



Bill: House File 649  
Committee: Appropriations  
Date: July 30, 2011  
Floor Manager: Representative Dave Heaton  
Staff: Brad Trow (1-3471)

## FY 2012 HEALTH AND HUMAN SERVICES APPROPRIATIONS CONFERENCE COMMITTEE REPORT

House File 649 makes appropriations from other related funds, included the Health Care Trust Fund, the IowaCare Account, and the HealthCare Transformation Account. The bill also makes a number of policy changes.

### Summary of Action

**Appropriations Committee Action** – The Appropriations Committee **PASSED** House File 649 on a vote of 15-9 on March 14, 2011.

**Initial House Action** – The House **ADOPTED** House File 649 on a vote of 56-40 on April 7, 2011.

**Initial Senate Action** – The Senate **ADOPTED** House File 649, as amended, on a vote of 26-22 on May 12, 2011.

**Further House Action** – The House **AMENDED and ADOPTED House File 649** on a vote of 55-36 on June 27, 2011.

**Further Senate Action** – The Senate **REFUSED TO CONCUR** with House File 649 on June 27, 2011.

**Conference Committee Appointed** – The House appointed the following to the Conference Committee on Senate File 649 on June 27, 2011: Representatives Heaton (chair), Fry, Heddens, Windschitl, and Wessel-Kroeschell.

**Final House Action** – The House **ADOPTED** the Conference Committee report and **ADOPTED** House File 649 on a vote of 61-33 on June 30, 2011.

**Final Senate Action** – The Senate **ADOPTED** the Conference Committee report and **ADOPTED** House File 649 on a vote of 27-18 on June 30, 2011.

**Final Action** – The Governor **ITEM VETOED and SIGNED** Senate File 525 on July 26, 2011.

### DIVISION I – Health and Human Services – Department on Aging FY 2012

#### Section 1 – Department on Aging

FY 2011	HF 649	FINAL
4,395,314	9,852,577	<b>10,302,577</b>

The section appropriates \$10,302,577 to the Department on Aging for FY 2012. The section sees significant changes to its appropriation. First, the bill increases the General Fund appropriation to replace the \$8.5

million in funding that had been coming from the Senior Living Trust Fund. The funding level is then reduced by \$322,921, which is \$450,000 higher than House File 649 as funds have been found to provide additional resources for in-home services provided by Area Agencies on Aging.

The appropriation is reduced by \$2,256,514, as funding for the Case Management Program for the Frail Elderly (CMPFE) is appropriated directly to Medicaid. At the request of the Department, the funding is moved in the bill to Medicaid, to avoid the unnecessary accounting step. The section also instructs the Department to establish and enforce procedures to ensure that funding is properly used by the Area Agencies on Aging.

**DIVISION II – Health and Human Services – Department of Public Health FY 2012**

**Section 2 - Department of Public Health**

***Addictive Disorders***

<b>FY 2011</b>	<b>HF 649</b>	<b>FINAL</b>
26,715,157	20,703,190	<b>23,503,190</b>

This budget unit provides funding for services directed toward reducing the use of tobacco, alcohol and other drugs, and treating Iowans with addictive disorders. The section is different from previous years, as funding for tobacco control and prevention programming has been reduced to approximately \$3.3 million. Determination of how these funds shall be used will be decided by the Director of Public Health.

For substance abuse services, the bill appropriates \$ 17,132,508. To achieve the state’s requirement maintenance of effort for federal substance abuse funding, the Department is directed to work with other state agencies to identify state funding currently spent on substance abuse treatment services. The section provides \$3.1 million for gambling treatment services. Finally, the section directs the Department to change its policies and contracts to eliminate giving away promotional products like t-shirts and banners.

***Healthy Children and Families***

<b>FY 2011</b>	<b>HF 649</b>	<b>FINAL</b>
2,540,218	2,601,905	<b>2,594,270</b>

This budget unit provides funding for programs that promote the health status of children and adults. The FY 2012 allocation is \$2,594,270. This level is slightly below the House File 649 level, as the dental loan repayment program is moved to another budget unit and funding was identified to restore funding to the ABCDII (early childhood mental health) program. Among the services funded by this area is the Healthy Opportunities to Experience Success (HOPES) program, assistance for voluntary dental care, childhood obesity prevention, and audiology services to children.

***Chronic Conditions***

<b>FY 2011</b>	<b>HF 649</b>	<b>FINAL</b>
3,324,548	3,262,256	<b>3,361,656</b>

This budget unit funds activities and services that are provided to those Iowans suffering from chronic conditions or special health care needs. The FY 2012 allocation is \$3,438,591, which is higher than the House File 649 level. Additional funding was identified to restore funding for the PKU food program, brain injury assistance, child health specialty clinics, Aids Drug Assistance Program (ADAP), and support for the implementation of House File 322 dealing with anti-seizure drugs.

The budget unit funding includes a \$150,000 increase for the comprehensive cancer control program, with the additional funds going to support melanoma research and help more Iowans participate in clinical trials for cancer drugs. Funding for the Medical Home Advisory Council is shifted to the Health Care Transformation Account.

***Community Capacity***

<b>FY 2011</b>	<b>HF 649</b>	<b>FINAL</b>
5,045,832	3,677,659	<b>4,235,166</b>

This budget unit funds activities by the Department of Public Health that are designed to strengthen the local public health system. The FY 2012 allocation is \$4,414,063, which is higher than the House File 649 amount. Funding for the Direct Care Worker Initiatives was restored to FY 11 levels, with the use of this funding determined by the Director of Public Health. The budget unit includes intent language calling for the creation of a Board of Direct Care Workers in FY 2015, if sufficient funding is available.

**ITEM VETO:** The Governor vetoed the language calling for the creation of a Board of Direct Care Workers, stating: *“Funding for such a board would come from license fees and requiring direct care workers to pay such fees would be unduly burdensome and costly for both the State of Iowa and the workers.”*

Funding for the Governor’s Physical Fitness Council and the Health Care Access Council are eliminated. Funding for the Healthy Communities Grant Program is eliminated, as the federal grant has expired. Funding for the child vision screening program through the University of Iowa Hospitals and Clinics is restored to its FY 2010 level of \$100,000. Funding for a dental education loan repayment program is moved to this budget unit from the Healthy Children and Families budget unit.

***Healthy Aging***

<b>FY 2011</b>	<b>HF 649</b>	<b>FINAL</b>
7,400,906	7,297,142	<b>7,297,142</b>

The budget unit funds activities and services provided to persons over the age of 55 which are intended to optimize the health status of Iowa seniors. The FY 2012 allocation for this budget unit is \$7,297,142. The budget unit is reduced by the amount recommended by the Governor, and then restores the funding eliminated as part of the Culver Cut. The section also eliminates the remaining flexible funding for senior health programs. These funds were identified as problematic in a recent audit by the State Auditor.

***Environmental Hazards***

<b>FY 2011</b>	<b>HF 649</b>	<b>FINAL</b>
834,466	813,777	<b>813,777</b>

The budget unit funds activities intended to reduce exposure to hazards in the environment, primarily chemical hazards. The FY 2012 allocation is \$813,777. The budget unit is reduced by the amount suggested by the Governor, and then has part of the Culver Cut restored.

***Infectious Diseases***

<b>FY 2011</b>	<b>HF 649</b>	<b>FINAL</b>
1,380,064	1,345,847	<b>1,345,847</b>

The budget unit funds state activities designed to reduce the incidence of communicable diseases. The FY 2012 allocation is \$1,345,847. The budget unit is reduced by the amount recommended by the Governor, and then the amount of funding lost in the Culver Cut is restored.

***Public Protection***

<b>FY 2011</b>	<b>HF 649</b>	<b>FINAL</b>
3,145,247	2,906,532	<b>2,776,232</b>

The budget unit funds activities related to protecting public health and safety through the establishment of standards and enforcement of regulations. The FY 2012 allocation is \$2,776,232. The budget unit is reduced by the amount recommended by the Governor and one-time funding for EMS issues is not renewed. Additional funding has been found to restore the funding cut to the EMS fund.

