

JOINT MEETING OF THE
MENTAL HEALTH AND DISABILITY SERVICES COMMISSION
AND THE IOWA MENTAL HEALTH PLANNING COUNCIL
May 16, 2012, 12:30 am to 4:30 pm
United Way Conference Center, Room E
1111 9th Street, Des Moines, IA
MEETING MINUTES

MHDS COMMISSION MEMBERS PRESENT:

Neil Broderick	Deb Schildroth
Jill Davisson	Patrick Schmitz
Lynn Grobe	Susan Koch-Seehase
Representative Dave Heaton	Dale Todd
Representative Lisa Heddens	Suzanne Watson
David Hudson (by phone)	Gano Whetstone
Gary Lippe	Jack Willey
Zvia McCormick	

MENTAL HEALTH PLANNING AND ADVISORY COUNCIL MEMBERS PRESENT:

Teresa Bomhoff	Gregory Keller
Kenneth Briggs, Jr.	Todd Lange (by phone)
Jim Chesnik (by phone)	Sally Nadolsky
Ron Clayman	Patrick O'Brien
Jackie Dieckmann	Brad Richardson (by phone)
Tom Eachus	Jim Rixner
Jim Flansburg (by phone)	Joe Sample
Kris Graves	Rhonda Shouse
Julie Kalambokidis (by phone)	Kimberly Uhl
Gary Keller	Michael Wood (by phone)

OTHER ATTENDEES:

Bob Bacon	U of Iowa, Center for Disabilities & Development
Dave Basler	ChildServe
Jess Benson	Legislative Services Agency
Connie Fanselow	DHS, MHDS, Community Services & Planning
Mark Hanson	Iowa Assn. of Area Agencies on Aging/Dallas County
Becky Harker	Iowa Developmental Disabilities Council
Gretchen Kraemer	Attorney General's Office
Geoff Lauer	Brain Injury Association of Iowa
Sue Lerdal	interested citizen
Brooke Lovelace	U of Iowa, Center for Disabilities & Development/IME
Liz O'Hara	U of Iowa, Center for Disabilities & Development

OTHER ATTENDEES (continued):

Chuck Palmer	DHS Director
John Pollak	Legislative Services Agency
Ann Riley	U of Iowa, Center for Disabilities & Development
Renee Schulte	State Representative, District 37, Linn County
Rick Shults	DHS, Administrator MHDS Division
Heidi Smith	Lutheran Services in Iowa
Brad Trow	House Legislative Staff

WELCOME AND CALL TO ORDER

Commission Chair Jack Willey and Council Chair Teresa Bomhoff called the meeting to order at 12:35 p.m., welcomed everyone, acknowledged the four new Commission members, and led introductions.

IOWA OLMSTEAD PLAN UPDATE

Rick Shults, Bob Bacon, and Liz O'Hara presented an update on activities included in the Iowa Olmstead Plan for Mental Health and Disability Services. Rick reminded everyone that Olmstead principles are the foundation of the MHDS Redesign. Bob commented that he considers it a privilege for CDD (Center for Disabilities and Development) to participate in the development of the plan and in this update. He credited the leadership and commitment of DHS in getting the job done. Bob echoed Rick's earlier statement that the Olmstead Plan served as the infrastructure for Redesign. He said there has been a great deal of progress made in Iowa and the Redesign bill is the mandate to continue that progress. He pointed to review of the principles and basic framework as a concrete example and noted that the plan spans the period from 2011 to 2015.

Plan development began with a consensus building effort that involved many stakeholders including those in the room today. From that input, nine principles were established to guide transformation of the system:

1. Public awareness and inclusion
2. Access to services and supports
3. Individualized and person centered
4. Collaboration and partnership in building community capacity
5. Workforce and organizational effectiveness
6. Empowerment
7. Active participation
8. Accountability and results for providers
9. Responsibility and accountability for government

From the principles, five goals were identified:

1. Communities: Welcoming communities that promote the full participation of Iowans with mental illness or disabilities.

2. Access: Increased access to information, services, and supports that individuals need to optimally live, learn, work, and recreate in communities of their choice.
3. Capacity: A full array of community based services and supports that are practically available to all Iowans.
4. Quality: High quality services and supports.
5. Accountability: Clear accountability for achieving service results for Iowans that support individuals to live, learn, work and recreate in communities of their choice.

The principles and goals served as the basis for the plan framework, and objectives were developed under each goal, along with about 140 action steps that relate to the implementation of those activities. These initiatives were grouped into 11 strategic priorities.

