



## AMENDMENT SUMMARY

# Health & Human Services Bill SF 505

Status of Bill: House Appropriations Committee  
Passed Senate 26-22  
Committee: Appropriations (passed 14-11)  
Lead Democrats: Rep. Heddens  
Floor Manager: Rep. Heaton  
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### Summary

#### H-1345 by Appropriations (Heaton).

- Provides funding for the Departments of Aging, Human Resources, Public Health, Veterans Affairs, and the Veterans Home. **(See Attachment D for a detailed comparison)**
- Underfunds Medicaid by only \$35.625 million.
- Includes a total of \$68.6 million in Medicaid cost savings measures.
- Delays the closure of the two MHI's in Mt. Pleasant and Clarinda for six months.
- Includes de-appropriations totally \$49.4 million for FY 2015, but there is no supplemental.
- The amendment funds FY 2017 at 50% of the appropriations of FY 2016.

General Fund	Estimated FY 15	Governors FY 16	Senate	House	Senate vs. House	Hosue vs. FY 15
Aging	\$12,599,047	\$12,742,849	\$12,942,849	\$12,040,381	<b>-\$902,468</b>	<b>-\$558,666</b>
IDPH	\$58,782,260	\$59,782,260	\$61,297,429	\$55,373,046	<b>-\$5,924,383</b>	<b>-\$3,409,214</b>
DHS	\$1,775,040,765	\$1,845,838,641	\$1,817,887,938	\$1,764,044,364	<b>-\$53,843,574</b>	<b>-\$10,996,401</b>
VA	<u>\$12,180,947</u>	<u>\$12,285,542</u>	<u>\$12,285,542</u>	<u>\$12,285,542</u>	<b>\$0</b>	<b>\$104,595</b>
<b>Total</b>	<b>\$1,858,603,019</b>	<b>\$1,930,649,292</b>	<b>\$1,904,413,758</b>	<b>\$1,843,743,333</b>	<b>-\$60,670,425</b>	<b>-\$14,859,686</b>

### FY 2016

#### IOWA DEPARTMENT ON AGING (IDA)

The Iowa Department on Aging (IDA) is designated as the State Unit on Aging. The IDA advocates for lowans age 60 and older and is responsible for developing a comprehensive and coordinated system of services and activities for older lowans through the six local Area Agencies on Aging (AAAs) across the State. The Office of Long-Term Care Resident's Advocate is funded through the IDA. The Office advocates for residents and tenants of nursing homes, residential care facilities, assisted living programs and elder group homes. The Office can investigate and resolve complaints that may affect the health, safety, welfare, or rights of residents.

The IDA is funded at \$12.04 million from the general fund. This is a decrease of \$558,600 from the estimated FY 15 budget and \$902,500 less than the Senate.

### **Aging Programs**

- Eliminates the Guardianship & Conservator Pilot Project for a reduction of \$20,000.
- Eliminates the funding for the Office of Substitute Decision Maker for a reduction of \$228,660.
- Aging Programs are funded at a total of \$11.1 million, which is a decrease of \$308,600 compared to FY 15 and \$325,000 less than the Senate.

### **Food Security**

- Funding of \$250,000 is transferred to DHS for the Food Bank. The Senate also did this transfer.

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

- Office of Long-Term Care Resident's Advocate is funded at a total of \$929,300, which is status quo compared to FY 15, and identical to the Senate.

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

The Department of Public Health (IDPH) works with local public health agencies to ensure quality health services in Iowa communities through contracts with all 99 counties to provide population based health services and a limited number of personal health services. The IDPH assists in the prevention of epidemics and the spread of disease; protection against environmental hazards; preventing injuries; promoting and encouraging healthy behaviors and mental health; preparing for and responding to public health emergencies and assisting communities in recovery; and assuring the quality and accessibility of health services.

The IDPH is funded at \$55.373 million from the general fund, which is a decrease of \$3.4 million compared to the FY 15 budget and \$6.87 million less than the Senate.

**Addictive Disorders** reduces and prevents the use of tobacco, alcohol, and other drugs and treatment of individuals affected by addictive behaviors, as well as substance abuse and gambling treatment and prevention services.

- Reduction of \$675,000 to Tobacco Use and Prevention, this increase was given last fiscal year.
- Addictive Disorders is funded at a total of \$26.5 million, a decrease of \$675,000 compared to FY 15 and the Senate's budget.

