



## CONFERENCE COMMITTEE REPORT

---

# Health and Human Services HF 2463

Status of Bill: Conference Committee Report  
 Committee: Appropriations  
 Lead Democrats: Rep. Heddens, Rep. Forbes  
 Floor Manager: Rep. Heaton  
 Research Analyst: Zeke Furlong 515-281-6972  
[zeke.furlong@legis.iowa.gov](mailto:zeke.furlong@legis.iowa.gov)

April 29, 2014

---

### Summary

General Fund	Estimated FY 14	Governor Recs FY 2015	House HF 2463	Senate HF 2463	Conference Committee
Aging	\$11,627,773	\$11,860,381	\$11,427,773	\$12,609,773	\$12,349,047
IDPH	\$58,030,568	58,973,924	\$58,796,686	\$59,657,620	\$58,782,260
DHS	\$1,670,035,635	\$1,776,287,767	\$1,775,947,613	\$1,773,904,679	\$1,775,040,765
VA	\$11,280,947	\$12,180,947	\$12,180,947	\$12,180,947	\$12,180,947
<b>Total</b>	<b>\$1,750,974,923</b>	<b>\$1,859,303,019</b>	<b>\$1,858,353,019</b>	<b>\$1,858,353,019</b>	<b>\$1,858,353,019</b>

### FY 2014

This amendment does not include any supplemental funding to deal with the anticipated Medicaid shortfall of \$24 million for FY 2014.

### FY 2015

#### IOWA DEPARTMENT ON AGING (IDA)

The IDA is funded at \$12.35 million from the general fund, which is an increase of \$721,275 compared to FY 14.

#### **Aging Programs**

- New appropriation of \$288,666 for Office of Substitute Decision Maker.
- New appropriation of \$252,000 for Aging and Disability Resource Centers.
- Aging Programs is funded at a total of \$11.5 million, which is an increase of \$812,600 compared to FY 14.

#### **Office of Long-Term Care Resident's Advocate**

- Reduction of \$200,000 for additional Long-Term Care Ombudsmen.
- Increase of \$107,600 for Discharge Specialist.
- Office of Long-Term Care Resident's Advocate is funded at a total of \$929,300, which is a decrease compared to FY 14.

## **DEPARTMENT OF PUBLIC HEALTH (IDPH)**

The IDPH is funded at \$58.8 million from the general fund, which is an increase of \$751,700 compared to FY 14.

### **Addictive Disorders**

- Increase of \$100,000 for tobacco prevention and cessation programs.
- Addictive Disorders is funded at a total of \$27.3 million, which is an increase of \$100,000 compared to FY 14.

### **Healthy Children & Families**

- Restores cut of \$25,000 for hearing aids for children.
- Increase of \$50,000 for Adverse Childhood Experiences.
- Increase of \$300,000 to expand the First Five sites.
- Increase of \$43,000 for the Donated Dental Services Program.
- Health Children and Families is funded at a total of \$4.04 million, which is an increase of \$393,000 compared to FY 14.

### **Chronic Conditions**

- Restores cut of \$40,000 to the Medical Home Advisory Council.
- Increase of \$25,000 for administration of the Medical Cannabidiol Act.
- Increase of \$50,000 for Epilepsy Support.
- Chronic Conditions is funded at a total of \$5.15 million, which is an increase of \$75,000 compared to FY 14.

### **Community Capacity**

- Increase of \$75,000 for Direct Caregivers.
- Increase of \$100,000 for the Organ Donor Registry.
- Increase of \$300 for the FIND Dental Program.
- Community Capacity is funded at a total of \$8.74 million, which is an increase of \$175,300 compared to FY 14.

**Healthy Aging** is funded at a total of \$7.3 million, which is status quo compared to FY 14.

**Environmental Hazards** is funded at a total of \$803,900, which is status quo compared to FY 14.

**Infectious Diseases** is funded at a total of \$1.335 million, which is status quo compared to FY 14.

### **Public Protection**

- Decrease of \$65,000 for EMS software maintenance.
- Decrease of \$56,000 due to one-time funding from FY 14.
- Public Protection is funded at a total of \$3.29 million, which is an increase of \$8,350 compared to FY 14.