Goal 1 (Communities) has two strategic priorities:

- Strategic Priority No. 1: Educate Iowans about the potential of people with mental illness, brain injury or other disabilities to make positive contributions.
- Strategic Priority No. 2: To promote full community inclusion for people with mental illness, brain injury or other disabilities.

Activities relating to these priorities include:

- Operationalizing the Office of Consumer Affairs which has been up and running for about a year
- Outreach and education
- Money Follows the Person, which continues to plan for and move people from the Resource Centers into the community
- Several employment initiatives that DHS is working on in collaboration with other state agencies

Goal 2 (Access) has two strategic priorities:

- Strategic Priority No. 3: Improve access to services for individuals in crisis and their families.
- Strategic Priority No. 4: Ensure appropriate services and settings by strengthening the tools and processes used to assess individual support needs.

This is a complicated and multi-faceted goal. There has been a lot of discussion about crisis services by stakeholders. It is clear that without adequate crisis services, community living just isn't possible, so the lack of such services can often leave people stuck in acute service settings when another alternative would be more appropriate.

This goal includes strengthening informed choice, providing greater access to information, and using a more standardized assessment process. The same areas are also addressed in the BIPP (Balancing Incentive Payment Program) application that Iowa recently filed. Under the BIPP there will be a network of "no wrong door" and "single entry points" (NWD/SEP) and standardized assessment tools for people with intellectual disabilities (ID) and mental illness (MI); brain injury (BI) will eventually be

added. A plan will be developed to implement the SIS (Supports Intensity Scale) for people with ID, the LOCUS or other tool for MI, and a consistent assessment tool for BI will also be identified.

Activities relating to these priorities include:

- Crisis services became a core service domain under redesign
- The development of co-occurring capabilities and improving services to people with both intellectual disabilities (ID) and mental illness (MI)
- Technical assistance from Drs. Minkoff and Cline on developing co-occurring capabilities
- The creation of a set of consistent core services statewide called for by the redesign legislation
- A policy academy to address the needs of veterans led by IDPH (Iowa Department of Public Health)

Senate File 2312 addresses training for law enforcement and people involved in the committal process, including the availability of an option for pre-assessment prior to the committal process.

Goal 3 (Capacity) has three strategic priorities:

- Strategic Priority No. 5: Establish the leadership, necessary partnerships, and infrastructure for a service system expanding opportunities for competitive employment.
- Strategic Priority No. 6: Develop frameworks for advancing the integration and coordination of primary care, mental health, substance abuse, disability, and other services.
- Strategic Priority No. 7: Deploy the resources of public residential institutions and Iowa's Money Follows the Person grant, in tandem with other federal and state initiatives, to maximize support for community integration and reduce reliance on institutionally based services.

The goal includes developing a full array of services and supports and increasing and promoting opportunities for independence and self-reliance.

Activities relating to these priorities include:

- The inclusion of supported employment as a core service
- Addressing barriers to employment being the expected and preferred outcome
- Collaborative employment initiatives among State agencies including DHS, Iowa Workforce Development, Iowa Vocational Rehabilitation Services, and the Iowa DD Council:
 - Employment First Initiative
 - SELN (State Employment Leadership Network)
 - Iowa Coalition for Integrated Employment (ICIE)
 - Employment First Leadership State Mentor Program
 - Employment Development Initiative
- Rate restructuring to incentivize the outcomes that are valued and desired

- Working on measuring the outcomes that are being achieved
- Education for employers, people with disabilities, and their families
- Extending children's mental health systems of care (SOC)

Other Updates:

- The legislature has continued to demonstrate strong support for children's SOC; it has appropriated funds that will allow the Community Circle of Care (CCC) project in north western Iowa to continue, and it has supported the continued work of the central Iowa project, as well as providing some funds for a new project in Cerro Gordo and Black Hawk Counties.
- IME has submitted an application for health homes as an Iowa Plan service to start July 1, which addresses some important needs, including for those who are dually eligible for Medicare and Medicaid.
- The current funding source for the family navigator network program is uncertain, but implementation of the NWD/SEP approach is an opportunity to utilize family navigators as part of that system.
- Money Follows the Person (MFP) has been extended through 2016; 180 people have transitioned to the community and that work will continue.
- Work is being done to address barriers to developing more safe and affordable housing:
 - HUD (Housing and Urban Development) has been very slow to make changes in its programs to make housing more accessible
 - Local public housing authorities are independent entities and may not be aware of the needs of people with disabilities in their communities; more awareness needs to be built
 - IFA (Iowa Finance Authority) has been sharing information about new plans and standards

Goal 4 (Quality) has two priorities:

- Strategic Priority No. 8: Improve service outcomes by promoting efficient and cost effective best practices.
- Strategic Priority No. 9: Develop and expand workforce competencies.

