



## Fiscal Services Division

### ADMINISTRATIVE RULES – FISCAL IMPACT SUMMARIES

**February 10, 2012**

*Section 17A.4(4) Iowa Code requires the Legislative Services Agency (LSA) to analyze the fiscal impact of all administrative rules with an impact of \$100,000 or more and provide a summary of the impact to the Administrative Rules Review Committee (ARRC). Fiscal Impact Statements filed by State agencies can be found on our website at [http://staffweb.legis.state.ia.us/lfb/docs/Admin\\_Rules/arfiscal\\_notes.htm](http://staffweb.legis.state.ia.us/lfb/docs/Admin_Rules/arfiscal_notes.htm)*

#### Labor Services Division - IWD

**ARC 9963B**

**Rule Summary** Permits employees ages 16 and 17 to drive golf carts during daylight hours in the course of employment, with certain restrictions, to match federal child labor rules.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Kent Ohms (Ext. 52200)

#### Department of Agriculture and Land Stewardship

**ARC 9978B**

**Rule Summary** Creates a thoroughbred promotional fund to make payments to second, third, and fourth place winners at Prairie Meadows. The 6.0% supplement will be withheld by the licensee from the Horse Breeders' Fund for thoroughbreds and will be paid at the end of the race meeting to the Department of Agriculture and Land Stewardship. The money will be deposited in the Iowa Thoroughbred Horse Breeders' Promotion Fund and money will be paid to each Iowa-foaled thoroughbred horse placing second, third, and fourth by December 31 of each calendar year to the breeder of the winning horses.

**Fiscal Impact** There will be no additional money to the Iowa Thoroughbred Horse Breeder's Promotion Fund, just a reallocation of funds. The Department estimates the 6.0% will generate between \$75,000 and \$150,000 per year.

STAFF CONTACT: Adam Broich (Ext. 18223)

#### Insurance Division - Commerce

**ARC 9979B**

**Rule Summary** Provides duties and procedures for external review of adverse determinations of certain health insurance claims. Provides a uniform process for health insurance consumers to request an external review of adverse determinations and final adverse determinations of health carriers. Request forms and other information are included.

Table of Contents			
Agency	Page	Agency	Page
Labor Services Division – IWD	1	Banking Division - Commerce	4
Department of Agriculture & Land Stewardship	1	Board of Medicine	4
Insurance Division - Commerce	1	Department of Public Health	4
Professional Licensure Division - IDPH	2	Board of Regents	5
Department of Revenue	2	Secretary of State	5
Department of Human Services	2	Department of Transportation	5
Accountancy Examining Board	4	Treasurer of State	6

## Administrative Rules – Fiscal Impact Summaries

February 7, 2012

2

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

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### Professional Licensure Division - IDPH

**Rule Summary** Removes outdated language for license renewal from the Board of Physical and Occupational Therapy to be consistent with Iowa Code chapter 147, including removing duplicative requirements for foreign trained applicants and clarifying the requirements for applicants taking the exam after three attempts. Clarifies that conviction of a crime includes when judgment of conviction or sentence was deferred. **ARC 9972B**

**Fiscal Impact** No fiscal impact.

**Rule Summary** Removes the requirement that the Board of Athletic Training send renewal reminders by regular mail. Clarifies that conviction of a crime includes when the judgment of conviction or sentence was deferred, and changes the word felony to crime. **ARC 9967B**

**Fiscal Impact** Minimal fiscal impact.

STAFF CONTACT: Aaron Todd (Ext. 16764)

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### Department of Revenue

**Rule Summary** Establishes a 5.0% interest rate on interest-bearing taxes for the calendar year 2012. Makes changes to the investment tax credit for equity investments in qualifying business or community-based seed capital funds for investments made on or after January 1, 2011, (a) for Iowa individual income tax, (b) for Iowa corporation income tax, and (c) for Iowa franchise tax. Provides for the tax credit for investments in an innovation fund for investments made on or after January 1, 2011, (a) for Iowa individual income tax, (b) for Iowa corporation income tax, and (c) for Iowa franchise tax. **ARC 9966B**

**Fiscal Impact** No fiscal impact. The tax credits for these investments are administered by the Iowa Economic Development Authority and are included in the \$120.0 million cap of tax credits awarded under Iowa Code section 15.119. The Director of Revenue is to determine and publish the interest rate for each calendar year. The interest rate for 2012 is the same as the interest rate for 2010 and 2011.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

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### Department of Human Services

**Rule Summary** Implements the annual adjustments to eligibility and payment levels in the State Supplementary Assistance Program. **ARC 9964B and 9965B**

**Fiscal Impact** This change is estimated to cost the General Fund \$169,000 in FY 2012 and \$319,000 in FY 2013. This annual adjustment is required by federal law. No funding has been provided for this change. Additional cost will be absorbed by the current Medicaid appropriation.

