

FEB 1 0 2006
HUMAN RESOURCES

HOUSE FILE 2338
BY CARROLL and HEDDENS

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

A BILL FOR

1 An Act relating to persons with mental illness, mental
2 retardation, developmental disabilities, or brain injury by
3 addressing purposes and quality standards for services and
4 other support available for such persons, establishing basic
5 financial eligibility standards, addressing state and county
6 financial responsibility for the cost of the services and
7 other support, and providing effective and applicability
8 dates.

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

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DIVISION I

PURPOSES AND QUALITY STANDARDS

Section 1. Section 225C.1, Code 2005, is amended to read as follows:

225C.1 FINDINGS AND PURPOSE.

1. The general assembly finds that services to persons with mental illness, mental retardation, developmental disabilities, or brain injury are provided in many parts of the state by highly autonomous community-based service providers working cooperatively with state and county officials. However, the general assembly recognizes that heavy reliance on property tax funding for mental health and mental retardation services has restricted uniform availability of this care. Consequently, greater efforts should be made to assure close coordination and continuity of care for those persons receiving publicly supported disability services in Iowa. It is the purpose of this chapter to continue and to strengthen the services to persons with disabilities now available in the state of Iowa, to make these disability services conveniently available to all persons in this state upon a reasonably uniform financial basis, and to assure the continued high quality of these services.

2. It is the intent of the general assembly that the service system for persons with disabilities emphasize the ability of persons with disabilities to exercise their own choices about the amounts and types of services received; that all levels of the service system seek to empower persons with disabilities to accept responsibility, exercise choices, and take risks; that disability services are individualized, provided to produce results, flexible, and cost-effective; and that disability services be provided in a manner which supports the ability of persons with disabilities to live, learn, work, and recreate in ~~natural~~ communities of their choice.

Sec. 2. Section 225C.2, subsection 6, Code 2005, is

1 amended to read as follows:

2 6. "Disability services" means services ~~or~~ and other
3 assistance support available to a person with mental illness,
4 mental retardation or other developmental disability, or brain
5 injury.

6 Sec. 3. Section 225C.4, subsection 1, paragraph d, Code
7 2005, is amended to read as follows:

8 d. Encourage and facilitate coordination of disability
9 services with the objective of developing and maintaining in
10 the state a disability service delivery system to provide
11 disability services to all persons in this state who need the
12 services, regardless of the place of residence or economic
13 circumstances of those persons. The administrator shall work
14 with the commission and other state agencies, including but
15 not limited to the departments of corrections, education, and
16 public health and the state board of regents to develop and
17 implement a strategic plan to expand access to qualified
18 mental health workers across the state.

19 Sec. 4. Section 225C.4, subsection 1, paragraph j, Code
20 2005, is amended to read as follows:

21 j. Establish and maintain a data collection and management
22 information system oriented to the needs of patients,
23 providers, the department, and other programs or facilities.
24 The administrator shall annually submit to the commission
25 information collected by the department indicating the changes
26 and trends in the disability services system.

27 Sec. 5. Section 225C.6, subsection 1, paragraph n, Code
28 2005, is amended to read as follows:

29 n. Identify ~~basic-disability-services-for-planning~~
30 purposes disability services outcomes and indicators to
31 support the ability of eligible persons with a disability to
32 live, learn, work, and recreate in communities of the persons'
33 choice. The identification duty includes but is not limited
34 to responsibility for identifying, collecting, and analyzing
35 data as necessary to issue reports on outcomes and indicators

1 at the county and state levels.

2 Sec. 6. Section 225C.27, Code 2005, is amended to read as
3 follows:

4 225C.27 PURPOSE.

5 Sections 225C.25 through 225C.28B shall be liberally
6 construed and applied to promote their purposes and the stated
7 rights and service quality standards. The commission, in
8 coordination with appropriate agencies, shall adopt rules to
9 implement the purposes of section 225C.28B, subsections 3 and
10 4, which include, but are not limited to, the following:

11 1. Promotion of the human dignity and protection of the
12 constitutional and statutory rights of persons with mental
13 retardation, developmental disabilities, brain injury, or
14 chronic mental illness in the state.

