

Substituted for by HF 763

11-8-01

FILED NOV 8 2001

SENATE FILE **554**
BY COMMITTEE ON APPROPRIATIONS

WITHDRAWN

11-8-01

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the establishment of a health services trust
2 fund, providing an effective date, and providing for
3 retroactive applicability.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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554

1 DIVISION I
2 TITLE AND FINDINGS

3 Section 1. NEW SECTION. 249I.1 TITLE.

4 This chapter shall be known and may be cited as the "Iowa
5 Health Services Trust Fund".

6 Sec. 2. NEW SECTION. 249I.2 LEGISLATIVE FINDINGS --
7 GOAL.

8 1. The general assembly finds that:

9 a. The preservation, improvement, and coordination of the
10 health care infrastructure of Iowa is critical to the health
11 and safety of Iowans.

12 b. Iowa health services providers are a vital and critical
13 component of Iowa's health care and economic infrastructure.

14 c. An increasing number of Iowans are eligible for and
15 enrolled in Iowa's medical assistance program.

16 2. The goal of the trust fund is to provide a continuing
17 source of funding to ensure the state's ability to support the
18 labor force, infrastructure, technology needs, and other
19 elements of the health services system.

20 DIVISION II
21 IOWA HEALTH SERVICES TRUST FUND

22 Sec. 3. NEW SECTION. 249I.3 DEFINITIONS.

23 As used in this chapter, unless the context otherwise
24 provides:

25 1. "Department" means the department of human services.

26 2. "Director" means the director of human services.

27 3. "Health services trust fund" means the fund created in
28 this chapter to secure funds based on hospital inpatient and
29 outpatient prospective payment methodologies under the medical
30 assistance program.

31 4. "Hospital" means hospital as defined in section 135B.1.

32 5. "Prospective payment methodologies" means the inpatient
33 diagnosis related group (DRG) system and the outpatient
34 ambulatory payment groups (APG) system under the medical
35 assistance program.

1 6. "Public hospital" means a hospital licensed pursuant to
2 chapter 135B and governed pursuant to chapter 145A, 347, 347A,
3 or 392.

4 Sec. 4. NEW SECTION. 249I.4 HEALTH SERVICES TRUST FUND
5 -- CREATED -- APPROPRIATIONS.

6 1. A health services trust fund is created in the state
7 treasury under the authority of the department of human
8 services. Moneys received through intergovernmental transfer
9 agreements for the trust fund and moneys received from
10 sources, including grants, contributions, and participant
11 payments, shall be deposited in the trust fund.

12 2. The department, upon receipt of federal revenue on or
13 after October 1, 2001, from public hospitals participating in
14 the medical assistance program, shall deposit the federal
15 revenue received in the trust fund, less a sum of five
16 thousand dollars as an administration fee per participating
17 public hospital.

18 3. Moneys deposited in the trust fund shall be used only
19 as provided in appropriations from the trust fund to the
20 department for the purposes specified in the appropriation.

21 4. The trust fund shall be operated in accordance with the
22 guidelines of the center for medicare and medicaid services of
23 the United States department of health and human services.
24 The trust fund shall be separate from the general fund of the
25 state and shall not be considered part of the general fund of
26 the state. The moneys in the trust fund shall not be
27 considered revenue of the state, but rather shall be funds of
28 the trust fund. The moneys in the trust fund are not subject
29 to section 8.33 and shall not be transferred, used, obligated,
30 appropriated, or otherwise encumbered, except to provide for
31 the purposes of this chapter. Notwithstanding section 12C.7,
32 subsection 2, interest or earnings on moneys deposited in the
33 trust fund shall be credited to the trust fund.

34 5. The department shall adopt rules pursuant to chapter
35 17A to administer the trust fund and to establish procedures

1 for participation by public hospitals in the intergovernmental
2 transfer of funds to the trust fund.

3 6. The treasurer of state shall provide a quarterly report
4 of trust fund activities and balances to the director.

5 Sec. 5. NEW SECTION. 249I.5 INTERGOVERNMENTAL TRANSFERS
6 AND RELATED PAYMENTS.

7 1. The director shall execute agreements on behalf of the
8 state with eligible public hospitals to collect revenues
9 through an intergovernmental transfer.

10 2. The written agreement shall provide for all of the
11 following:

12 a. Identification of the methodology for determining the
13 amount of funds to be transferred to the state through an
14 intergovernmental transfer.

