



Fiscal Services Division

ADMINISTRATIVE RULES – FISCAL IMPACT SUMMARIES

May 16, 2013

Iowa Code section 17A.4(4) 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

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*Agencies with a blue border have one or more rules with a fiscal impact of \$100,000 per year or more.

Dental Board

ARC 0722C

Rule Summary Allows a dentist to delegate duties to a licensed dental hygienist if the dental hygienist has completed board-approved training in the specific expanded function that is delegated.

Fiscal Impact No fiscal impact.

ARC 0724C

Rule Summary Removes the application fee and reduces the information requirements to apply for a temporary volunteer services permit. The Intent is to help recruit out-of-state dentists to participate in the annual Iowa Mission of Mercy event that provides free dental services to low-income Iowans. In 2012, volunteer dentists and dental hygienists at this event provided dental treatment at no cost to more than 1,389 low-income Iowans with an estimated value of more than \$923,000.

Fiscal Impact The Board will receive approximately \$625 less by rescinding the application fee for a temporary volunteer permit. The Board does not receive funds from the General Fund. It is funded by retained fees pursuant to Iowa Code section 147.82.

ARC 0723C

Rule Summary Modifies requirements for training in expanded functions if an applicant is from a state that does not require dental assistants to be registered. Registration is not required in all states and currently the Board requires Dental Assistance National Board certification or a minimum of two years of clinical experience as a registered dental assistant. Dental assistants, with more than two years of clinical experience, but not registered in another state must either wait two years after becoming registered in Iowa or another state, or submit a rule waiver for approval to start expanded functions training sooner. The proposed amendment will permit an applicant with at least two years dental assisting experience in a state where registration is not required to be eligible for expanded functions training.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Estelle Montgomery (Ext. 16764)

Economic Development Authority

Rule Summary Amends the Brownfield and Grayfield Redevelopment Tax Credit Program rules to prevent benefits being awarded twice for the same project, and indicating that such projects are not eligible to receive benefits a second time. **ARC 0686C**

Fiscal Impact No fiscal impact.

STAFF CONTACT: Kenneth Ohms (515-725-2200)

Educational Examiners Board

Rule Summary Authorizes and defines requirements for applicants from out-of-state teacher preparation programs that have attained National Board Certification to obtain an Iowa teaching license with the equivalent endorsement. **ARC 0706C**

Fiscal Impact No fiscal impact.

Rule Summary Allows international teachers to complete the requirements of the teacher intern course requirements while teaching in an international school. **ARC 0698C**

Fiscal Impact No fiscal impact.

Rule Summary Creates a Military Exchange License to facilitate military spouses and recent military veterans teaching in the state of Iowa. Military spouses that are graduates of traditional teacher preparation programs may teach for three years if they obtain the proposed Military Exchange License. Recent veterans and their spouses that are graduates of traditional teacher preparation programs will receive a one-year regional exchange license. Military spouses, recent veterans, and their spouses that are graduates of nontraditional teacher preparation programs may receive substitute licenses and the initial review for the portfolio process will be completed. A fee for anyone applying under this rule is \$85. **ARC 0705C**

Fiscal Impact Minimal State fiscal impact. The number of individuals that will apply under this provision is not known. The Board of Educational Examiners keeps 75.0% of the fee revenue and deposits 25.0% in the General Fund.

Rule Summary Requires concussion training as an element in obtaining and renewing a coaching authorization. Also requires concussion training as a requirement to add the coaching endorsement to a teaching license. **ARC 0696C**

Fiscal Impact No fiscal impact.

Rule Summary Creates a Content Specialist Endorsement to allow an applicant to obtain an endorsement for a specific content area if the applicant has completed coursework, professional development, and professional experience in that area. This is in **ARC 0700C**

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response to current education reform proposals that recommend creating instructional coaches and master teachers of content.

Fiscal Impact No fiscal impact.