***Resource Management***

<b>FY 2011</b>	<b>HF 649</b>	<b>FINAL</b>
871,866	819,554	<b>819,554</b>

This budget unit is the administrative arm of the Department. The FY 2012 allocation is \$819,554. The budget unit amount is reduced by the amount recommended by the Governor.

**DIVISION III – Health and Human Services – Department of Veterans Affairs FY 2012**

**Section 3 – Department of Veterans Affairs**

***Dept. of Veterans Affairs Administration***

<b>FY 2011</b>	<b>HF 649</b>	<b>FINAL</b>
929,608	998,832	<b>998,832</b>

The section funds the operation of the Department of Veterans Affairs. The FY 2012 allocation is \$998,832. The section is reduced by the amount recommended by the Governor, and an additional \$125,000 is provided to pay for operational costs at the Iowa Veterans Cemetery.

***Iowa Veterans Home***

<b>FY 2011</b>	<b>HF 649</b>	<b>FINAL</b>
8,952,151	8,952,151	<b>8,952,151</b>

The section provides funding for the operation of the Iowa Veterans Home. The FY 2012 allocation is \$8,952,151, which is the FY 11 level. The section contains language stating that if there is a change of contractor for services being provided by current workers under a collective bargaining unit, those employees shall retain their positions as if there was no change in employers. The section also includes language directing monthly reporting of expenditures and revenue to the Legislative Services Agency.

**ITEM VETO:** The Governor vetoed the language requiring monthly reporting to LSA, stating: ***“While I strongly support transparency efforts that publicly disclose how departments spend their resources, this information is already available within the State’s accounting and budgeting systems.”***

***State Education Assistance – Children of Deceased Veterans***

<b>FY 2011</b>	<b>HF 649</b>	<b>FINAL</b>
12,416	12,416	<b>12,416</b>

The section provides funding for educational grants to children of veterans killed in action. The FY 2012 allocation is \$12,416, which is the same amount as FY 11.

**Section 4 – Limitation of County Commission of Veterans Affairs Fund Standing Appropriation**

<b>FY 2011</b>	<b>HF 649</b>	<b>FINAL</b>
900,000	990,000	<b>990,000</b>

The program provides county veteran programs with a matching grant. The FY 2012 appropriation is \$990,000, which restores the grants to their original amount of \$10,000 per county.

**DIVISION IV – Health and Human Services – Department of Human Services FY 2012**

**Section 5 - Temporary Assistance for Needy Families Block Grant**

This section appropriates the TANF money received by the state and unused TANF funds from previous years. The annual block grant amount is \$131,524,959. The allocations are:

- ***Family Investment Program Account*** \$ 21,500,738
- ***PROMISE JOBS*** \$ 12,411,528
- ***Family Development and Self-Sufficiency (FaDSS)*** \$ 2,898,980
- ***Field Operations*** \$ 31,296,232
- ***General Administration*** \$ 3,744,000
- ***State Child Care Assistance*** \$ 16,382,687
- ***Mental Health and Developmental Disabilities Comm. Services*** \$ 4,894,052
- ***Child and Family Services*** \$ 32,084,430
- ***Child Abuse Prevention*** \$ 125,000
- ***Pregnancy Prevention grants*** \$ 1,930,067
- ***TANF Technology grants*** \$ 1,037,186
- ***Early Childhood Efforts via Community Empowerment*** \$ 6,350,000
- ***Social Services Block Grant Transfer*** \$ 12,962,008
- ***Food Assistance Program support*** \$ 146,072

The section amends the language for the Pregnancy Prevention grants, eliminating the requirement for comprehensive services to obtain a grant. Instead, grants must provide programming that is abstinence-based, in compliance with the original language creating the grants in the 1997 session. The section includes a new allocation for Food Assistance Program support. These funds are used for the Promoting Healthy Marriage Program. By utilizing this program in FY 2011, the state increased Food Assistance eligibility from 150% FPL to 160% FPL. The section also provides language directing the Department on how to spend federal stimulus dollars still unspent.

**Section 6 - Family Investment Program Account** - The section sets out how funds deposited in the FIP Account will be allocated and disbursed by the Department. The section also includes language concerning the funding of the Family Development and Self-Sufficiency program (FaDSS), the FIP Diversion program, and the Food Assistance employment and training program.

**Section 7 – Family Investment Program General Fund**

<b>FY 2011</b>	<b>HF 649</b>	<b>FINAL</b>
31,046,534	50,421,027	<b>50,171,027</b>

This is the General Fund appropriation for Iowa’s welfare program, including PROMISE JOBS. The FY 2012 appropriation is \$50,171,027. The appropriation has a net increase of \$19,124,493, which is used to replace one-time federal stimulus funds.

**Section 8 – Child Support Recovery Unit**

<b>FY 2011</b>	<b>HF 649</b>	<b>FINAL</b>
10,899,564	13,119,255	<b>13,119,255</b>

The section funds child support enforcement efforts in Iowa. The FY 2012 appropriation is an increase of \$2.2 million to replace one-time federal stimulus funds and a transfer from the Underground Storage Tank Fund, and to maintain current staffing levels.

**Section 9 – Health Care Trust Fund – Medical Assistance** - The section appropriates funds in the Health Care Trust Fund for the Medicaid program. The amount estimated to be transferred to Medicaid will be \$106,900,000, which is an increase of \$6.6 million over the amount anticipated in House File 649.

**Section 10 – Medical Assistance**

<b>FY 2011</b>	<b>HF 649</b>	<b>FINAL</b>
393,683,227	897,237,190	<b>909,993,421</b>

The section provides the General Fund Appropriation for the Medicaid program. The FY 2012 appropriation is \$909,993,421, which is \$516 million above the FY 2011 level. This is nearly \$12.7 million above the House File 649 level. The vast majority of the increase - \$405 million – replaces a variety of one-time funding sources are replaced with General Fund dollars.

The section changes the language governing Medicaid payment for medically-necessary abortions. The report provides that the program shall operate consistently with options under federal law and regulations. The section states that Iowans support reducing the number of abortions in our state. For covered procedures other than medical emergency defined in Parental Notification chapter, the woman must be provided an opportunity to view a sonogram and shall be provided with information on alternatives to abortion.

The section maintains the monthly personal needs allowance level at \$50 for Medicaid enrollees residing in nursing homes, Intermediate Care Facilities for those with Mental Retardation (ICF/MR) and Intermediate Care Facilities for those with Mental Illness (ICF/MI).

The section provides appropriations to the four state Mental Health Institutes to make up for reduced federal funding through the IowaCare program. The section inserts language that would allow the University of Iowa Hospitals and Clinics to utilize the certified public expenditure process to draw down federal Medicaid

match. The section also states for third party contracts under Medicaid, any interest earned on the payments for these contracts will be returned to the state for Medicaid.

The section provides funding for the Health Insurance Premium Payment program (HIPP). Previously, this had been funded as a separate line item. The section also gives the Department to utilize sole source contracting or expand existing contracts to implement cost containment strategies recommended by the Governor. The section instructs the Department to move Remedial Services to the Iowa Plan managed care contract.

The section gives the Department emergency rule-making authority to implement cost containment measures recommended by the governor. These measures are listed on the subcommittee’s spreadsheet if not specifically identified in the bill. The Department is not allowed to implement the proposal that would require a referral for a child to see a chiropractor. The Department is required to report quarterly on the implementation of these items.

The section directs that \$5 million of the appropriation be used to reduce the waiting lists for the brain injury, children’s mental health, and intellectual disabilities HCBS waivers. The section also gives the Department authority to seek federal approval to implement the Health Home concept for Medicaid recipients (much like medical homes) and the Accountable Care Organization pilot project. The section directs the Department to work with the Iowa Pharmacy Association and other parties to develop a methodology to reimburse for drug ingredient costs, replacing the AWP minus 12 percent methodology in FY 2013.