15 b. The conditions under which the agreement may be amended
16 or terminated by the participating parties.

17 Sec. 6. NEW SECTION. 249I.6 STATE PLAN AMENDMENT.

18 The director shall amend the state medical assistance plan
19 as necessary to implement this chapter.

20 Sec. 7. EMERGENCY RULES.

21 1. The department of human services may adopt emergency
22 rules to implement this Act.

23 2. If the department of human services adopts emergency
24 rules under section 17A.4, subsection 2, and section 17A.5,
25 subsection 2, paragraph "b", to implement this Act, the rules
26 shall become effective immediately upon filing, unless a later
27 effective date is specified in the rules. Any rules adopted
28 in accordance with the provisions of this section shall also
29 be published as notice of intended action as provided in
30 section 17A.4.

31 Sec. 8. EFFECTIVE DATE. This Act, being deemed of
32 immediate importance, takes effect upon enactment.

33 Sec. 9. RETROACTIVE APPLICABILITY. The section in this
34 Act that creates section 249I.4 as it relates to receipt of
35 federal funding, is retroactively applicable to October 1,

1 2001.

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EXPLANATION

3 This bill creates an Iowa health services trust fund for
4 the deposit of federal revenues received from public hospitals
5 participating in the medical assistance program through an
6 intergovernmental transfer agreement between the department of
7 human services and participating public hospitals. The
8 agreements are to identify the methodology for determining the
9 amount of the intergovernmental transfer and are to describe
10 the conditions under which the agreement may be amended or
11 terminated. The trust fund is created in the state treasury
12 under the authority of the department of human services.
13 Moneys deposited in the trust fund are to be used only as
14 provided in the appropriations of moneys from the fund. The
15 trust fund is to be operated in accordance with the guidelines
16 of the center for medicare and medicaid services of the United
17 States department of health and human services.

18 The bill takes effect upon enactment and the provision of
19 the bill relating to receipt of federal revenues is
20 retroactively applicable to October 1, 2001.

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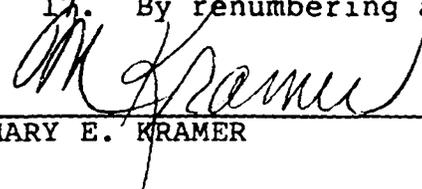
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Approved for Introduction
SENATE LEGAL COUNSEL

SENATE FILE 554

- 1 Amend Senate File 554, as follows:
- 2 1. Page 1, line 5, by striking the words "Health
- 3 Services" and inserting the following: "Hospital".
- 4 2. Page 1, line 12, by striking the words "health
- 5 services" and inserting the following: "hospital".
- 6 3. Page 1, line 19, by striking the words "health
- 7 services" and inserting the following: "hospital".
- 8 4. Page 1, line 21, by striking the words "HEALTH
- 9 SERVICES" and inserting the following: "HOSPITAL".
- 10 5. Page 1, by striking lines 27 through 30.
- 11 6. Page 1, by inserting after line 31, the
- 12 following:
- 13 " ____ . "Hospital Trust Fund" means the fund created
- 14 in this chapter to secure funds based on hospital
- 15 inpatient and outpatient prospective payment
- 16 methodologies under the medical assistance program."
- 17 7. Page 1, by striking lines 32 through 35.
- 18 8. Page 2, line 4, by striking the words "HEALTH
- 19 SERVICES" and inserting the following: "HOSPITAL".
- 20 9. Page 2, line 6, by striking the words "health
- 21 services" and inserting the following: "hospital".
- 22 10. Page 2, line 8, by striking the words
- 23 "intergovernmental transfer".
- 24 11. Page 2, by striking lines 12 through 17.
- 25 12. Page 2, by striking lines 21 through 24, and
- 26 inserting the following:
- 27 "4. The trust fund shall be separate from the
- 28 general fund of the".
- 29 13. Page 3, by striking lines 1 and 2, and
- 30 inserting the following: "for participation by public
- 31 hospitals."
- 32 14. Page 3, by striking lines 5 through 16.
- 33 15. Page 3, line 35, by striking the word
- 34 "federal".
- 35 16. Title page, line 1, by striking the words
- 36 "health services" and inserting the following:
- 37 "hospital".
- 38 17. By renumbering as necessary.

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42 MARY E. KRAMER

Adopted
11-8-01

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