

**House File 626 - Introduced**

HOUSE FILE 626  
BY COMMITTEE ON HUMAN  
RESOURCES

(SUCCESSOR TO HSB 83)

**A BILL FOR**

1 An Act relating to county and state responsibilities for mental  
2 health, mental retardation, and developmental disabilities  
3 services for adults and children, making appropriations, and  
4 including effective date provisions.

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

1 Section 1. MENTAL HEALTH AND DISABILITY SERVICE SYSTEM  
2 REFORM.

3 1. The general assembly finds there is need to reform the  
4 mental health and disability services systems administered  
5 by counties and the state to address the needs of adults  
6 and children with mental illness, mental retardation, or  
7 developmental disabilities. Issues with the current systems  
8 include the following:

9 a. Lack of a set of core services uniformly available  
10 throughout the state.

11 b. Lack of uniformity in service expenditures throughout  
12 the state.

13 c. Disparity in county levy rates for the adult services  
14 system.

15 d. The need to improve the array of community-based services  
16 and services to avoid the use or continued use of crisis  
17 services.

18 e. The need to expand the availability of dual diagnosis  
19 mental health and substance abuse services.

20 f. The need to improve the consistency of services available  
21 to both youth and adult populations.

22 g. The need to coordinate the services systems for  
23 addressing the needs of children and youth with severe  
24 emotional disturbances, mental illness, mental retardation,  
25 developmental disabilities, and substance abuse problems among  
26 state and local education, health, and human services agencies.

27 h. The need to address the medical assistance (Medicaid)  
28 program changes in the federal Patient Protection and  
29 Affordable Care Act, Pub. L. No. 111-148, that will greatly  
30 expand the program's eligibility for persons in the services  
31 systems beginning in calendar year 2014.

32 i. Dissatisfaction with using county of legal settlement  
33 determinations to determine county and state financial  
34 responsibility for adult services.

35 2. It is the intent of the general assembly to consider and

1 enact legislation to do all of the following:

2 a. Phase in the full assumption by the state of the  
3 nonfederal share of the costs for Medicaid program services  
4 for adults now borne by counties by the implementation date  
5 of the Medicaid eligibility changes under the federal Patient  
6 Protection and Affordable Care Act.

7 b. Provide property tax relief and equity by having the  
8 state incrementally assume a greater role in funding the adult  
9 mental health and disability services system from counties when  
10 the repeals contained in this Act take effect.

11 c. Shift the balance of responsibilities for the adult  
12 services system between the state and counties so that the  
13 state ensures greater uniformity and there is sufficient  
14 size to develop effective services while maintaining local  
15 involvement that brings resources together in unique ways that  
16 best meet the needs of clients.

17 d. Provide options for maintaining and enhancing local  
18 entry points for admission into the services system for adults.

19 e. Engage the state and local government agencies involved  
20 with addressing the needs of children and youth with severe  
21 emotional disturbances, mental illness, mental retardation,  
22 developmental disabilities, and substance abuse problems in  
23 developing a coordinated system to meet those needs.

24 f. Consolidate provider reimbursement rate setting and  
25 provider selection authority.

26 g. Review the Code chapters relevant to the services systems  
27 and propose amendments for implementation of the reforms  
28 recommended by the committee.

29 h. Incorporate opportunities for implementing efficiencies,  
30 providing access to services at more levels, enhancing  
31 public-private partnerships, allowing options for local  
32 investments, and emphasizing the use of research-based methods  
33 and identified best practices.

34 i. Establish a state fund to collect cost savings realized  
35 from efficiencies and dedicate such moneys for use in expanding

1 community capacity to provide services.

2 j. Create a state-county transition committee to address  
3 implementation of the legislation. The membership of the  
4 committee may include designees of the department of human  
5 services, the Iowa state association of counties, and service  
6 providers, consumers, and advocates. In addition, the  
7 membership may include members of the general assembly, serving  
8 as ex officio, nonvoting members.

9 k. Implement other provisions to reform and improve the  
10 services systems for adults and children.

11 Sec. 2. Section 331.424A, Code 2011, is amended by adding  
12 the following new subsection:

13 NEW SUBSECTION. 6. This section is repealed July 1, 2012.

14 Sec. 3. Section 331.438, Code 2011, is amended by adding the  
15 following new subsection:

16 NEW SUBSECTION. 5. This section is repealed July 1, 2012.

17 Sec. 4. Section 331.439, Code 2011, is amended by adding the  
18 following new subsection:

19 NEW SUBSECTION. 10. This section is repealed July 1, 2012.

20 Sec. 5. Section 331.440, Code 2011, is amended by adding the  
21 following new subsection:

22 NEW SUBSECTION. 7. This section is repealed July 1, 2012.

23 Sec. 6. NEW SECTION. **426B.6 Future repeal.**

24 This chapter is repealed July 1, 2012.

25 Sec. 7. **CONFORMING PROVISIONS.** The legislative services  
26 agency shall prepare a study bill for consideration by the  
27 committees on human resources of the senate and house of  
28 representatives for the 2012 legislative session, providing  
29 conforming Code changes for implementation of the repeal  
30 provisions contained in this Act.

31 Sec. 8. **IMPLEMENTATION.** There is appropriated from the  
32 general fund of the state to the department of human services  
33 for the fiscal year beginning July 1, 2011, and ending June 30,  
34 2012, the following amount, or so much thereof as is necessary,  
35 to be used for the purposes designated:

1 For costs associated with implementation of this Act:  
2 ..... \$ 1,000,000

3 Sec. 9. EFFECTIVE UPON ENACTMENT. This Act, being deemed of  
4 immediate importance, takes effect upon enactment.

5 EXPLANATION

6 This bill relates to county and state responsibilities  
7 for mental health, mental retardation, and developmental  
8 disabilities (MH/MR/DD) services for adults and children.  
9 Legislative findings are stated in a temporary law  
10 section addressing reform of the systems for such services.  
11 Legislative intent is stated to consider and enact legislation  
12 to implement various system reform provisions outlined in the  
13 bill.

14 The following Code provisions are repealed on July 1, 2012:  
15 Code section 331.424A, establishing county MH/MR/DD services  
16 funds and authorizing levies for the funds; Code section  
17 331.438, outlining requirements for county MH/MR/DD services  
18 expenditures and joint state-county planning, implementing,  
19 and funding; Code section 331.439, requiring county management  
20 plans and other provisions regarding county eligibility for  
21 state property tax relief and allowed growth funding; Code  
22 section 331.440, providing for creation of the county central  
23 point of coordination process and county management of state  
24 case services; and Code chapter 426B, relating to property tax  
25 relief funding for the county-administered services, risk pool  
26 funding, and related provisions.

27 The legislative services agency is directed to prepare  
28 legislation to conform other Code provisions to the repeals  
29 contained in the bill.

30 An appropriation is provided to the department of human  
31 services for implementation costs.

32 The bill takes effect upon enactment.