Activities relating to these priorities include:

- Regional entities are encouraged to include EBPs (Evidence-Based Practices)
- A workgroup will be set up this summer to address direct care workforce issues
- The availability of CDS (College of Direct Support) has been expanded
- A competency-based curriculum for direct support professionals is being developed

Goal 5 (Accountability) has two priorities:

- Strategic Priority No. 10: Implement an effective performance and accountability infrastructure.
- Strategic Priority No. 11: Develop a plan for long term system financing.

Activities relating to these priorities include:

- Interagency focus on the removal of barriers
- Participation by members of many advocacy and other groups on the redesign workgroups
- The Legislature has given significant rulemaking responsibilities related to redesign to the Commission
- The Governor has appointed a representative to the Olmstead Consumer Task Force (OCTF); the OCTF is a unique forum for interagency communication

Other updates:

- Efforts are underway to strengthen accountability
- One of the key aspects of redesign is the identification of outcomes
- Examples of what outcomes could look like are being developed
- There is already a lot of data available; we need to determine how it can be used and how it can help us improve
- We want to make sure that we don't collect data unless we are going to make good use of it
- A process needs to be developed by which we can validate the data; that will probably start with putting some of it out on the table so people can look at it and start talking about it
- Collaboration on developing long term funding for the system will continue; the Legislature made progress by making the State responsible for Medicaid match funding, but there will be more discussion

MENTAL HEALTH PLANNING COUNCIL UPDATE

Teresa Bomhoff shared information about the Mental Health Planning Council, its purposes, activities, and priorities:

- The MHPC meets six times a year
- Additional business is conducted by email or teleconference
- The Council has three purposes:
 1. To review the Mental Health Block Grant Plan and to make recommendations.
 2. To serve as an advocate for adults with a serious mental illness, children with a serious emotional disturbance and their families, and other individuals with mental illnesses.
 3. To monitor, review, and evaluate, not less than once each year, the allocation and adequacy of mental health services within the State.

The Mental Health Block Grant funds are allocated:

- 70% to community mental health centers as required by Iowa Code
- 20% to special projects and technical assistance
- 5% to administrative costs within DHS associated with allocation of the Block Grant funds

Membership:

- 51% of Council members have to be non-providers
- 7 members represent state agencies
- 6 members representing public and private entities concerned with mental health services and related support services
- 6 adults who have lived experience with serious mental illness (who are receiving or have received mental health services)
- 4 family members of adults with serious mental illness
- 6 parents, guardians, or primary caretakers of children and adolescents with serious emotional disturbance
- 4 other individuals with an interest in mental health issues, including a representative of military veterans
- The MHPC has some current openings; anyone interested in apply for membership can contact Connie Fanselow at DHS for an application

The MHPC has 3 standing committees:

- Executive Committee
- Monitoring and Oversight Committee
- Nominations Committee
- Ad hoc committees and workgroups are also utilized

Strategic Planning:

- The Council is currently working on the developing a strategic plan
- They started out with a list of 15 topics of interest and narrowed it down to 4
- From the 4 they chose 2 priorities: outcome measures and crisis stabilization
- The Council members will be dividing into two groups and working on those areas

Teresa shared her suggested “Top Ten” ways the Commission and Council can work together:

Free flow of communication through:

1. Holding two joint meetings each year
2. Attending meetings of the other group to share timely input
3. Reviewing information on the other group’s SharePoint site, including meeting minutes and handouts
4. Getting better acquainted on a one-to-one basis
5. Having access to email/membership lists of both groups

Working together on legislative and advocacy goals through:

6. Participating in Advocacy Group meetings with DHS leadership
7. Working to develop a common legislative agenda
8. Work together to mobilize the mental health and disability community to support important issues
9. Attend or participate in Redesign workgroups
10. Form joint committees on designated issues

The MHPC will be visiting the Iowa Medical and Classification Center at Oakdale for their July meeting.