ARC 0703C

Rule Summary Combines content and competencies under one section for Class B licenses.

Fiscal Impact No fiscal impact.

ARC 0701C

Rule Summary Creates a Class E license (extension license for one year) for expired Class A, Class B, and Administrator Exchange licenses upon application and submission of all required materials. This license was not included in the administrator licensing rules when the teacher and administrator rules were separated into different chapters.

Fiscal Impact No fiscal impact.

ARC 0702C

Rule Summary Requires evaluator training certification as a condition of issuing or renewing an administrator's license. This change is intended to align to Iowa Code section 284.10 (4).

Fiscal Impact No fiscal impact.

ARC 0704C

Rule Summary Requires renewal credits to be earned during the term of the license instead of one credit per year of the license term for School Business Official authorization renewals.

Fiscal Impact No fiscal impact.

STAFF CONTACT: John Parker (Ext. 52249)

Department of Education

ARC 0687C

Rule Summary Implements a phase-out of the Associate of Science Career Option programs at the community colleges over a three-year period. Establishes an Associate of Professional Studies program pilot. Participation by a community college in the pilot must be approved by the Director of the Department of Education. The college must demonstrate that the Associate of Professional Studies programs will meet an unmet need. The purpose of the five-year pilot is for the Department to study the effectiveness of the new programs with regard to transfer and employment success and make recommendations to the State Board of Education regarding continuation of the programs.

Fiscal Impact No fiscal impact.

ARC 0688C

Rule Summary Updates policies concerning Iowa High School Equivalency Diplomas. The current rule requires applicants to satisfactorily complete a specific test to qualify for the diploma. While the current vendor of what is commonly known as the "GED" will qualify to bid on this service, it also opens up the process to other vendors that are now providing such services in other states. In addition, student test scores will now be valid for five years to gain a diploma. Establishes age requirements for taking the

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test. Changes applicant costs from a set dollar figure to an amount designed to cover actual test costs. This prevents multiple changes in the rules to cover cost changes as they occur over time.

Fiscal Impact No fiscal impact.

Rule Summary Requires one-time consent and written notification for schools to access Medicaid or other public insurance benefits and annual notification thereafter. The changes are required to conform to federal rulemaking. **ARC 0693C**

Fiscal Impact No fiscal impact.

Rule Summary Establishes guidelines and standards for School Administration Manager Programs in Iowa. Defines the term School Administration Manager (SAM) and describes the proper training model. Provides details for establishing SAM training programs. Outlines the knowledge, standards, and skills necessary for individuals receiving SAM training. Grants the Department the authority to set and collect fees covering the costs of the SAM program. **ARC 0694C**

Fiscal Impact No State fiscal impact is anticipated if current Department staff is sufficient to monitor the SAM program. It is unknown if the Department will require additional staff to monitor the SAM Program until it is fully implemented.

STAFF CONTACT: Robin Madison (Ext. 15270) and John Parker (Ext. 52249)

Insurance Division

Rule Summary Brings current rules into conformity with the North American Securities Administrators Association (NASAA) model rules. Highlights of the changes include: **ARC 0716C**

- Eliminating the billing of salary costs as part of an audit fee and updating the deposit to use the Commerce Revolving Fund.
- Providing for automatic acceptance of Financial Industry Regulatory Authority (FINRA) exams.
- Requiring filing of the Uniform Application for Investment Adviser Registration (Form ADV) Part 2 electronically with Investment Advisory Registration Depository (IARD) instead of on paper with the administrator.
- Updating investment adviser prohibited conduct by adding recent NASAA model changes.
- Updating investment adviser recordkeeping requirements and investment adviser financial reporting requirements.
- Adopting the state model for denial, suspension, or revocation of agent or investment adviser representative registration for failure to pay state debt.
- Designating certain nationally recognized securities manuals for identifying exempt transactions.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

Labor Services Division

ARC 0726C

Rule Summary Adopts by reference Occupational Safety and Health Administration standards for general industry and construction.

