

infoNET

A publication of the Governor's DD Council & ID Action

REORGANIZATION PLANS ANNOUNCED

Read more about the reorganization plans of DHS, State Government Reorganization Commission, and Governor's efficiency consultant.

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New Year, New Session

Lawmakers say they will need to reduce spending by another \$1 billion for FY 2011.

2009 was by all accounts a very tough year for the nation's legislators. Every state is experiencing budget problems. Some states have only enough money to cover half their budgets. *Can you imagine having to cut the state's spending in half?*

In comparison, Iowa's 10% across the board cut doesn't look so bad. Iowa's budget problems may be mild compared to other states, but people receiving state-funded services most definitely are feeling the pain of the budget cuts.

Unfortunately, that pain will probably not end this year. Legislators are preparing to tackle what they believe could be as much as \$1 billion more in cuts. Some legislators say they think they can find about half that by implementing various reorganization proposals.

The current \$5.3 billion state budget has already taken significant cuts – another \$1 billion will be felt. Brings to mind the old saying, you can't get blood from a turnip.

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"I never worry about action, only about inaction."

Winston Churchill



Shorter Session, Bigger Issues

In order to save money this year, legislative leaders have decided to shorten the 100-day legislative session to 80 days. That is, 80 **paid** days. Legislators have a tendency to miss their deadlines, but doing so is on their own dime (*a pretty good incentive to get work done*).

With a shorter session, expect fewer issues to be addressed. However, those issues are likely to be more complex. Legislators expect to:

- Launch a major government reorganization effort
- Scrutinize the state's business tax credit programs
- Review recommendations to close a state MHI
- Tackle school consolidation and restructuring
- Cut budgets by another \$500 million-\$1 billion
- Continue efforts to implement health care reform

Legislators also say they will work on a bill to make government more "transparent" to citizens, so you can see how your tax dollars are spent.

Legislators have a new timeline to match this shorter schedule. Basically, all non-budget issues will be tackled in January and February, and the budget will be finalized in March.

Advocate Tip: Since it is a shorter session, contact your legislators now to discuss your priorities. They won't have a lot of time to ask for bills (one week to be exact). Remember, the early bird gets the worm.

IMPORTANT DATES

January 11 - First Day of Session

January 12 - Governor's Condition of the State Speech

January 15 - Last day for legislators to request bills (committee chairs and leaders can continue to make these requests)

February 19 - First Funnel Deadline – Deadline for bills to pass out of committee. Bills that have not yet passed out of a committee will be dead.

March 5 - Second Funnel Deadline - All bills must have passed out of one chamber (House or Senate) and out of committee in the other chamber. So, a House File would need to pass the House, then be passed out of a Senate committee in order to stay alive past this date.

March 31 - Final (paid) Day of Session

Bill Requests Online

A total of 404 bills have been requested to date (December 31, 2009). You can view requests made by category or by legislator at: www3.legis.state.ia.us/billrequests/.

Details on most of these bills are unavailable because only about 40 have been drafted. If you don't have access to the Internet, here are a few that we think may be of interest to people affected by disability:

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Bill Requests Available Online (continued from page 2)

- **CNA Student Background Checks** (requested by the Iowa Department of Inspections & Appeals) – requires Certified Nurse Aide (CNA) training program students to have criminal and abuse registry background checks. You can view the bill at:
www.legis.state.ia.us/lsadocs/Bills_Prefiled/2010/BPJCP001.PDF
- **Helmets Required for Young Novice Drivers of Motorbikes & Mopeds** (requested by Rep. Curt Hanson)
- **Intellectual Disability Terminology** (requested by Rep. Lisa Heddens)
- **Medical Malpractice Reform** (requested by Sen. David Johnson) – limits the amount of non-economic (pain and suffering) damages a person can sue for in a medical malpractice lawsuit at \$250,000. You can see the bill at:
www.legis.state.ia.us/lsadocs/Bills_Prefiled/2010/BPRBH000.PDF.
- **Mental Health Diagnosis** (study bill request, made by House Human Resources Committee)
- **Mental Health Insurance Parity** (study bill request, made by House Commerce Committee)
- **Offender Mental Health Hospitalization, Release to Law Enforcement** (requested by Rep. Pat Grassley & Sen. Tom Rielly)
- **Persons with Disabilities Code Rewrite** (Rep. Lisa Heddens)
- **Psychiatric Nurse Practitioners & Mental Disorders** (study bill request, made by House Human Resources Committee)
- **Special Education Changes** (requested by the Department of Education)

infoNET Action Center

This year, we are launching a new feature on the *infoNET* website, called the Advocacy Action Center.