IOWA DEVELOPMENTAL DISABILITIES COUNCIL UPDATE

Becky Harker shared an update on the Iowa Developmental Disabilities (DD) Council. Becky said the DD Council is still negotiating with members, staff, and contractors, but they have established a general direction where they want to go with their projects and initiatives in the next year:

- ID Action will continue
 - To increase the knowledge of consumers and family members
 - To help them become good advocates
 - To encourage and support participation in the civil and political process
- Voter trainings will continue
 - Held voter training in 2008 and 2700 new voters with disabilities voted for the first time
 - It is a way to establish credibility
 - People with disabilities have relatives and friends and they all have influence in the community
 - The Council is working to develop a vote coalition as a way to engage organizations that have membership lists to help get information out
 - This year there will be a train-the-trainer project for getting the vote training out across the State
- Representatives of the DD Council went as part of a team to a national self-advocacy summit in April and began to develop a plan along with five other state teams; they will be planning a self-advocacy summit for Iowa
- Advocating Change Day will be held again in March 2013
- The Council has started a publication called Perspectives in Policy; the next topic is direct support personnel and the publication will feature articles presenting the different perspectives to facilitate a community conversation, get the facts out, and gather stories about the people who are affected
- InfoNet will continue
- The Council is interested in looking at adult siblings as an advocacy group
- The Council is a fiscal agent for a federal grant relating to employment, ICIE (Iowa Coalition for Integrated Employment)
 - There will be a legal analysis of federal and state policies to be targeted for systems change
 - Providers have a wealth of information
 - The “nothing about me without me” concept should be extended to providers
 - There is a need to work with providers to determine what it would take for them to make a shift to employment
 - DD Council is working on a communication awareness plan to increase awareness that people with disabilities can work and want to work
- The Council wants to improve post-secondary transition planning and bring about a paradigm shift for education to focus more on preparing students for employment

- YLF (Youth Leadership Forum) and CLF (College Leadership Forum) have proven to be great launching pads for youth and the Council wants to explore how can that experience can be extended
- The Council is also having discussion about the role and the work of volunteers and their commitment to become more involved

MHDS REDESIGN UPDATE

Rick Shults updated the groups on MHDS Redesign. He started by thanking everyone who participated in the journey of Redesign, saying it has been an enormous effort and he has been very impressed. The Legislature started last year by charting a course in Senate File 525, which laid out the idea of the workgroups. They set a clear goal and established a transparent and participatory process, which could not have been done without the participation of so many dedicated people. The commitment of the Legislature was also extremely impressive. Rick welcomed the new Commission members and will talk more tomorrow about the role that has been identified for the Commission in redesign; it is going to be a very rewarding time for the work of the Commission.

Rick said he will present a foundational overview of the Redesign legislation today; he said DHS is still working on a summary of the final legislation and noted that the bill has yet to be signed into law by the Governor.

Foundation for legislation:

- The workgroups that met last year provided their recommendations to DHS
- DHS submitted its report to the Legislative Interim Study Committee on December 9, 2011, and the committee adopted the vast majority of the workgroup recommendations
- DHS also provided an example for how the cost of redesign could be priced out over a 5-year period and the committee adopted both the report and the cost proposal
- That laid the foundation for the redesign legislation

The legislation came in four pieces:

- A bill that changed terminology in the Iowa Code from mental retardation to intellectual disabilities
- A judicial bill relating to mental health commitment and other issues
- The MHDS Redesign policy bill
- The Human Services Appropriations bill

Terminology Bill (Senate File 2247) – This bill made a very important change from use of the term “mental retardation” to “intellectual disability” in all Iowa code references with the exception of one reference that relies on DSM-IV diagnostic manual language, which has not yet changed. The federal government has considered making similar changes but has not yet followed through because they found it was such a massive

job, so we may still hear the term MR used in working with our federal partners. Language changes to state administrative rules to conform to the Code are in progress.

Judicial Bill (Senate File 2312) – This bill contained many of the recommendations made by the Judicial Workgroup that met last year. It clarified the use of the term “mental health professional.” It also identified the need for law enforcement training in mental health. Rick said law enforcement has been very open to discussing how to deal with the challenges they face when encountering behavioral issues. The bill also addresses providing alternatives to court ordered mental health commitment.

MHDS Policy Bill (Senate File 2315) – This is the MHDS policy bill that addresses systems redesign in terms of the local delivery of services, regional management of services, and statewide standards for the mental health and disability services system in Iowa. There are also provisions that address funding. The legislation follows the basic construct of the workgroups and DHS recommendations. It is far-reaching and effects many different areas of Iowa Code so it is difficult to get the complete picture by reading the bill.

Eligibility - Redesign starts with the State taking responsibility for Medicaid services and the counties being responsible for all non-Medicaid services. It identifies eligibility for services for people with mental illness (MI) and intellectual disabilities (ID); it also identifies a need to explore expanding services to persons with developmental disabilities (DD) and brain injury (BI), although that would be a significant expansion of responsibility that will require cost estimates, planning, and additional funding to implement. The impact on the system of serving more people needs to be determined before decisions on expansion can be made.