**Healthy Children & Families** promotes the optimum health status for children and adolescents from birth through 21 years of age and families. This includes oral health, child health, and maternal health. Health Children and Families is funded at a total of \$7.3 million, which status quo compared to FY 15, and \$3.285 million less than the Senate. The amendment does not include statewide expansion of the First Five Program, like the Senate.

**Chronic Conditions** includes activities and services provided to persons with chronic conditions or special health care needs. This includes brain injury, birth defects, obesity, PKU assistance (genetic and causes mental retardation and seizures), AIDS Drug Assistance Program (ADAP), and Hepatitis C awareness.

- Decrease of \$200,000 to the Cervical Cancer Screening Program; program still receives \$300,000.
- Eliminates the Medical Home Residency Advisory Council for a reduction of \$215,200.
- Chronic Conditions is funded at a total of \$4.7 million, a decrease of \$415,200 compared to FY 15 and \$365,400 compared to the Senate.

**Community Capacity** are activities provided by IDPH staff that are intended to strengthen the public health system at the local level, which include local public health services and screening and healthy communities.

- Transfer \$48,200 to Public Protection under IDPH.
- Eliminates the Reach Out and Read program, a reduction of \$50,000.
- Elimination of the Administration appropriation for the Collaborative Safety Net Provider Network for a reduction of \$145,800.
- Eliminates the Federally Qualified Health Center (FQHC) Medical Home Program for a reduction of \$75,000.

- Eliminates the Local Boards of Health Medical Home pilots projects for a reduction of \$77,150.
- Eliminates the Child & Maternal Health Center pilot projects for a reduction of \$141,500.
- Eliminates the Rural Health Clinics funding for a reduction of \$141,500.
- Eliminates the Direct Care Advisory Council for a reduction of \$213,400.
- Eliminates the Direct Care Worker Association appropriation for a reduction of \$216,400.
- Eliminates the Direct Care Worker Scholarships for a reduction of \$75,000.
- Decrease of \$100,000 to the Donor Registry.
- Eliminates the IDPH Director's Wellness Council for a reduction of \$25,000.
- Eliminates the Collaborative Safety Net Integrated Network for a reduction of \$1.16 million.
- Eliminates Prevent Blindness Iowa appropriation for a reduction of \$100,000.
- Community Capacity is funded at a total of \$6.2 million, a net decrease of \$2.5 million compared to FY 15, and the Senate.

**Healthy Aging** provides services intended to optimize the health status of persons over the age of 55 years. This includes public health nursing (home visits for regular and chronic care) and Home Care Aide Services (personal care and services to avoid institutional care). Healthy Aging is funded at a total of \$7.3 million, which is status quo compared to FY 15 and the Senate.

**Environmental Hazards** provides services and activities that are intended to reduce exposure to hazards in the environment, which include lead poisoning prevention including child lead testing and environmental epidemiology. The whole appropriation of \$803,900 for Environmental Hazards is transferred to Public Protection. This budget area is status quo compared to FY 15 and the Senate.

**Infectious Diseases** supports activities to reduce the incidence and prevalence of communicable and infectious diseases. This includes the Center for Acute Disease Epidemiology (CADE), Immunization Program, and Prescription Services Program. Infectious Diseases is funded at a total of \$1.335 million, which is status quo compared to FY 15 and the Senate.

**Public Protection** provides activities related to protecting the health and safety of the public through establishment of standards and enforcement of regulations. This includes professional licensing and regulation, Iowa's Trauma System, the Emergency Medical Services System, and the State Medical Examiner.

- Transfer from Community Capacity for \$48,200.
- Transfer from Environmental Hazards for \$803,900.
- Increase of \$200,000 to EMS Services.
- Public Protection is funded at a total of \$4.3 million, an increase of \$1.05 compared to FY 15 and the Senate.

**Resource Management** provides general administration and finance operations for the entire department. Resource management is funded at a total of \$855,000, which is status quo compared to FY 15 and the Senate.

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

The Iowa Department of Veteran Affairs (IDVA) includes the Department and the Iowa Veterans Home (IVH). The IDVA provides services to veterans regarding federal pension applications, identifying services to reimburse from the Veterans Trust Fund interest revenues, establishing the Veterans Cemetery, and providing assistance for the County Grant Program, the Injured Veterans Grant Program, and the Vietnam Veterans Bonus Program. The IVH provides services to veterans and spouses at the IVH in Marshalltown, including domiciliary, residential, and pharmaceutical.