**Section 11 – State Supplementary Assistance**

<b>FY 2011</b>	<b>HF 649</b>	<b>FINAL</b>
18,259,235	16,850,747	<b>16,850,747</b>

The section appropriates \$16,580,747 for FY 2012. The appropriation is \$1.4 million below the FY 2011 level. The section instructs DHS to increase the personal needs allowance for residents of residential care facilities at the same rate and time that SSI and Social Security benefits are increased. The Department is given authority to adjust the program if it is determined that the funding will not meet the federal requirements for the program.

**Section 12 – Children’s Health Insurance Program**

<b>FY 2011</b>	<b>HF 649</b>	<b>FINAL</b>
23,637,040	32,927,152	<b>32,806,102</b>

The section appropriates the funds for the Healthy and Well Kids in Iowa (HAWK-I) program. The FY 2012 appropriation is \$32,806,102. The section has an increase of \$9 million over the FY 2011 level. Most of the increase is due to incorporating the funding for the HAWK-I eligibility expansion which was enacted in 2008. The rest of the increase is due to growth in enrollment. Funding for HAWK-I outreach was restored in the final negotiations.

**Section 13 – Child Care Assistance**

<b>FY 2011</b>	<b>HF 649</b>	<b>FINAL</b>
31,637,662	51,237,662	<b>53,237,662</b>

The section appropriates \$53,237,662 for child care assistance and quality initiatives in FY 2012. The General Fund appropriation is \$21.6 million above the FY 2011 level and \$2 million above the House File

649 level. Most of the increase is due to replacing one-time federal stimulus funding. Reimbursement rates for providers remain the same under the bill, as will eligibility standards. The increase is to replace federal stimulus dollars and carry-forward funds. The section maintains current reimbursement levels and eligibility standards. Funds appropriated for child care assistance in FY 2012 that are not used can be carried-forward for use in FY 2013.

**Section 14 - Juvenile Institutions**

**Iowa Juvenile Home - Toledo**

<b>FY 2011</b>	<b>HF 649</b>	<b>FINAL</b>
7,041,917	8,258,251	<b>8,258,251</b>

**State Training School – Eldora**

<b>FY 2011</b>	<b>HF 649</b>	<b>FINAL</b>
10,638,677	10,638,677	<b>10,638,677</b>

The section appropriates the funds for the operation of the juvenile institutions at Eldora and Toledo. Funding for Toledo is \$8,258,251 in FY 2012, while funding for Eldora is set at \$10,638,677. Part of the increase is to replace FY 2010 funding that came from federal stimulus funds. The section also restores the funding cut from the Iowa Juvenile Home by the Culver Cut, and replaces Underground Storage Tank funding with General Fund dollars. Additional funds are provided to maintain current bed capacity.

The appropriation for the State Training School is increased by \$91,150 as all of the Licensed Classroom Teacher funding for DHS institutions is appropriated there. DHS is authorized to transfer the appropriate amount to the other DHS institutions with teachers (Toledo, Cherokee, and Independence).

**Section 15 – Child and Family Services**

<b>FY 2011</b>	<b>HF 649</b>	<b>FINAL</b>
77,865,550	82,020,163	<b>82,830,967</b>

The section provides \$82,830,967 in FY 2012. This is a \$5 million increase in funding over FY 2011 levels. Much of the increase is to replace one-time funding sources used in FY 2011. Additional funding is provided for the SAMSHA System of Care grant being utilized in NE Iowa. New funding is provided for the system of care project in central Iowa (\$250,000) and east central/north central Iowa (\$160,000), which is a change from HF 649. The section provides that of the TANF funding provided for child and family services, \$5.2 million will be used to offset the funding that had come from the juvenile delinquent graduated sanction services in previous years.

Funding in the section for shelter care services is reduced by \$1,000,000. The section directs the Department to continue implementing the RFP for emergency child welfare services. The section continues to provide funding for the five juvenile drug courts. Funding is continued to provide services in Cedar Rapids for those Iowans with Asperger’s syndrome.

**Section 16 – Adoption Subsidy**

<b>FY 2011</b>	<b>HF 649</b>	<b>FINAL</b>
31,395,307	34,897,591	<b>33,266,591</b>

This section provides the funding for the subsidized adoption program. The bill’s funding level is above last year’s level, as the section replaces one-time federal stimulus funds and Underground Storage Tank funding. The section also funds expected caseload growth.

**Section 17 – Juvenile Detention Home Fund**

The section provides for the distribution of state funding for juvenile detention centers. The amount of state participation in these costs will be the same as it was in FY 2011. The bill directs the Department of Human Services, Department of Human Rights, and Juvenile Court Officers to work with providers to develop recommendations on possible alternative fund distribution methodologies.

**Section 18 – Family Support Subsidy Program**

<b>FY 2011</b>	<b>HF 649</b>	<b>FINAL</b>
1,167,998	1,167,988	<b>1,167,988</b>

This program helps keep families together by defraying some of the special costs of caring at home for a child with disabilities. The FY 2012 appropriation level is \$1,167,998. Funding for the Family Support Subsidy is reduced by \$100,000, due to the freeze on enrollment enacted as part of SF 2088 in 2010. Funding for the Children at Home program is increased by \$100,000.

**Section 19 - Conner Decree** - The section states that the Department is to provide training in accord with the consent decree in Conner v. Branstad. The appropriation for this year is \$33,622.

**Section 20 - Mental Health Institutes**

The section sets out the funding for the state’s four mental health institutes. Funding increases are to replace funds received from the state’s allocation of federal stimulus dollars and from the Underground Storage Tank Fund. Additional resources are provided to restore funds eliminated by the Culver Cut. Funds are also provided in this section to address capacity issues at the four MHI’s. Additional funding maintains all the current capacity levels. For some programs, the increased funding will allow a restoration of capacity.

**Cherokee MHI**

<b>FY 2011</b>	<b>HF 649</b>	<b>FINAL</b>
2,802,494	5,877,308	<b>5,877,308</b>

**Clarinda MHI**

<b>FY 2011</b>	<b>HF 649</b>	<b>FINAL</b>
5,393,175	6,411,734	<b>6,411,734</b>

**Independence MHI**

<b>FY 2011</b>	<b>HF 649</b>	<b>FINAL</b>
7,196,279	10,275,685	<b>10,275,685</b>

**Mount Pleasant MHI**

<b>FY 2011</b>	<b>HF 649</b>	<b>FINAL</b>
647,029	944,323	<b>944,323</b>

**Section 21 - State Resource Centers**

The section makes the appropriations to the State Resources Centers in Glenwood and Woodward, which serve as the state's 24/7 facility for Iowans with mental retardation and other developmental disabilities. Both institutions receive over 90% of their funds from other sources (federal Medicaid and counties), so the appropriation only provides the state's share of the cost. This section grants the Department the authority to increase staff and residents if funding is available. The section also grants the Department the authority to reopen closed houses if a waiting list is in effect for a service.

**Glenwood SRC**

<b>FY 2011</b>	<b>HF 649</b>	<b>FINAL</b>
13,747,086	18,807,801	<b>18,507,801</b>

**Woodward SRC**

<b>FY 2011</b>	<b>HF 649</b>	<b>FINAL</b>
8,538,466	13,085,658	<b>12,785,658</b>

The appropriations for Glenwood and Woodward are both increased as federal stimulus funds are replaced with General Fund dollars. Both institutions are provided additional funds for increased state Medicaid share. Also, the section provides additional resources to maintain current capacity. The funding levels are reduced by \$300,000 for each institution below the House File 649 level.

**Section 22 – MH/MR/DD State Cases**

<b>FY 2011</b>	<b>HF 649</b>	<b>FINAL</b>
11,295,207	12,169,482	<b>12,169,482</b>

The State Cases program provides funding for services to Iowans who do not have legal settlement in any particular county. The FY 2012 appropriation is \$12,169,482. The appropriation is increased by \$875,000 to replace one-time funds taken from the Underground Storage Tank fund. The section instructs the Department to utilize \$200,000 of community mental health block grant funds for these services. This will prevent these funds from being returned to the federal government.