Fiscal Impact No fiscal impact.

ARC 0685C

Rule Summary Removes the requirement that if 50.0% of an elevator's components are altered, the entire elevator must be brought into compliance with current codes. The fees are adjusted to match the new elevator installation fee of \$500. Makes conforming changes.

Fiscal Impact Minimal fiscal impact. Based on historic alteration permit issuances, the Elevator Revolving Fund could see increased revenue of \$30,000 to \$40,000.

STAFF CONTACT: Kenneth Ohms (515-725-2200)

Board of Medicine

ARC 0697C

Rule Summary Provides an exemption to the permanent licensure renewal fee and the continuing education requirements for physicians on full-time active duty in the U.S. Armed Forces, Reserves, or National Guard.

Fiscal Impact No fiscal impact.

ARC 0692C

Rule Summary Amends the grounds for discipline for physicians that supervise physician assistants.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Estelle Montgomery (Ext. 16764)

Natural Resource Commission

ARC 0720C

Rule Summary Makes changes to the number of wildlife refuge areas or sanctuaries:

- Adds one new waterfowl wildlife refuge in Cerro Gordo County known as Union Hills.
- Removes Three Mile Lake in Union County and Lake Sugema in Van Buren County. Although these areas are no longer wildlife refuges, they remain public lands that are open for public hunting.

Fiscal Impact No fiscal impact. The Department of Natural Resources (DNR) does not anticipate additional costs for the new waterfowl refuge as the area is owned and managed by the DNR. The two refuges being removed will remain under the management of the DNR and all areas are currently, and will continue to be, monitored by Conservation Officers.

ARC 0721C

Rule Summary Implements regulations for hunting waterfowl and coot, and includes season dates, bag limits, possession limits, shooting hours, and areas open to hunting. Changes include:

- Changes season dates to comply with federal regulations.

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- Ensures all seasons are open on weekends.
- Removes the bag limit on light geese.

Fiscal Impact No fiscal impact.

ARC 0719C

Rule Summary Changes hunting regulations for crows and pigeons by allowing the hunting of pigeons year round.

Fiscal Impact No fiscal impact. The DNR does not anticipate a large increase in licenses sold due to the rule change.

ARC 0717C

Rule Summary Implements regulations for the resident deer hunting season including; season dates, bag limits, possession limits, shooting hours, areas open to hunting, licensing procedures, means and methods of take, and transportation and reporting requirements.

Reduces the antlerless deer quota numbers in six counties in the Nishnabotna Wildlife Unit that includes:

- Cass County – from 1,300 to 550
- Fremont County – 1,500 to 600
- Mills County – from 1,350 to 950
- Montgomery County – from 1,300 to 1,050
- Page County – from 1,800 to 950
- Pottawattamie County – from 2,100 to 1,300

The quota reduction is designed to stabilize deer numbers in counties where the deer population has been reduced to levels set by the Deer Study Advisory Group in 2009.

Fiscal Impact The DNR estimates the fiscal impact to be less than \$100,000 due to the quota reduction. Although the proposed reduction is a total of 3,950 licenses, only 730 of these licenses were sold in 2012. This will result in a reduction of less than \$20,000 in fees to the Fish and Game Protection Fund.

ARC 0718C

Rule Summary Implements regulations for hunting and trapping furbearers including; season dates, bag limits, possession limits, and areas open to hunting. Other changes include:

- Adds six counties to the open area for bobcats.
- Removes statewide quotas for bobcats and river otters.
- Allows the season to run concurrently with the other furbearer seasons.
- Eliminates the 24-hour reporting requirement but still requires that a Convention on the International Trade of Endangered Species (CITES) tag be obtained for each bobcat and river otter.
- Reduces the number of river otters that can be taken from three to two to prevent too many river otters being taken in any one area.

