



## Fiscal Services Division

### ADMINISTRATIVE RULES – FISCAL IMPACT SUMMARIES

**August 6, 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 may be viewed on the LSA 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)*

Table of Contents			
Agency	Page	Agency	Page
Environmental Protection Commission	1	Department of Human Services	7
Natural Resources Commission	1	Real Estate Appraiser Examining Board	13
Department of Veterans Affairs	3	Medicine Board	13
Auditor of State	3	Department on Aging	13
Educational Examiners Board	3	Inspections and Appeals Department	14
Iowa Finance Authority	5	Insurance Division	14
Pharmacy Board	6	Labor Services Division	14
Regents Board	6	Nursing Board	14
Workers' Compensation Division	6	Professional Licensing Division	14

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

#### Environmental Protection Commission

**ARC 0836C**

- Rule Summary**      Changes rules related to leak detection requirements for pressurized piping used at underground storage tank (UST) facilities that operate without on-site personnel. Changes include:
- Allows current in-line leak detection methods for use by a UST facility when unattended, with additional requirements to ensure that detected releases are addressed.
  - Specifies there is an immediate shut-down of the submersible pump when a release is detected.
  - Restricts the flow of product when a leak is detected.
  - Triggers an audible or visual alarm when a leak is detected.
  - Specifies implementation requirements for a leak or restricted flow of product including:
    - Conducting on-site visits to confirm the status of leak detection equipment.
    - Immediate electronic notification to facility operators.
    - Providing signage with an emergency phone number to contact operators when there is an alarm or restricted flow situation.

**Fiscal Impact**      No fiscal impact. The Department of Natural Resources met with stakeholders to develop this rule. None of the participating stakeholders had any objections to the rule change.

STAFF CONTACT: Deb Kozel (Ext. 16767)

#### Natural Resource Commission

**ARC 0828C**

- Rule Summary**      Changes the number of wildlife refuge areas or sanctuaries:
- Adds one new waterfowl wildlife refuge in Cerro Gordo County known as Union Hills.

## Administrative Rules – Fiscal Impact Summaries

August 13, 2013

2

- 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 0829C**

**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 0830C**

**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 – from 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 and 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 0831C**

**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.
- Clarifies that otters and bobcats taken outside of the closed season or in excess of the seasonal bag must be turned over to the DNR without penalty.

**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.

# Administrative Rules – Fiscal Impact Summaries

August 13, 2013

3

## Iowa Department of Veterans Affairs

**ARC 0800C**

**Rule Summary** Updates rules based on legislation enacted in 2013 (HF 545 – Veterans Trust Fund Allowable Purposes Act and HF 613 – War Orphans Educational Assistance Fund Act) that makes technical changes, clarifies the Veterans Trust Fund process, and describes eligibility procedures.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

## Auditor of State

**ARC 0849C**

**Rule Summary** Implements HF 2455 (Audits or Examinations of City Finances Act) as passed during the 2012 Legislative Session. The Act requires cities with a population of less than 2,000 people and budgeted gross expenditures of \$1.0 million or more in two consecutive fiscal years to submit to an examination conducted by the Auditor of State or a certified public accountant chosen by the city during the second budgeted fiscal year. The rule establishes annual fees based on the budgeted expenditures for the city, and ranges from \$100 for a budget less than \$50,000 and \$1,200 for a city with a budget of \$600,000 or more. Each city is to be audited at least once during an eight-year period at a time to be determined by the Auditor. The Auditor also establishes by rule, as permitted by HF 2455 that cities with populations of less than 2,000 and annual budgets less than \$1.0 million are subject to the fee and periodic examinations unless the city pays for their own audit or examination.

**Fiscal Impact** There is no impact to the State General Fund. The new fee will increase fees to cities by an estimated \$365,000 to \$382,000. House File 2455 caps the fee revenue at \$375,000 and the fiscal note estimated that \$375,000 annually will be deposited in and expended from a segregated account in the Office of the Auditor of State. The Act requires any fees collected in excess of \$375,000 to be used to provide municipal financial management training to city officials.