Income eligibility for adults is established as:

- Up to 150% of FPL (Federal Poverty Level) eligible with no co-pay
- Above 150% FPL, people may be served with a co-pay or sliding fee applied – the specifics of that will need to be determined

Children's Services - The Children's Workgroup will continue to meet and make recommendations to develop a service system and determine how it should work for children and families.

Core Services - The legislation identifies specific core services that will be further defined and are expected to be provided at the local level when the regional operations begin. Other expanded services were identified that will become available as they can be funded, in the meantime there are opportunities to prepare for that expansion and MHDS will be working on developing crisis services and both community-based and facility-based subacute services.

Subacute Services - There is a section of the bill that lays the groundwork for establishing a licensing category for subacute services. The bill directs DHS, DIA, and others to come together to craft the regulations needed for establishing facility-based

subacute services. It also creates a responsibility to put out an RFP (Request for Proposals) for as many as 50 subacute beds. The 50 beds will have to come from existing beds that already have an approved certificate of need, but not necessarily from psychiatric beds that are in use. Rick said it would be very useful to have an open conversation about how we can support people who have challenges but do not need acute care, look at the possibility of different models, both facility and non-facility based, and help people envision how those models could work.

Crisis Services - Also identified in the bill is a crisis services pilot project intended to bring state agencies together for the purpose of coming up with a workable regulatory structure for crisis services, that will help facilitate the expansion of crisis services statewide. Rick noted that ACT (Assertive Community Treatment) would be one example of community-based crisis services.

Regional Management - Redesign calls for regional management and regional management is encouraged; forming regions creates the opportunity to share resources, including human resources, and spread risk. Counties will also have an opportunity to be exempted from joining a region if they can demonstrate that they have outcomes as good as regions and if they can operate as efficiently as regions. The specific expectations and standards they will need to meet to qualify for exemption must still be developed.

Regions are expected to be formed (meet preliminary expectations) by December 31, 2013, which is six months later than had been previously discussed. By June 30, 2014 they must be fully operational and meet all expectations. Regions will be required to submit plans that will be subject to approval by DHS. A process for plan review and approval will have to be developed.

Residency – The basis for responsibility for funding will change from legal settlement to residency. Starting July 1, 2013 financial responsibility will be based on residency unless a person changes location for the purpose of treatment. For example, relocating to receive treatment at an Intermediate Care Facility or one of the State Mental Health Institutes (MHIs) would not change that person's place of residency. The State will be taking responsibility for funding Medicaid services, so people who are Medicaid eligible will, in effect, have statewide residency. County funding will still support non-Medicaid services and services to people who are not Medicaid eligible. Rick was asked if there will still be a state case category for persons coming in from out of state. He responded that there may be a small number of state cases for persons whose residency cannot be established, but if a person moves into the state with the intent of becoming a resident, they will establish residency where they choose to live.

Financing - The idea that the State will have financial responsibility for Medicaid services does not mean that the region will not be involved with Medicaid services and Medicaid-eligible individuals. There will still need to be coordination between Medicaid and non-Medicaid services by the regions. The regions will designate case management services and provide single point of entry/no wrong door access to

services. The financing should be simplified, but the whole system needs to be integrated and coordinated.

Rick was asked if the budget shortfalls some counties are experiencing will negatively impact their ability to join into regions with other counties. Rick responded that there needs to be recognition that the local property tax levy for MHDS services will be reinstated, which will provide needed financing to keep the system whole. The State Payment Program is still in place. There will be a process by which the State will take over responsibility for the non-federal share of Medicaid. He noted there are also about seven workgroups being organized, which will include a transition committee, and there is also an interim study committee to look at financing issues.

Appropriations Bill (Senate File 2336) - In the appropriations bill provides for \$40 million additional general fund dollars to add to the State funds that were previously sent to the counties. That was intended to give the State enough total funds available to take responsibility for the non-federal share of Medicaid so that Medicaid costs will not continue to be an increasing burden on counties. The vast majority of the counties benefit from that and it puts us in a stronger position going forward; there are some counties that are affected in other ways in terms of the funding they have available for non-Medicaid services. They will have to evaluate what they are going to do moving forward.

Geoff Lauer commented that as the Medicaid costs shift to the State, some counties are anticipating cutting services because they have cash flow issues; there are concerns from an Olmstead perspective that due to cuts, some people may lose services that could potentially lead them to a more segregated level of care. Rick said the issue becomes getting more information on the impact of Medicaid versus non-Medicaid services and DHS will be working on that.

