds available for the medical assistance program. The rules shall also provide that an individual, who holds a provisional license to practice psychology pursuant to [section 154B.6](#), is entitled to payment under [this section](#) for services provided to recipients of medical assistance, when such services are provided under the supervision of a supervisor who meets the qualifications determined by the board of psychology by rule, and claims for payment for such services are submitted by the supervisor.

2. Entitlement to payment under [this section](#) is applicable to services provided to recipients of medical assistance under both the fee-for-service and managed care payment and delivery systems. Neither the fee-for-service nor the managed care payment and delivery system shall impose a practice or supervision restriction which is inconsistent with or more restrictive than the authority already granted by law, including the authority to provide supervision in person or remotely through electronic means as specified by rule of the board of psychology.

Sec. 136. [Section 249A.15A](#), Code 2018, is amended to read as follows:

**249A.15A Licensed marital and family therapists, licensed master social workers, licensed mental health counselors, and certified alcohol and drug counselors — temporary licensees.**

1. The department shall adopt rules pursuant to [chapter 17A](#) entitling marital and family therapists who are licensed pursuant to [chapter 154D](#) to payment for behavioral health services provided to recipients of medical assistance, subject to limitations and exclusions the department finds necessary on the basis of federal laws and regulations. The rules shall also provide that a marital and family therapist, who holds a temporary license to practice marital and family therapy pursuant to [section 154D.7](#), is entitled to payment under [this section](#) for behavioral health services provided to recipients of medical assistance, when such services are provided under the supervision of a qualified supervisor as determined by the board of behavioral science by rule, and claims for payment for such services are submitted by the qualified supervisor.

2. The department shall adopt rules pursuant to [chapter 17A](#) entitling master social workers who hold a master's degree approved by the board of social work, are licensed as a master social worker pursuant to [section 154C.3, subsection 1](#), paragraph "b", and provide treatment services under the supervision of an independent social worker licensed pursuant to [section 154C.3, subsection 1](#), paragraph "c", to payment for behavioral health services provided to recipients of medical assistance, subject to limitations and exclusions the department finds necessary on the basis of federal laws and regulations.

3. The department shall adopt rules pursuant to [chapter 17A](#) entitling mental health counselors who are licensed pursuant to [chapter 154D](#) to payment for behavioral health services provided to recipients of medical assistance, subject to limitations and exclusions the department finds necessary on the basis of federal laws and regulations. The rules shall also provide that a mental health counselor, who holds a temporary license to practice mental health counseling pursuant to [section 154D.7](#), is entitled to payment under [this section](#) for behavioral health services provided to recipients of medical assistance, when such services are provided under the supervision of a qualified supervisor as determined by the board of behavioral science by rule, and claims for payment for such services are submitted by the qualified supervisor.

4. The department shall adopt rules pursuant to [chapter 17A](#) entitling alcohol and drug counselors who are certified by the nongovernmental Iowa board of substance abuse certification to payment for behavioral health services provided to recipients of medical assistance, subject to limitations and exclusions the department finds necessary on the basis of federal laws and regulations.

5. Entitlement to payment under [this section](#) is applicable to services provided to recipients of medical assistance under both the fee-for-service and managed care payment and delivery systems. Neither the fee-for-service nor the managed care payment and delivery system shall impose a practice or supervision restriction which is inconsistent with or more restrictive than the authority already granted by law, including the authority to provide supervision in person or remotely through electronic means as specified by rule of the applicable licensing board.

Sec. 137. **NEW SECTION. 514C.32 Services provided by certain licensed master social workers, licensed mental health counselors, and licensed marital and family therapists.**

1. Notwithstanding [section 514C.6](#), a policy or contract providing for third-party payment or prepayment of health or medical expenses shall include a provision for the payment of necessary behavioral health services provided by any of the following:

a. A licensed master social worker who is licensed by the board of social work as a master social worker pursuant to [section 154C.3, subsection 1](#), paragraph "b", and who provides

services under the supervision of an independent social worker licensed pursuant to [section 154C.3, subsection 1](#), paragraph “c”.

b. A licensed mental health counselor or a licensed marital and family therapist who holds a temporary license to practice mental health counseling or marital and family therapy pursuant to [section 154D.7](#), and who provides services under the supervision of a qualified supervisor as determined by the board of behavioral science by rule.

2. A policy or contract subject to [this section](#) shall not impose a practice or supervision restriction which is inconsistent with or more restrictive than the authority already granted by law, including the authority to provide supervision in person or remotely through electronic means as specified by rule of the applicable licensing board.

3. The requirements of [this section](#) apply to and supersede any conflicting requirements regarding services provided under a policy or contract, which is delivered, issued for delivery, continued, or renewed in this state on or after the effective date of this Act,<sup>7</sup> and apply to and supersede any conflicting requirements regarding services contained in an existing policy or contract on the policy’s or contract’s anniversary or renewal date, whichever is later.

4. For the purposes of [this section](#), third-party payment or prepayment includes an individual or group policy of accident or health insurance or individual or group hospital or health care service contract issued pursuant to [chapter 509, 514, or 514A](#), an individual or group health maintenance organization contract issued and regulated under [chapter 514B](#), or a preferred provider organization contract regulated pursuant to [chapter 514F](#).

5. Nothing in [this section](#) shall be interpreted to require an individual or group health maintenance organization or a preferred provider organization or arrangement to provide payment or prepayment for services provided by a licensed master social worker providing behavioral health services under the supervision of an independent social worker, or to a licensed mental health counselor or licensed marital and family therapist who holds a temporary license to practice mental health counseling or marital and family therapy providing behavioral health services under the supervision of a qualified supervisor, as specified in [this section](#), unless the supervising independent social worker or the qualified supervisor, respectively, has entered into a contract or other agreement to provide behavioral health services with the individual or group health maintenance organization or the preferred provider organization or arrangement.