STAFF CONTACT: Ron Robinson (Ext. 16256)

## Educational Examiners Board

**ARC 0853C**

**Rule Summary** Allows the executive director of the Board of Educational Examiners to file an ethics complaint when a licensee fails to comply with a Board order. Adds the word “creed” to the list of items prohibited in the definition of discrimination for determination of an ethics complaint against a licensee. The purpose of this addition is to mirror the list of protected classes in Iowa Code section 216.9, the section of the Iowa Civil Rights Act concerning education. Adds failure to comply with a Board order as a basis for licensee discipline. This will address situations where a licensee received a deferred suspension but failed to satisfy the required conditions. Creates an independent basis for discipline, so the failure to comply with a Board order could lead to an ethics complaint and a contested case proceeding.

**Fiscal Impact** No fiscal impact.

**ARC 0880C**

**Rule Summary** Removes the requirement for out-of-state applicants for licensure in Iowa to provide a current license from another state. Out-of-state applicants for licensure may provide an expired license.

**Fiscal Impact** No fiscal impact.

---

	<b>ARC 0867C</b>
<b>Rule Summary</b>	Authorizes and defines the 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.
<b>Fiscal Impact</b>	No fiscal impact.
	<b>ARC 0865C</b>
<b>Rule Summary</b>	Allows the teacher intern license, coaching authorization, substitute authorization, and driver instructor authorization to expire at the end of the holder's birth month. This aligns with teaching licenses that expire at the end of the birth month.
<b>Fiscal Impact</b>	No fiscal impact.
	<b>ARC 0868C</b>
<b>Rule Summary</b>	Makes it easier for military spouses and recent military veterans and their spouses to teach 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. The fee for anyone applying under this rule is \$85.00.  There are two changes to the language published under Notice of Intended Action. The changes were recommended by Board of Educational Examiner staff to clarify the requirements under this rule. In 13.17(4)"b," the phrase "an eligible applicant" was changed to "an applicant who meets the requirements of 282—13.17(4)"a" (1) and (2). In 13.17(4)"c", the phrase "An applicant who is not currently eligible for a teaching license" was changed to "If the applicant has completed a nontraditional teacher preparation program but it not eligible for a teaching license, the applicant.....".
<b>Fiscal Impact</b>	Minimal fiscal impact is anticipated. 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% into the General Fund.
	<b>ARC 0879C</b>
<b>Rule Summary</b>	Corrects the recently amended rule <u>282 – 13.28(17)</u> , the "all science" endorsement. In the previous rule-making documents, the endorsement was mistakenly titled "All science 9 – 12". It should be titled and changed to "All science 5 – 12."
<b>Fiscal Impact</b>	No fiscal impact.
	<b>ARC 0866C</b>
<b>Rule Summary</b>	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.
<b>Fiscal Impact</b>	No fiscal impact.
	<b>ARC 0875C</b>
<b>Rule Summary</b>	Creates a Content Specialist Endorsement to allow an applicant to obtain an endorsement in a specific content area in which the applicant has completed coursework, professional development, and professional experience. This is in

## Administrative Rules – Fiscal Impact Summaries

August 13, 2013

5

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

**Fiscal Impact** No fiscal impact.

**ARC 0872C**

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

**Fiscal Impact** No fiscal impact.

**ARC 0874C**

**Rule Summary** Allows a Class E license (extension license for one year) for expired Class A, Class B, and Administrator Exchange license 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 0873C**

**Rule Summary** Requires evaluator training certification as a condition of issuing or renewing an administrator's license. This rule complies with Iowa Code section 284.10(4).

**Fiscal Impact** No fiscal impact.

**ARC 0878C**

**Rule Summary** Creates more precise guidelines for districts regarding the length of time a licensee with a substitute authorization may serve in one classroom.