Jim Rixner asked if there is any mechanism for counties who are looking at cutting services now to appeal. He said he is concerned that there will be no transition money until at least January and counties will have to make cuts July 1. Rick responded that the legislature did take some actions in an effort to assist counties with the transition:

- Disputed claims will be forgiven by the State, which will help some counties
- Some counties were able to access Risk Pool money and they will be able to use those funds across two fiscal years instead of just one
- A transition fund was created that counties can apply for; the Department will evaluate those applications for funds and provide a recommendation to the Governor and the Legislature regarding the need by December 1, but those funds are not available until January

Where counties are facing challenges, the goal will be to work together to try and identify all the possible opportunities. In some instances, decisions have been made not to make full use of Medicaid. In those cases the Department wants to work with the counties to look at those individuals who have Medicaid eligibility and make Medicaid services available.

Deb Schildroth said that Story County is looking at making cuts and instituting a waiting list starting July 1 and does not understand how the situation got this bad so quickly when 2013 was being viewed as a transition year. She also noted that disputed bills may have been on the books for years and do not necessarily represent cast on the table that can be used to pay for services. Rick responded that while this is a challenge, it is not a new problem.

LEGISLATIVE PANEL DISCUSSION

Jack Willey welcomed State Representatives Lisa Heddens, Dave Heaton, and Renee Schulte and they made introductory comments:

Representative Renee Schulte from Cedar Rapids (District 37) said that the redesign bill was built on the recommendations of the workgroup members and noted that many are here today and she has worked with most of the people here today in some capacity during the two-year process that has brought us this far. She acknowledged that the bill is not perfect and there are some transition issues to work through. She said she would welcome questions on those issues during today's discussion.

Representative Dave Heaton from Mt. Pleasant (District 91) said he has worked hard for two years on the Legislative Redesign Committee and Redesign is still a work in progress. Some of the important issues they have looked at are the inconsistency in access to services across the state, lack of access to acute care beds, and issues about legal settlement. He said he thinks this bill does a lot to address those issues. He said one of the things he would still like to see addressed that is not in the bill is the establishment of a clearinghouse where anyone in the state could find available acute care beds with a single phone call. He noted that the bill identified a core set of services that everyone should be able to access and calls for "conflict free case management" which helps ensure that people have choice about services and providers, and goes along with making sure that people who are conducting assessments are full trained and qualified. He added that more work will be done on children's services and brain injury services.

Representative Lisa Heddens from Ames (District 46) said she has also served on the MHDD Redesign Committee for the last two years, and is the ranking member of the Health and Human Services (HHS) Budget Committee, which Rep. Heaton chairs. She noted that there were three important pieces of legislation on mental health and disability reform. The Judicial bill that included: defining the term mental health professional, looking at implementation of a statewide jail diversion program, and providing more education for law enforcement when working with people who have disabilities. The second bill changed "MR" terminology to "ID," and the third and largest, the MHDS system Redesign bill that sets up a new regional system. The Redesign bill also defines core services and gets rid of legal settlement. Some of the most critical issues connected with that bill have to do with funding. It calls for a new per capita

property tax rate for MHDD services starting in 2014, and there are issues surrounding possible transition funding for counties in 2013.

Jim Rixner asked when the final bill would be available for people to review. John Pollack responded that it should be posted tomorrow. Jim commented that he appreciates the work the legislature has done. He noted he likes the idea of a clearing house for information on available acute care beds, but said he also believes efforts need to be made to keep people as close to home as possible so they can receive better care coordination and remain close to the families.

Representative Schulte commented that the legislation included a task force to look at utilization and need for beds and the continuum of care. Two new levels of care, subacute beds, and crisis stabilization services, will be created by geographic region. She said that on a regional basis there will need to be conversations about acute care beds, where they exist now, and where they are needed. The new subacute beds will come from existing certificate of needs beds and the reason for that is the State's need to rebalance spending on facility-based and non-facility-based care. Iowa is currently \$180 million out of balance in favor of residential or facility-based services. Correcting that imbalance will allow Iowa to get more federal Medicaid matching dollars. Legislators are working with DHS, IDPH, and DIA to put together a bid process and figure out how the new subacute beds should be located geographically. There will be opportunities for input into that process. Rep. Heaton said they want to hear from providers on how they can shift from residential to more community based services so that the change is not at their expense. He said providers can benefit from the shift if they are proactive in making changes.

Kim Uhl asked if there has been any discussion about creating some type of housing incentives so that people coming out of facilities have places to live. Representative Heaton responded that we have to also keep in mind the human resources that are needed in communities to support people living more independently. He said he recognizes the need to provide adequate salaries so people will want to do the support work that is needed in the community and our workforce will become more stable.

