

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM SHORTFALL

IPERS Shortfall



The unfunded actuarial liability of the IPERS Trust Fund was determined to be \$2.2 billion at the end of FY 2004. The current total contribution rate is 9.45% for regular IPERS members. The current cost rate is 9.09%, up from 9.06% in FY 2003, which leaves 0.36% to pay down the unfunded liability. It will take an infinite number of years to eliminate the unfunded actuarial liability if the contribution and normal cost rate remain the same and all other assumptions prove true, including the Fund equaling the assumed annualized 7.5% rate of return.

More Information

Additional Information is available from the LSA upon request.

STAFF CONTACT: Ron Robinson (Ext. 16256)

DEMANDS ON THE IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Retirement Rolls



There were 5,000 new retirees added to the IPERS retirement rolls in FY 2004, raising the total number of retirees to 77,000, with benefit payouts of \$792.9 million. By FY 2006, annual retirements are expected to approach 6,000 and remain at or slightly above this level through FY 2012. The outlook on demand is lower than the 8,500 projected last year. This is due to the accelerated demand that was created through employers offering early retirement incentives.

Member Demands

Baby Boomer retirements will increase over the next five to ten years. The IPERS hopes to meet the increased demand through modernization of the benefit applications technology, including providing secure web access that will allow members greater access to services. The IPERS is seeking an appropriation of \$1.4 million for FY 2006 from the IPERS Trust Fund to improve technology to provide services more efficiently and reduce the risk of errors and miscalculations of benefits.

More Information

Additional Information is available from the LSA upon request.

STAFF CONTACT: Ron Robinson (Ext. 16256)

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BOARD OF REGENTS REPORT ON UTILIZATION OF THE INDIGENT PATIENT PROGRAM BY THE DEPARTMENT OF CORRECTIONS

Required Report



The Board of Regents recently released a report regarding utilization of the Indigent Patient Program by the Department of Corrections (DOC). The Program, also referred to as the State Papers Program, allows qualifying patients to receive free medical treatment at the University of Iowa Hospitals and Clinics (UIHC). The report was required by SF 2298 (FY 2005 Omnibus Appropriations Act) to review utilization of the Program by inmates and to make recommendations to improve efficiency and cost-effectiveness of the care provided.

Report Recommendations



Recommendations in the Report include:

- Short term – The Report recommends the State provide a General Fund appropriation of \$78,000 for a pilot project to jointly fund an advanced practice nurse to coordinate care of inmates between UIHC and the DOC.
- Long term – Without additional future General Fund investment in the Program, the UIHC may need to limit the number of inmates treated and/or the cumulative dollar amount of care that can be provided without charge to the DOC.

More Information

The Report can be accessed on the LSA web site at:
http://staffweb.legis.state.ia.us/lsadocs/SC_MaterialsDist/2005/SDRKM000.PDF. Additional information is available from the LSA upon request.

STAFF CONTACT: Mary Shipman (Ext. 14617)

DEPARTMENT OF INSPECTIONS AND APPEALS ISSUES REQUIRED REPORT ON ADULT DAY SERVICES

Required Report



The Department of Inspections and Appeals issued the required report on the implementation of HF 672 (Adult Day Services Regulation Act), which was passed by the 2003 General Assembly. The Act required that an oversight system for adult day services programs be established by administrative rule by the Department of Elder Affairs in consultation with the Department of Inspections and Appeals.

Report Content

The Report, which was compiled in consultation with the Departments of Elder Affairs and Public Safety, contains an overview of the Act, the administrative rules process for adult day services, implementation efforts, fees and expenditures, and a recommendation to establish fees for processing applications and issuing certifications for voluntarily accredited adult day services programs.

More Information

Copies of the Report and additional information are available from the LSA upon request.

STAFF CONTACT: Lisa Burk (Ext. 17942)

NEW DIRECTOR FOR THE DEPARTMENT OF HUMAN RIGHTS

New Director



The Governor appointed Walter Reed, Jr., as the new Director for the Department of Human Rights on January 7. Mr. Reed will replace Ruth White, who retired on December 28, 2004. He will assume duties on February 11.

Mr. Reed has served for 10 years as the Executive Director of the Waterloo Human Rights Commission and is a member of the State Board of Corrections.

Interim Director

Kathryn Baumann-Reese, Division Administrator, for the Deaf Services Division, Department of Human Rights, was appointed as the Interim Director.