**Resource Management** is funded at a total of \$920,000, which is status quo compared to FY 14.

## **IOWA DEPARTMENT OF VETERANS AFFAIRS (IDVA)**

**Iowa Department of Veterans Affairs** and **Iowa Veterans Home** are funded at \$12.2 million from the general fund, which is \$900,000 more than FY 14. The increase is due to an additional \$900,000 for the Veterans Home Ownership Assistance Program.

## **DEPARTMENT OF HUMAN SERVICES (DHS)**

The DHS is funded at \$1.775 billion from the general fund, which is an increase of \$105 million compared to FY 14.

### **Family Investment Program (FIP)/Promise Jobs (PJ)**

- Increase of \$3.5 million to meet maintenance of effort for FIP.

- Increase of \$774,500 to meet maintenance of effort for PJ.
- Increase of \$422,000 for a new eligibility system.
- Increase of \$150,000 for Family Development and Self-Sufficiency (FaDSS).
- Increase of \$40,000 for the Fatherhood Initiative.
- Reduction of \$4.7 million due to decreased caseloads for FIP and PJ.
- FIP/PJ is funded at a total of \$48.7 million, which is an increase of \$190,000 compared to FY 14.

#### **Child Support Recoveries**

- Increase of \$483,000 due to loss of federal funding.
- Increase of \$212,000 due to increased costs of service.
- Child Support Recoveries is funded at a total of \$14.9 million, which is an increase of \$696,150 compared to FY 14.

#### **Medical Assistance (Medicaid)**

- Medicaid is underfunded by \$30 million, which is at the low point of the Medicaid estimated range.
- Increase of \$252,000 for increased eligibility for the Miller Trust.
- No funding for Hospital Rebasing.
- Increase of \$1.25 million for Nursing Home Rebasing.
- Increase of \$6 million for Medicaid HCBS waiver buy down.
- Increase of \$239,000 for a 10% rate increase for EMS providers.
- Medicaid is funded at a total of \$1.25 billion, which is an increase of \$106.45 million compared to FY 14.

#### **Medical Contracts**

- Increase of \$1 million to annualize the Autism Program.
- Medical Contracts is funded at a total of \$17.15 million, which an increase of \$4.83 million compared to FY 14.

**State Supplementary Assistance (SSA)** is funded at a total of \$14.1 million, which is a reduction of \$2.4 million compared to FY 14. This reduction is due to lower caseload numbers.

#### **State Children's Health Insurance (S-CHIP/HAWK-I)**

- Increase of \$3.1 million due to loss of HAWK-I Trust Fund revenue.
- Increase of \$1.4 million due to loss of federal matching funds (FMAP).
- Increase of \$3.06 million due to maintaining and growth of caseloads.
- S-CHIP/HAWK-I is funded at a total of \$45.9 million, which is an increase of \$9 million.

#### **Child Care Assistance (CCA)**

- Increase of \$1.5 million for eligibility changes combining work and school hours to qualify for CCA.
- Reduction of \$5.3 million due to projected surplus.
- Reduction of \$10 million due to increased TANF funding from lower FIP and PH caseloads.
- CCA is funded at a total of \$47.1 million, which is a decrease of \$15.6 million compared to FY 14.

#### **Toledo and Eldora Juvenile Homes**

- Reduction of \$8.86 million due to the closure of the Toledo Juvenile Home.
- Increase of \$500,000 for maintenance of the Toledo Juvenile Home grounds.
- Increase of \$168,000 at Eldora Juvenile Home to meet sexual harassment and abuse standards.
- Increase of \$64,000 at Eldora Juvenile Home for operational costs.
- Increase of \$858,000 for after-care/PALS post-state training school.
- Juvenile Homes are funded at a total of \$12.8 million, which is a reduction of \$7.27 million compared to FY 14.

### **Juvenile CINA/Female Adjudicated Delinquent Placements**

- New appropriation of \$2 million for placement of CINA and juvenile delinquents.
- Juvenile CINA/Female Adjudicated Delinquents is funded at a total of \$2 million, which is an increase of \$2 million compared to FY 14.

### **Child & Family Services**

- Increase of \$50,000 for Juvenile Drug Courts.
- Reduction of \$416,000 due to Home Health Savings.
- Increase of \$3.4 million for Group Foster Care Rates.
- New appropriation of \$110,000 for Tanager Place Circle of Care.
- Child & Family Services is funded at a total of \$94.85 million, which is an increase of \$3.53 million compared to FY 14.

