



HPCAIA Update

Bi-weekly News for Hospice Professionals in Iowa

June 12, 2009

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2009 Legislative Summary

The *Legislative Summary* is prepared annually by the Hospice & Palliative Care Association of Iowa for its membership as an easy-to-read reference of the preceding session's legislative activity. The summary focuses primarily on legislation relevant to hospices and healthcare providers passed by the General Assembly and either approved or vetoed by the governor.

Full details of each bill are not necessarily included in this report; bills and other information about the Iowa General Assembly can be obtained at www.legis.state.ia.us.

Questions regarding HPCAIA legislative activity may be directed to [Shannon Strickler](#), HPCAIA lobbyist.

Session Highlights

Working through marathon sessions that lasted till nearly dawn on Saturday and Sunday nights, the 2009 Iowa General finally adjourned the last weekend in April, one week ahead of schedule. The 2009 session was marked by contentious debates on a variety of issues, some of which passed and many of which did not. Highlights of the year of interest to the Iowa hospice community included:

- No cuts to Medicaid services or benefits despite a difficult budget year.
- Passage of health care reform legislation that creates a process for future funding of increased workforce training in Iowa as well as providing insurance coverage for all Iowa kids.
- Failure of labor initiatives such as "fair share," open-scope collective bargaining, employee choice of physician in workers' compensation cases and setting prevailing wages for public construction projects to gain legislative approval.
- Failure of bills seeking to establish a health care whistleblower mandate.

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HPCAI Supported Bills

Medicaid – House File 811

The 2009 legislative session focused heavily on the budget. The quarterly Revenue Estimating Committee downgraded the revenue projections for state fiscal years 2009 and 2010 each time it met between October and March. In December 2009, before the Legislature convened, the governor had to implement a 1.5 percent across-the-board reduction for FY 2009 to stay within the 99 percent constitutional spending limitation.

The federal American Recovery & Reinvestment Act provided nearly \$2.5 billion in stimulus dollars for Iowa over 27 months, which allowed the state to avoid making extreme cuts to programs. Health care and education received more than half of the stimulus dollars. Of the \$619.5 million expected in the health care sector, the Medicaid program received \$421 million in enhanced federal matching dollars.

With the assistance of stimulus dollars, the Legislature avoided any cuts in benefits, services or provider rates in the Medicaid program for FY 2009 and FY 2010 in the Health and Human Services budget, **House File 811**.

The Legislature appropriated \$26.9 million less than the general fund spending limitation for FY 2010. While general fund spending was down 3.2 percent for FY 2010, total spending was up 3.1 percent when general fund and stimulus funding are calculated together. The state spent \$529 million in stimulus funding to support the FY 2010 budget. In addition, \$65 million transferred from cash reserves to the general fund to support the FY 2010 budget, leaving \$441.3 million remaining in cash reserve funds.

The FY 2011 budget outlook is bleak due to the discontinuation of most stimulus dollars. The FY 2011 budget has \$903 million in increased expenditures. Incremental built-ins like K-12 school aid, Medicaid utilization and property tax credits compose \$392 million. The other \$512 million includes shortfalls related to the use of stimulus dollars in FY 2010. The state will have \$204 million in stimulus dollars available for FY 2011, which still leaves the budget with a net built-in increase of nearly \$700 million.

Health Care Reform – Senate File 389

The General Assembly continued its efforts on health care reform this session. The Legislature passed **Senate File 389** which addresses a variety of issues from health care coverage to workforce shortages.

SF 389 creates a commission to evaluate health care insurance coverage options for the state and develop a strategic plan. The legislation also amends the insurance coverage of adult children provisions passed in 2008 to clarify that reenrollments shall be permitted. Furthermore, the bill expands *hawk-i* and Medicaid eligibility in an attempt to cover all uninsured Iowa children and streamlines enrollment processes for the programs. The legislation also expands the voluntary health care provider protections to specialty offices so that they are covered when providing uncompensated care.

Related to Medicaid, the legislation also adds translation and interpreter services as a benefit under the Medicaid and *hawk-i* programs. These benefits were funded by stimulus dollars in the federal block grant bill, House File 820.

