



BILL SUMMARY

Health & Human Services Bill HF 2460

Status of Bill: House Floor
 Committee: Appropriations (passed 14-9)
 Lead Democrats: Rep. Heddens
 Floor Manager: Rep. Heaton
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Summary

- Provides funding for the Departments of Aging, Human Resources, Public Health, and Veterans Affairs.

General Fund	Estimated FY 16	Governors FY 17	HF 2460	HF 2460 vs. FY 2016
Aging	12,676,515	12,712,849	12,712,849	36,334
IDPH	59,484,820	57,812,621	59,288,852	-195,968
DHS	1,748,418,735	1,777,112,143	1,752,077,022	3,658,287
VA	12,285,542	12,285,542	12,285,542	0
Total	\$1,832,865,612	\$1,859,923,155	\$1,836,364,265	\$3,498,653

FY 2017

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 works closely with Iowa's six Area Agencies on Aging and other partners to design a system of information, education, support and services for lowans that assists them in maintaining their independence.

The Office of Long-Term Care Ombudsman is funded through the IDA budget unit. 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 \$12.7 million from the general fund. This is an increase of \$36,300 from the estimated FY 16 budget and identical to the Governor's recommendations for FY 17.

Aging Programs is funded at a total of \$11.4 million, which is an increase of \$36,300 compared to FY 16, due to an increase for the Office of Substitute Decision Maker for this amount. This makes the total appropriation for the Office of Substitute Decision Maker to be \$325,000.

Office of Long-Term Care Ombudsman is funded at a total of \$1.277 million, which is status quo compared to FY 16.

IOWA DEPARTMENT OF VETERANS AFFAIRS (IDVA)

The IDVA provides services to veterans regarding federal and state benefits, maintaining the Veterans Cemetery, and providing assistance for the County Grant Program.

The Iowa Veterans Home (IVH) is funded through the IDVA budget unit. The IVH provides services to veterans and spouses at the facility in Marshalltown, including domiciliary, residential, and pharmaceutical services. It is the largest long-term facility in Iowa.

Iowa Department of Veterans Affairs, including the Iowa Veterans Home, is funded at \$12.285 million from the general fund, which is status quo compared to FY 16 and the Governor's recommendations for FY 17.

- **IDVA General Administration** is funded at \$1.2 million, which is status quo compared to FY 16.
- **Veterans Home Ownership Program** is funded at \$2.5 million, which is an status quo compared to FY 16.
- **Veterans County Grants** is funded at \$990,000, which is status quo compared to FY 16.
- **Iowa Veterans Home** is funded at \$7.6 million, which is status quo compared to FY 16.

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 to provide population based health services and a limited number of personal health services. The IDPH assists in preventing injuries; promoting healthy behaviors; protecting against environmental hazards; strengthening the public health infrastructure; preventing epidemics and the spread of disease; and preparing for, responding to, and recovering from public health emergencies.

The IDPH is funded at \$59.3 million from the general fund, which is a decrease of \$196,000 compared to the FY 16 budget and \$1.476 million more than the Governor's recommendations for FY 17.

Addictive Disorders provides funding for programs that help reduce and prevent the use of tobacco, alcohol, and other drugs. This includes treatment of individuals affected by addictive behaviors, as well as substance abuse and gambling treatment and prevention services. Addictive Disorders is funded at a total of \$26.9 million, which is \$275,000 less compared to FY 16, which results from past reversions to Gambling Prevention.

Healthy Children & Families provides funding for programs that assure access to preventive child health services and link children and families with community-based preventive health and family support services. Health Children and Families is funded at a total of \$5.9 million, which is an increase of \$976,200 compared to FY 16 to fully implement First Five to all 13 counties added last year, and start the planning for a few additional counties.

Chronic Conditions provides funding for programs and services to adults and children identified as having chronic conditions or special healthcare needs, including functional limitations, the need for ongoing medical care, and a prolonged course of illness that lasts months, years, or is incurable. Chronic Conditions is funded at a total of \$4.93 million, a decrease of \$49,800 compared to FY 16 due to past reversions to Cervical and Colon Cancer Screenings.