### **Adoption Subsidy**

- Increase of \$1.25 million due to loss of federal matching funds (FMAP).
- Increase of \$595,500 due to caseload growth.
- Adoption Subsidy is funded at a total of \$42.6 million, which is an increase of \$1.85 million compared to FY 14.

### **Family Support Subsidy (FSS)**

- Increase of \$49,000 to expand the Children at Home Program (one new provider).
- Decrease of \$62,500 due to reduction in payments due to children aging out of system.
- FSS is funded at a total of \$1.08 million, which is a decrease of \$13,550 compared to FY 14.

### **Mental Health Institutions (Clarinda, Cherokee, Independence, & Mt. Pleasant)**

- Increase of a total of \$255,200 for increased operational costs for all MHI's.
- Increase of \$35,600 for loss of federal matching funds (FMAP) at Independence MHI.
- MHI's are funded at a total of \$24.7 million, an increase of \$290,850 compared to FY 14.

### **State Resource Centers (Glenwood & Woodward)**

- Increase of a total of \$2.55 million due to loss of federal funding (FMAP) at both Resource Centers.
- State Resource Centers are funded at a total of \$36.55 million, an increase of \$1.9 million compared to FY 14.

### **Civil Commitment Unit for Sex Offenders at Cherokee (CCUSCO)**

- Increase of \$185,500 to annualize the cost of eight offenders during FY 14.
- Increase of \$312,400 for the addition of five offenders.
- CCUSCO is funded at a total of \$9.9 million, an increase of \$498,000 compared to FY 14.

### **Field Operations**

- Decrease of \$1.5 million due to unfilled positions.
- Field Operations is funded at a total of \$65.17 million, which is a reduction of \$1.5 million compared to FY 14.

### **General Administration**

- Increase of \$17,700 for HCBS technical assistance.
- Reduction of \$25,000 for one-time funding for the Prevention of Disabilities Conference.
- Reduction of \$250,000 due to veto from FY 14 budget.
- General Administration is funded at a total of \$16.1 million, which is a reduction of \$257,300 compared to FY 14.

**MH/DS Equalization** is funded at a total of \$30.5 million.

**POLICY LANGUAGE** (changes compared to last year's HHS budget bill)

**Department on Aging (IDA) & Office of the Long-Term Care Ombudsman (LTCO)**

- Provides funding and directs the aging and disability resource centers to administer the prevention of elder abuse, neglect, and exploitation program as articulated in the federal Older Americans Act.
- Directs the IDA to analyze the meal program coordinated by the area agencies on aging and submit findings by December 15, 2014.
- Directs the LTCO to establish a discharge specialist position to assist residents and tenants with voluntary and involuntary discharges and evictions from health care facilities, elder group homes, and assisted living programs.

**Department of Public Health (DPH)**

- Directs the DPH to initiate a committee to review substance-related disorder reimbursement processes, rate equity with other allied professions, and the impact of the Iowa Health and Wellness Plan on such providers. A report is due December 15, 2014.
- Directs the DPH and Department of Education (DE) to submit a report by December 15, 2014, of recommendations to continue suicide prevention efforts after federal funding is exhausted.
- Provides funding for the Medical Cannabidiol Act, if enacted; if not enacted, the funds are transferred to the Medicaid waiver waiting list.
- Directs the DPH to implement the Healthiest Children Initiative (SF 2285) which passed the Senate 48 to 0 on March 3<sup>rd</sup> but did not survive the funnel in the House.
- Requires University of Iowa College of Dentistry to submit a report regarding establishing a residency program on geriatric dentistry.
- Directs that the medical residency grants give preference for psychiatric and family practice positions.
- Requires DPH to maximize federal CHIPRA matching funds received from DHS to go to the State Poison Control Center in Sioux City.

**Iowa Veterans Home**

- Requires the Veterans Home to submit a monthly expenditure report to the LSA.