More Information

The media release may be accessed on the web site at: <http://www.governor.state.ia.us/>. Additional information is available from the LSA upon request.

STAFF CONTACT: Sam Leto (Ext. 16764) Douglas Wulf (Ext. 13250) Ron Robinson (Ext. 16256)

STATE SOIL CONSERVATION COMMITTEE MEETING

Committee Meeting

The State Soil Conservation Committee held a teleconference meeting on January 6. The following items were discussed:

Legislative Breakfast

The State Soil Committee will be hosting a legislative breakfast meeting on January 20. Committee members and District Soil and Water Conservation Commissioners will be providing information to legislators in attendance.

Admin. Rules



Ken Tow, Department of Agriculture and Land Stewardship, explained that the Department will file a Notice of Intended Action on Administrative Rules related to coal mining. The Notice adopts changes in federal regulation and will not have a fiscal impact.

Leopold Center

The Committee voted to add Russ Brandes to the Leopold Center Advisory Board.

Next Meeting

The next meeting will be the legislative breakfast on January 20.

More Information

For more information about the State Soil Conservation Committee, access the web site at: <http://www.agriculture.state.ia.us/scccommittee.htm>. Additional information is available from the LSA upon request.

STAFF CONTACT: Debra Kozel (Ext. 16767)

DEER AND VEHICLE COLLISIONS MEETING

Informal Meeting

Interested parties met on January 11 to discuss the increased costs of vehicle damage from accidents involving deer. Senators Dennis Black and Hubert Houser and Representative Mary Lou Freeman chaired the meeting.

Insurance Concerns



The following comments were made by insurance company representatives:

- It is estimated that 18,000 accidents occurred in Iowa during 2004 that involved vehicle collisions with deer, at a cost of \$60.0 million to insurance companies.
- Although Iowa vehicle insurance premiums are lower than the national average, each year premiums continue to increase due to deer collision accidents and hail damage.
- Insurance claims for vehicles that collide with deer average between \$3,000 and \$4,000.
- The number of bodily injuries from deer collision accidents continues to increase.

Department Information



Jeff Vonk, Department of Natural Resources (DNR), provided the following information regarding deer herd management:

- The Department continues to sell additional deer licenses. Two years ago, the DNR sold an additional 54,000 doe hunting licenses, and last year 71,000 licenses were sold.
- During the past hunting season, 6,000 nonresident deer licenses were sold; however, there were approximately 12,000 requests for nonresident deer hunting licenses.
- The Help Us Stop Hunger (HUSH) Program has been successful in reducing the number of deer. Hunters take harvested deer to participating meat lockers where the meat is processed and donated to the Food Bank of Iowa. The processing costs are paid with donations and State funds. There were approximately 2,000 deer harvested for this Program during the last hunting season.
- The DNR suggested that insurance companies operating in Iowa donate \$0.10 per insured vehicle to the HUSH Program. This would generate Program funding of \$390,000 per year and would harvest an additional 5,000 deer per year.

Next Meeting

The group will reconvene at a later date that has not been determined. Additional information is available from the LSA upon request.

STAFF CONTACT: Debra Kozel (Ext. 16767)

STATE BOARD OF HEALTH MEETING

Board Meeting

The State Board of Health met on January 12 and conducted the following business:

Director's Report



Director Hansen provided the following information:

- Bonnie Mapes, the new Director for the Division of Tobacco Use Prevention and Control, was introduced. Ms. Mapes began working for the Department in November 2004.
- The Department is anticipating the receipt of \$3.0 million in new federal funding that will be used to provide wellness training grants.
- The Department's 2005 Legislative Agenda is forthcoming and will be sent to the Board members at a later date. Director Hansen also recommended that the Board review the Iowa Public Health Association's 2005 Legislative Agenda.

- National Public Health Week will be held in April 2005. In recognition of this, the Department has a Committee that is working on events to be held that week.

Iowa Learns Council

Kris Bell, Governor's Office, summarized the recommendations of the Iowa Learns Council. The Council's recommendations may be accessed on the web site at: <http://www.state.ia.us/iowalearns/reports.htm>.