15 2. Encouraging the development of the ability and
16 potential of each person with mental retardation,
17 developmental disabilities, brain injury, or chronic mental
18 illness in the state to the fullest extent possible.

19 3. Encouraging activities to ensure that recipients of
20 services shall not be deprived of any rights, benefits, or
21 privileges guaranteed by law, the Constitution of the State of
22 Iowa, or the Constitution of the United States solely on
23 account of the receipt of the services.

24 4. Promoting access by each person in the state with
25 mental retardation, developmental disabilities, brain injury,
26 or chronic mental illness to effective services and other
27 support and treatment essential for living, working, and
28 participating fully in the community.

29 Sec. 7. Section 225C.28A, Code 2005, is amended to read as
30 follows:

31 225C.28A SERVICE QUALITY STANDARDS.

32 As the state participates more fully in funding services
33 and other support to persons with mental retardation,
34 developmental disabilities, brain injury, or chronic mental
35 illness, it is the intent of the general assembly that the

1 state shall seek to attain the following quality standards in
2 the provision of the services:

3 1. Provide comprehensive evaluation and diagnosis adapted
4 to the cultural background, primary language, and ethnic
5 origin of the person.

6 2. Provide an individual treatment, habilitation, and
7 program plan.

8 3. Provide individualized treatment, habilitation, and
9 program services that are individualized, provided to produce
10 results, flexible, and cost-effective, as appropriate.

11 4. Provide periodic review of the individual plan.

12 5. Provide for the least restrictive environment and age-
13 appropriate services.

14 6. Provide appropriate training and employment
15 opportunities so that the person's ability to contribute to
16 and participate in the community is maximized.

17 7. Provide an ongoing process to determine the degree of
18 access to and the effectiveness of the services and other
19 support in achieving the disability services outcomes and
20 indicators identified by the commission pursuant to section
21 225C.6.

22 Sec. 8. Section 331.439, subsection 1, paragraph b,
23 subparagraphs (2) and (3), Code Supplement 2005, are amended
24 to read as follows:

25 (2) For informational purposes, the county shall submit a
26 management plan review to the department of human services by
27 ~~April~~ December 1 of each year. The annual review shall
28 incorporate an analysis of the data associated with the
29 services managed during the preceding fiscal year by the
30 county or by a managed care entity on behalf of the county.
31 The annual review shall also identify measurable outcomes and
32 results showing the county's progress in fulfilling the
33 purposes listed in paragraph "bb", and in achieving the
34 disability services outcomes and indicators identified by the
35 commission pursuant to section 225C.6.

1 (3) For informational purposes, every three years the
2 county shall submit to the department of human services a
3 three-year strategic plan. The strategic plan shall describe
4 how the county will proceed to attain the plan's goals and
5 objectives ~~contained in the strategic plan for the duration of~~
6 the plan, and the measurable outcomes and results necessary
7 for moving the county's service system toward an
8 individualized, community-based focus in accordance with
9 paragraph "bb". The three-year strategic plan shall be
10 submitted by April 1, 2000, and by April 1 of every third year
11 thereafter.

12 Sec. 9. Section 331.439, subsection 1, Code Supplement
13 2005, is amended by adding the following new paragraphs:

14 NEW PARAGRAPH. bb. The county implements its county
15 management plan under paragraph "b" and other service
16 management functions in a manner that seeks to achieve all of
17 the following purposes identified in section 225C.1 for
18 persons who are covered by the plan or are otherwise subject
19 to the county's service management functions:

20 (1) The persons are allowed to exercise their own choices
21 about the amounts and types of services and other support
22 received.

23 (2) The service system seeks to empower the persons to
24 accept responsibility, exercise choices, and take risks.

25 (3) Services and other support are individualized,
26 provided to produce results, flexible, and cost-effective.