**Department of Human Services (DHS)**

- Codifies a portion of SF 2251 to allow Child Care Assistance (CCA) eligibility based on an aggregate of hours worked or spent in training/educational classes (at least 28 hours).
- Directs the DHS to submit Medicaid state plan amendments to the federal government to include Federally Qualified Health Centers for presumptive eligibility in the Iowa Health and Wellness Plan; currently, this only applies to hospitals. This is key to ensuring access to health services for vulnerable populations and ensuring fiscal viability of these important facilities.
- The DHS is directed to work with stakeholders to review the potential for development and submission of a Medicaid state plan amendment to incorporate the Elderly Waiver, allowing seniors to more easily choose home and community-based services upon Medicaid eligibility determination rather than reside in a facility. This aids the State's efforts to balance care provided in facilities and reduces long-term care costs. A report is due December 15, 2014.
- Directs the DHS to include the community care coordinator model implemented by the Primary Care Association's in Fort Dodge and Mason City in a Medicaid state plan amendment, waiver request, State innovation model funding, or other funding source to obtain Medicaid matching dollars to support and expand this key effort aimed at improving care while reducing costs. Also allows carryforward of funds from FY14 to FY15.
- Codifies language that DHS must notify the chairs and ranking members of the HHS appropriations subcommittee and Human Resources Committee, caucus staffs, and LSA prior to submitting a Medicaid state plan amendment or waiver request to the federal government.
- Rebases Medicaid rates for hospitals nursing facilities.
- Directs the DHS to study options to extend voluntary foster care, preparation for adult living (PAL), and other aftercare services to youth that age out of the foster care system up to age 21 by drawing additional fed-

eral funds. Makes aftercare services available to persons who aged out of the foster care or juvenile court system without regard to federal financial assistance eligibility.

- Amends Mental Health and Disability Services (MHDS) provisions, including:
  - Grandfathers service eligibility for persons with assets in excess of those outlined in current administrative rules but that were eligible for services in their counties prior to redesign and provides an exception to policy process for others that are similarly situated.
  - Clarifies payment responsibilities for persons with mental illness and/or substance-related disorders.
  - Requires MHDS regions to reserve no more than 25% of their annual budgets in order to meet projected cash flow expenditures in a subsequent year if regions are meeting all obligations of their management plans. Any residual funding above this reserve is to be used to expand core services.
  - Allows the DHS director to provisionally approve the formation of an MHDS region consisting of Mahaska and Marion counties for one-year with the option for a one-year extension. If the Director determines during the provision period that the region will not meet requirements, s/he may assign each county to a contiguous region.
  - Extends the MHDS equalization payment through FY16 and amends the population definition used to distribute the MHDS equalization payments; the payments will use the July 1 Census population estimate from the preceding fiscal year.
  - Adds “or activities leading to employment providing an appropriate match with an individual’s abilities” to the MHDS core services domain for employment.
  - Removes the date by which equalization payments are to be remitted to regions to reduce confusion.
  - Makes the Governor’s acceptance of the equalization appropriation contingent on approving changes to the Medicaid clawback/offset resulting from savings experienced from the Iowa Health and Wellness Plan (IHWP) implementation, including:
    - Requires the DHS and MHDS regional administrators to identify and agree to a code set for the services and supports provided under the MHDS management plans for persons eligible for the IHWP by June 30, 2014. Requires the DHS to calculate the offset based on the agreed upon codes.
    - The Medicaid offset will equal the difference between the base year and calculation year spending by MHDS regions for the coded services for persons eligible for the IHWP.
    - Requires the clawback amount to be certified by and submitted to the Governor and Legislature by October 15th.
    - Allows for a dispute resolution using administrative law judges if an MHDS region and county disagree on which entity is responsible for payment for services.
- Allows only Iowa hospitals to be eligible for federal Disproportionate Share Hospital (DSH) funds allocated to Iowa and allow Mercy’s Children’s Hospital to be eligible for such funding. Makes this provision effective October 1, 2014.
- Establishes a legislative interim committee to study long-term care services and issues, including cost and financing of care and services, information and assistance needs of consumers, quality of care and services, care and service coordination, paid direct care workforce, family and other nonpaid caregivers, and balancing facility-based and home and community-based care and services.
- Establishes a legislative commission on child welfare and mental health.
- Directs \$100,000 in TANF funding to be used for a program to assist parents with costs associated with the death of a child. Eligible costs include funeral, burial or cremation, or grave marker costs. Eligible families must have a household income no more than 145% of the federal poverty level. Maximum assistance is \$2,000.
- Prohibits DHS from implementing the cost containment strategy regarding Consumer Directed Attendant Care (CDAC) providers.
- Requires DHS to report on the implementation of the Medicaid cost containment strategies on an annual basis to LSA and DOM.
- Requires the DHS to perform a detailed analysis on the inclusion of Medicaid pharmacy benefits in the managed care organization plan for Medicaid members under MEDIPASS and the Iowa Health and Wellness Plan. The DHS is not allowed to implement the pharmacy benefit without prior approval by the Legislature.
- Directs the DHS to submit a progress report regarding implementation of the uniform cost report by De-

ember 15, 2014.