This new feature will allow you to send messages to your legislators quickly. We know from our surveys that many of you are nervous about what to say, don't always know who to talk to, don't know email addresses, and don't feel comfortable citing statistics.

The new Action Center will do most of the work for you; so sending an email to your two legislators (or an entire committee) can take seconds. The system will format your emails for you – you just modify the content, and click a button.

We'll talk more about the system in our first 2010 issue (January 22). The Action Center should be online by January 11, so go to www.infonetowa.com to test it (and let us know if you have any problems).

Budget Subcommittee Work Begins

With a short session ahead, the Health/Human Services Budget Subcommittee has been meeting the last three months to prepare committee members for the tough decisions ahead. The subcommittee met on Friday, December 18 to discuss ways to prioritize programs in the 2011 budget.

Legislative staff developed a budget priority worksheet, listing all programs and services that are funded by this budget subcommittee. You can look at this online at: www.legis.state.ia.us/lsadocs/SC_MaterialsDist/2010/SDJRB003.PDF.

Each program/service is evaluated based on four factors:

- Is it a federal requirement?
- Does it receive matching funds, or does it require maintenance of effort (minimal level of state funding)?
- Is it a statewide program?
- Is it a direct service?

Programs that have a check in each of these boxes have a total score of 4. Programs with only one check have a total score of 1.

Legislators are looking at this worksheet as a guide in setting priorities.

A higher score does not mean programs will be a priority. For instance, the state may have little control over programs checked “federal requirement.” So while the total score may be 1, the legislature may still have to fund it. Likewise, a program may have a score of 3, but be available only to citizens living in one county. Legislators may deem that a lesser priority. So, while this is an important worksheet to review, it is only a guide for legislators.

What is the key to making something important to a legislator? The squeaky wheel; it gets the grease. The more support legislators hear, the harder they will work to save a program or fund a service.

For those without Internet access, here are a few items from the worksheet, with scores:

- **PKU Assistance (2)** – statewide; direct service; serves 97 families
- **Brain Injury Council (2)** – statewide; matching funds
- **Brain Injury Services (3)** – statewide; matching funds; direct service; provides information & referral services to 3,300 persons with brain injuries.
- **Audiological Services for Kids (1)** – direct service; 160 kids receives reimbursements for hearing aids and related assistive technology
- **Day Care for Exceptional Children (1)** – direct service; serves 80 children
- **Four Oaks Autism Grant (1)** – direct service; 5 youth served
- **Autism Aspergers Pilot Project (1)** – direct service
- **Family Support Subsidy (2)** – statewide; direct service; 312 families served
- **Child At Home Program (1)** – direct service; 603 children served
- **State Resource Centers (2)** – matching funds; direct service
- **MH/MR/DD State Cases & MH/DD Community Services (3)** – statewide; direct service; matching funds

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House Democrats Shuffle Committee Memberships

Two new legislators will join the Iowa House of Representatives after the mid-term resignations of Representatives John Whitaker and Dick Taylor. House leaders have released the new committee lists, and have switched things up a bit.

You can see the new committee line-up (with changes highlighted) online at:

www.infonetiowa.com/LinkClick.aspx?fileticket=8Es6YJ9pOVg%3d&tabid=206.

You can see a list of committee assignments, by legislator online:

www.infonetiowa.com/LinkClick.aspx?fileticket=PrWESY66EUk%3d&tabid=206.