**Section 23 – Mental Health and Developmental Disabilities – Community Services Fund**

<b>FY 2011</b>	<b>HF 649</b>	<b>FINAL</b>
14,211,100	14,211,100	<b>14,211,100</b>

This section provides funding to counties for the provision of mental health, mental retardation, and developmental disabilities services at the community level. Section 24 also provides the mechanism by which the Department allocates the funding to each county. The funding level is \$14,211,100, which is the same as FY 2011.

**Section 24 – Sexually Violent Predators (CCUSO)**

<b>FY 2011</b>	<b>HF 649</b>	<b>FINAL</b>
6,425,131	7,550,727	<b>7,550,727</b>

The FY 2012 appropriation is \$7,550,727. This level provides an increase of \$1.1 million for the operation of the Civil Commitment Unit for Sexual Offenders at the Cherokee MHI. Most of these funds are to replace funding from the Underground Storage Tank Fund. Also, additional funds are provided to maintain bed capacity.

**Section 25 – Field Operations**

<b>FY 2011</b>	<b>HF 649</b>	<b>FINAL</b>
46,304,099	55,339,921	<b>54,789,921</b>

This section funds the staff in local DHS offices and service area offices. The FY 2012 appropriation is \$540,000 less than previous versions, as FY 11 funds are being carried forward into the next fiscal year. This is an increase of \$9.6 million over FY 2011, with most of the additional resources replacing one time funding sources. The section also provides an additional \$2.4 million to help maintain current caseload levels for field staff. The section authorizes the Department to seek out-of-state residents for the facility. The section also provides that unused FY 2012 funds can be carried-forward into FY 2013.

**ITEM VETO:** The Governor vetoed the carry-forward language, stating: *“The carry-forward language does not work to advance my goals of returning predictability and sustainability back to government budgeting.”*

**Section 26 – General Administration**

<b>FY 2011</b>	<b>HF 649</b>	<b>FINAL</b>
14,646,745	15,146,745	<b>14,596,745</b>

This section funds the central office activities of DHS. The FY 2012 appropriation is \$550,000 less than previous versions, as FY 11 funds are being carried forward into the next fiscal year. The funding level provides additional resources (\$500,000) to help reduce the backlog of appeals in founded child abuse cases. The department is required to report monthly to the Legislative Services Agency on operational and program expenditures. The section also provides that unused FY 2012 funds can be carried-forward into FY 2013.

**ITEM VETO:** The Governor vetoed the carry-forward language, stating: *“The carry-forward language does not work to advance my goals of returning predictability and sustainability back to government budgeting.”*

**Section 27 – Volunteers** - The FY 2012 appropriation is \$84,660, which is the same as FY 2011.

**Section 28 - Provider Reimbursement Rates** - This section sets forth the reimbursement rates for DHS service providers in FY 2011. Virtually all of the rates will be the same as in FY 2011. The section establishes the expenditure cap for Medicaid nursing home services and instructs the Department to undertake nursing facility case-mix rebasing within this amount.

The bill does provide nearly \$3 million to increase the prescription dispensing fee for pharmacists, \$350,000 to increase reimbursement rates for Psychiatric Medical Institutes for Children (PMIC’s), and \$1.5 million to increase reimbursement rates for providers of home and community-based waiver services.

**Section 29 – Emergency Rules** - The section permits the Department of Human Services and the Mental Health and Developmental Disabilities Commission to adopt emergency rules, when authorized by the bill.

**Section 30 – Civil Monetary Penalties – Direct Care Worker Initiatives Proposal** - The section directs the Department to seek permission from the federal government to use a portion of civil monetary penalties from nursing homes to pay for direct care worker initiatives. This language was not included in House File 649.

**Section 31 - Federal Grants Reporting** - The section requires the Departments covered by the bill to report to the chairs and ranking members of the budget subcommittee, LSA, and the Department of Management when they apply for a federal grant. They must report the federal funding source and the potential future commitment of state funds in order to match or continue the grant.

**ITEM VETO:** The Governor vetoed Section 31, stating: *“While I strongly support communication and collaboration between state agencies and branches of government, this item is unnecessary because Iowa Code section 8.9 paragraph 2 (a) requires that all grant applications submitted and grant moneys received shall be reported to the Office of Grants Enterprise Management. Iowa Code section 8.9 paragraph 2 (b) provides that a report shall be submitted to the legislature on July 1st and January 1<sup>st</sup> of each year.”*

**Section 32 – Reports** - The section requires any reports mandated by the bill to be submitted to the chairs and ranking members of the subcommittee, the Legislative Services Agency, and the Legislative caucus staffs.

**Section 33 – Effective Upon Enactment and Retroactive Applicability**

**DIVISION V – Pharmaceutical Settlement Account, IowaCare Account, Health Care Transformation Account, Medicaid Fraud Account, Quality Assurance Trust Fund, and Hospital Health Care Access Trust Fund – FY 2012**

**Section 34 – Pharmaceutical Settlement Account** - The section appropriates the funds received in the pharmaceutical settlement account to the Department of Human Services for the Medical Contracts line item. This year’s amount is \$10,907,457.

**Section 35 – Appropriations from IowaCare Account** - The section makes the appropriations to the various providers serving clients of the IowaCare program. The section also makes contingent appropriations of funds obtained through new Medicaid accounting procedures at the University of Iowa Hospitals and Clinics, if this method is approved by the Legislature. The funds are appropriated as follows:

University of Iowa Hospitals and Clinics	\$27,284,584
University of Iowa Hospitals and Clinics	\$44,226,279
University of Iowa Hospitals and Clinics	\$16,277,753
Broadlawns Medical Center	\$65,000,000
DHS – Regional Provider Network (SF 2356)	\$ 3,472,176
DHS – Care Coordination Pool (New)	\$ 1,500,000
DHS – Regional Provider Network Lab and Radiology(New)	\$ 500,000

The report provides that the program shall operate consistently with options under federal law and regulations. The section states that Iowans support reducing the number of abortions in our state. For covered procedures other than medical emergency defined in Parental Notification chapter, the woman must

be provided an opportunity to view a sonogram and shall be provided with information on alternatives to abortion.

**Section 36 – Appropriations from Non-participating Provider Reimbursement Fund – Department of Human Services** - The section appropriates \$2,000,000 to reimburse other hospitals for emergency care provided to IowaCare enrollees.

**Section 37 – Appropriations from Account for Health Care Transformation** - The section makes the appropriations for FY 2012 from the Health Care Transformation Account. This is the fund created in 2005 to implement the health care reforms proposed as part of IowaCare. They are:

Medical Information Hotline	\$ 100,000
Health Promotion Partnership Activities	\$ 600,000
Audits, Performance Evaluations, & Studies	\$ 125,000
Administrative Costs	\$1,132,412
Implementation of Dental Home for Kids	\$1,000,000
Tuition Assistance for Individuals with Disabilities	\$ 50,000
Medical Contracts	\$2,000,000
Broadlawns Medical Center – Administration	\$ 290,000
DPH - Medical Home Advisory Council	\$ 233,357
Implementation of Uniform Cost Report	\$ 150,000
Implementation of Electronic Medical Records for Medicaid	\$ 100,000
DPH – Health and Long-Term Care Access	\$ 134,214
Accountable Care Organization Pilot Project	\$ 100,000
Provider Payment System	\$ 200,000
DPH – Health Information Technology matching funds	\$ 363,987
Medicaid Supplementation	\$1,956,245

**ITEM VETO:** The Governor vetoed the appropriation for the Provider Payment System, stating: *“I support innovation in Medicaid to allow sustainability and greater quality of care. However, due to the austere nature of this budget and our needs to focus on current cost containment strategies proposed by the Iowa Medicaid Enterprise, I cannot approve of a new study further stretching department resources.”*

**Section 38 – Medicaid Fraud Account – Department of Inspections and Appeals** - The section appropriates \$1,339,527 from the Medicaid fraud account in the Department of Inspections of Appeals to that agency for inspection and certification of assisted living and adult day services. This is the same level as was appropriated in FY 2011.