27 (4) Services and other support are provided in a manner
28 which supports the ability of the persons to live, learn,
29 work, and recreate in communities of their choice.

30 NEW PARAGRAPH. bbb. Commencing with the fiscal year
31 beginning July 1, 2007, the county management plan under
32 paragraph "bb" shall do both of the following:

33 (1) Describe how the county will provide services and
34 other support that are individualized, provided to produce
35 results, flexible, and cost-effective in accordance with

1 paragraph "bb", subparagraph (3).

2 (2) Describe how the ability of each individual covered by
3 the plan to live, learn, work, and recreate in communities of
4 the individual's choice will be enhanced as provided in
5 paragraph "bb", subparagraph (4).

6 Sec. 10. Section 426B.5, Code Supplement 2005, is amended
7 by adding the following new subsection:

8 NEW SUBSECTION. 3. INCENTIVE POOL.

9 a. An incentive pool is created in the property tax relief
10 fund. The incentive pool shall consist of the moneys credited
11 to the incentive pool by law.

12 b. Moneys available in the incentive pool for a fiscal
13 year shall be distributed to those counties that show progress
14 toward meeting the purposes described in section 331.439,
15 subsection 1, paragraph "bb". The moneys received by a county
16 from the incentive pool shall be used to build community
17 capacity to support individuals covered by the county's
18 management plan approved under section 331.439, in meeting
19 such purposes.

20 Sec. 11. APPLICABILITY DATE. The section of this division
21 of this Act amending section 426B.5 is first applicable for
22 allowed growth funding distributed in the fiscal year
23 beginning July 1, 2008.

24 DIVISION II

25 FINANCIAL ELIGIBILITY

26 Sec. 12. Section 225C.6, subsection 1, paragraph m, Code
27 2005, is amended to read as follows:

28 m. Identify ~~model~~ basic financial eligibility guidelines
29 standards for disability services. The standards shall
30 include but are not limited to the following:

31 (1) A financial eligibility standard providing that a
32 person with an income equal to or less than one hundred fifty
33 percent of the federal poverty level, as defined by the most
34 recently revised poverty income guidelines published by the
35 United States department of health and human services, is

1 eligible for disability services wholly paid with public
2 funding. A person with an income above one hundred fifty
3 percent of the federal poverty level may be eligible subject
4 to a copayment or other cost-sharing arrangement subject to
5 limitations adopted in rule by the commission.

6 (2) A requirement that a person who is eligible for
7 federally funded services and other support must apply for the
8 services and support.

9 (3) Resource limitations that are based upon the federal
10 supplemental security income program limitations. A person
11 with resources above the federal supplemental security income
12 program limitations may be eligible subject to limitations
13 adopted in rule by the commission. If a person does not
14 qualify for federally funded services and other support but
15 meets income, resource, and functional eligibility
16 requirements, the following types of resources shall be
17 disregarded:

18 (a) A retirement account that is in the accumulation
19 stage.

20 (b) A burial, medical savings, or assistive technology
21 account.

22 DIVISION III

23 CENTRAL POINT OF COORDINATION PROCESS -- COUNTY OF RESIDENCE
24 RESPONSIBILITIES AND STATE CASES

25 Sec. 13. Section 331.440, Code 2005, is amended by adding
26 the following new subsection:

27 NEW SUBSECTION. 1A. For the purposes of this section,
28 unless the context otherwise requires:

29 a. "Adult person" means a person who is age eighteen or
30 older and is a United States citizen or a qualified alien as
31 defined in 8 U.S.C. § 1641.

32 b. "County of residence" means the county in this state in
33 which, at the time an adult person applies for or receives
34 services, the adult person is living and has established an
35 ongoing presence with the declared, good faith intention of

1 living for a permanent or indefinite period of time. The
2 county of residence of an adult person who is a homeless
3 person is the county where the homeless person usually sleeps.

4 c. "Homeless person" means the same as defined in section
5 48A.2.