Community Capacity provides funding intended to strengthen the public health system at the local level. This is achieved through programs run by the IDPH and also programs run by third-party entities. Community Capacity is funded at a total of \$7.7 million, a net decrease of \$1.082 million compared to FY 16.

- Decrease of \$1.67 million for the Collaborative Safety Provider Network, due to item veto last year.
- Decrease of \$105,450 for the Mental Health Workforce due to past reversions.
- Increase of \$74,060 for the PRIMECARRE Program
- Increase of \$47,000 for the Child Vision Screening Program implementation.
- Increase of \$74,390 for the Office of Minority and Multicultural Health due to loss of federal funds.
- Increase of \$500,000 for expanding the Medical Residency program for internal medicine positions.

Healthy Aging provides funding for services intended to optimize the health status of elderly Iowans. 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 16.

Infectious Diseases provides funding for 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 16.

Public Protection provides funding for 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, the State Medical Examiner, Environmental Hazards, Sexual Violence Prevention, and Certificate of Need. Public Protection is funded at a total of \$4.4 million, an increase of \$60,000 compared to FY 16 for the Certificate of Need Program.

Resource Management provides general administration and finance operations for the entire department. Resource management is funded at a total of \$855,000, which is an increase of \$150,000 compared to FY 16 for monthly services charges from the Office of Chief Information Officer.

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, 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, one institution for juveniles, refugee services, and services for the mentally ill and developmentally disabled, including the operation of two mental health institutes and two resource centers for people with mental retardation and part of Medicaid. DHS is a pass through for most Medicaid funding, since managed care was implemented.

The DHS is funded at \$1.752 billion from the general fund, which is an increase of \$3.66 million compared to the FY 16 budget. This is \$25.035 million less than the Governor's recommendations for FY 17.

Family Investment Program (FIP) & Promoting Independence and Self Sufficiency through Employment

(PROMISE JOBS) FIP provides funding for cash assistance under the Temporary Assistance for Needy Families (TANF) Block Grant and provides services are designed to help those families become self-sufficient. PROMISE JOBS provides funding for work and training services for FIP participants. FIP & PROMISE JOBS are funded at a total of \$48.67 million, which is a net status quo compared to FY 16.

- Decrease of \$4.6 million due to a reduction in FIP caseload.
- Increase of \$4.6 million to meet a maintenance of effort requirements for FIP and PROMISE JOBS.

Child Support Recoveries provides funding to assist custodial parents in receiving court-ordered child support and determine paternity in non-marital births. Child Support Recoveries is funded at a total of \$14.6 million, which is status quo compared to FY 16.

Medical Assistance (Medicaid) provides funding for medically necessary health care coverage for financially needy adults, children, parents with children, people with disabilities, elderly people, and pregnant women. State funds are matched two to one with federal funds. Nearly all of the Medicaid services are administered by managed care organizations (MCO), and a small portion is still administered by the State. Funding is split between the State of Iowa and federal matching funds. Federal Medical Assistance Percentages (FMAP) are the percentage rates used to determine the matching funds rate allocated annually. Medicaid is funded at a total of \$1.315 billion, an increase of \$12.054 million compared to FY 16. Medicaid is funded \$13.2 million below the estimate for FY 17.

- Increase of \$88.5 million to meet the estimated need for Medicaid.
- Decrease of \$18.14 million due to direct allocations to MHIs.
- Decrease of \$16.77 million due process improvement changes.
- Increase of \$9 million due to Drug Rebate Savings adjustments.
- Decrease of \$5 million due to Family Planning enhanced FMAP adjustment.
- Decrease of \$10 million due to a 2% incentive payment adjustment.
- Decrease of \$7.23 million due to an adjustment in projecting DHS enrollment estimate.
- Decrease of \$4 million due to the University of Iowa Hospitals and Clinics funding for Disproportionate Share Hospital state share.
- Increase of \$2.2 million for Community Providers for a 1% provider rate increase.
- Increase of \$3 million for Medicaid Home and Community Based Services Waiver waiting lists.
- Decrease of \$29.5 million to fund Medicaid at Governor’s level.