Fiscal Impact The DNR anticipates an increase in trapping, but cannot predict how many additional licenses will be sold. If the DNR sells an additional 1,000 licenses, there will be an increase of \$23,000 to the Fish and Game Protection Fund.

STAFF CONTACT: Deb Kozel (Ext. 16767)

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Secretary of State

- ARC 0729C**
- Rule Summary** Conforms to the current practice of assessing a \$10 fee to accept a notice of action involving nonresident small claims actions.
- Fiscal Impact** No fiscal impact. An undetermined amount is deposited in the General Fund annually under the current practice.
- ARC 0695C**
- Rule Summary** Provides standards for county commissioners of election to follow when using the two newly certified voting systems by the Iowa Board of Voting Equipment Examiners.
- Fiscal Impact** No fiscal impact.
- ARC 0728C**
- Rule Summary** Rescinds rules pertaining to the collection of postsecondary school registration fees as the Secretary of State no longer has statutory authority to collect those fees. The obligation was repealed during the 2009 Legislative Session with the enactment of SF 270 (Registration of Postsecondary Schools Act).
- Fiscal Impact** No fiscal impact.
- ARC 0730C**
- Rule Summary** Conforms to the current practice of the Secretary of State requiring email addresses of registered agents for any business organizations that file electronically with the Secretary of State. The addresses are not a public record.
- Fiscal Impact** No fiscal impact.
- ARC 0731C**
- Rule Summary** Conforms to the current practice of assessing a fee of \$500 for athlete agent registrations and renewals. The fee is authorized by Iowa Code section 9A.109.
- Fiscal Impact** No fiscal impact. The Secretary collects approximately \$5,500 annually and the fees are deposited in the General Fund.
- ARC 0727C**
- Rule Summary** Implements updated rules on notarial acts and officers to conform with SF 2265 (Notarial Acts Act) as passed during the 2012 Legislative Session.
- Fiscal Impact** No fiscal impact.

STAFF CONTACT: Ron Robinson (Ext. 16256)

Department of Human Services

- ARC 0691C**
- Rule Summary** Makes the following changes:
- Decreases the statewide average cost of nursing facility services to a private-pay person. The figure is being revised to reflect the decrease in the cost of private pay rates for nursing facility care in Iowa. The change is not related to rates paid by Medicaid for nursing facility care. The figure is used to determine a period of ineligibility when an applicant or recipient transfers assets for less than fair market value. When assets are transferred to attain or maintain Medicaid eligibility, the individual is ineligible for Medicaid payment of long-term care

services. The period of ineligibility is determined by dividing the amount transferred by the statewide average cost of nursing facility services to a private-pay person.

- Updates the average private-pay charges for nursing facility care used to determine the disposition of the income of a Medical Assistance Income Trust (MAIT). These amounts are not related to the rates paid by Medicaid for nursing facility care. For this purpose, the Department's survey for statewide average private-pay charges at nursing facility level of care included only the free standing nursing facilities in Iowa. Hospital-based skilled facilities and special population units were not included in the survey, since recipients are allowed to use the average cost of the specialized care. This change may result in fewer individuals for Medicaid with Miller trusts. However, very few, if any, individuals in nursing facilities will have monthly income between the old and new amounts.

Fiscal Impact

Minimal fiscal impact. Decreasing the statewide average cost used to determine a period of ineligibility for long-term care services due to a transfer of assets will increase the period of ineligibility. Decreasing the statewide average charges used to determine the disposition of income from a medical assistance income trust may mean that fewer individuals will be able to create trusts to establish Medicaid eligibility. These changes are marginal in nature and are not expected to significantly impact the number of Medicaid members receiving long-term care services.