DPH Adm. Rules

The Board adopted the following Administrative Rules relating to the Department of Public Health:



- Notification and Surveillance of Reportable Communicable and Infectious Diseases – Changes provide for model rules for quarantine and isolation that may be adopted by local boards of health. Minimal fiscal impact.
- Emergency Medical Services Provider Education, Training, and Certification – Changes standardize and update document references and definitions for emergency medical providers; allow out-of-state students to do clinical and field experience in Iowa; lengthen the time period for testing to two years following training classes; increase certification fees for endorsements and paramedic specialist; and bring discipline in line with other professions with extensive clarifications. Minimal fiscal impact.
- Emergency Medical Services Program Authorization – Changes update and standardize definitions and rules for the regulatory oversight of emergency services care; define scope of practice for providers; add paramedic specialist service level designation; and update document references. No fiscal impact.
- White Flashing Light Authorization – Changes standardize definition and reporting language for the regulatory oversight of the use of the white flashing light used by emergency medical providers. No fiscal impact.
- Trauma Care Facility Categorization and Verification – Changes standardize definitions for the rules that provide trauma care facility self-designated guidelines. No fiscal impact.
- Trauma Triage and Transfer Protocols – Changes standardize definitions for the rules that provide trauma protocol guidelines and update trauma care facility categorization level terminology, protocol terminology, and references. No fiscal impact.
- Trauma Registry – Changes standardize definitions for the rules that provide trauma registry guidelines for data reporting by trauma care facilities and ambulance services. Also, updates trauma care facility categorization level terminology and trauma date references. No fiscal impact.
- Trauma Education and Training – Changes standardize definitions for the rules that provide trauma training and education requirements for trauma care facility and emergency medical personnel. Also, updates trauma care facility categorization level terminology and emergency medical personnel terminology and training requirements. No fiscal impact.
- Trauma System Evaluation Quality Improvement Committee – Establishes the quality improvement committee for the trauma system. No fiscal impact.
- Iowa Law Enforcement Emergency Care Provider – Changes standardize definitions for the rules that provide regulatory oversight for the Iowa Enforcement Automated External Defibrillator Program and eliminate law enforcement training program references, as well as references to the Public Access to Defibrillation Program (PAD). No fiscal impact.



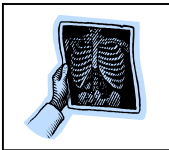
- Emergency Medical Services System Development Grants Fund – Changes standardize definitions for the rules that provide the guidelines for the emergency medical services system development grant funding and add definitions that further clarify the funding, as well as eliminate unnecessary rule language. No fiscal impact.
- Love Our Kids Grant – Changes standardize definitions for the rules that cover the Love Our Kids Grant. No fiscal impact.
- Automated External Defibrillator Grant Program – Establishes and implements the Program, which provides matching funds to local boards of health, community organizations, or cities. For FY 2005, \$250,000 was appropriated from the Healthy Iowan Tobacco Trust (HITT) for this purpose.
- Certificate of Need (CON) Program – Changes that recognize long-term care and rehabilitation hospitals as defined by federal regulations. Also, clarifies that the conversion of a long-term care or rehabilitation hospital to a general acute hospital or to a different type of specialty hospital is a permanent change in bed capacity and requires a Certificate of Need (CON). Minimal fiscal impact.



DPH Noticed Rules

The Board approved the following Administrative Rules relating to the Department of Public Health for public notice and adoption at a future meeting:

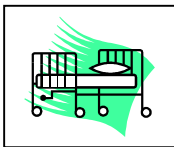
- Swimming Pools and Spas – Changes relating to the operation and the design or construction of swimming pools and spas. The length of the changes is significant; however, the last revision to these rules was in 1998. Minimal fiscal impact.
- Various Rules on Standards, Safety Requirements, and Licensure Requirements Relating to Radiation Machines and Radioactive Materials – Technical changes to correct errors and to provide clarification; additions to meet federal compatibility and disciplinary requirements; and changes to add a new x-ray operator category. Minimal fiscal impact.
- Certificate of Need Program (CON) (Critical Access Hospitals) – Changes that allow a hospital that has deleted beds for the purpose of receiving designation as a Critical Access Hospital, to reestablish the deleted beds at a later time without obtaining a Certificate of Need (CON), provided that the number of beds reestablished does not exceed the number of beds maintained prior to the deletion. Minimal fiscal impact.