Total Medicaid Funding	
Palo Tax	\$980,730
Health Care Trust Fund	\$219,890,000
Nursing Facility Quality Assurance Fund	\$36,705,208
Hospital Trust Fund	\$34,700,000
Medicaid Fraud Fund	\$500,000
General Fund	\$1,315,246,446
Total	\$1,608,022,384

Medical Contracts provides funding to support the duties and functions of the Iowa Medicaid Enterprise (IME). IME provides oversight of the MCO contracts; processing remaining fee-for-service claims, enrolling providers and members, and pursuing cost recovery. Medical Contracts is funded at a total of \$17.045 million, an decrease of \$2.57 million million compared to FY 16.

- Increase of \$702,175 to replace the FY 16 funding from the Pharmaceutical Settlement Account.
- Decrease of \$1.268 million due to carryforward of Autism Support funding.
- Decrease of \$2 million due to managed care savings.

State Supplementary Assistance (SSA) is a fully state-funded program that provides additional funding to meet the basic needs of elderly and disabled people not met by the standard benefit rate paid by the federal Supplemental Security Income. SSA is funded at a total of \$11.6 million, a decrease of \$1.385 million compared to FY 16 due to declining caseloads.

State Children’s Health Insurance (S-CHIP/HAWK-I) provides funding for health and dental insurance to children who don’t qualify for Medicaid, and the upper income limit is 300% of the Federal Poverty Level. State funds are matched three to one with federal funds. HAWK-I is funded at a total of \$9.176 million, a net decrease of \$11.2 million compared to FY 16.

- Increase of \$371,950 due to increased costs of services and program growth.
- Decrease of \$7.84 million due to decrease in the FMAP rate.
- Decrease of \$3.77 million due to managed care savings.

Child Care Assistance (CCA) provides funding to support low-income families with working parents, parents gaining work skills, or parents going to school. In addition to paying for child care, this appropriation supports the regulation of child care providers and quality improvement activities. CCA is funded at a total of \$36.9 million, a net decrease of \$15.02 million compared to FY 16.

- Increase of \$8 million due to Child Care Development Block Grant required changes.
- Decrease of \$1.38 million due to using the FY 17 estimated surplus to cover the required changes.
- Increase of \$6.62 million due to an increase in TANF funding to cover part of the federal requirements.
- Decrease of \$5.99 million due to the FY 17 estimated surplus not needed for FY 17.
- Decrease of \$3.8 million due to the carryforward of federal funding from FY 16.
- Decrease of \$5.2 million due to an increase of TANF funding to cover Juvenile Court Services.

Eldora State Training School provides treatment and educational services within a highly structured setting to assist youth who are adjudicated delinquent. Eldora is funded at a total of \$12.23 million, which is status quo compared to FY 16.

Child & Family Services provides funding for services and interventions for children, youth, and families, designed to improve safety, permanency, well-being, and community safety. Child & Family Services is funded at a total of \$88.94 million, a net increase of \$3.56 million compared to FY 16.

- Decrease of \$208,190 due to FMAP adjustment.
- Increase of \$1 million due to FIP/System of Care FY 16 clean up.
- Increase of \$2.04 million to replace Social Services Block Grant funding. (no new/additional funding)
- Increase of \$50,000 for a satellite Child Protection Center in Mason City.
- Increase of \$5.2 million for Juvenile Court Services; this is status quo funding, and was previously funded with TANF funds.
- Decrease of \$4.478 million due to an increase in funding from TANF.

Adoption Subsidy provides funding for financial support to families who adopt special needs children. The funds assist families with the cost of raising a child, and costs associated with the needs of the child. Adoption Subsidy is funded at a total of \$43.05 million, an increase of \$48,375 compared to FY 16.

- Increase of \$640,300 due to caseload growth.
- Decrease of \$706,975 due to FMAP adjustments.
- Decrease of \$9,950 to meet the projected adjustment.
- Increase of \$125,000 for de-linking child welfare eligibility savings.