## Administrative Rules – Fiscal Impact Summaries

February 7, 2012

3

		<b>ARC 9956B</b>
<b>Rule Summary</b>	Implements changes to medical assistance eligibility under the Iowa Family Planning Network (IFPN).	
<b>Fiscal Impact</b>	This change is estimated to cost the General Fund \$329,000 in FY 2012 and \$931,000 in FY 2013, with the FY 2013 costs being offset to \$0 due to expected fewer pregnancies and related medical costs by those eligible for the IFPN. The State receives a 90.0% federal match to fund these services. This change was required by HF 2526 (FY 2011 Health and Human Services Appropriations Act) and funding was provided in HF 649 (FY 2012 Health and Human Services Appropriations Act).	
		<b>ARC 9957B</b>
<b>Rule Summary</b>	Sets the procedural requirements for the suspension rather than cancellation of Medicaid eligibility when an elderly or disabled person enters a public nonmedical institution, such as a jail or prison.	
<b>Fiscal Impact</b>	Minimal fiscal impact.	
		<b>ARC 9958B</b>
<b>Rule Summary</b>	Restores the 2.5% rate reduction to Home and Community-Based Services (HCBS) providers that was implemented in December 2009 as a result of Executive Order 19.	
<b>Fiscal Impact</b>	This change is estimated to cost the General Fund \$1.6 million in FY 2012 and \$3.1 million in FY 2013. Funding was provided for this rate increase in HF 649 (FY 2012 Health and Human Services Appropriations Act). In addition, this change is estimated to cost counties \$3.0 million in FY 2012 and \$6.0 million in FY 2013. No funding was specifically provided to the counties to fund this increase.	
		<b>ARC 9959B</b>
<b>Rule Summary</b>	Lowers Medicaid reimbursement for physician services when the services are provided in a health care facility setting instead of the physician's office.	
<b>Fiscal Impact</b>	This change is estimated to save the General Fund \$1.9 million in FY 2012 and \$2.4 million in FY 2013. This change was required as part of a savings package in HF 649 (FY 2012 Health and Human Services Appropriations Act).	
		<b>ARC 9960B</b>
<b>Rule Summary</b>	Reduces or eliminates Medicaid reimbursement for nonemergency services rendered in a hospital emergency room and implements a \$3.00 copayment from the Medicaid member for treatment of a nonemergency medical condition in a hospital emergency room, the same charge as a physician visit.	
<b>Fiscal Impact</b>	This change is estimated to save the General Fund \$2.9 million in FY 2012 and \$3.6 million in FY 2013. This change was required as part of a savings package in HF 649 (FY 2012 Health and Human Services Appropriations Act).	
		<b>ARC 9961B</b>
<b>Rule Summary</b>	Clarifies the conditions when the Department of Human Services may decline to release the location of a foster child to the child's parents. The amendment requires evidence of a direct or indirect threat to harm the foster child or the foster family, or credible third-party information of a threat of harm to the foster child or the foster family. Evidence is to be documented in the child's case permanency plan. Any decision to not disclose the location of the foster child is to be reviewed at least every six months.	

## Administrative Rules – Fiscal Impact Summaries

February 7, 2012

4

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**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Jess Benson (Ext. 14611) Aaron Todd (Ext. 16764)

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### Accountancy Examining Board

**Rule Summary** Amends definitions of attest and attest service to match Iowa Code chapter 542, dealing with public accountants. Rescinds titles and subrules that are no longer applicable. **ARC 9980B**

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

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### Banking Division - Commerce

**Rule Summary** Rescinds rules that are no longer necessary because of statutory changes. Iowa Code chapter 533B, dealing with the sale of certain instruments for payment of money, was repealed in October 2003. The corresponding administrative rule requiring a surety bond is being rescinded. The administrative rule permitting the examination of a bank to be performed by the Federal Deposit Insurance Corporation is no longer necessary since Iowa Code section 524.217(1) now contains language specifically permitting appropriate federal banking agencies to perform an examination in lieu of it being done by the Banking Division. **ARC 9953B**