**Section 39 – Quality Assurance Trust Fund – Department of Human Services** - The section appropriates \$29,000,000 from the Quality Assurance Trust Fund to the Department of Human Services for Medicaid. These funds are paid by nursing homes for the Quality Assurance Assessment, which is used to provide additional daily reimbursement for Medicaid-eligible residents.

**Section 40 – Hospital Health Care Trust Fund – Department of Human Services** - The section appropriates \$40,000,000 from the Hospital Health Care Trust Fund to maintain Medicaid reimbursement rates to hospitals at the Medicare level. This is funded by the Hospital Health Care Assessment, paid generally by larger, urban hospitals.

**Section 41 – Medical Assistance Program – Non-Reversion** - The section requires that any funds from the Medicaid appropriation that are not spent or encumbered shall not revert but shall remain available for use in the Medicaid program in FY 2013.

## **DIVISION VI – Health and Human Services – MH/MR/DD Services Allowed Growth Funding for FY 2012**

### **Section 42 – Mental Health, Mental Retardation, and Developmental Disabilities Property Tax Relief**

- The section provides the mental health property tax relief appropriation for FY 2012. The amount of the FY 2012 appropriation is the same as FY 2011, \$81,199,911.

### **Section 43 – Senate File 209 Appropriation – FY 2011**

- The section allocates the \$20 million appropriated in Senate File 209 for mental health waiting lists. The section designates \$10 million to be used for county mental health waiting lists in place on April 21, 2011 (date of enactment of SF 209). If not all the funds are used, then the remaining funds may be distributed to counties with waiting lists established after April 21, 2011. The section sets out the rules for accessing the funds and reporting on their use.

### **Section 44 – Adult MH/MR/DD Services Allowed Growth Funding – FY 2012**

- The section sets the allowed growth level and funding for FY 2012. The appropriation for mental health allowed growth will be increased by \$16 million over the FY 2011 level.

**Section 45** – The section revises the language in HF 2526 from 2010, which sets out the distribution of FY 2011 mental health funding. The new language allows counties to transfer mental health funds back to the state in order to maintain eligibility for allowed growth funds.

**ITEM VETO:** The Governor vetoed language concerning the county transfers back to the state. The language was located in two different sections of the bill, with varying directions. The Governor chose to retain the language in section 43, while item-vetoing the provision in section 45.

### **Section 46 – FY 2011 MH/MR/DD Services Fund Transfer Correction**

- The section corrects language in the FY 2011 Health and Human Services appropriations bill language regarding when a county must report that they have transferred money back to the state.

### **Section 47 – Judicial Branch & Department of Human Services Workgroup – Residential Care Facilities**

- The section directs that the workgroup established in 2011 to examine mental health commitment issues shall also examine issues related to the placement of individuals in RCF's. The issues shall include educating magistrates on RCF issues and work to identify facilities that can provide appropriate care for those accused or convicted of certain crimes.

### **Section 48 – Effective Upon Enactment and Retroactive Applicability**

- The section makes section 45 effective upon enactment and retroactively applied to December 1, 2010.

### **Section 49 – Effective Upon Enactment and Retroactive Applicability**

- The section makes the sections appropriating the mental health funds from Senate File 209 effective immediately and applicable retroactive to April 21, 2011.

## **DIVISION VII – Prior Appropriations and Related Changes**

### **Section 50 – Community Housing for Persons with Disabilities Loan Program Fund**

The section creates Iowa Code section 16.185, which creates a revolving loan fund under the Iowa Finance Authority to help keep Medicaid waiver-eligible Iowans out of institutional settings and in permanent supportive housing. Funding for the program comes from the FY 2011 reversions from child welfare decatergization projects.

**Section 51 – Vietnam Conflict Veterans Bonus** - The section amends Iowa Code section 35A.8A (2)(d) to extend the application date for the bonus to May 1, 2011. The Department of Veterans Affairs was supposed to close applications on July 1, 2010, but the Department failed to do this.

**Section 52 – Vietnam Conflict Veterans Bonus Fund** - The section provides that funds unspent on the Vietnam Conflict Veterans bonus are to be placed in the Veterans Trust Fund, where they will be held until the Legislature provides for a bonus for Iowa veterans who served in Panama, Grenada, Lebanon, and the Persian Gulf.

**Section 53 – Injured Veterans Grant Program** - The section provides that the funding currently in the program shall not revert at the end of FY 2011, but shall remain available for FY 2012.

**Section 54 – Behavioral Health Services Account – Medical Assistance** - The section allows the Department of Human Services to carry-forward funds from the Behavioral Health Account, which was appropriated in FY 2010. These funds are to be used for crisis stabilization and other mental and behavioral health service improvements.

**Section 55 – Child Welfare Decategorization FY 2010 Nonreversion** - The section transfers unused child welfare decat funds returned to the state at the end of FY 2010 to the Community Housing for Persons with Disabilities Revolving Loan Program Fund, created in section 50.

**Sections 56 & 57 – American Recovery and Reinvestment Act of 2009 – Allocation for Infant and Toddler Care Quality** - The sections expand eligibility for child care facilities to participate in the ARRA-funded Child Care Scholarship program. Section 55 expands the age eligibility for children to receive the scholarship. Section 56 revises the eligibility requirements for child care providers to participate. The language in House File 649 for this section has been corrected in this version.

**Section 58 – Iowa Department on Aging Case Management Review** - The section amends language in last year’s budget bill directing DHS to review state expenditures for the Case Management for the Frail Elderly. Since the funding is being moved to DHS, this is no longer necessary.

**Section 59 – Iowa Veterans Home** - The section amends the FY 2011 budget bill to direct the Veterans Home to return any excess funds beyond \$500,000, and to place those in Medicaid. The Veterans Home is a net-budgeting institution and has no limit on the money it may retain at the end of the fiscal year. In contrast, other net-budgeting institutions are limited to retaining \$500,000.

**Section 60 – Medical Assistance Program** - The section amends the FY 2011 appropriations bill to allow the Department to hire additional staff and services necessary to implement cost containment efforts.

**Section 61 – State Supplementary Assistance Program** - The section allows funds appropriated for the State Supplementary Assistance program in FY 2011 to be carry-forward into FY 2012.

**Section 62 – Child Welfare Training Academy** – The section allows unused FY 2011 funds for the child welfare training academy to be carried forward into FY 2012.

**Section 63 – Adoption Subsidy Transfer to Cherokee MHI** - The section amends the FY 2011 appropriation bill to transfer \$60,000 from the Subsidized Adoption appropriation to the Cherokee MHI appropriation and directs the funds be used for children’s psychiatric beds. The section also allows unused FY 2011 funds for Adoption Subsidy to be carried forward into FY 2012.

**Section 64 – Department of Human Services – Field Operations** - The section allows unused FY 2011 funds for Field Operations to be carried forward into FY 2012.

**Section 65 – Department of Human Services – General Administration** – The section allows unused FY 2011 funds for General Administration to be carried forward into FY 2012.

**Section 66 – Iowa Department on Aging Case Management Review** - The section amends language in the FY 2011 appropriations bill directing DHS to review state expenditures for the Case Management for the Frail Elderly. Since the funding is being moved to DHS, this is no longer necessary.

**Section 67 – Quality Assurance Trust Fund** - The section amends the FY 2011 appropriation from the nursing facility Quality Assurance Trust Fund. The section places the correct number in the appropriation for FY 2011.

**Section 68 – Injured Veterans Trust Fund** - The section makes a supplemental appropriation of \$1 million in FY 2011 to the Injured Veterans Trust Fund and provides that the funds not used by the end of FY 2011 shall be carried forward into FY 2012. The section also directs the Department of Veterans Affairs to review the rules and statutes related to the program and propose changes for improvements.