**Fiscal Impact** No fiscal impact.

**ARC 0869C**

**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.

**ARC 0877C**

**Rule Summary** Requires anyone performing the duties of a School Administration Manager (SAM) to hold the proper authorization from the Board of Educational Examiners. Accompanies rule 281-82, Standards for School Administration Manager Programs, adopted by the Department of Education.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: John Parker (Ext. 52249)

---

### Iowa Finance Authority

**ARC 0826C**

**Rule Summary** Permits the Title Guaranty (TG) Division Director to delegate the inspection of title plants to a person or entity other than the Division staff. Clarifies requirements that apply when an applicant for a title plant seeks to do business under a different name.

**Fiscal Impact** No fiscal impact to the General Fund. The fiscal impact to the TG Division is dependent on the rate charged by the person or entity selected for inspections and the number of inspections that take place per year. These costs could be

## Administrative Rules – Fiscal Impact Summaries

August 13, 2013

6

approximately \$25,000 and will be paid by the TG Division or the TG Division will need to have staff conduct the inspections.

**ARC 0827C**

**Rule Summary** Eliminates the option that allowed recipients of the Military Homeownership Assistance Program to receive the assistance in conjunction with a conventional loan that was lower cost than the loan products offered by IFA. Makes technical corrections.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Kent Ohms (725-2200)

---

### Pharmacy Board

**ARC 0884C**

**Rule Summary** Allows the transfer of a license issued by a state or U.S. territory with which Iowa has a reciprocal agreement to be used to practice pharmacy in Iowa. Requires that the license upon which a transfer is based must be in good standing at the time of the application for license transfer and at the time the license transfer is finalized.

**Fiscal Impact** No fiscal impact.

**ARC 0883C**

**Rule Summary** Establishes guidelines, training, and continuing education requirements for pharmacists engaged in the administration of vaccines and immunizations, identifies the vaccines and immunizations that a qualified pharmacist may administer, and requires compliance with the United States Centers for Disease Control and Prevention (CDC) protocol for the administration of vaccines and immunizations.

**Fiscal Impact** No fiscal impact.

**ARC 0882C**

**Rule Summary** Allows the Board to extend or renew a pilot or demonstration research project initially approved for a period not to exceed 18 months.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Estelle Montgomery (Ext. 16764)

---

### Regents Board

**ARC 0818C**

**Rule Summary** Updates titles, phone numbers, addresses and procedures. Requires permission for camping on campus, updates procedures for use of university facilities and grounds, and increases the contracting authority of the Senior Vice President and Provost.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Robin Madison (Ext. 15270)

---

### Workers' Compensation Division

**ARC 0835C**

**Rule Summary** Updates references to the Internal Revenue Service Employer's Supplemental Tax Guide to the 2013 version.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Kent Ohms [kenneth.ohms@legis.iowa.gov](mailto:kenneth.ohms@legis.iowa.gov) (725-2200)

**Human Services Department**

**ARC 0819C**

**Rule Summary** Clarifies terminology for actions taken within the appeals process by participating organizations and individuals. Specifically, a prehearing conference can currently be held informally with the local office and the appellant or more formally with an administrative law judge. When changes were made to the Chapter 7 rules effective February 1, 2013, all references to the informal version with the local office were erroneously removed. The rules were revised to clarify the date the appeal will be considered received if submitted by an electronic delivery method. As the volume of documents that are submitted electronically grows, it is best to document how the date received is calculated within the rules.

**Fiscal Impact** No fiscal impact.

**ARC 0885C**

**Rule Summary** Defines core services that Mental Health and Disability (MHDS) regions must offer to eligible individuals. Access standards and provider practice standards for these services are also defined.

**Fiscal Impact** No fiscal impact.

**ARC 0820C**

**Rule Summary** Decreases premiums for applicants and recipients under the Medicaid for Employed People with Disabilities (MEPD) program with income that exceeds 150.0% of the federal poverty level (FPL).

**Fiscal Impact** This change is estimated to cost the State \$98,000 in FY 2014 and \$214,000 in FY 2015. The premium changes are required by State and federal law.