**Iowa Department of Veterans Affairs** and **Iowa Veterans Home** are funded at \$12.285 million from the general fund, which is \$104,600 more than FY 15. This is status quo compared to the Governor's recommendations and the Senate's budget for FY 16.

- **IDVA General Administration** is funded at \$1.2 million, which is status quo compared to FY 15.
  - Increase of \$93,000 for additional staff at the Iowa Veterans Cemetery.
  - Increase of \$11,600 for cost of the annual audit expenditures from the State Auditor.
- **Iowa Veterans Home** is funded at \$7.6 million, which is status quo compared to FY 15.
- **Veterans Home Ownership Program** is funded at \$2.5 million, which is an increase of \$900,000 compared to FY 15.
- **Veterans County Grants** is funded at \$990,000, which is status quo compared to FY 15.

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

The Department of Human Services (DHS) is responsible for administering cash assistance for needy families (Family Investment Program), food assistance, Medicaid, child support enforcement, subsidized adoption, child abuse assessments, dependent adult abuse assessments, foster care, various family preservation and strengthening programs, child care registration and subsidy, two institutions for juveniles, refugee services, and services for the mentally ill and developmentally disabled, including the operation of four mental health institutes and two resource centers for people with mental retardation.

The DHS is funded at \$1.764 billion from the general fund, which is a decrease of \$10.996 million compared to the FY 15 budget. This is \$52.9 million less than the Senate's proposal for FY 16.

**Family Investment Program (FIP)/Promise Jobs (PJ)** provides cash assistance and job training in return for an agreement that recipient will work towards self-sufficiency.

- Transfer of \$15,700 of State Employee Retirement Incentive Program (SERIP) monies to Medicaid.
- Decrease of \$2.68 million due to a reduction in FIP caseloads.
- Decrease of \$599,000 due to a reduction in PJ caseloads.
- Increase of \$1.5 million for the maintenance and operations of the new eligibility system.
- Decrease of \$41,775 in EBT contract costs.
- Increase of \$1.8 million to meet the maintenance of effort requirements for FIP and PJ.
- Eliminates Tax Preparation Program for a reduction of \$195,700.
- Eliminates the Fatherhood Initiative for a reduction of \$80,000.
- FIP/PJ is funded at a total of \$48.4 million, which is a reduction of \$275,700 compared to FY 15, and \$675,700 less than the Senate.

**Child Support Recoveries** assists custodial parents in receiving court-ordered child support and determine paternity in non-marital births.

- Transfer of \$294,100 of SERIP monies to Medicaid.
- Child Support Recoveries is funded at a total of \$14.6 million, a net decrease of \$294,000 compared to FY 15, and \$46,250 less than the Senate.

**Medical Assistance (Medicaid)** provides health care coverage to certain low-income individuals that are aged, blind, disabled, or pregnant; and to children or members of families with dependent children. State funds are matched two to one with federal funds. **(See Attachment A for all Medicaid Funding)**

- Increase of \$5.2 million from other DHS budget areas of SERIP funding.
- Decrease of \$7.7 million to reallocate MHI funding directly to the Mt. Pleasant MHI.
- Increase of \$76 million by funding the FY 15 shortfall in FY 16.
- Increase of \$1.9 million to replace funding from the Medicaid Fraud Account.
- Increase of \$56 million due to loss of federal funds.
- Increase of \$17.7 million due to other various adjustments.
- Decrease of \$68.6 million due to cost containment strategies **(See below for more details)**.
- Increase of \$10 million due to fully funding Nursing Home Rebased, the total need is \$32 million.
- Decrease of \$3 million to the Magellan Integrated Home Health Contract.
- Increase of \$750,000 for a rate adjustment to Supported Employment, which is a 20% rate increase.

- New appropriation of \$100,000 for the Medicaid Pooled Trust Bill (HF 648).
- Decrease of \$413,800 for Family Planning Waiver - funding is provided by the Social Services Block Grant, with priority funding (more details below).
- Decrease of \$17.9 million to underfund Medicaid.
- Medicaid is funded at a total of \$1.321 billion, an increase of \$70.152 million compared to FY 15, and \$25.5 million below the Senate. Medicaid is funded \$36.5 million below the midpoint estimate for FY 16.