Family Support Subsidy (FSS) provides funding to assist families of children with developmental disabilities to meet the special needs of their disabled children. This includes the Children at Home Program. FSS is funded at a total of \$1.07 million, a net decrease of \$4,650 compared to FY 16.

- Decrease of \$85,650 due to a reduction in payments from children aging out of the program.
- Increase of \$81,000 for the Children at Home Program for 3 new locations.

Conner Training provides funding for financial support to transition individuals currently residing in the two State Resource Centers to community living settings of their choice. Conner Training annual appropriation is mandated by a consent decree in 1994. Conner Training is funded at \$33,630, which is status quo compared to FY 16.

Cherokee Mental Health Institution (MHI) provides funding for one of Iowa's two mental health institutes, which provides acute psychiatric treatment and care for children and adults that need mental health treatment. Cherokee MHI is funded at a total of \$14.64 million, which is status quo compared to FY 16.

- Increase of \$9.098 million that was previously funded through Medicaid, no additional dollars.

Independence Mental Health Institution (MHI) provides funding for one of Iowa's two mental health institutes, which provides acute psychiatric treatment and care for children and adults that need mental health treatment. Independence MHI is funded at a total of \$18.5 million, a decrease of \$818,000 compared to FY 16.

- Increase of \$9.046 million that was previously funded through Medicaid, no additional dollars.
- Decrease of \$818,000 due to Unneeded Services adjustments by closing the PMIC Unit.

Glenwood Resource Center provides funding one of two State Resource Centers that provide a full range of active treatment and habilitation services to individuals with severe intellectual disabilities and it serves to prepare and support them to live safe and successful lives in the home and community of their choice. Glenwood is funded at a total of \$20.719 million, a decrease of \$805,000 compared to FY 16 due to FMAP adjustments.

Woodward Resource Center provides funding for one of two State Resource Centers that provide a full range of active treatment and habilitation services to individuals with severe intellectual disabilities and it serves to prepare and support them to live safe and successful lives in the home and community of their choice. Woodward is funded at a total of \$14.053 million, a decrease of \$530,800 compared to FY 16 due to FMAP adjustments.

Civil Commitment Unit for Sex Offenders (CCUSO) provides funding for secure, long term, highly structured inpatient treatment for violent sexual predators who have served their prison terms but in a separate civil trial have been found likely to commit further violent sexual offenses. The unit is located on the Cherokee MHI campus. CCUSO is funded at a total of \$10.2 million, an increase of \$300,000 compared to FY 16, due to additional treatment services.

MH/DS Equalization provides a subsidy to counties so that their levy rate is equal to the state standard. No funding was provided in the budget bill.

Field Operations provides funding for staff directly and indirectly support the delivery of DHS' protective, case management, and basic support services and provider support services. Field Operations is funded at a total of \$54.4 million, which is a decrease of \$4.4 million compared to FY 16, due to increased funding from TANF.

General Administration provides funding for the administrative support and oversight staff of DHS, which includes the responsibility for fiduciary oversight for the budget and for program compliance and integrity for all state and federally funded programs administered by DHS. General Administration is funded at a total of \$15.2 million, an increase of \$275,000 compared to FY 16.

- Increase of \$200,000 for the College of Direct Support Program.
- Increase of \$300,000 for two Children's Mental Health planning grants.
- Decrease of \$25,000 due to the repeal of the Prevention of Disabilities Council.

Regional Mental Health Grants for specific Mental Health Regions

- \$1 million for the Eastern Iowa Region (Scott County, Cedar County, Clinton County, Jackson County, Muscatine County) contingent upon the region signing a memorandum of understanding regarding the use of the money prior to receipt.
- \$2 million for Polk County. Polk County is required to work with DHS on a three-year funding plan for sustainable services.

DHS Facilities

- Increase of \$2.88 million to maintain staffing levels at the DHS facilities.