**Sec. 138. NEW SECTION. 514C.33 Services provided by provisionally licensed psychologists.**

1. Notwithstanding [section 514C.6](#), a policy or contract providing for third-party payment or prepayment of health or medical expenses shall include a provision for the payment of necessary behavioral health services provided by a person who holds a provisional license to practice psychology pursuant to [section 154B.6](#), and who practices under the supervision of a supervisor who meets the qualifications determined by the board of psychology by rule.

2. A policy or contract subject to [this section](#) shall not impose a practice or supervision restriction which is inconsistent with or more restrictive than the authority already granted by law, including the authority to provide supervision in person or remotely through electronic means as specified by rule of the board of psychology.

3. The requirements of [this section](#) apply to and supersede any conflicting requirements regarding services provided under a policy or contract which is delivered, issued for delivery, continued, or renewed in this state on or after the effective date of this Act,<sup>8</sup> and apply to and supersede any conflicting requirements regarding services contained in an existing policy or contract on the policy’s or contract’s anniversary or renewal date, whichever is later.

4. For the purposes of [this section](#), third-party payment or prepayment includes an individual or group policy of accident or health insurance or individual or group hospital or health care service contract issued pursuant to [chapter 509, 514, or 514A](#), an individual or group health maintenance organization contract issued and regulated under [chapter 514B](#), or a preferred provider organization contract regulated pursuant to [chapter 514F](#).

<sup>7</sup> According to Act, the phrase “effective date of this division of this Act” probably intended

<sup>8</sup> According to Act, the phrase “effective date of this division of this Act” probably intended

5. Nothing in [this section](#) shall be interpreted to require an individual or group health maintenance organization or a preferred provider organization or arrangement to provide payment or prepayment for services provided by a provisionally licensed psychologist providing behavioral health services under the supervision of a supervisor as specified in [this section](#), unless the supervisor has entered into a contract or other agreement to provide behavioral health services with the individual or group health maintenance organization or the preferred provider organization or arrangement.

Sec. 139. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION XXVIII  
PHARMACY BENEFITS MANAGER — RIGHTS OF COVERED INDIVIDUALS

Sec. 140. NEW SECTION. **510B.10 Rights related to covered individuals.**

1. A pharmacy or pharmacist, as defined in [section 155A.3](#), has the right to provide a covered individual information regarding the amount of the covered individual's cost share for a prescription drug. A pharmacy benefits manager shall not prohibit a pharmacy or pharmacist from discussing any such information or from selling a more affordable alternative to the covered individual, if one is available.

2. A health benefit plan, as defined in [section 514J.102](#), issued or renewed on or after July 1, 2018, that provides coverage for pharmacy benefits shall not require a covered individual to pay a copayment for pharmacy benefits that exceeds the pharmacy's or pharmacist's submitted charges.

3. Any amount paid by a covered individual for a covered prescription drug pursuant to [this section](#) shall be applied toward any deductible imposed by the covered individual's health benefit plan in accordance with the covered individual's health benefit plan coverage documents.

4. To the extent that any provision of [this section](#) is inconsistent or conflicts with applicable federal law, rule, or regulation, such federal law, rule, or regulation shall prevail to the extent necessary to eliminate the inconsistency or conflict.

DIVISION XXIX  
FOSTER CARE AND ADOPTED CHILDREN

Sec. 141. FOSTER CARE AND ADOPTED CHILDREN — ANNUAL MEDICAL VISIT.

1. The department of human services shall adopt rules pursuant to [chapter 17A](#) to require every child receiving foster care to receive an annual visit to a medical professional.

2. The department shall submit a request to the United States department of health and human services to allow the department to adopt rules requiring a child adopted from foster care and whose parents receive an adoption subsidy to receive an annual visit to a medical professional.

*Approved June 1, 2018, with exception noted.*

KIM REYNOLDS, Governor

Dear Mr. Secretary:

I hereby transmit Senate File 2418, an Act relating to appropriations for health and human services and veterans and including other related provisions and appropriations, providing penalties, and including effective date and retroactive and other applicability date provisions.

The above Senate File is hereby approved this date with the following exception of which I disapprove.

I am unable to approve the designated portion of Section 20 of Senate File 2418, inserting a new subsection 22 into 2017 Iowa Acts, Chapter 174, Section 51. This item provides that \$195,000 of the funds appropriated by 2017 Iowa Acts, Chapter 174, Section 51 shall be used by the Department of Human Services (DHS) for a request for proposal relating to a partnership between the University of Iowa Hospitals and Clinics and a durable medical equipment provider. There is nothing in current law that would prevent a durable medical equipment provider from independently responding to a request for proposal and/or providing durable medical equipment products and services in the State of Iowa. The request for proposal process should be applied fairly and competitively to all providers of durable medical equipment and not limited in a way that excludes Iowa's existing providers.

The effect of this specific item veto disapproval of Section 20 of Senate File 2418, inserting a new subsection 22 into 2017 Iowa Acts, Chapter 174, Section 51, shall cause the \$195,000 contained in this item to revert back to the General Fund. None of the \$195,000 contained in this item shall be retained by DHS, nor shall it be diverted for purposes not legislatively specified.

For the above reasons, I respectfully disapprove Senate File 2418 in part only as specified above, in accordance with Article III, Section 16, of the Constitution of the State of Iowa. The remainder of Senate File 2418 not disapproved of as stated herein is approved as of this date.

Sincerely,  
KIM REYNOLDS, *Governor*