**Medical Contracts** supports the duties and functions of the Iowa Medicaid Enterprise.

- Net increase of \$3.5 million due to replacing the FY 15 appropriation from the Pharmaceutical Settlement Account.
- Medical Contracts is funded at a total of \$20.6 million, an increase of \$3.5 million compared to FY 15 and \$1.5 million less than the Senate.

**State Supplementary Assistance (SSA)** is a fully state-funded program that was designed to meet the additional special needs of aged, blind, and disabled people not met by the standard benefit rate paid by Supplemental Security Income.

- SSA is funded at a total of \$12.9 million, a decrease of \$1.1 million compared to FY 15 due to declining case-loads. This is identical to the Senate.

**State Children's Health Insurance (S-CHIP/HAWK-I)** provides health and dental insurance to children up to 300% of the Federal Poverty Level. State funds are matched with federal funds.

- Increase of \$1.1 million to maintain enrollment.
- Increase of 323,600 due to program growth.
- Increase of \$1.7 million due to a 5% health plan increase.
- Increase of \$1.385 million due to the loss of federal matching funds (FMAP).
- Decrease of \$29.2 million due to a 23% FMAP increase from the Affordable Care Act.
- General Reduction of \$1.1 million.
- Eliminates the HAWK-I Outreach for a reduction of \$42,800.
- S-CHIP is funded at a total of \$20.01 million, a net decrease of \$25.9 million compared to FY 15, and \$1.15 million less than the Senate.

**Child Care Assistance (CCA)** provides funding for child care for low-income parents working or in school. This includes Child Care Resource and Referral Agencies, child care regulation, and the Quality Rating System (QRS).

- Increase of \$7.15 million to replace federal funding.
- Decrease of \$1.73 million due to decreased enrollment & cost of services.
- Decrease of \$3.8 million due to adjustment to forecasting group midpoint.
- Eliminates the Child Burial Program Transfer for a reduction of \$100,000.
- CCA is funded at a total of \$48.6 million, a net increase of \$1.5 compared to FY 15, and \$8 million less than the Senate.

**Toledo and Eldora Juvenile Homes** provide a continuum of supervision and rehabilitation programs, which meet the needs of adjudicated delinquent youths in a manner consistent with public safety.

- Transfer of \$386,900 of SERIP monies to Medicaid.
- Reduction of \$858,190 due to transferring funding to Child & Family Services budget area.
- Increase of \$693,170 due to a reduction of funding for educational expenses from the Department of Education.
- Juvenile Homes are funded at a total of \$12.3 million, a net increase of \$552,000 compared to FY 15, and \$504,200 less than the Senate.

**Juvenile CINA/Female Adjudicated Delinquent Placements** – This funding is intended for the former juveniles that were living at the Toledo Juvenile Home.

- Juvenile CINA/Female Adjudicated Delinquents Placements is zeroed out after transferring the entire \$2 million to the Child and Family Services budget area.

**Child & Family Services** includes child safety; permanency; child well-being, which includes physical and mental health and education; offender rehabilitation; and community safety.

- Increase of \$858,190 by transferring funds from the Eldora aftercare program.
- Increase of \$2 million by transferring funds from the Juvenile CINA/Female Adjudicated Delinquents Placement funding area.
- Increase of \$251,500 due to loss of federal funding.
- The amendment not-withstands the USDA funding level requirement, which therefore saves the state a needed appropriation of \$1.415 million.
- Decrease of \$1 million due to a decrease in children adjudicated as delinquent or CINA for the Toledo.
- Decrease of \$1 million due to a FIP budget adjustment.
- Decrease of \$1 million to the Juvenile Court Services - budget adjustment.
- Reduction of \$50,000 to the Autism Program.
- Eliminates Systems of Care Grants (Cost Containment Initiative) for a reduction of \$76,600.
- Decrease of \$8.7 million due to transferring the appropriation to the Social Services Block Grant (SSBG).
- Child & Family Services is funded at a total of \$86.1 million, a decrease of \$8.7 million compared to FY 15, and \$12 million less than the Senate.

**Adoption Subsidy** provides stable and permanent families for children who have been abused or neglected, and whose parental rights have been terminated.