Rep. Schulte added that providers and contractors are interested and many are moving forward, but work still needs to be done to determine what type of model will be best and what is working in other states. Could a campus-style community work? Or do they need to be more scattered in the community? Scattered housing may be more integrated, but may require resources to be stretched farther. We are moving away from county homes, state institutions, and other big buildings and this bill is not about buildings – it is about people and services and choice, and reflects the federal Olmstead mandate for community living.

Representative Heddens said there has to be an investment of funding. Those who remain in facilities still need the services and the costs of providing those services remain fairly steady even while we are working to build capacity in the community. We need to get people to work in the direct support field; the turnover rate is high. She said

from her own experience living in a college town, her family often has new staff every semester or even more often. For individuals with physical care and complex Medical needs, staff turnover can be particularly concerning. There is clearly a need to develop a more stable workforce to provide the community-based services Iowans want and need.

Representative Schulte said part of workforce development involves looking at licensing issues. Workers need to do only what they are trained to do and educational and training requirements must be met at all levels. Case managers need to be well trained. The bill also includes a dispute resolution process because it is important to resolve situations that affect people's lives quickly, for example, where a clinician and funder don't agree on what is needed.

Representative Heaton said that the appropriations bill also addressed the skill level of the direct support workforce. He said he has advocated for greater use of the College of Direct Support (CDS) and would like to have taken it statewide this year because there are a lot of advantages to online learning. There are not yet enough resources to do that, but he said he intends to continue working on it.

In response to a question, Rep. Heaton and Rep. Schulte gave a quick overview of core service domains:

- Assessment, evaluation, and treatment
- Crisis response
- Support for community living
- Supported employment
- Recovery services
- Service coordination

Regions or counties can determine how they want to provide specific services within each of those core service domains and submit a plan to the Department for approval indicating how they plan to make the services available in their area. It allows for both consistency and flexibility.

Representative Heaton said that Iowa could be doing a lot better in the area of supported employment if our providers had a better reimbursement rate for the service; providers are currently losing money on supported employment services so our reimbursement policies don't align with the outcomes we want to see.

Tom Eachus noted that counties are concerned about the issue of transition funding and asked if there will be activities in that area between now and July 1. Rep. Heaton responded that counties have been authorized to access other funding streams for one year, which will work for some counties. Rep. Heddens noted that that will not work for Story County and said they will be meeting next week with supervisors to talk about the situation. When the legislature comes back into session in January, they can do a supplementary appropriation, but some counties are very concerned that they will not

be able to continue operating that long without additional funds and there will be cuts in services.

Rep. Heaton said that the issue of the delay between July and January is intended to put accountability into the system; the legislators felt they were putting huge amounts of money out and did not have a clear picture of how it was being spent or what outcomes were being produced. They want to understand why counties are having the problems they are having, for example, they have heard reports that some counties are not always accessing Medicaid funding when it could be used, which would reduce their service costs by the federal share. He said they expect to have \$10 to \$20 million in excess CHIP (Children's Health Insurance Program) money available to potentially be used for transition funding.

Rep. Schulte noted that funding has been a major issue throughout the redesign efforts, and it is clear there was going to be a budget problem with or without Redesign. The end of federal stimulus money and reduction in federal Medicaid match money were the major factors. The Commission said \$65 million was needed to continue without cuts in services. The Legislature did put \$40 million new dollars in the system and nothing close to that amount has been added for a long time. She said the current budget problems are due to federal dollars that went away, not State dollars or how much was put into the fund. She said the biggest reason is that Iowa needed to change to State financial responsibility for Medicaid is that CMS (Centers for Medicare and Medicaid) told states they need to pay in advance for Medicaid and most counties are paying in arrears, so the only way for that to happen was for the State to take over the non-federal share. Also, for most counties it was the growth in Medicaid that was squeezing out their non-Medicaid services budget, so the State Medicaid takeover will help with that.

Rep. Schulte said she wanted to clarify that the bill passed the per capita rate for two years (FY 2014 and FY 2015) on a trial basis; at the end of those two years if nothing else is done it will go back to the hard cap rate of \$125 million in the system, so that gives us some incentive to continue working on the finances of the system. There is \$20 million in CHIP funds in the Transition Fund; the dollars are there and available. DHS will be working on rules for applications for funding. Rep. Schulte said one of the things they have learned is that counties don't all report in the same way and the Department will need to figure out what is required to have good data that reflects the real need. The lack of reliable data was a key reason that legislative leadership could not be convinced to appropriate transition money upfront. Provisions were added to allow counties to use other county money to address cash flow issues and the Department is putting together a team to go out and assist counties individually in working on finance issues.