6 d. "State case services and other support" means the
7 mental health, mental retardation, and developmental
8 disabilities services and other support paid for under the
9 rules and requirements in effect prior to July 1, 2008, from
10 the annual appropriation made to the department of human
11 services for such services and other support provided to
12 persons who have no established county of legal settlement or
13 the legal settlement is unknown so that the person is deemed
14 to be a state case.

15 Sec. 14. Section 331.440, subsection 3, Code 2005, is
16 amended to read as follows:

17 3. An application for services may be made through the
18 central point of coordination process of a person's county of
19 residence. However, if a person who is subject to a central
20 point of coordination process has legal settlement in another
21 ~~county or the costs of services or other support provided to~~
22 ~~the person are the financial responsibility of the state,~~ an
23 authorization through the central point of coordination
24 process shall be coordinated with the person's county of legal
25 ~~settlement or with the state, as applicable.~~ The county of
26 residence and county of legal settlement of a person subject
27 to a central point of coordination process may mutually agree
28 that the central point of coordination process functions shall
29 be performed by the central point of coordination process of
30 the person's county of legal settlement.

31 Sec. 15. Section 331.440, subsection 3, Code 2005, as
32 amended by this Act, is amended to read as follows:

33 3. An application for services may be made through the
34 central point of coordination process of a an adult person's
35 county of residence. ~~However, if a~~ If an adult person who is

1 subject to a central point of coordination process has legal
2 settlement in another county, ~~an authorization through the~~
3 ~~central point of coordination process shall be coordinated~~
4 ~~with the person's county of legal settlement.~~ ~~The county of~~
5 ~~residence and county of legal settlement of a person subject~~
6 ~~to a central point of coordination process may mutually agree~~
7 that the central point of coordination process functions shall
8 be performed by the central point of coordination process of
9 the adult person's county of legal settlement residence in
10 accordance with the county of residence's management plan
11 approved under section 331.439 and the person's county of
12 legal settlement is responsible for the cost of the services
13 or other support authorized at the rates reimbursed by the
14 county of residence. At the time services or other support
15 are authorized, the county of residence shall send the county
16 of legal settlement a copy of the authorization notice.

17 Sec. 16. Section 331.440, Code 2005, is amended by adding
18 the following new subsection:

19 NEW SUBSECTION. 3A. a. During the period beginning July
20 1, 2006, and ending June 30, 2008, if an adult person has no
21 established county of legal settlement or the legal settlement
22 is unknown so that the person is deemed to be a state case,
23 the person's eligibility and the authorization for services
24 and other support shall be determined by the adult person's
25 county of residence in accordance with that county's
26 management plan approved under section 331.439. The cost of
27 state case services and other support shall be paid by the
28 state at the rates reimbursed by the county of residence.

29 b. Beginning July 1, 2008, it is the intent of the general
30 assembly that the funding annually appropriated by the state
31 for state case services and other support will be distributed
32 to the individual counties of residence to compensate those
33 counties for the costs of assuming financial responsibility
34 for providing state case services and other support to a
35 county resident who is deemed to be a state case because the

1 adult person has no established county of legal settlement or
2 the legal settlement is unknown. Beginning July 1, 2008, it
3 is the intent of the general assembly that eligibility and the
4 authorization for state case services and other support for an
5 adult person who is deemed to be a state case will be
6 determined by the person's county of residence in accordance
7 with that county's management plan approved under section
8 331.439 and the costs of the state case services and other
9 support for such a person will be the responsibility of that
10 person's county of residence.

11 Sec. 17. EFFECTIVE DATE -- COST PROJECTIONS.

12 1. The section of this division of this Act amending
13 section 331.440, subsection 3, as amended by this division of
14 this Act, takes effect July 1, 2007.

15 2. Each county that would need to amend the county's
16 management plan for services approved under section 331.439,
17 in order to implement the provision referred to in subsection
18 1, shall develop and submit projections of the costs to the
19 county to implement the provision. The projections shall
20 identify costs in the initial and succeeding fiscal years.
21 The projections shall be submitted on December 1, 2006, along
22 with the county's expenditure report submitted pursuant to
23 section 331.439, subsection 1, paragraph "a".