**Section 69 – Department of Cultural Affairs – Merchant Marine Bonus Fund** - The section transfers funding that the Department of Cultural Affairs is not using for the Battleship Iowa Restoration to the Department of Veterans Affairs for equipment purchases. This will allow the Department to have sufficient operating funds to maintain operations at the Iowa Veterans Cemetery. Funds not used by the end of FY 2011 will be deposited in the Veterans Trust Fund.

**Section 70 – Decategorization Project Funding** - The section permits a child welfare decategorization project that owns real property to utilize decat funds to purchase liability insurance. This is granted until the end of FY 2012.

**Section 71 – State Institution – Appropriation Transfer** - The section transfers \$400,000 from Glenwood State Resource Center's FY 2011 appropriation to the Iowa Juvenile Home in Toledo and \$400,000 from Woodward State Resource Center's FY 2011 appropriation to the Independence MHI.

**Section 72 – Accountable Care Organization – Pilot** - The section allows an organization to create an Accountable Care Organization pilot project under the Medicaid program if they receive approval from the federal government and they meet the qualifications listed in the section.

**Section 73 – Emergency Rules** - The section gives the Iowa Finance Authority emergency rulemaking authority to implement the rules for the Community Housing for Persons with Disabilities Revolving Loan program. Any emergency rules promulgated by the IFA under this section must be reviewed by the Administrative Rules Review Committee prior to going into effect.

**Section 74 – Effective Upon Enactment And Retroactive Applicability** - The section makes the Division effective upon enactment, and if approved by the Governor after July 1, 2011, applies it retroactively to June 30, 2011.

**Section 75 – Retroactive Applicability** - The section makes the language regarding the retention of child welfare decategorization funding provided in FY 2011 and FY 2012 applicable retroactive to July 1, 2010.

**Section 76 – Retroactive Applicability** - The section makes the language relating to the closing date for applying for the Vietnam Veterans bonus retroactive to July 1, 2010.

**Section 77 – Retroactive Applicability** – The section makes the transfer of appropriations between DHS state institutions retroactive to January 1, 2011.

### **DIVISION VIII – Prevention and Chronic Care Management**

**Section 78 – Prevention and Chronic Care Advisory Council** - The section amends Iowa Code section 135.159 directing the Department of Public Health to incorporate the work of the Prevention and Chronic Care Advisory Council into the Medical Home System Advisory Council beginning on January 1, 2012.

**Section 79 – Prevention and Chronic Care Advisory Council** - The section strikes references to this group from Iowa Code section 135.162 (1,3).

**Section 80 – Prevention and Chronic Care Advisory Council** - The section strikes references to this group from Iowa Code section 136.3 (14).

**Section 81 – Repeal** - The section repeals Iowa Code section 135.161, which creates the Prevention and Chronic Care Advisory Council.

**Section 82 – Effective Date** - The section makes Division VIII effective on December 31, 2011.

### **DIVISION IX –Miscellaneous**

**Section 83 – Disaster Case Management** - The section amends Iowa Code section 29C.20B to provide that disaster case management shall be led by the Department of Homeland Security and the Emergency Management Division, working with DHS. This language has been added to this version of the bill.

**Section 84 – Home Visitation Funding** - The section amends Iowa Code section 135.106 to provide that the priority for home visitation funding will go to evidence-based models. This language has been added to this version of the bill.

**Section 85 – Medicaid Recovery of Medical Malpractice Settlements** - The section amends Iowa Code section 147.136 to allow the Department of Human Services to recover medical costs paid by the Medicaid program that are compensated for in a medical malpractice claim.

**Section 86 – Dental Students Providing Care.** The section amends Iowa Code section 153.14 to allow dental students from accredited schools to provide dental care at clinics, as a part of their education. Currently, only students at Iowa dental schools can provide care.

**Section 87 – Advertising Requirements for Hearing Aid Dispensers.** The amendment strikes Iowa Code section 154A.24. (3) (a) which requires businesses dispensing hearing aids to either have the words “hearing aids” in the name of the business or included in any advertising for the business.

**Section 88 – Pharmaceutical Collection and Disposal Program** - The section amends Iowa Code chapter 155A to provide that the funding for the pharmaceutical collection and disposal program shall be not more than \$125,000 of the licensing fees collected by the Board of Pharmacy. This language has been added to this version of the bill.

**Section 89 – Prevention of Disabilities Policy Council** - The section extends the sunset of the Council to July 1, 2012. This language has been added to this version of the bill.

**Section 90 – Child Welfare Decategorization** - The section amends Iowa Code section 232.188 (5)(b) to allow child welfare decat programs to retain funding for two years beyond the year in which they are appropriated.

**Section 91 – Dependent Adult Abuse Notice.** The section amends Iowa Code section 235B.19, which deals with the emergency orders for protective services in dependent adult abuse cases. The section requires DHS to serve a copy of the petition for protective services with the dependent adult or a family member or the dependent adult’s attorney who has power of attorney. The Department only has to serve one of the family members or attorney. The Department will also serve the dependent adult with the petition and court order in the case. If the order is an emergency order, it must be served within 3 days.

The section also adds language prohibiting the Department, family member, or attorney of the dependent adult from:

- Selling, removing or disposing of the dependent adult’s personal property; and
- Withdrawing funds from any accounts that the dependent adult has an interest in.

**Section 92 – Part-Time Child Care at Fitness Facilities or Social Activity.** The section amends Iowa Code section 237A.1 (3) (n) which exempts child care offered to a child whose parent is participating in a recreational or social activity where child care is being provided. The section adds to this exemption those situations where child care is being provided to the children of a parent, guardian, or custodian who may be employed by a fitness center or non-profit organization to teach or lead the activity.

**Section 93 – Name Change** - The section changes the name of the Iowa/Nebraska Primary Care Association to the Iowa Primary Care Association in Iowa Code section 249A.4B (2) (a) (18). This language has been added to this version of the bill.

**Section 94 – Repeal** - The section sunsets the Governor’s Council on Nutrition and Physical Fitness on December 31, 2011.

## **DIVISION X – Medicaid Prescription Drugs**

**Section 95 – Exception to Prior Authorization** - The section amends Iowa Code section 249A.20A (4) to provide that mental illness drugs are not subject to prior authorization in the Medicaid program.

**Section 96 – Medicaid Non-Preferred Drug List Prescribing** - The section amends the 2010 Government Reorganization bill that limited the amount of mental health drugs that could be prescribed without prior authorization.

**Section 97 – Repeal** - The section amends the 2010 Government Reorganization bill by striking section 349.

**Section 98 – Rescinding and Adoption of Rules** - The section directs the Department of Human Services to rescind administrative rules the implemented the changes being repealed above and directs the Department to adopt new rules.

**Section 99 – Effective Upon Enactment and Retroactive Applicability** - The section makes the Division effective upon enactment and applied retroactively to January 1, 2011.

**ITEM VETO:** The Governor vetoed sections 95, 96, 97,98, 99, stating: *“These items unduly harm a sound, clinically appropriate approach that has resulted in minimal impacts to Iowa Medicaid patients and providers, but that has provided valuable cost savings to a vital entitlement program.”*

### **DIVISION XI – Iowa False Claims Act**

The Division makes revisions to the Iowa False Claims Act. The changes are needed to comply with the requirements of the Centers for Medicare and Medicaid Services. Without approval from CMS, the state does not receive additional reimbursement from state efforts to combat Medicaid fraud. The changes have been approved by the Attorney General’s office and the Department of Inspections and Appeals and are based on New Jersey’s version of this law, which has been approved by CMS. The division has been added to this version of the bill.

**Section 100** - The section amends Iowa Code section 685.1 (11) by changing the definition of “original source”.

**Section 101** - The section amends Iowa Code section 685.1 by adding a definition for “state”.

**Section 102** - The section amends Iowa Code 685.2 (1) by making a person committing Medicaid fraud jointly and severally liable to the state for the civil penalty. The amount of the penalty is changed to what is allowed under federal law, adjusted for inflation.