If you do not have access to the Internet, here are some of the changes of note:

- **Appropriations Committee:** Rep. Bob Kressig replaces Rep. Mark Kuhn on the committee. Any bill that spends money must by law pass through this powerful committee.
- **Commerce Committee:** Rep. McKinley Bailey will no longer be on the committee; added to the committee are Rep. Mike Reasoner (Vice Chair), Rep. Andrew Wenthe, and Rep. Ray

Zirkelbach. Rep. Bob Kressig will no longer be Vice Chair but will remain on the committee. Most insurance mandates (bills requiring insurance companies cover something) go through this committee.

- **Education Appropriations**

Subcommittee: Rep. Curt Hanson replaces Rep. Sharon Steckman as Vice-Chair. Rep. Steckman was named an Assistant Majority Leader this year, so loses some of her committee leadership roles. This subcommittee decides how much money educational programs will receive, including special education.

Advocacy Tip: You can see pictures of committee members online at: www.legis.state.ia.us/asp/Committees/CommitteeInfo.aspx. Just click on the committee you are interested in, go down to “Photos” and click on the “members” link.

LEGISLATIVE RETIREMENT COUNTDOWN

Legislators have started announcing they will not seek re-election in 2010. They will retire from public office when their terms end in December of 2010. We'll keep an ongoing tally throughout session:

Sen. Roger Stewart (D-Preston)
 Rep. Mark Kuhn (D-Charles City)
 Rep. Kent Sorenson (R-Indianola) - he's running for Senate
 Rep. Jodi Tymeson (R-Winterset)
NEW! Rep. Wes Whitehead (D-Sioux City)

Reorganization Plans Announced

This month, the Department of Human Services, State Government Reorganization Commission, and Governor's efficiency consultant all released reorganization plans aimed at making government more efficient and find administrative savings.

Every state agency is looking for ways to save money and operate more efficiently. On December 3, the Department of Human Services announced their reorganization plan. The plan replaces the current ten-division structure (which includes a deputy director and four executive-level positions) with six divisions and two deputy director positions. The plan also changes the number of service areas (field offices) from eight to five. The plan will go into effect on January 1, but DHS expects it to take several months to fully implement (sometime in April).

The new plan includes a Deputy Director for Program Services, and a Deputy Director of Administrative Services. They will oversee six divisions:

- **Iowa Medicaid Enterprise:** all health care related services including Medicaid, hawk-i, HIPP, and long-term care services.
- **Mental Health & Disability Services:** all services to populations in the mental health, mental retardation, disability and brain injury populations including the planning and accreditation functions of community providers, the state ICF/MRs and MHIs, the juvenile facilities, CCUSO and targeted case management services.
- **Adult, Children & Family Services:** consolidation of services regarding child welfare, juvenile justice community programs, child care licensing and regulation, child care subsidies, adult protective services, eligibility policies for financial assistance (FIP, Medicaid, food assistance, commodities) and work support programs (PROMISE JOBS, Food Assistance Employment & Training.)
- **Field Operations:** oversight over child support recovery, all field operations for county offices, provision of field support and training functions as well as a new centralized service area where some current field functions will be streamlined and centralized.

The two remaining divisions (**Fiscal** and **Data Management**) provide support services to the department in the fiscal, budget, human resources, contracting and technology areas.

In his memo, DHS Director Charlie Krogmeier noted that the change in field offices was made in an effort to reduce the number of areas, balance caseloads, and respect existing relationships with counties. The change will eliminate 78 vacant positions.

The Director also proposes one "centralized service area" that will consolidate and relocate some functions supervised today by both the field and central office. Services that will likely be centralized include child welfare intake, childcare assistance and licensing, eligibility for "medical only" cases, and the income maintenance customer service center.