- Increase of \$145,800 due to caseload growth.
- Increase of \$271,700 due to loss of federal funding.
- The amendment not-withstands the USDA funding level requirement, which is therefore saves the state a needed appropriation of \$3.9 million.
- Adoption Subsidy is funded at a total of \$42.9 million, an increase of \$417,500 compared to FY 15, and is identical to the Senate.

**Family Support Subsidy (FSS)** provides financial assistance to parents of children with disabilities to enable them to continue living at home.

- Reduction of \$107,800 due to children aging out of the program.
- Increase of \$102,000 due to adding three new providers for the Children at Home Program.
- FSS is funded at a total of \$1.07 million, a net decrease of \$5,800 compared to FY 15, and is identical to the Senate.

**Mental Health Institutions (Clarinda, Cherokee, Independence, & Mt. Pleasant)** provide psychiatric care for lowans needing mental health treatment including specialized mental health services. Treatment is provided for substance abuse, dual diagnosis treatment for substance abuse and mental illness, psychiatric medical institute for children, and long term psychiatric care for the elderly.

- Transfer of \$1.14 million of SERIP monies to Medicaid from Cherokee and Independence MHI's.
- Increase of \$494,700 to cover education expenses at Cherokee and Independence MHI's.
- For Mt. Pleasant and Clarinda, a total of \$2.85 million is appropriated to delay their closure until 12/15/15.
- MHI's are funded at a total of \$18.72million, a decrease of \$6 million compared to FY 15, and \$970,000 more than the Senate.

**State Resource Centers (Glenwood & Woodward)** provide treatment and outreach services to people with mental retardation and other developmental disabilities. The ultimate goal is to move everyone back to their community.

- Transfer of \$432,200 of SERIP monies to Medicaid.
- Reduction of \$353,840 due to institutional realignment.
- Increase of \$1.2 million due to loss of federal funding.
- Reduction of \$850,000 due to a general reduction to the facilities.
- State Resource Centers are funded at a total of \$36.1 million, a reduction of \$442,700 compared to FY 15, and \$850,000 less than the Senate.

**Civil Commitment Unit for Sex Offenders at Cherokee (CCUSCO)** provides a secure, long-term, and highly structured setting to treat sexually violent predators who have served their prison term.

- Transfer of \$12,400 of SERIP monies to Medicaid.
- Decrease of \$18,100 due to the adjustment of the per diem rate.
- CCUSCO is funded at a total of \$9.9 million, a decrease of \$30,480 compared to FY 15, and identical to the Senate.

**General Administration** provides general administration and finance operations for the entire department.

- Transfer of \$410,500 of SERIP monies to Medicaid.
- Decrease of \$1 million to cut costs within the budget.
- Eliminates the Prevention of Disabilities Council for a reduction of \$38,500.
- Increase of \$250,000 for the Iowa Food Bank due to a transfer from IDA. A matching of private funding is required for the state funds.
- Decrease of \$25,000 to the Council on Homelessness.
- Reduction of \$2million, but will be replaced by federal Food Assistance Bonus funding.
- General Administration is funded at a total of \$12.8 million, a decrease of \$3.2 million compared to FY 15, and \$2.3 million less than the Senate.

**Field Operations** provides the services out in the field. This includes the front line staff at the local offices across Iowa.

- Transfer of \$2.25 million of SERIP monies to Medicaid.
- Decrease of \$4 million to cut costs within the budget.
- Field Operations is funded at a total of \$58.9 million, which is a decrease of \$6.25 million compared to FY 15, and is identical to the Senate.

**MH/DS Equalization** provides a subsidy to counties so that their levy rate is equal to the state standard.

- MH/DS Equalization is zeroed out and receives no funding for FY 16. However, \$4.55 million is appropriated for MHDS regions that might be short of funding for FY 2016. It is anticipated that only Polk County, and the Southern Hills Region, which includes Adams, Adair, Taylor, and Union Counties will qualify for the funding. This appropriation will ensure that every Region has a minimum 25% fund balance.

## **POLICY CHANGES**

### **Department of Human Services**

- The House keeps the status quo language regarding Medicaid covered abortion services. In order for reimbursement of a medically necessary abortion, Iowa must be consistent with options under federal law and regulations, and receive approval from the Office of the Governor. This does not require the Governor's approval for the procedure, but only for the reimbursement of the procedure, on the back end of the process. In addition, for an abortion service to be covered by Medicaid, except in the case of a medical emergency as defined in Chapter 135L.1, for any woman, the physician must certify both of the following:
  - The woman has been given the opportunity to view an ultrasound image of the fetus as part of the standard of care before an abortion is performed.