24 DIVISION IV

25 STATE MANDATE

26 Sec. 18. IMPLEMENTATION OF ACT. Except for the section of
27 this Act amending section 331.440 to enact new subsection 3A,
28 section 25B.2, subsection 3, shall not apply to this Act.

29 EXPLANATION

30 This bill relates to persons with mental illness, mental
31 retardation, developmental disabilities, or brain injury
32 (MI/MR/DD/BI) by addressing purposes and quality standards for
33 services or other support necessary to allow the persons to
34 live, work, and have meaningful activities in the community;
35 establishing basic financial eligibility standards; and

1 addressing state and county financial responsibility for the
2 costs of the services and other support.

3 DIVISION I -- PURPOSES AND QUALITY STANDARDS. Code section
4 225C.1, relating to legislative findings and purpose, is
5 amended to revise service terminology to incorporate other
6 support provided in addition to services. In addition,
7 legislative intent is modified to state the intent that
8 services and other support are individualized, provided to
9 produce results, flexible, and cost-effective.

10 Code section 225C.2, relating to the definitions used in
11 Code chapter 225C, is amended. The term "disability services"
12 is amended to replace "assistance" provided with "support"
13 provided.

14 Code section 225C.4, relating to the duties of the
15 administrator of the division of mental health and
16 developmental disabilities, department of human services, is
17 amended to expand the duty regarding coordination of
18 disability services to include working to fulfill the duty
19 with the Iowa department of public health, other state
20 agencies, and other persons. In addition, the administrator
21 is required to work with the MI/MR/DD/BI commission and the
22 other agencies in developing and implementing a strategic plan
23 for expanding access to qualified mental health workers. An
24 existing duty of the department of human services
25 administrator to establish and maintain a data collection and
26 management system is expanded to require submission of an
27 annual report to the MH/MR/DD/BI commission regarding changes
28 and trends in the disability services system.

29 Code section 225C.6, relating to the duties of the mental
30 health, mental retardation, developmental disabilities, and
31 brain injury commission, is amended to revise the duty to
32 identify basic disabilities services for planning purposes.
33 The commission is directed to identify disability services
34 outcomes and indicators to support the ability of eligible
35 persons with a disability to live, learn, work, and recreate

1 in the communities chosen by the persons. This commission's
2 duty includes responsibility for identifying, collecting, and
3 analyzing reports on outcomes and indicators at the county and
4 state levels.

5 Code sections 225C.27 and 225C.28A, relating to the purpose
6 and service quality standards for the bill of rights and
7 service quality standards of persons with mental retardation,
8 developmental disabilities, brain injury, or chronic mental
9 illness, are amended. The purpose section is amended to
10 include references to persons with brain injury and to state
11 the purpose of promoting access by each person in the state
12 with mental retardation, developmental disabilities, brain
13 injury, or chronic mental illness to effective services and
14 other support and treatment essential for living, working, and
15 participating fully in the community. The service quality
16 standards section is amended to provide for treatment,
17 habilitation, and program services that are individualized,
18 provided to produce results, flexible, and cost-effective. In
19 addition, a quality standard is added to provide an ongoing
20 process to determine the degree of access to and the
21 effectiveness of the services and other support in achieving
22 the disability services outcomes and indicators identified by
23 the commission.

24 Code section 331.439, relating to county eligibility
25 requirements for receiving payment from the state property tax
26 relief fund and from the allowed growth factor adjustment
27 appropriation for mental health, mental retardation, and
28 developmental disabilities service expenditures, is amended to
29 apply new requirements in county management plans for such
30 services. County management plans are required to address the
31 purposes for such services identified in Code section 225C.1.
32 Beginning July 1, 2007, the county management plans must
33 describe how the county will provide services and other
34 support that are individualized, provided to produce results,
35 flexible, and cost-effective and how the ability of each

1 individual covered by the plan to live, learn, work, and
2 recreate in communities of the individual's choice will be
3 enhanced.