SF 389 also creates several structures to combat workforce shortages. The bill includes a matching grant program for medical residency training that will allow residency programs to receive 25 percent matching dollars from the state to support medical residency training. The legislation creates incentive payment programs to recruit and retain health care professionals and for nurse educators. The legislation also creates fellowship programs for nurse faculty and mental health physician assistants. Unfortunately, the Legislature was only able to create the framework for the programs but not able to provide funding at this time due to extremely tight budget conditions.

SF 389 will become effective July 1.

Iowa Code Chapters Affected: 135, 249A, 261, 422.7, 509, 509A, 514A, 514B, 514I

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HPCAI Opposed Bills

Franchise Fees

One Senate subcommittee met one time to consider the issue of franchise fees during the session, but the subcommittee never made a recommendation on the bill nor was it considered by the full committee. However, during the last 48 hours of the legislative session, the Iowa Senate included authorization for franchise fees in the standings bill, **Senate File 478**.

The legislation authorizes cities to assess franchise fees up to 5 percent of the gross revenue of the sale of the franchise within the city regardless of the city's cost of inspecting, supervising and otherwise regulating the franchise. Any fees beyond those necessary to inspect, supervise or regulate the franchise must be used for one of nine specified purposes in the bill, including property tax relief, public safety, public works and economic development. A city must publish a revenue purpose statement before adopting or enhancing franchise fees.

While the original version of SF 478 applied the franchise fee authorization retroactively, the final version passed by the Legislature will be effective July 1, 2009.

Iowa Code Section Affected: 364.2-.3A

Wrongful Death

House File 758 would have added a new category of damages in wrongful death lawsuits to compensate for the "loss of enjoyment of life." This new category of damages would require juries to place a value on the life the decedent, in addition to any economic or loss of consortium damages currently available under law.

This new category of damages could have a significant impact in medical liability cases, and some insurance companies estimated that medical liability insurance rates could increase 12-20 percent if the bill was adopted.

HF 758 passed the House and the Senate judiciary committees but was never voted upon the Senate floor. The majority leader of the Senate called the bill up for debate on several occasions, including just hours before final adjournment, but the Senate ultimately deferred on the bill each time. HF 758 will be eligible for consideration again next session and is a top priority for the trial lawyers.

Workers' Compensation—Choice of Physician

House File 795 and **Senate File 155** would have changed Iowa's workers' compensation system from an employer-directed health care benefit to an employee-directed benefit. The bills would have allowed employees to pre-designate a physician with their employer for treatment of a workplace injury. However, the pre-designated physician would then have the authority to refer the patient to any other physician for further evaluation and treatment and employers would continue to be liable for the costs of treatment.

HPCAI and other employer organizations opposed HF 795 and SF 155 not only because they would increase costs, but also because there would likely be a delay in appropriate care because an occupational health provider would not be likely involved with the injury from the outset.

The House held a public hearing on the legislation, taking testimony from across the state, including from health care providers. Ultimately the House and Senate labor committees passed the bills, but neither bill was debated on the floor.

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Other Bills of Interest

- **Volunteer EMS Protection – (House File 671)**. Provides job protection to volunteer emergency services providers who are absent or late to work while performing duties as a volunteer provider in the service area or the governor-declared disaster area. **Iowa Code Section Affected: 100B.14. Signed by Governor**