Volunteers provides funding for individuals, under the supervision of paid staff, to assist in providing compassionate and caring service far beyond the services which could be provided by staff alone. This includes direct service to clients/residents, and indirect service, such as clerical assistance. Volunteers is funded at \$84,690, which is status quo compared to FY 16.

Social Services Block Grant

DHS State Cases	\$576,073
Child and Family Services	\$8,774,970
State Only Family Planning	\$2,999,305
Total	\$12,350,348

POLICY CHANGES

Iowa Department of Aging

- Extends the establishment date for local Office of Substitute Decision Maker offices to July 1, 2018.

Department of Human Services

- Requires the DHS to discontinue the Medicaid Family Planning Network Waiver effective July 1, 2016, and create a new State Family Planning Program with the following priorities in funding given in the following order:
 - Public entities that provide family planning services including state, county, or local community health clinics and federally qualified health centers.
 - Nonpublic entities that, in addition to family planning services, provide required primary health services.
 - Nonpublic entities that provide family planning services but do not provide required primary health services.
- Distribution of Family Planning Services Program funds are to be made in a manner that continues access to family planning services and that the distribution funds cannot be made to any entity that performs abortions or that maintains or operates a facility where abortions are performed. For the purpose of this language abortion does not include the treatment of a woman for the health of the mother or miscarriage. Family Planning Services Program funds may not be used for direct or indirect administrative costs related to providing abortions. Requires the DHS to submit a report by January 1, annually, listing any entities that received funds under this Program.
- Creates an inter-governmental transfer Nursing Facility Supplemental Payment Program to provide a supplemental payment to nursing facilities and hospitals for certain expenses.
 - Requires the DHS to report regarding changes in supported employment and prevocational services to the Legislature.
 - Repeals the sunset of the Hospital Health Care Access Assessment Program. In addition, requires DHS to explore alternatives to the current hospital assessment methodology and make recommendations to the Governor and the Legislature by December 15, 2016.
 - Directs DHS, in cooperation with the IDPH and the Department of Education, to establish a Request for Proposals (RFP) process for the purpose of contracting for two planning grants for the development and implementation of children's mental health crisis services. The planning grants will be awarded to two lead entities serving certain areas of the state. These lead entities cannot be one of the mental health and disability services regions. The planning grant awardees must develop a plan for children's mental health crisis services that meets specified criteria. Directs the DHS to compile reports from each planning grant awardee and submit a full legislative report, including conclusions and recommendations, to the Legislature by January 15, 2017.
 - DHS is required to study and collect data on existing children's programs across the state that address well-being for children with complex needs and their families. DHS is to select three to five existing programs to serve as designated learning labs, and DHS must submit a report including lessons learned, policy changes, best practices, and recommendations to the Legislature by January 15, 2017.
 - DHS, in consultation with IDPH, the Mental Health and Disability Services Commission, and the Mental Health Planning Council, must submit a legislative report with recommendations for a statewide children's mental health crisis service system, including current children's mental health crisis service systems and children's mental health crisis service system telephone lines, and a children's mental health public education and awareness campaign to the Legislature by December 15, 2016.

- Creates the Children's Mental Health and Well-Being Advisory Committee to continue the efforts of the Children's Mental Health and Well-Being Workgroup. The advisory committee will select the three to five learning labs and guide the implementation of the Workgroup's recommendations.
- Eligibility is expanded from nine to fourteen years of age and from 400% to 500% of the federal poverty level for the Autism Support Program. The maximum cost sharing is also increased from 10% to 15%.

Medicaid - Managed Care

- Requires MCOs to report data on patients and outcomes annually to Legislature.
- Require DHS to gather information quarterly from existing state Boards and Commissions regarding Medicaid.
- Require DHS to put all reports online.
- Require HHS to dedicate one meeting per year to review reports.
- Does not require any entity to make recommendations to fix issues that come from the reports.
- Does not require any enforcement of fixing issues that arise from the reports.
- These reports are already required by federal law and the contracts with DHS.