4 Code section 331.439 requirements for counties to submit to
5 the department of human services an annual management plan
6 review and a triennial strategic plan are amended to require
7 the provision of information regarding county progress in
8 seeking to achieve the new service system purposes and
9 outcomes and indicators for disability services identified by
10 the commission required by the bill. The submission date for
11 the annual review is changed from April to December.

12 Code section 426B.5, relating to funding pools within the
13 property tax relief fund, is amended to create a new incentive
14 pool. The pool is to distribute funding to those counties
15 that show progress toward meeting the new service system
16 purposes identified in the bill. This provision is first
17 applicable for the fiscal year beginning July 1, 2008.

18 DIVISION II -- FINANCIAL ELIGIBILITY. This division
19 establishes basic financial eligibility requirements for
20 persons eligible to receive mental health, mental retardation,
21 developmental disabilities, and brain injury services under a
22 county management plan.

23 Code section 225C.6 is amended regarding the duties of the
24 mental health, mental retardation, developmental disability,
25 and brain injury commission. The commission is required to
26 identify basic financial eligibility standards for disability
27 services, including income levels, a requirement for a person
28 to apply for federally funded assistance, and resource
29 limitations.

30 DIVISION III -- CENTRAL POINT OF COORDINATION PROCESS --
31 COUNTY OF RESIDENCE RESPONSIBILITIES AND STATE CASES. This
32 division relates to state and county responsibility for mental
33 illness, mental retardation, and developmental disabilities
34 services.

35 Code section 331.440, relating to the central point of

1 coordination process utilized by counties for eligibility
2 determination and service authorization, is amended by adding
3 new subsection 1A, providing new definitions for that section.
4 The new subsection defines the terms "adult person", "county
5 of residence", "homeless person", and "state case services and
6 other support".

7 Code section 331.440, subsection 3, is amended twice. The
8 initial amendment is to conform with the change in the bill
9 involving state cases and takes effect July 1, 2006. The
10 second amendment takes effect July 1, 2007, and provides that
11 if an adult person has legal settlement in another county the
12 central point of coordination functions are to be performed by
13 the person's county of residence. The person's county of
14 legal settlement is responsible for the costs of the services
15 or other support authorized by the county of residence at the
16 reimbursement rates paid by the county of residence. At the
17 time services or other support are authorized, the county of
18 residence is required to send the county of legal settlement a
19 copy of the authorization notice. The bill provides that if a
20 county would need to amend the county's management plan for
21 MI/MR/DD services in order to implement the change in the
22 central point of coordination process, the county is required
23 to develop and submit projections of the costs for the change.
24 The projections are required to be submitted along with the
25 county's annual cost reports on December 1, 2006.

26 Code section 331.440 is also amended to include new
27 subsection 3A addressing those cases in which a person has no
28 established county of legal settlement or a person's legal
29 settlement is unknown so that the person is deemed to be a
30 state case. For the period of July 1, 2006, through June 30,
31 2008, the county of residence is responsible for state case
32 eligibility and service authorization and the state is
33 responsible for the costs at the reimbursement rates paid by
34 the county of residence. Beginning July 1, 2008, legislative
35 intent language provides that the state will distribute the

1 funding appropriated by the state for state cases to the
2 individual counties of residence to compensate those counties
3 for the costs and the county of residence will assume
4 responsibility for the costs.

5 DIVISION IV -- STATE MANDATE. This bill may include a
6 state mandate as defined in Code section 25B.3. The division
7 makes inapplicable Code section 25B.2, subsection 3, which
8 would relieve a political subdivision from complying with a
9 state mandate if funding for the cost of the state mandate is
10 not provided or specified. Therefore, political subdivisions
11 are required to comply with any state mandate included in the
12 bill except for the provision of the bill amending Code
13 section 331.440, with new subsection 3A, stating legislative
14 intent for the county of residence to assume responsibility
15 for state case costs beginning July 1, 2008, with state case
16 funding distributed by the state to counties by formula.

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