- The woman has been provided information regarding the options relative to a pregnancy, including continuing the pregnancy to term, and retaining parental rights following the child's birth, continuing the pregnancy to term and placing the child for adoption, and terminating the pregnancy.

The term **medical emergency** as defined in Chapter 135L.1 as, "a condition which, based upon a physician's judgment, necessitates an abortion to avert the pregnant minor's death, or for which a delay will create a risk of serious impairment of a major bodily function."

- Effective December 16, 2015, The amendment eliminates the state obligations for the Clarinda MHI, the Mt. Pleasant MHI, and the Juvenile Home in Toledo.
- Extends the MHDS equalization level rate for another year, and caps the rate at the FY 15 rate levels; statewide cap of \$47.28. In addition, eliminates the Medicaid county offset.
- Lowers the published Medicaid rate to be closer to the rate that the patient is charged without adversely effecting Medicaid reimbursement. This language allows the IME to adjust rates and hold Medicaid reimbursement harmless. The language came from UnityPoint Health, particularly St. Luke's in Cedar Rapids.
- Requires the Nursing Home Quality Assurance Assessment to be set at 3%.
- Makes changes to the established Autism Program including: adding a board-certified assistant behavior analyst to the list of qualified providers, and permits individuals to provide a summary of insurance benefits to show applied behavioral analysis treatment is not a covered benefit.
- Requires the DHS to continue to provide coverage for children enrolled in HAWK-I during the eligibility re-determination period.
- Requires Medicaid to cover tele-health services at the same level as in-person care.
- Requires DHS to use a third-party establish an electronic asset, income, and identity eligibility verification system for the purposes of determining or re-determining the eligibility of an individual who is an applicant for or recipient of Medicaid if they are elderly, blind, or disabled. (Similar to HF 247)

#### **Iowa Department of Public Health**

- Requires the Board of Pharmacy to adopt administrative rules that permit a written or verbal patient-specific medication administration order not be required prior to administration to an adult patient of pneumococcal conjugate vaccine pursuant to physician-approved hospital or facility policy. (Similar to SF 329)
- Amends the language passed in HF 203 that the Board of Respiratory care and Polysomnography must repay the appropriated funds to the State of Iowa by June 30, 2017, of the fees the Board collects.
- The Board of Medicine must establish by rule specific minimum standards for appropriate physician supervision of physician assistants. In addition, the Board must consult with the Board of Physician Assistants regarding all proposed rules regarding to physician supervision of physician assistants.

#### **Department of Administrative Services (DAS)**

- Specifies that no money appropriated in this amendment, or any other funds available, are to be used for the payment of personnel settlement agreements that contain confidentiality provisions intended to prevent public disclosure of the agreement or any terms.

#### **Mental Health Institutes**

The acute inpatient psychiatric beds at the Clarinda MHI are capped at 15 beds, and the gero-psychiatric program is limited to only six beds until December 15, 2015 or until appropriate alternative treatment services that meet the needs of the current gero-psychiatric program residents can be secured, whichever is earlier. DHS is required to work with key stakeholders to determine the feasibility of allowing a private provider to operate a crisis residential services program or a sub-acute mental health services program at Clarinda on or after January 1, 2016.

The substance abuse residential treatment program at the Mt. Pleasant MHI is limited to 50 beds through December 15, 2015. IDPH must work with key stakeholders to select a private provider to operate a dual diagnosis and residential treatment services program at the Mt. Pleasant on or after January 1, 2016.

## **Family Planning Waiver**

The amendment discontinues the Medicaid Family Planning Waiver. Under Medicaid, the waiver receives a 9-to-1 match by the federal government of state funding. The appropriation of \$413,800 is transferred from Medicaid to the Social Services Block Grant. **(See Attachment B for more information)** In addition, the funding has to be used on the following priority basis:

- Public entities that provide family planning services including state, county, or local community health clinics and federally qualified health centers.
- Private entities that, in addition to family planning services, provide required primary health services.
- Private entities that provide family planning services but do not provide required primary health services.