ARC 0690C

Rule Summary

Makes the following changes:

- Updates average charges for Psychiatric Medical Institutes for Children (PMICs) and Mental Health Institutes (MHIs) and the maximum Medicaid rate for Intermediate Care Facilities for individuals with Intellectual Disabilities (ICF/ID), that are used to determine the disposition of the income of a medical assistance income trust (MAIT).
- The average charges for PMICs and MHIs are based on Medicaid rates because Medicaid is the primary payer of these services. The Iowa Department of Human Services provided the maximum charge for care in an ICF/ID.
 - The average charge for care in a PMIC increased from \$5,472 per month to \$6,111 per month.
 - The average charge for care in an MHI increased from \$18,546 per month to \$19,590 per month.
 - The maximum Medicaid rate for ICF/ID increased from \$23,801 per month to \$25,922 per month.
- The increases in these amounts will allow a few additional individuals to qualify for medical assistance with MAITs because it increases the income limit that all income assigned to a MAIT is considered to be available for Medicaid eligibility purposes.
- The average charge rate for care in a nursing facility is not addressed here because the average charge decreased. The decrease in these charges does not confer a benefit to recipients. Therefore, the implementation period cannot be waived and that change will be made by separate rule making.

Fiscal Impact

Minimal fiscal impact. There are very few individuals with a MAIT so these changes will likely impact very few individuals. The exact number is unknown.

ARC 0709C

Rule Summary

Makes the following changes:

- Converts billing codes used to bill waiver services to the Iowa Medicaid Enterprise from atypical state created codes to nationally recognized codes.

- Makes changes and clarifications related to the standardization of service definitions for the waivers.
- Removes the exclusion of case management and targeted case management under general service standards for each waiver.

Fiscal Impact Minimal fiscal impact. This process was done in conjunction with the ICD-10/5010 project and added very few additional costs.

ARC 0707C

Rule Summary Makes changes to reflect the conversion of billing codes for waiver services used by the Iowa Medicaid Enterprise to conform to nationally recognized codes. The other changes are related to the standardization of service definitions amongst the waivers themselves.

Fiscal Impact Minimal fiscal impact.

ARC 0708C

Rule Summary Changes the unit time and rate definition for a portion of the Home and Community Based (HCBS) waiver services. Future rules will be submitted for a later effective date covering the remainder of the HCBS waiver services.

- Aligns reimbursements with new billing code definitions.
- Increases rates to meet minimum wage guidelines for senior companion from \$6.59 to \$7.25 per hour.
- These rules are a companion to the rules package revising Chapter 78 waiver services descriptions.

Fiscal Impact Minimal fiscal impact. The action of raising the rates will have an effect on the cost of the individual services, but since the waiver maximums are not increased, the overall effect should be minimal.

ARC 0710C

Rule Summary Changes the second portion of unit time and rate definition changes for HCBS waiver and habilitation services. An earlier package was submitted for the first portion of the HCBS services. Changes include:

- Changes needed to align reimbursement with new billing code definitions caused by atypical conversion. Old unit rates were mathematically adjusted to match the new unit rate (an hourly rate was divided by 4 to create a 15-minute rate, etc.).
- Increases the rate to equalize a service rate across programs for pre-vocational habilitation from \$9.91 to \$13.47 per hour.
- Changes respite basis of reimbursement from a retrospectively limited prospective rate to a fee schedule.
- This rules package is a companion to the rules package revising Chapter 78 waiver services descriptions.

Fiscal Impact Minimal fiscal impact. The action of raising the rates will have an effect on the cost of the individual services, but since the waiver maximums are not increased, the overall effect should be minimal.

ARC 0713C

Rule Summary Increased payments to primary care specialty physicians as required by the federal Health Care and Education Reconciliation Act of 2010 (HCERA). In particular, HCERA identifies the following specialty designations: family medicine, general internal medicine, and pediatric medicine. The payment requirement specifies that reimbursement must be at a rate not less than 100.0% of the payment under Part B of Medicare and also specifies the types of services that fall under this requirement. The law also requires that these same changes also be made for Medicaid-managed care plans. Increased payments are only to be in effect for calendar years 2013 and 2014.