- Requires DHS to request approval from the federal Center of Medicare and Medicaid Services maximize federal CHIPRA funding to be used for the State Poison Control Center; effective upon enactment.
- Removes allocation lines under the Child Care Assistance appropriation concerning fingerprinting and establishment of a searchable database of child care providers with Quality Rating Service ratings. These are removed because fingerprinting is now part of the normal program process database contractor has been chosen.
- Appropriates \$2.0 million for residential treatment services through private providers for youth who would have otherwise been served by the Iowa Juvenile Home at Toledo. The DHS is allowed to transfer funds in this direction without the consent and approval by the Governor or DOM to best meet the needs of the youth served. Prior to such a transfer, the DHS is direct to submit a report to the LSA and include information regarding the rationale for transferring the funds.
- Directs the DHS to provide a report to the Governor and LSA by January 1, 2015, that includes a description of the status of juvenile delinquent girls in out-of-home placements during the period from December 1 2013, and December 1, 2014. The report must include placement histories, reasons for placements, education services status, treatment of youth, and recommendations for legislation.
- Directs the DHS to fill the entire number of Field Operations positions authorized and eliminates DOM approval for hiring. Requires a monthly report regarding Field Operations vacancies. This language was vetoed last year.
- States that if CMS implements an aggregate federal upper payment limit for drug reimbursement, the DHS may use a reimbursement methodology based on the National Average Drug Acquisition Cost to ensure pharmacies do not encounter a rate decrease. Allows emergency rules. Maintains the current pharmacy dispensing fee reimbursement until a cost of dispensing survey is completed.
- Allows community mental health centers to choose a reimbursement methodology via cost reporting for 100% of costs or to negotiate rates directly with Magellan. Allows emergency rules, an immediate effective date, and retroactive applicability to FY14 (SF 2330).
- Changes group foster care rates to be set at a specified percentage of the patient-day weighted statewide average cost of group foster care cost reports for each category of provider. The specified rates were chosen to ensure that no provider receives a cut in its reimbursement rate while reducing inequities among providers.
- States that funds are not to be used for confidentiality provisions within personnel settlements.
- Directs the DHS and the Division of Vocational Rehabilitation to jointly develop protocols and program models to integrate employment-related services for persons with disabilities through federal matching and vocational rehabilitation funds. Such protocols are not to interfere with the Ticket to Work program. A report is due December 15, 2014.
- Lowers the nursing facility occupancy rate from 80% to 50% to allow more families to supplement (pay more for) nursing care in a private room and directs the DHS to submit a report on the use of nursing home supplementation.
- Directs the DHS to offset any open or unsettled nursing facility cost reports for facilities that have no initiated administrative appeals. This section is effective retroactively to July 1, 2005.
- Requires DHS, DPH, IWD, and DOC to work together to meet the medical and psychological needs of individuals being released from a DOC facility. The departments must submit a report on barriers and recommendations.
- Allows the Autism Support Program to carryforward any remaining balance from FY14 to FY15; likely about \$1.0 million.
- Allows the State Supplementary Assistance program to carryforward any remaining balance from FY14 to FY15.
- Allows the foster care respite program to carryforward any remaining balance from FY14 to FY15.
- Allows the community care coordination model to carryforward any remaining balance from FY14 to FY15.
- Allows the Field Operations to carryforward any remaining balance from FY14 to FY15.

**Iowa Insurance Division (IID)**

- Provides for external review of dental services when medically necessary. Directs the Insurance Commissioner to establish a study committee to consider other external review issues for dental concerning dental plans as compared to health plans.
- Requires the Commissioner of IID to develop work with each health carrier and pharmacy benefits manager to approve a standard prior authorization form for each company for prescription drugs that require a prior authorization. Forms must be submitted for review by the Commissioner by January 1, 2015, and be implemented by July 1, 2015.