Rep. Heddens said counties have already certified their budgets and now don't have the money to continue their services and the biggest impact is on the clients who need the services and that is a real issue people will be facing.

Dale Todd said that one of the reasons counties got into problems with the federal stimulus dollars was because the state had not fulfilled its commitment to the counties from years ago; counties have been cutting programs and are cutting more this year. He said he commends the efforts of the legislators who have supported the redesign effort, but still sees this as a very scary time for many people.

Rep. Heddens said that a lot of good bipartisan work was done this year and she made a very difficult decision to vote “no” on the Redesign bill because she supported the plan and the policy but couldn’t vote for it without having the transition money there as well because she knew the impact it would have on the people she represents.

Rep. Heaton said they all tired really hard to get the \$10 million in transition funding included in this year’s bill, but ultimately leadership on both sides would not support it because they said they did not have the data to be sure the money was justified. They were disappointed that they could not get agreement to write a check now for the \$10 million, but decided that striking a deal for the availability of \$20 million in January was the best they could do.

Rep. Schulte said there are a lot of accountability pieces in the bill and part of the transition approach will be to look at funding and where it is going, to have consistent data collection that will clearly show how much money is needed. The House philosophy was not to underfund entitlements, but they need to have evidence to back up the funding requests. She said it had to be put in language that would prevent continuing disagreements over the amount of need. She said her dream is to place mental health on the same stable footing as education funding, where it is never about cuts, it’s just about continuation or growth.

Jill Davisson commented that Clinton County has the highest percentage of people with mental illness of any county in Iowa and the \$47.28 per capita levy rate does not fit all. She said she wants to make sure we remember the people we are serving and are accountable to them. Rep. Schulte said that the \$47.28 per capita rate will put \$144 million into the system, which is more than the \$125 million that was available before, but the only way to determine if that amount is enough is to try it, which is why it was included in the legislation for a two-year period. If we discover there are outlying counties or areas that it does not work for, we may have to look at how to deal with that, but all counties need to be on the same page so that wherever you live in Iowa, you have choice and access to services and are treated equitably.

Rep. Heaton said \$20 million has been set aside to get through 2013 and we all need to work together to get there. We want to make sure we are accountable for where these additional funds are going, that counties are utilizing their money the best way they can, and then changes can be made where we see they are needed. He said legislators want people to have the services they need, but the services cannot be provided unless there is money to pay for them.

Rhonda Shouse asked when we could expect to see legislation on the children's system. Rep. Schulte responded that there is still a lot of work to be done to develop the legislation, but the intent is to do that this fall so a bill can be introduced during the next session. The Children's Workgroup will start meeting again late this summer or early in the fall.

Todd Lange asked if there will be more opportunities for DHS or legislators to go out into communities and hold forums to reach people with lived experience and others who may be confused and apprehensive about the changes but not have a good understanding about what it all means. Rep. Schulte said it would be helpful to have the advocacy groups put those kinds of meetings together and invite legislators to come. Rick Shults said he would be open to having more DHS forums. There could be some further discussion about time frames and locations.

Jim Rixner said he thinks it is important to reassure counties that they can fund programs during the remainder of the year. Rep. Schulte said ISAC will be meeting with DHS next week to talk about that and how to work with the counties that most need help.

Mark Hanson said that the Area Agencies on Aging (AAA) are transitioning from 16 AAAs to 6 agencies that will be Aging and Disability Resource Centers and that change presents an opportunity to connect with what is happening with Redesign. The demographics of age have changed dramatically and there are a lot of commonalities with the mental health and disability services system.

Gary Lippe asked if there will be any kind of assurance to counties about how much of the transition funding they will be able to access. Rep. Heddens responded that there are no assurances; counties will need to apply to DHS, justify their reasons for the need, and demonstrate sustainability. She said it is the intention of the legislators who worked on this issue to make the \$20 million available, but the funds still have to be appropriated and when they go back into session in January there will be some new people at the Capitol and they cannot guarantee new legislators will support what was intended.

Patrick O'Brien commented that he has personal experience with the system and at one time cost the system a lot of money. He said we want everyone to know that people with mental illness can and do recover and we need to think about what we should do to help keep people well once they are in recovery. It is what they need and it saves money for the system.

The meeting was adjourned at 4:20 p.m.

Minutes respectfully submitted by Connie B. Fanselow.