Distribution of family planning services program funds must be made in a way that continues access to family planning services. In addition, distribution of family planning services program funds cannot be made to any entity that performs abortions or that maintains or operates a facility where abortions are performed. For the purposes of this section, **abortion does not include** any of the following:

- The treatment of a woman for a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death.
- The treatment of a woman for a spontaneous abortion, commonly known as a miscarriage, when not all of the products of conception are expelled.

Family planning services program funds distributed cannot be used for direct or indirect costs, including but not limited to administrative costs or expenses, overhead, employee salaries, rent, and telephone and other utility costs, related to providing abortions.

By January 1st of each year, DHS must submit a report to the Governor and the Legislature listing any entities that received funds, which are private but do not provide required primary health services, the amount and type of funds received by these providers during the preceding calendar year. The report must provide a detailed explanation of how DHS determined that distribution of family planning funds to the provider, instead of another eligible provider, was necessary to prevent severe limitation or elimination of access to family planning services in the region of Iowa in which the provider is located.

## ***Policy Taken Out by the House Amendment***

### *Iowa Department of Aging*

- *Extends the establishment of statewide, local Office of Substitute Decision Maker by two years to July 1, 2017.*
- *Requires DHS, the Department of Inspections and Appeals (DIA), IDA, and the Alzheimer's Association to convene an Interagency Dementia Proficient Workforce Task Force related to dementia training for staff that interact with individuals with dementia. The report is due to the Legislature and Governor by December 15, 2015.*
- *Directs the Aging and Disability Resource Centers and the Mental Health and Disability Services Commission to submit a proposal to the Legislature in December regarding parameters for a home modification grant and tax credit program for disabled Iowans.*

### *Long-Term Care Ombudsman*

- *Allows the Office of Long-Term Care Ombudsmen to provide assistance and advocacy services to Medicaid recipients that receive long-term services and supports provided through Medicaid.*
- *Requires the Office of Long-Term Care Ombudsman to collaborate with multiple agencies to develop a proposal for the establishment of a Health Consumer Ombudsman Alliance and submit a proposal to the Governor and Legislature by December 15, 2015. The purpose of the Alliance is to provide a permanent coordinated system of independent consumer supports to ensure that consumers, including consumers covered under Medicaid managed care, obtain and maintain essential health care, are provided unbiased information in*

*understanding coverage models, and are assisted in resolving problems regarding health care services, coverage, access, and rights. (Similar to SF 475)*

### Department of Human Services

- *New language is included regarding medically necessary abortion services covered by Medicaid and the Iowa Health and Wellness Plan. Medically necessary abortions are performed under the following conditions:*
  - *The attending physician certifies that continuing the pregnancy would endanger the life of the pregnant woman.*
  - *The attending physician certifies that the fetus is physically deformed, mentally deficient, or afflicted with a congenital illness.*
  - *The pregnancy is the result of a rape which is reported within 45 days of the incident to a law enforcement agency or public or private health agency which may include a family physician.*
  - *The pregnancy is the result of incest which is reported within 150 days of the incident to a law enforcement agency or public or private health agency which may include a family physician.*
  - *Any spontaneous abortion, commonly known as a miscarriage, if not all of the products of contraception are expelled.*
- *Requires the DHS to contract with a third party to conduct functional, level of care, and needs assessments and reassessments of consumers that may be eligible for long-term services and supports and as part of the Medicaid managed care contract. In addition, prohibits assessments by a managed care organization contracted with Iowa.*
- *Creates an ABLE (Achieving a Better Life Experience) Savings Plan Trust to assist individuals in saving funds for the purpose of supporting persons with disabilities. The savings program is similar to 529 college savings accounts. (Similar to SF 490)*
- *Creates a new Legislative Health Policy Oversight Committee for oversight of and stakeholder engagement in, the design, development, implementation, administration, and funding associated with general state health care policies, with a particular focus on the Medicaid program. The membership of the committee is established and the Committee is allowed to contract for outside expertise. (Similar to SF 452)*
- *Increases the age to qualify for the Autism Program from 9 to 15 years old*
- *Requires DHS to amend the State Medicaid Plan to include Family Planning. This change takes effect upon enactment and is subject to approval by the federal Centers for Medicare and Medicaid Services (CMS).*
- *Raises the Child Care Assistance income eligibility rate from 145% of the federal poverty level (FPL) to the 160% FPL. This would allow a single parent with two children to earn up to \$32,144 and be eligible for the Program*
- *Directs the Child Welfare Advisory Committee to study the procedures of DHS for receiving complaints from families involved in guardianship, placement, and custody proceedings and other issues. Recommendations are due to the Governor and Legislature by December 15, 2015.*
- *Requires DHS, the Iowa Department of Education, and IDPH to facilitate a workgroup of stakeholders to study and make recommendations relating to children's mental health and well-being in Iowa. The report is due to the Governor and Legislature by December 15, 2015. (Similar to SF 454)*
- *Re-establishes the Prevention of Disabilities Policy Council. The language includes membership and new duties, including the coordination of public and private disability groups. The current Council sunset on July 1, 2015. (Similar to SF 464)*
- *Requests the Legislative Council establish an interim committee regarding the establishment of one or more facilities to provide care and treatment for persons who are sexually aggressive or have unmet geropsychiatric needs. A report is due to the Governor and Legislature by January 1, 2016. (Similar to SF 386)*
- *Requires DHS to submit an application to CMS for a planning grant for a Certified Community Behavioral Health Clinic two-year pilot project.*
- *Directs DHS to update their administrative rules to credential psychologists with a provisional license.*
- *Requires DHS to establish an electronic asset, income, and identity eligibility verification system for the purposes of determining or re-determining the eligibility of an individual who is an applicant for or recipient of Medicaid if they are elderly, blind, or disabled. DHS may issue a request for proposals (RFP) to contract with a third-party vendor to comply with the requirement. (Similar to HF 247)*