As Director Krogmeier says concludes in his memo, "DHS is the difference in many lowans' lives. The responsibility to succeed is very real." Those with Internet access can access the following additional resources:

- **DHS Director's Reorganization Memo**
www.infonetiowa.com/LinkClick.aspx?fileticket=G1RXVtgcPE%3d&tabid=206
- **Current DHS Organizational Chart**
www.infonetiowa.com/LinkClick.aspx?fileticket=HSdwVp7gYbo%3d&tabid=206
- **New DHS Organizational Chart**
www.infonetiowa.com/LinkClick.aspx?fileticket=iZZMjYuZXec%3d&tabid=206

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Reorganization (continued from page 6)

- **Current DHS Service Areas**
www.infonetiowa.com/LinkClick.aspx?fileticket=_8RK TcZlsjs%3d&tabid=206
- **New DHS Service Areas**
www.infonetiowa.com/LinkClick.aspx?fileticket=Kqonn 4aolh0%3d&tabid=206

The State Government Reorganization Commission met throughout the interim to review options for reorganizing and improving government. At the same time, Governor Culver hired nationally recognized government efficiency experts to make recommendations. These recommendations were also released in early December. **Here are a few of the recommendations we think may be of interest to persons affected by disability:**

- Require a review like this every five years to keep government running efficiently.
- Require all reports to be filed electronically (no more paper copies).
- When allowed, increase the number of people a supervisor oversees to 15, then increase the number by one each year until it reaches 20.
- Develop criteria to consider before any new commission is created (and whenever possible, add to the duties of an existing commission before creating a new one). Require sunsets (end dates) for any new commissions.
- Move AEAs under the Department of Education, and eliminate local AEA boards. AEAs provide most of the state's special education services.
- Eliminate Advisory Council on Brain Injuries (duties going to the Board of Health).
- Streamline and simplify DHS eligibility/certification administrative processes to reduce paperwork, staff time, and better serve the public (example: parents of a child with a disability must fill out duplicative paperwork in order to be eligible for Title 19 and Medicaid waiver programs).



Read all the reorganization reports and keep up on progress: www.infonetiowa.com

Budget Work Begins (continued from page 4)

- MH/DD Allowed Growth (3) – Federally required; matching funds; direct service
- State Mental Health Systems (0) – this includes the emergency mental health services grant, children's mental health initiative, and a state match for a federal mental health grant.

The subcommittee will discuss a proposal to move the Division of Mental Health and Disability Services from the Department of Human Services to the Department of Public Health, which currently houses brain injury and substance abuse. The State Government Reorganization Commission recommended this move.

The HHS Budget Subcommittee plans to review this worksheet and examine all reorganization proposals after session begins.

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- Move Mental Health & Disability Services Division from DHS to the Department of Public Health.
- Examine a four-day work week (ten hour days) for state employees, and allow more telecommuting.
- Eliminate printed government materials when possible, and make easily available online.

Governor's Efficiency Recommendations: If all of the 90 recommendations are enacted, the state will save \$340 million in the first year, and nearly \$1.7 billion over five years.

These recommendations are divided into three areas: changes that require legislative action, changes that require executive (Governor) action, and changes that require further study. The Governor signed an executive order this month that implemented those changes requiring executive action, which are estimated to save \$128 million in the first year, and \$714 million over the next five years.

Executive Action Changes (Governor has already implemented these):

- Consolidate administrative functions at the eight DHS institutions (state resource centers, MHIs, Eldora State Training School, and Toledo Juvenile Home), including meal planning, food purchasing and storage, and other purchasing and human resources functions. These strategies will save \$1.4 million annually, and \$7 million over five years.
- Reduce Medicaid fraud. The federal government estimates 3-10% of all Medicaid payments to providers are due to incorrect or fraudulent billings. New technology can help the state better enforce this, creating \$8.1 million in savings in the first year (\$35.3 million over five years).
- Require bulk purchase of durable medical equipment. The Iowa Medicaid program spends about \$49 million a year to purchase medical equipment such as hospital beds, wheelchairs, oxygen and other "durable" equipment needed by Medicaid consumers. Just as large companies get volume discounts when purchasing goods,

state government can use its buying clout to get a better deal. Two federal demonstration projects (Florida and Texas) produced 19% savings. This change is estimated to save \$500,000 in the first year, and \$4.1 million over five years.