DIA Adm. Rules

The Board adopted the following Administrative Rules relating to the Department of Inspections and Appeals for adoption:

- Critical Access Hospitals – Changes to conform Iowa’s hospital licensing rules with recent federal regulatory changes that impact the State’s critical access hospitals. The changes will allow these hospitals to dedicate no more than 10 beds to inpatient psychiatric or rehabilitation services without violating the 25-bed limitation imposed by the federal Centers for Medicare and Medicaid Services (CMS). No fiscal impact.
- Governor’s Award for Quality Care – Provides for clarification and simplification of the process by which licensed long-term care facilities may be nominated and selected for a Governor’s Award for Quality Care. In addition, the changes include two new criteria to be used in screening potential nominees, including outstanding or unresolved complaint investigations and outstanding audit findings.



Next Meeting

The next meeting is scheduled for March 9. Additional information is available from the LSA upon request.

STAFF CONTACT: Lisa Burk (Ext. 17942)

JANUARY COUNCIL ON HUMAN SERVICES MEETING**Council Meeting**

The Council on Human Services met on January 12 and conducted the following business:

Adm. Rules

The Council adopted the following Administrative Rules:



- Permits applications for the Medical Assistance (Medicaid) Program to be submitted by fax in lieu of an original document. Minimal savings may occur.
- Increases in certain utility allowances when determining eligibility for the Food Assistance Program (formerly the Food Stamps Program). The cost of the Program will increase \$200,000 per month or \$2.4 million per year, which will be paid 100.0% with federal funds.

Noticed Rules

The Council approved the following Administrative Rules for public notice and adoption at a future meeting:

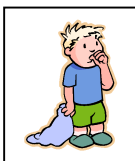
- Implementation of a portion of the Child Welfare Redesign, establishing the Community Care initiative. The contract has been awarded; however, the final details of the cost are not yet available.

Director's Report

Director Concannon provided the following information:



- Explanation of the withdrawal of the Iowa Health Solutions from the managed care component of Medicaid providers. The impacted individuals will be transferred to the Medipass Program.
- Further explanation regarding the previous concerns of pharmacists regarding the Preferred Drug List (PDL), noting that 135 of the 2,500 drugs or dosages are impacted by requiring an eligible person, beginning in January, to utilize a brand name drug in lieu of previous generic drug usage. The Director explained that additional communication will take place between the vendor and the pharmacists regarding possible changes to the List. He added that certain manufacturers of behavioral health pharmaceuticals provided financial rebates for the Medicaid Program in return for "recommending" their drugs.
- The continued review of a "universal assessment" tool for those entering the needed services arena and cooperation between the Departments of Human Services, Elder Affairs, and Public Health.
- The plan to request legislative approval for a cap of 300 children within the Child in Need of Assistance (CINA) Program in order to provide services to these children without requiring the parents or guardians to relinquish parental rights in order to receive services.

**Next Meeting**

The next meeting is scheduled for February 9. Additional information is available from the LSA upon request.

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ISSUE REVIEW RELEASED - WORKERS' COMPENSATION FUND FOR STATE EMPLOYEES

Issue Review

The Fiscal Services Division of the LSA recently released an *Issue Review* that provides an overview of the State Employee Workers' Compensation Fund.

Background Information

The Workers' Compensation Program, administered by the Department of Administrative Services (DAS), is intended to assure that State employees who have sustained work-related injuries or illness receive prompt medical care and lost-time benefits in exchange for limitations on legal actions.

Fund Revenue



The DAS has established a rating formula and assesses premiums to all State agencies, departments, and divisions. The DAS determines the total premiums that need to be charged to make the required payments each year. The DAS allocates the premium to be collected from each agency based upon the risk represented by the type of work conducted by the agency.

Fund Liability

According to the latest Iowa Comprehensive Annual Financial Report (CAFR), the Fund had liabilities of \$53.2 million at the end of FY 2003, with a Fund balance of \$348,000. The DAS estimates that the Program will have \$46.9 million in unfunded liabilities at the end of FY 2006.

Copies Available

Copies of the *Issue Review* may be accessed on the LSA web site at: <http://staffweb.legis.state.ia.us/lfb>. Additional information is available from the LSA upon request.

STAFF CONTACT: Ron Robinson (Ext. 16256)

This document can be found on the LSA web site:
<http://staffweb.legis.state.ia.us/lfb/fupdate/fupdate.htm>