Iowa Department of Public Health

- Annually, any unobligated funds in the Anatomical Gift Public Awareness and Transplantation Fund can be spent per the current requirements of the Fund. (Similar to SF 228)
- Renames the Medical Home System Advisory Council to the Patient Centered Health Care Advisory Council.

Iowa Insurance Division (IID)

- The co-payments or coinsurance of an insurance plan that covers services provided by physical and occupational therapists and speech pathologists cannot be greater than the co-payment or coinsurance amount charged for services used to treat the same or similar diagnosed condition as rendered by a primary care physician or other medical provider. This applies to specified individual and group policies, contracts, and plans that are issued for delivery, continued, or renewed in Iowa on or after July 1, 2015. (Similar to SF 202)

Medicaid - Managed Care

Places certain requirements Medicaid managed care contractors:

- Requires 2.00% of the Medicaid capitation payment to be withheld by the state to be used to provide for Medicaid program oversight, including for a health consumer ombudsman function, and for quality improvement.
- Provides requirements for funds dedicated to meeting the minimum medical loss ratio.
- Permits only expenditures for medical claims to be considered in computing the minimum medical loss ratio as specified in the contract. The medical loss ratio is set at a minimum of 85%.
- Requires the managed care contractor to remit funds if they do not meet the minimum medical loss ratio.
- Provides requirements for administrative funds. The remaining administrative funds are to be used for the services listed.
- Prohibits administrative costs from exceeding 4.00%. Limits profit to 3.00%
- Requires the managed care contractor to remit any funds remaining after all allowable expenditures are accounted for.

**MEDICAID OFFSET**

The amendment appropriates a total \$9.98 million in one-time funding of Medicaid Offset dollars that are savings captured by DHS from the Counties due to the implementation of the MHDS Redesign equalization funding and the Iowa Health & Wellness Plan. **(See Attachment B for details about the funding)**

**MEDICAID COST CONTAINMENT**

Program Integrity - Prepay Editing	\$500,000
Program Integrity - CDAC	\$1,000,000
Medicaid Managed Care	\$51,136,508
HCBS Cost Containment	\$6,000,000
Complex Pharmacy Oversight Program	\$700,000
National Drug Acquisition Cost for Pharmacy Reimbursement	\$400,000
Increase in NH Assessment fee to 3%	\$3,879,150
Medicare Alignment - Reduce hospital readmissions within 30 days	\$500,000
UIHC - Disproportionate Share Hospital payment	\$4,512,772
<b>Total Medicaid Cost Containments</b>	<b>\$68,628,430</b>

**FY 2015**

The amendment provides for numerous de-appropriations to programs under the Department of Human Services totally \$49.4 million. The de-appropriations are extra funding that is not being spent. **Attachment C details how the House and Senate use this funding.**