**ARC 0821C**

**Rule Summary** Makes the following changes to rules relating to nursing facilities:

- 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. The Department conducted a survey of the freestanding nursing facilities, the hospital-based skilled facilities, and special population facilities in Iowa to update the statewide average cost for nursing facilities. The average private-pay cost of nursing facility services decreased from \$5,131.82 to \$5,057.65.
- Updates the average private-pay charges for nursing facility care that are 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

## Administrative Rules – Fiscal Impact Summaries

August 13, 2013

8

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 populations units were not included in the survey, since recipients are allowed to use the average cost of the specialized care. The average charge to a private pay resident of nursing facility care decreased from \$4,762 per month to \$4,642. This change may result in fewer individuals that qualify for medical assistance 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. These changes are marginal in nature and are not expected to significantly impact the number of Medicaid members receiving long-term care services.

**Rule Summary** **ARC 0822C**  
Updates the 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/IDs) that are used to determine the disposition of the income of a medical assistance income trust (MAIT).

**Fiscal Impact** Minimal fiscal impact. The change in the average charges for a person with a MAIT is an occurrence that takes place each year. Any increase in rates or bed days resulting from past rate changes will be included in past trends. Since the budget is developed from a base rate and bed day trend that are reflective of past changes in private pay cost and average charges, changes that go into effect July 1, 2013 will be included in the SFY 2014 budget.

<b>Rule Summary</b>	Reflects the transfer of administrative responsibility for Medicaid Habilitation to the Iowa Plan Contractor. <b>ARC 0847C and ARC 0848C</b>
<b>Fiscal Impact</b>	This change is estimated to save the General Fund \$2.1 million in FY 2014 and \$2.2 million in FY 2015. This change was required by SF 446 (Health and Human Services Appropriations Act).

<b>Rule Summary</b>	Transitions the provision of service provided by individual providers of personal care under the consumer directed attendant care (CDAC) option to agency-provided personal care services and retains the consumer choice option for those individuals able and desiring to self-direct services. <b>ARC 0888C</b>
<b>Fiscal Impact</b>	This change is projected to save the General Fund \$1.1 million in FY 2014 and \$1.2 million in FY 2015. This change was required by SF 446.

<b>Rule Summary</b>	Requires the Home and Community-Based Services (HCBS) transportation payment to be the same as negotiated by the Medicaid Non-emergency Transportation broker. For those providers that do not have a contracted rate, the rate paid would be the average broker rate paid per trip or per mile for the member's DHS region. <b>ARC 0887C</b>
<b>Fiscal Impact</b>	This change is projected to save the General Fund \$500,000 in FY 2014 and \$528,000 in FY 2015. This change was required by SF 446.



**ARC 0838C**

**Rule Summary** Implements the Integrated Health Home (IHH) for members with a Serious Mental Illness (SMI) or a Serious Emotional Disturbance (SED), as defined in the State Plan. This is phase 2 of a planned implementation schedule for meeting federal guidelines for this program. These rule changes add the information required to define eligibility, modify the payment matrix to assure accuracy, and ensure that health home providers collaborate with case managers or social workers for individuals with chronic conditions. The rules assure that individuals with SMI or SED will have all care coordinated within their IHH provider and that children with SED are served by integrated health home providers trained in a System of Care model. This rule is the same as those published under **ARC 0667**. The Council on Human Services adopted these amendments on June 26, 2013, and they became effective July 1, 2013.

**Fiscal Impact** The cost is anticipated to be budget neutral, but the reimbursement methodology for the IHH for members with Serious and Persistent Mental Illness has not yet been finalized. Until rates are set, the fiscal impact cannot be determined.

**ARC 0845C and ARC 0846C**

**Rule Summary** Excludes coverage of and payment for elective, non-medically necessary cesarean section (c-section) deliveries. The Iowa Medicaid Enterprise (IME) currently reimburses hospitals and physicians for c-section deliveries, regardless of the medical necessity. This proposal will eliminate reimbursement to hospitals and physicians for c-section deliveries that were not medically necessary. This proposal aligns with initiatives in this regard being undertaken by the Iowa HealthCare Collaborative, as well as by various individual hospitals and hospital systems.