- **Public Health Modernization** – (*House File 811, Division XI*). Establishes the framework to create a voluntary accreditation program for local public health departments. **Iowa Code Chapter Affected: 135A. Signed by Governor**
- **Private Cause of Action** – (*House File 712*). Creates a private cause of action for consumer fraud while exempting licensed, certified or registered health care providers including licensed hospices, hospitals, physicians and nurses. **Iowa Code Chapter Affected: 714H. Signed by Governor**
- **Pharmacy Board Omnibus** – (*House File 381*). Among other things, establishes a registration program for pharmacy support persons who work in a licensed pharmacy and who are not licensed pharmacists or registered pharmacy technicians. **Iowa Code Section Affected: 155A.6B. Signed by Governor**
- **Workers' Compensation Penalties** – (*Senate File 478, Section 110*). Allows the commissioner to award up to 50 percent additional benefits if it is found that an employer or insurer denied, delayed or terminated benefits without reasonable or probable cause or excuse that was known at the time of the denial, delay or termination. **Iowa Code Section Affected: 86.13. Signed by Governor**
- **Wage Discrimination** – (*Senate File 137*). Prohibits employers from discriminating against any employee based on age, race, creed, color, sex, sexual orientation, gender identity, national origin, religion, or disability by paying wages to such employee at a rate less than another employee for equal work on jobs, the performance of which requires equal skill, effort, and responsibility and which are performed under similar working conditions. **Iowa Code Section Affected: 216.6A. Signed by Governor**
- **Insurance Mandates** – (*Senate File 478 (PMIC & Oral Cancer Medication); House File 478 (Diabetes Management Training); House File 311 (Prosthetic Devices)*). The Legislature approved four insurance mandates for health insurance products regulated by the state of Iowa. The insurance coverage mandates include: treatment at psychiatric medical institutions for children for biologically based mental health conditions, orally administered anti-cancer medications, at least 10 hours of outpatient diabetes self-management training and medically necessary prosthetic devices. **Iowa Code Sections Affected: 135H.3; 514C.18; 514C.24. Signed by Governor**

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Appropriations Bills

Administration and Regulation Appropriations

(*House File 809*)

	FY 2010	FY 2009
Insurance Division (Page 7, Line 27)	\$4,881,216	
\$4,857,123		

Licenses and regulates companies that sell insurance in the state

Health Facilities Division (Page 14, Line 8)	\$2,235,383
\$2,498,437	

Inspects hospices, nursing facilities, hospitals and home health agencies

Block Grant and Economic Stimulus Appropriations

(*Senate File 820*)

	FY 2010	FY 2009
Substance Abuse (Page 1, Line 24) \$13,474,900	\$13,477,961	
For drug and alcohol abuse treatment and prevention programs		
Community Mental Health Services (Page 2, Line 22) \$3,631,173	\$3,500,167	
For substance abuse and mental health care administration		
Maternal and Child Health Services (Page 4, Line 3) \$6,579,555	\$6,512,104	
For children and expectant mothers, including regional and mobile health clinics		
Preventive Health (Page 5, Line 17) \$1,064,859	\$1,064,859	
For Healthy Iowans 2000 and 2010 program objectives, risk education, health incentive programs, chronic disease services, emergency medical services, fluoridation monitoring and AIDS prevention		
Stop Violence Against Women (Page 6, Line 16)	\$1,393,190	\$1,312,647
For grants to prevent violent crimes against women		
Medicaid (Stimulus Funding) (Page 31, Line 25)	\$6,237,173	\$0
Funding for the Medicaid program from the federal economic stimulus package.		
Medicaid and hawk-i (Page 31, Line 34)	\$6,263,231	\$0
Provides an appropriation for expanded children's health care coverage as authorized in Senate File 389, part of ongoing health care reform legislation.		
Mental Health Institutes (Stimulus Funding) (Page 36, Line 15)		
Provides additional funding for the state's four mental health institutes, as follows:		
Cherokee (time)	\$673,200	\$0 (one)
Clarinda (time)	\$804,256	\$0 (one)
Independence (time)	\$1,177,799	\$0 (one)
Mount Pleasant (time)	\$222,694	\$0 (one)
Broadband Technology Grants (Page 40, Line 20)	\$25,000,000	\$0 (one time)
Provides grants for the deployment and sustainability of high-speed broadband access from the federal economic stimulus package.		