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- Fiscal Impact** Minimal fiscal impact. The Affordable Care Act provides for 100.0% federal financial participation (FFP) for the difference between the July 1, 2009, Medicaid state plan rates and the appropriate 2013 and 2014 Medicare rates. **ARC 0711C**
- Rule Summary** Clarifies existing rules related to the Department's remedy when the Medical Assistance provider will not or cannot provide records to support services billed to the Medical Assistance Program.
- Fiscal Impact** Minimal fiscal impact. This change may generate savings by allowing the Department to recover Medicaid payments when a provider will not or cannot provide records to support services billed to the Medical Assistance Program. In addition, it may slightly decrease the workload of the DHS personnel by streamlining the review or audit process to avoid time-consuming re-reviews of records not provided until the contested case process begins. The amount of savings is not known, but is expected to be less than \$100,000 annually. **ARC 0712C**
- Rule Summary** Adds and revises language to clarify the Department's rules regarding reviews and audits in the Medical Assistance Program.
- Fiscal Impact** Minimal fiscal impact. The rule clarifies when the Department can allow providers additional time to provide requested medical records during an audit and ensures consistency with federal law. This change may generate savings by reducing appeals and time spent by the DHS personnel in administrative hearings conducting re-reviews. **ARC 0714C**
- Rule Summary** Allows nursing facilities to collect additional payment above the Medicaid payment from residents and families that desire a private room.
- Fiscal Impact** No fiscal impact.

- Rule Summary** Implements the Legislative directive to conduct national criminal history checks on all registered child development homes and child care homes receiving Child Care Assistance payments, starting July 1, 2013. **ARC 0715C**
- Fiscal Impact** An average of 15,000 fingerprint record checks will be conducted annually, based on the current number of State record checks conducted on home providers. The cost of an FBI record check is \$30.25 each (not including the cost of obtaining the fingerprint). Individuals subjected to a federal fingerprint record check will be responsible for any costs associated with obtaining the fingerprint. It is assumed \$435,000 from the Child Care Facility Fund will be used to offset costs in FY 2014. It is assumed that up to \$71,000 per year will be available to cover the State share of the cost for new Field Operations staff from child care licensing fees collected. It is assumed 15 minutes of processing time for each fingerprint card will be needed. Two new FTE positions will be required. The total fiscal impact for FY 2014 is an additional cost of \$435,000 to the Child Care Facility Fund and \$116,428 to the General Fund.

STAFF CONTACT: Jess Benson (Ext. 14611) Estelle Montgomery (Ext. 16764)

Engineering and Land Surveying Examining Board

ARC 0684C

Rule Summary Updates definitions to accommodate the computer-based engineering and land surveying examinations. This is identical to the original rule published on December 12, 2012, as ARC 0530C.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

Professional Licensure Division

ARC 0725C

Rule Summary Terminates ARC 0437C for further consideration. The proposed amendment established rules for a cosmetology school to teach a single course curriculum. It established the prescribed minimum physical and equipment requirements and reduced the number of instructors required on site if the school is offering only clinic services or theory instruction to fewer than 15 students. All other changes were technical in nature.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Estelle Montgomery (Ext. 16764)

Soil Conservation Division

ARC 0689C

Rule Summary Implements changes in HF 458 (Conservation Cost Share Revolving Loan Fund Act) related to the Conservation Practices Revolving Loan Fund. Changes include:

- Increases the maximum loan amount from \$10,000 to \$20,000.
- Allows landowners to borrow funds from the Conservation Practices Revolving Loan Fund for conservation practices that are also being funded with Conservation Cost Share funds.

The rule changes were made to encourage landowners to borrow funds from the Conservation Cost Share Revolving Loan Fund. The FY 2012 carryforward balance was \$919,000. House File 458 was approved by the General Assembly on March 12, 2013, and signed by the Governor on March 28, 2013.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Deb Kozel (Ext. 16767)