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

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### Board of Medicine

**Rule Summary** Requires the Board of Medicine's hearing panels to have six members and allows parties in contested cases before the Board to present the testimony of witnesses by affidavit, by written or video deposition, in person, by telephone, or by video conference. **ARC 9952B**

**Fiscal Impact** Minimal fiscal impact.

STAFF CONTACT: Aaron Todd (Ext. 16764)

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### Department of Public Health

**Rule Summary** Eliminates references to the State Medical Decision-Making Board pursuant to 2010 legislation that eliminated the Board. Refers appeals that would have gone to the State Medical Decision-Making Board to the Department of Public Health. **ARC 9976B**

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Aaron Todd (Ext. 16764)

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**Board of Regents**

**ARC 9962B**

**Rule Summary** Clarifies rules to reflect the current scope of services provided by the State Hygienic Laboratory and to clarify who may submit specimens and the process of waiving and deferring fees. Updates rules for the University of Iowa to reflect the current administrative organization of the university and updates references and links to current practices and procedures. Updates rules for the University of Northern Iowa to reflect the current mission and administrative structure. Updates rules for the Iowa School for the Deaf to reflect the current mission, administrative structure, and processes.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Robin Madison (Ext. 15270)

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**Secretary of State**

**ARC 9971B**

**Rule Summary** Codifies in rules the fees that have been collected in the past as permitted by Iowa Code sections 489.117(4) and 490.1622(3) for biennial reports filed with the Secretary of State as required by Iowa Code sections 489.209 and 490.1622. The adopted rules extend the rules to limited partnerships reports filed as required by Iowa Code section 488.210 and the fee permitted by Iowa Code section 488.210(5).

**Fiscal Impact** No fiscal impact.

**ARC 9970B**

**Rule Summary** Specifies actions related to applications and filing requirements for corporations by adding a new subsection that requires a registered agent to provide an email address if filing online to receive notices and other communication. The adopted rules clarify that email addresses will be classified as private information and collected for the purpose of providing official correspondence from the Secretary of State's office.

**Fiscal Impact** No fiscal impact.

**ARC 9969B**

**Rule Summary** Adds a subsection pertaining to the revocation of a notary appointment pursuant to the requirements set forth in the Iowa Administrative Procedure Act. The adopted rules change the term license to the term appointment.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Ron Robinson (Ext. 16256)

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**Department of Transportation**

**ARC 9968B**

**Rule Summary** Extends the deadline to submit applications for Traffic Safety Improvement funding from June 15 to August 15. The number of applicants applying for Traffic Safety Improvement funding has decreased and an extended deadline will create a greater opportunity for additional applicants to apply to receive assistance.

**Fiscal Impact** No fiscal impact.

## Administrative Rules – Fiscal Impact Summaries

February 7, 2012

6

### ARC 9973B

**Rule Summary** Updates the current Code of Federal Regulations to the latest edition of the October 2011 Code of Federal Regulations containing the Federal Motor Carrier Safety Regulations and the Federal Hazardous Materials Regulations.

**Fiscal Impact** No fiscal impact.

### ARC 9955B and ARC 9954B

**Rule Summary** Makes various changes to allow the Iowa DOT to begin compliance with federal rules when issuing to first-time applicants of a commercial driver's license (CDL), or drivers that upgrade or transfer a CDL. Applicants must certify to the type of driving they engage in or expect to engage in. Drivers that certify to nonexcepted interstate commerce must provide a copy of a valid medical examiner's certificate. All other CDL holders must comply by January 30, 2014. The DOT must adhere to mandatory recordkeeping requirements. A noncompliant driver's commercial privilege must be downgraded to a noncommercial status. States that fail to comply face withholding of federal-aid highway funds.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Estelle Montgomery (Ext. 52261)

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### Treasurer of State

### ARC 9974B

**Rule Summary** Rescinds Iowa Administrative Code section 781.5. That section was repealed during the 1999 Legislative Session by HF 375 (Open-End Credit and Credit Card Disclosures – Reports Eliminated Act). Rescinds Iowa Administrative Code section 781.20. Those sections provide for the Fairgrounds Infrastructure Grant Program and were repealed during the 2009 Legislative Session by HF 822 (Infrastructure Appropriations Act).

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Ron Robinson (Ext. 16256)

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