Education Appropriations

(Senate File 470)

	FY 2010	FY 2009
Des Moines University (Page 2, Lines 9 & 17) \$446,451	\$404,489	
Continuation of an initiative to direct osteopathic physicians to practitioner shortage areas in the state		
University of Iowa Hospitals and Clinics		
Appropriations from this section include:	FY 2010	FY 2009

Family practice program (Page 14, Line 19)	\$2,061,809	\$2,179,043
Child health care services (Page 14, Line 28)	\$760,330	
\$732,388 Statewide cancer registry (Page 14, Line 33)		
\$171,851 \$174,578		
Substance abuse consortium (Page 15, Line 4)	\$64,023	\$67,877

Human Services Appropriations

(House File 811)

	FY 2010	FY 2009
Medicaid (Page 22, Line 13, state dollars only)	\$677,613,847	
\$649,629,269		
For medical assistance to eligible low-income individuals for FY 2010		
Children's Health Insurance (Page 30, Line 8)	\$14,629,830	
\$13,868,885		
For maintenance of the Healthy and Well Kids in Iowa (HAWK-I) programs to provide health insurance coverage to uninsured children		
Medical Contracts (Page 28, Line 33)	\$13,651,503	
\$14,165,550		
Child and Family Services (Page 33, Line 26)	\$90,591,451	
\$89,326,628		
For non-federal costs of services reimbursed under medical assistance or for the Family Investment Program provided to children who would otherwise receive services paid under funds appropriated in this section		
Mental Health Institutes (Page 25, Line 20)		
Provides general funding for the state's four mental health institutes, as follows:		
Cherokee	\$9,098,425	
\$5,727,743		
Clarinda	\$1,997,305	
\$3,323,073		
Independence	\$9,045,894	\$10,495,879
Mount Pleasant	\$5,752,587	
\$1,874,721		
State Resource Centers (Hospital Schools) (Page 44, Line 3)		
Provides general funding for the state's two hospital schools, as follows:		
	FY 2010	FY 2009
Glenwood	\$17,620,487	
\$17,102,330		
Woodward	\$10,929,487	
\$11,266,164		
Office of Substitute Decision Maker	\$250,000	\$14,006,583

**Elder
Affairs**

(House File 811)

	FY 2010	FY 2009
Department of Elder Affairs (Page 1, Line 14)	\$5,251,698	\$4,723,306

Provides services to citizens over 60 years of age, including case management for the frail elderly, Alzheimer's support, retired senior volunteer program, resident advocate committee coordination, employment, mental health outreach, adult day care, respite care, chore services, telephone reassurance and home repair services

Public Health Appropriations

(House File 811)

	FY 2010	FY 2009
Addictive Disorders (Page 4, Line 8)	\$28,652,500	

\$4,958,230

Supports programs to reduce use of tobacco, alcohol and other drugs and provide treatment for addictive disorders, including gambling

Healthy Children and Families (Page 7, Line 1)	\$2,249,167
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\$2,636,913

Funds programs to improve the health of young people from birth to 21 years old (specific program appropriations are to be made at the department level)

Chronic Conditions (Page 7, Line 29)	\$2,756,236
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\$2,242,840

Serves those suffering from chronic health problems or special health care needs (specific program appropriations are to be made at the department level)

Community Capacity (Page 8, Line 21)	\$4,116,847
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\$1,760,532

Provides for strengthening the health delivery system at the local level (specific program appropriations are to be made at the department level)

Elderly Wellness (Page 6, Line 1)	\$8,345,779
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\$9,233,985

Funds programs to improve the health of adults over 60 years old

Infectious Diseases (Page 10, Line 3)	\$1,630,661
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\$1,858,286

Supports programs reducing the incidence and prevalence of communicable diseases

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Member News

Congratulations to Dee Hiveley, president of Iowa Hospice in Johnston. She is the first hospice administrator in Iowa to earn the designation of Certified Hospice and Palliative Care Administrator (CHPCA). The certification is administered by the National Board for Certification of Hospice and Palliative Nurses (NBCHPN).

And as a reminder to members – HPCAI lists the individuals who have earned certification through NBCHPN on the HPCAI [web site](#). To add names to the list, please email [Stacey Nay](#).

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HPCAI Calendar

October 28 – 29

HPCAI Fall Conference, *Scheman Building, Ames*

To add items to the HPCAI Calendar, send information to [Stacey Nay](#).