**Fiscal Impact** This change is estimated to save the General Fund \$500,000 in FY 2014 and \$528,000 in FY 2015. This change is required by SF 446 (Health and Human Services Appropriations Act).

**ARC 0843C and ARC 0844C**

**Rule Summary** Requires prior authorization for initial admission to, or continued stay in, a certified hospital “swing-bed” for a member that no longer requires acute inpatient hospital care and would otherwise meet a nursing facility or skilled level of care.

**Fiscal Impact** This change is estimated to save the State \$1.5 million in FY 2014 and FY 2015. This change is required by SF 446 (Health and Human Services Appropriations Act).

**ARC 0823C**

**Rule Summary** Makes the following changes relating to providers of medical and remedial care under the Medicaid Program:

- Renames augmentative communication device to speech generating device and reclassifies it from prosthetics to medical equipment consistent with Medicare classification.
- Reclassifies oral nutrition from the prosthetic category to the medical supply category consistent with the classification in the Healthcare Common Procedure Coding System (HCPCS).
- Adds coverage for bath chairs, non-standard patient lifters, power wheelchair attendant control, a secondary ventilator, and wheelchairs for members in an intermediate care facility for the intellectually disabled.
- Lowers the age limit for incontinence products from four years to three years of age.
- Allows for reimbursement that exceeds established Medicaid fee schedule amounts for some items.

## Administrative Rules – Fiscal Impact Summaries

August 13, 2013

10

- Adds a prior authorization requirement for shower commode chairs.

**Fiscal Impact** Minimal fiscal impact. The services that are being added in rule are currently being provided through exceptions to policy. The addition of prior authorization may result in minimal savings.

<b>Rule Summary</b>	Implements Medicaid provider reimbursement rate increases in accordance with SF 446, Section 29, effective July 1, 2013. This includes a 10.0% increase for ambulance providers, a 3.0% increase for HCBS Waiver Providers, and a 1.0% increase for all other providers.	<b>ARC 0841C and ARC 0842C</b>
<b>Fiscal Impact</b>	This change is estimated to cost \$11.9 million in FY 2014 and \$12.6 million in FY 2015. Funding was provided in SF 446 (Health and Human Services Appropriations Act).	

<b>Rule Summary</b>	Changes the reimbursement method for case management services under the Medicaid state plan, habilitation, Home and Community-Based Services for individuals with a brain injury and elderly.	<b>ARC 0839C and ARC 0840C</b>
<b>Fiscal Impact</b>	This change is estimated to save \$2.7 million in FY 2014 and \$2.8 million in FY 2015.	

<b>Rule Summary</b>	Changes the payment methodology for home health services to the Medicare Low Utilization Payment Amount (LUPA) methodology with state geographic wage adjustments. The Department will update the rates every two years. The rates for private duty nursing and personal care home health services will be based on an hourly interim rate subject to cost settlement and subject to a limit calculated by the Department and approved by the Centers for Medicare and Medicaid Services (CMS).	<b>ARC 0863C and ARC 0864C</b>
<b>Fiscal Impact</b>	This change is estimated to cost the General Fund \$2.8 million per year in FY 2014 and FY 2015. Funding was provided in SF 446.	

**Rule Summary** **ARC 0824C**  
Makes the following changes relating to providers of medical and remedial care:

- Sets the base year for calculating the hospital incentive payment as the previous hospital year.
- Permits an alternate option for children's hospitals to participate, using a specially assigned number by CMS.
- Clarifies and updates the application, agreement and payment processes, including that dually eligible hospitals will report to CMS.