**Section 103** - The section amends Iowa Code section 685.3 (5) (c) by revising the language where a court will dismiss a claim.

**Section 104** - The section amends Iowa Code section 685.3 (6) by revising the language on the relief a person can obtain if their employment situation changes due to reporting fraud under the Iowa False Claims Act.

### **DIVISION XII – Volunteer Health Care Provider Program**

**Section 105** - The section amends Iowa Code section 135.24 (2) by providing a process for a hospital to register as a sponsoring entity of the Volunteer Health Care Provider Program. This language has been added to this version of the bill.

**Section 106** - The section amends Iowa Code section 135.24 (3) (b) – the immunity provision holding a participating provider as a “state employee” - by adding a hospital that has entered into a sponsor entity agreement. This language has been added to this version of the bill.

**Section 107** – The section creates a definition of “hospital” in Iowa Code section 135.24.

**ITEM VETO:** The Governor vetoed sections 105, 106, and 107, stating: *“The State currently provides specialty healthcare providers that have limited resources with indemnification when they provide voluntary services to the most vulnerable citizens of Iowa. Because hospitals with their own liability insurance already provide volunteer services, members of the public would receive no benefit while the State would experience unnecessary costs.”*

### **DIVISION XIII – Health Care Costs Containment**

**Section 108 – All-Payer Claims Database** – The section directs the Department, in consultation with the Insurance Division, to investigate the costs associated with implementing an all-payer claims database. DHS shall report its findings by December 15, 2011.

**Section 109 – Provider Payment System Plan – Pilot Project** – The section directs the Department of Human Services to develop a provider payment system plan to provide recommendations to reform health care provider payment system to improve coordination of care, lower costs and improve quality.

**ITEM VETO:** The Governor vetoed section 109, stating: *“I support innovation in Medicaid to allow sustainability and greater quality of care. However, due to the austere nature of this budget and our need to focus on current cost containment strategies proposed by the Iowa Medicaid Enterprise, I cannot approve of a new study further stretching department resources.”*

**Section 110 – Effective Upon Enactment** – The section makes the division effective upon enactment.

### **DIVISION XIV – Health Information Technology System**

**Section 111 – Health Information Technology System – Business Model and Financial Sustainability Plan** – The section directs the Department of Public Health to convene a workgroup to develop a business model and financial plan for the possible implementation of a statewide health information technology system. The group shall consider issues including costs of participating, strategies to avoid use of general fund dollars, options for dedicated sources of funding, and transitioning to a non-governmental body. The membership is set out in the section, and the report shall be submitted to the governor and legislature by December 1.

**Section 112 – Health Information Technology System – Strategic and Operational Plan – Pilot**  
The section directs the Department of Public Health to implement the following policies in their existing health information technology pilot project:

- A participant may not be compelled to access information in the system not created by the participant;
- A provider who acts in good faith and who in good faith relies on the system is immune from criminal or civil penalties in certain instances;
- A participant who has disclosed certain health information to the system is immune from criminal or civil liability in certain instances; and
- Notwithstanding chapter 22, certain records provided to the system shall be kept confidential.

### **DIVISION XV – Department on Aging – FY 2013**

**Section 113 – Department on Aging -**  
The funding for this section is \$4,151,288, which is 50 percent of the FY 2012 level.

### **DIVISION XVI – Department of Public Health – FY 2013**

**Section 114 – Department of Public Health -**  
*Addictive Disorders* – The funding for this budget unit is \$11,751,595, which is 50 percent of the FY 2012 level.

*Healthy Children and Families* - The funding for this budget unit is \$1,297,135, which is 50 percent of the FY 2012 level.

*Chronic Conditions* - The funding for this budget unit is \$1,680,828, which is 50 percent of the FY 2012 level.

*Community Capacity* - The funding for this budget unit is \$2,117,583, which is 50 percent of the FY 2012 level. The budget unit includes intent language calling for the creation of a Board of Direct Care Workers in FY 2015, if sufficient funding is available.

**ITEM VETO:** The Governor vetoed the language calling for the creation of a Board of Direct Care Workers, stating: *“Funding for such a board would come from license fees and requiring direct care workers to pay such fees would be unduly burdensome and costly for both the State of Iowa and the workers.”*

*Healthy Aging* - The funding for this budget unit is \$3,648,571, which is 50 percent of the FY 2012 level.

*Environmental Hazards* - The funding for this budget unit is \$406,888, which is 50 percent of the FY 2012 level.

*Infectious Diseases* - The funding for this budget unit is \$672,923, which is 50 percent of the FY 2012 level.

*Public Protection* - The funding for this budget unit is \$1,388,116, which is 50 percent of the FY 2012 level.

*Resource Management* - The funding for this budget unit is \$409,777, which is 50 percent of the FY 2012 level.

## **DIVISION XVII – Department of Veterans Affairs – FY 2013**

### **Section 115 – Department of Veterans Affairs -**

*Department of Veterans Affairs Administration* - The funding for this budget unit is \$499,416, which is 50 percent of the FY 2012 level.

*Iowa Veterans Home* - The funding for this budget unit is \$4,476,075, which is 50 percent of the FY 2012 level. The section also includes language directing monthly reporting of expenditures and revenue to the Legislative Services Agency.

**ITEM VETO:** The Governor vetoed the language requiring monthly reporting to LSA, stating: *“While I strongly support transparency efforts that publicly disclose how departments spend their resources, this information is already available within the State’s accounting and budgeting systems.”*

*State Educational Assistance – Children of Deceased Veterans* - The funding for this budget unit is \$6,208, which is 50 percent of the FY 2012 level.

**Section 116 – Limitation of County Commission of Veterans Affairs Fund Standing Appropriation** - The funding for this section is \$495,000, which is 50 percent of the FY 2012 level.

## **DIVISION XVIII – Department of Human Services – FY 2013**

**Section 117 – Temporary Assistance For Needy Families Block Grant** – The section appropriates the TANF money received by the state and unused TANF funds from previous years. The annual block grant is \$131,524,959, with the section appropriating 50 percent of the block grant.

**Section 118 – Family Investment Program Account** - The section sets out how funds deposited in the FIP Account will be allocated and disbursed by the Department. The section's allocations are 50 percent of the FY 2012 allocations.

**Section 119 – Family Investment Program General Fund** – The funding for this section is \$25,085,513, which is 50 percent of the FY 2012 level.

**Section 120 – Child Support Recovery Unit** - The funding for this section is \$6,559,627, which is 50 percent of the FY 2012 level.

**Section 121 – Health Care Trust Fund – Medical Assistance** – The section appropriates funds in the Health Care Trust Fund for the Medicaid program. The amount estimated to be transferred to Medicaid will be \$106,900,000.

**Section 122 – Medicaid** – The funding for this section is 914,993,421, which is 100 percent of the FY 2012 level plus \$5 million to reduce HCBS waiver waiting lists.

**Section 123 – Medical Contracts** - The funding for this section is \$6,559,627, which is 50 percent of the FY 2012 spending on this.

**Section 124 – State Supplementary Assistance** - The funding for this section is \$8,425,373, which is 50 percent of the FY 2012 level.

**Section 125 – Children's Health Insurance Program (HAWK-I)** - The funding for this section is \$16,403,051, which is 50 percent of the FY 2012 level.

**Section 126 – Child Care Assistance** - The funding for this section is \$26,618,831, which is 50 percent of the FY 2012 level.

**Section 127 – Juvenile Institutions** - The section appropriates the funds for the operation of the juvenile institutions at Eldora and Toledo. The funding for the Iowa Juvenile Home (Toledo) is \$4,129,125, which is 50 percent of the FY 2012 level. The funding for the State Training School (Eldora) is \$5,319,338, which is 50 percent of the FY 2012 level.