By comparison, the Senate plan includes:

- *Expands the membership of the Legislative Health Policy Oversight Committee to continue to meet during the interim.*
- *Require DHS to develop a workgroup regarding Program Integrity to improve the state's ability administer and oversee managed care.*
- *Captures savings from MCOs to be put back in the system, per legislative directive.*
- *Expands the duties of the Long-Term Care Ombudsman to oversee MCOs and advocate for Medicaid members.*
- *Expands the oversight, including making recommendations of the Medicaid Assistance Advisory Council of Medicaid and the MCOs.*
- *Expands the duties of the Patient-Centered Health Advisory Council to oversee and make recommendations regarding the integration of services and supports between state and local level services and supports, and health workforce issues.*
- *Amends MCO contracts to enhance consumer protections, increase provider participation, limiting costs increase, gather data, and provide evaluation and oversight.*

Iowa Department of Public Health

- Requires entities receiving funding through the IDPH to submit reports and requires IDPH to review reports and recommend changes in adjusting funding streams to better align with the Department's priorities and goals.
- Makes changes to the Board-Certified Behavior Analyst and Board-Certified Assistant Behavior Analyst Grant Program. The Grant Program is expanded to any accredited university, community college, or accredited private institution within or outside of Iowa. The applicant must to agree to practice in Iowa for no more than four years as specified by the contract between the applicant and IDPH. Also requires the applicant to agree to supervising an individual working towards board certification or consult with schools and service providers. A priority is given to Iowa residents. Limits awards based on enrollment status, number of applicants, and the total amount of funds. Awards cannot be greater than 50% of the program tuition and fees. The funds may only be used for tuition and fees. IDPH is required to submit a report by January 1 annually that covers the number of applications received, the number of applications approved, the total funding awards, the costs of administering the program, and any recommended changes.
- Eliminates the sunset dates for the Nursing Residency State Matching Grants Program and Iowa Needs Nurses Now Program.

- Creates a documented process for health care providers, or their agents, to provide a patient with the opportunity to designate a family member or other individual as a person who the provider may discuss the patient's health care information with.
- Grandfathers in any hospital's Trauma Care Service Categorization Level achieved before July 1, 2015 as long as the hospital continues to meet the requirements existing at that time.
- Amends SF 2218 to permit, rather than require, the DPH to adopt rules to administer the Opioid Antagonist Authorization Act.
- Redefines nursing facility to exclude non-state governmental nursing facilities if the facility is participating in an upper payment limit supplemental payment program. DHS must submit a State Plan Amendment to the Centers for Medicare and Medicaid Services (CMS) by June 30, 2016, to allow qualifying non-state government owned nursing facilities to receive a supplemental payment in accordance with upper payment limit requirements. Amending the definition of nursing facility is contingent upon approval by CMS.
- Inserts HSB 564 regarding Caregiver Designation. The bill allows for a designation of a caregiver relative to an inpatient admission of a patient to a hospital to provide after-care assistance to the patient upon discharge of the patient to the patient's residence. A documented process is created for health care providers, or their agents, to provide a patient with the opportunity to designate a family member or other individual as a person who the provider may discuss the patient's health care information with. A hospital is required to notify the caregiver of the patient's discharge or transfer to another hospital as soon as possible; and to consult with the caregiver and patient regarding the caregiver's capabilities and limitations regarding the patient's discharge plan. The bill establishes what should be contained in a written discharge plan and other discharge plan requirements. The Department of Inspection and Appeals, in consultation with the IDPH, may adopt rules. This language cannot be construed to interfere with the rights under Iowa Code chapter 144B that covers Durable Power of Attorney.
- Grandfathers in any hospital's Trauma Care Service Categorization Level achieved before July 1, 2015, as long as the hospital continues to meet the requirements existing at that time.
- Requires the DHS to review and report the progress of the implementation of the Adult Mental Health and Disability Services System redesign to Governor, and Legislature by November 15, 2016.

FY 2016

FY 16 Supplemental Funding to Medicaid

Child Care Assistance	\$10,000,000
Family Investment Program	\$3,900,000
State Supplemental Assistance	\$1,100,000
Decat Reversion	\$2,000,000
Total	\$17,000,000