**Fiscal Impact** No fiscal impact.

<b>Rule Summary</b>	Amends the rules to reflect programmatic changes affecting the hawk-i Program as required by the federal Patient Protection and Affordable Care Act. Major changes include:	<b>ARC 0837C</b>
---------------------	---	------------------

- Implementation of the Modified Adjusted Gross Income (MAGI) methodology. The MAGI is a national standard that requires all states to consider family income when determining eligibility for participation in insurance affordability programs such as Medicaid, Children’s Health Insurance Program (CHIP), and plans offered through the Health Insurance Marketplace/Exchange.
- Implementation of the single application and streamlined eligibility process required for all insurance affordability programs and the requirement to verify information to establish income through data matches to the greatest extent possible. The rules are also amended to align references to the general eligibility requirements of the Medicaid program when applicable.
- Technical changes related to health plan regions have also been made.

**Fiscal Impact**

This rule is estimated to cost \$147,000 in FY 2014 for a third party administrator to make these changes. These changes are required by federal law.

**ARC 0861C and ARC 0862C**

**Rule Summary**

Codifies policies regarding a suspension of enrollment in IowaCare to be implemented on July 1, 2013, based on funding for SFY 2014 and pursuant to the amended terms of the waiver of Title XIX requirements allowing federal funding for the IowaCare program.

**Fiscal Impact**

This change is estimated to save the General Fund \$363,000 in FY 2014. The savings are incorporated in the IowaCare estimates in SF 446.

**ARC 0886C**

**Rule Summary**

Reflects the change in the payment methodology for federally-qualified health centers (FQHC) from fee-for-service to an encounter payment to eliminate the FQHC funding pool for lab and radiology services. These services will now be included in the encounter payment. These changes will address a shortfall in the funding pool for lab and radiology services by making funding more flexible.

**Fiscal Impact**

No fiscal impact.

**ARC 0859C and ARC 0860C**

**Rule Summary**

Changes how Supervised Apartment Living (SAL) rates are established. The SAL rates will no longer be established by Purchase-of-Service but by competitive performance-based contracts. Contractors with the Department that provide child welfare emergency services (CWES) juvenile shelter care will have their FY 2013 rates increased by 5.00% for FY 2014 and FY 2015.

**Fiscal Impact**

The overall estimated increase for FY 2014 is \$388,000 from the State General Fund. The overall estimated increase for FY 2015 is \$388,000 from the State General Fund.

**ARC 0857C and ARC 0858C**

**Rule Summary**

Increases the foster family daily reimbursement rate and adoption subsidy daily maintenance rates. The daily foster family care and adoption payment rates are increased as follows: for a child aged 0 through 5 from \$15.98 to \$16.78, for a child aged 6 through 11 from \$16.62 to \$17.45, for a child aged 12 through 15 from \$18.19 to \$19.10, and for a child aged 16 and over from \$18.43 to \$19.35. Increases become effective July 1, 2013.

# Administrative Rules – Fiscal Impact Summaries

August 13, 2013

12

**Fiscal Impact** The overall estimated increase for those eligible for the FY 2014 rate increase is \$3.5 million from the State General Fund. Funding was included in SF 446.

The overall estimated increase for those eligible for the FY 2015 rate increase is \$3.6 million from the State General Fund. The increase is due to a projected caseload increase.

## ARC 0855C and ARC 0856C

**Rule Summary** Increases the monthly maintenance rate and initial allowance for youth placed in the SAL foster care program by 5.0% per the directive of SF 446.

**Fiscal Impact** The overall annual cost increase for SAL maintenance and the initial allowance is estimated at approximately \$28,000 per year. Funding was included in SF 446.

## ARC 0825C

**Rule Summary** Adds changes to the Child Care Assistance (CCA) fee chart to align with new federal poverty levels.

**Fiscal Impact** No fiscal impact.

## ARC 0852C and ARC 0854C

**Rule Summary** Increases the child care provider payments by 4.0% per the directive in SF 446.

**Fiscal Impact** The overall estimated increase for those eligible for the FY 2014 rate increase is \$3.4 million from the State General Fund. Funding was included in SF 446.