**Section 128 – Child and Family Services** - The funding for this section is \$41,415,081, which is 50 percent of the FY 2012 level.

**Section 129 – Adoption Subsidy** - The funding for this section is \$16,633,395, which is 50 percent of the FY 2012 level.

**Section 130 – Juvenile Detention Home Fund** – The section sets out the rules for distributing funds to juvenile detention centers.

**Section 131 – Family Support Subsidy Program** - The funding for this section is \$16,403,051, which is 50 percent of the FY 2012 level.

**Section 132 – Conner Decree** – The funding for this section is \$16,811, which is 50 percent of the FY 2012 level.

**Section 133 – Mental Health Institutes** – The section appropriates the funds for the operation of the state’s four mental health institutes. Funding for each facility is 50 percent of the FY 2012 level:

Cherokee MHI	\$2,938,654
Clarinda MHI	\$3,205,867
Independence MHI	\$5,137,842
Mount Pleasant MHI	\$ 472,161

**Section 134 – State Resource Centers** – The section appropriates the funds for the operation of the Glenwood and Woodward state resource centers. Funding for each facility is 50 percent of the FY 2012 level:

Glenwood SRC	\$9,253,900
Woodward SRC	\$6,392,829

**Section 135 – MI/MR/DD State Cases** - The funding for this section is \$6,084,741, which is 50 percent of the FY 2012 level.

**Section 136 – Mental Health and Developmental Disabilities – Community Services Fund** – The funding for this section is \$14,211,100, which is 100 percent of the FY 2012 level.

**Section 137 – Sexually Violent Predators** – The funding for this section is \$3,775,363, which is 50 percent of the FY 2012 level.

**Section 138 – Field Operations** - The funding for this section is \$16,403,051, which is 50 percent of the FY 2012 level. The section also includes language that provides carry-forward of unspent FY 2013 funds into FY 2014.

**ITEM VETO:** The Governor vetoed the carry-forward language, stating: *“The carry-forward language does not work to advance my goals of returning predictability and sustainability back to government budgeting.”*

**Section 139 – General Administration** – The funding for this section is \$16,403,051, which is 50 percent of the FY 2012 level. The section also includes language that provides carry-forward of unspent FY 2013 funds into FY 2014.

**ITEM VETO:** The Governor vetoed the carry-forward language, stating: *“The carry-forward language does not work to advance my goals of returning predictability and sustainability back to government budgeting.”*

**Section 140 – Volunteers** - The funding for this section is \$42,330, which is 50 percent of the FY 2012 level.

**Section 141 –Provider Reimbursement Rates** – The section provides the reimbursement rates, which are set at their rate at the end of FY 2012.

**Section 142 – Emergency Rules** – The section permits the Department of Human Services and the Mental Health and Developmental Disabilities Commission to adopt emergency rules, when authorized by the bill.

**Section 143 – Reports** - Requires any reports mandated by the bill to be submitted to the chairs and ranking members of the subcommittee, the Legislative Services Agency, and the Legislative caucus staffs.

**Section 144 – Effective Date**

**DIVISION XIX – Pharmaceutical Settlement Account, IowaCare Account, Health Care Transformation Account, Medicaid Fraud Account, Quality Assurance Trust Fund, and Hospital Health Care Access Trust Fund – FY 2013**

**Section 145 – Pharmaceutical Settlement Account** – The section appropriates the funds received in the pharmaceutical settlement account to the Department of Human Services for the Medical Contracts line item. The funding in the section is \$2,716,807.

**Section 146 – Appropriations from IowaCare Account** – The section makes the appropriations to the various providers serving clients of the IowaCare program. The section also makes contingent appropriations of funds obtained through new Medicaid accounting procedures at the University of Iowa Hospitals and Clinics, if this method is approved by the Legislature. The funds are appropriated as follows:

University of Iowa Hospitals and Clinics	\$27,284,584
University of Iowa Hospitals and Clinics	\$44,226,279
University of Iowa Hospitals and Clinics	\$16,277,753
Broadlawns Medical Center	\$65,000,000
DHS – Regional Provider Network	\$ 3,472,176
DHS – Care Coordination Pool	\$ 1,500,000
DHS – Regional Provider Network Lab and Radiology	\$ 500,000

The funding for this section is the same as FY 2012.

**Section 147 – Appropriations from Non-Participating Provider Reimbursement Fund – Department of Human Services** - The section appropriates \$2,000,000 to reimburse other hospitals for emergency care provided to IowaCare enrollees.

**Section 148 - Appropriations from Account for Health Care Transformation** – The section makes the appropriations for FY 2013 from the Health Care Transformation Account. This is the fund created in 2005 to implement the health care reforms proposed as part of IowaCare. Each of the line items, except the Medicaid supplementation, are funded in this section at the FY 2012 level. The Medicaid line is 100 percent of the FY 2012 level.

Medical Information Hotline	\$ 50,000
Health Promotion Partnership Activities	\$ 300,000
Audits, Performance Evaluations, & Studies	\$ 62,500
Administrative Costs	\$ 566,206
Implementation of Dental Home for Kids	\$ 500,000
Tuition Assistance for Individuals with Disabilities	\$ 25,000

Medical Contracts	\$1,000,000
Broadlawns Medical Center – Administration	\$ 145,000
Medical Home Advisory Council	\$ 116,679
Implementation of Electronic Medical Records for Medicaid	\$ 50,000
DPH – Health and Long-Term Care Access	\$ 67,107
Accountable Care Organization Pilot Project	\$ 50,000
Provider Payment System	\$ 100,000
DPH – Health Information Technology matching funds	\$ 181,993
Medicaid Supplementation	\$1,956,245

**ITEM VETO:** The Governor vetoed the appropriation for the Provider Payment System, stating: *“I support innovation in Medicaid to allow sustainability and greater quality of care. However, due to the austere nature of this budget and our needs to focus on current cost containment strategies proposed by the Iowa Medicaid Enterprise, I cannot approve of a new study further stretching department resources.”*

**Section 149 – Medicaid Fraud Account – Department of Inspections and Appeals** - The section appropriates \$669,764 from the Medicaid fraud account in the Department of Inspections of Appeals to that agency for inspection and certification of assisted living and adult day services. This is 50 percent of the FY 2012 level.

**Section 150 – Medicaid Fraud Account – Department of Human Services** – The section appropriates \$2,000,000 from the Medicaid Fraud Account to the Department of Human Services for Medicaid.

**Section 151 – Quality Assurance Trust Fund – Department of Human Services** – The section appropriates \$29,000,000 from the Quality Assurance Trust Fund to the Department of Human Services for Medicaid. These funds are paid by nursing homes for the Quality Assurance Assessment, which is used to provide additional daily reimbursement for Medicaid-eligible residents. This is the FY 2012 level.

**Section 152 – Hospital Health Care Trust Fund – Department of Human Services** – The section appropriates \$40 million from the Hospital Health Care Trust Fund to maintain Medicaid reimbursement rates to hospitals at the Medicare level. This is funded by the Hospital Health Care Assessment, paid generally by larger, urban hospitals. This is the FY 2012 level.

**Section 153 – Medicaid – Non-Reversion** - The section requires that any funds from the Medicaid appropriation that are not spent or encumbered shall not revert but shall remain available for use in the Medicaid program in FY 2014.

**DIVISION XX – MH/MR/DD Services Allowed Growth Funding For FY 2013**

**Section 154 – Mental Health, Mental Retardation, and Developmental Disabilities Property Tax Relief** – The section provides the mental health property tax relief appropriation for FY 2013. It is at the same level as FY 2012.

**Section 155 – Adult MH/MR/DD Services Allowed Growth Funding – FY 2013** – The section sets the allowed growth level and funding for FY 2013. It is at the same level as FY 2012.

**DIVISION XXI – Conditional Retroactive Applicability**

**Section 156 – Effective Date and Retroactive Applicability** – The section makes the bill effective on July 1, 2011 even if the Governor acts on the bill on or after that date.