The overall estimated increase for those eligible for the FY 2015 rate increase is \$3.5 million from the State General Fund. The increase is due to a projected caseload increase.

## ARC 0850C and ARC 0851C

**Rule Summary** Increases the foster family daily reimbursement rate and adoption subsidy daily maintenance rates effective July 1, 2013. These amendments implement the increases to foster family homes and adoptive homes authorized by SF 446 (Health and Human Services Appropriations Act). The daily foster family care and adoption payment rates are increased as follows: for a child aged 0 through 5 from \$15.98 to \$16.78, for a child aged 6 through 11 from \$16.62 to \$17.45, for a child aged 12 through 15 from \$18.19 to \$19.10, and for a child aged 16 and over from \$18.43 to \$19.35.

**Fiscal Impact** The rate increases are estimated to increase expenditures by \$3.5 million for FY 2014, including \$2.1 million from the State General Fund. Funds were provided in SF 446. The expected increase in FY 2015 is \$3.6 million, including \$2.1 million from the State General Fund.

## Special Review 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.

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

---

**Real Estate Appraiser Examining Board**

**ARC 0881C**

**Rule Summary** Changes the years of experience to be a supervisory appraiser from two to three years. Removes unnecessary language. Clarifies what is considered good standing and adds language to clarify requirements from the Appraiser Qualifications Board. Specifies a course requirement for a supervisory appraiser with content established by the Appraiser Qualifications Board. These rules are identical to those originally filed on May 15, 2013, as **ARC 0745C**.

**Fiscal Impact** No fiscal impact. The increase in required experience is estimated to affect four appraisers.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

---

**Medicine Board**

**ARC 0889C**

**Rule Summary** Adds a one term limit for board chairpersons.

**Fiscal Impact** No fiscal impact.

**ARC 0871C**

**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 0890C**

**Rule Summary** Removes outdated rules pertaining to vaccine administration by pharmacists.

**Fiscal Impact** No fiscal impact.

**ARC 0870C**

**Rule Summary** Adds specifications concerning the grounds for discipline for physicians that supervise physician assistants.

**Fiscal Impact** No fiscal impact.

**ARC 0891C**

**Rule Summary** Establishes standards of practice for physicians that prescribe or administer abortion-inducing drugs.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Estelle Montgomery (Ext. 16764)

---

**Department on Aging**

**ARC 0833C**

**Rule Summary** Changes the title of the Department's employment program from Senior Internship Program to Older American Community Service Employment Program.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Jess Benson (Ext. 14611)

---

## Administrative Rules – Fiscal Impact Summaries

August 13, 2013

14

---

### Inspections and Appeals Department

**ARC 0832C**

**Rule Summary** Rescinds current Chapter 481-36 dealing with licensing or inspecting egg handlers. The duties were transferred to the Department of Agriculture and Land Stewardship.

**Fiscal Impact** No fiscal impact for the State.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

---

### Insurance Division

**ARC 0892C**

**Rule Summary** Corrects a reference in 191—Chapter 20, subrule 20.11(1), that deals with exemptions from form and rate filing requirements, to reference Iowa Code section 515.102 instead of section 515.109.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

---

### Labor Services Division

**ARC 0817C**

**Rule Summary** Updates the reference to the American Society of Mechanical Engineers Code for Controls and Safety Devices for Automatically Fired Boilers to the 2012 edition.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Kent Ohms [kenneth.ohms@legis.iowa.gov](mailto:kenneth.ohms@legis.iowa.gov) (725-2200)

---

### Nursing Board

**ARC 0876C**

**Rule Summary** Adds a testing option to verify English skills of an individual educated and licensed in another country.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Estelle Montgomery (Ext. 16764)

---

### Professional Licensure Division

**ARC 0834C**

**Rule Summary** Removes the requirement for Board review of nonaccredited or designated doctoral programs for licensure applicants that were enrolled in such programs prior to January 12, 2005. Clarifies the eligibility requirements for the national examination.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Estelle Montgomery (Ext. 16764)

---