- Align state Medicaid durable medical equipment rental policies with federal Medicare policies. Iowa currently allows payments for renting durable medical equipment of up to 150% of the purchase price. That means, rental payments can exceed purchase prices by 50%. So what would cost \$100 to purchase can be rented for \$150. Estimated savings in the first year is \$200,000 (\$1.3 million over five years).
- Update nursing home recoverable cost regulations. It is illegal for an individual to transfer assets to another person in order to qualify for Medicaid benefits. The Department of Inspections and Appeals does not have enough staff to properly investigate all improper transfers. The report recommends staffing up to investigate these, saving as much as \$800,000 in the first year, and \$7.3 million over five years.
- Make Changes to the State Preferred Drug List (PDL) that results in \$1.8 million savings in the first year, and \$10.2 million over five years. These changes do not impact access to behavioral health drugs.

Changes Requiring Legislative Action:

- Expand Medicaid Fraud detection efforts. The proposal includes adding an administrative penalty for false claims. The Federal government encourages states to allow an enhanced return (an additional 10%) for prosecution. Over the past few years, Iowa could have recovered an additional \$2 million if it had such a law in place. These changes would save an estimated \$900,000 in the first year, and \$3.9 million over five years.

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- Limit initial supply of drugs not on the Preferred Drug List (PDL). Doctors are allowed to prescribe drugs not on the PDL in emergencies or when a certain drug is needed for treatment (a one-time, 30-day supply). Federal law only requires a 72-hour/3-day supply. Changing from the one-time/30-day supply to the federal 72-hour/3-day standard would save \$200,000 in the first year, \$1 million over five years.
- Require prior authorization for behavioral health drugs. Right now, chemically unique behavioral health drugs are on the state's Preferred Drug List (they do not require prior authorization in order to prescribe). The report recommends requiring the makers of these drugs to give the state a supplemental drug rebate in order to stay on that PDL (if they refuse, their drugs would require prior authorization to be covered). This change saves \$400,000 in the first year, \$2.5 million over five years.
- Allow eligible hawk-i (children's health insurance program) families to access private insurance when available. Some qualified families have access to employer-sponsored plans. Sometimes these plans can be purchased at less than the cost of the monthly hawk-i premium, saving state dollars. Iowa currently has a program that does this for persons eligible for Medicaid. This change would save \$1.8 million in the first year, and \$8.2 million over five years.
- Expand disease management programs to control the cost of chronic conditions, including childhood asthma and diabetes. At least 21 states now have disease management programs; one study showed 21% savings and another demonstrated \$2.94 saved for every \$1 spent. Estimated savings is \$2.7 million in the first year, and \$28.3 million over five years.
- Vigorously review costly payments in home and community based services (HCBS) waiver programs. Requiring prior approval for high-cost services could identify unnecessary services or other problems. Savings would be \$5.7 million in the first year, and \$33 million over five years.
- Strengthen Department of Inspections and Appeals' ability to investigate and recover improperly-claimed public benefits. This would save \$800,000 in the first year, and \$7.3 million over five years.
- Reorganize and consolidate MHIs. The recommendations move specialized services around, allowing the state to close the Cherokee child and adolescent units, Clarinda adult psychiatric and geropsychiatric units, Mt. Pleasant adult and dual diagnosis psychiatric units, and Mt. Pleasant substance abuse treatment units. Because funds will be needed to develop alternative or community placements, the savings in the first year would be \$1.9 million. Savings over a five year period would expand to \$26.8 million.
- Eliminate the Family Support Subsidy Program. Iowa has two programs to help families of children with serious emotional disturbance, mental retardation, developmental disabilities, or brain injury – the Family Support Subsidy Program and the HCBS waiver program. Currently 71% of the Family Support Subsidy families are also receiving assistance from the federal waiver program. DHS should discontinue the program through attrition, so there is no harm to current families or children. Future families would be enrolled in the waiver program to the maximum extent possible. Savings is estimated to be \$161,000 in the first year, and \$805,000 over five years.
- Eliminate childcare programs that are not statewide, including funding for Day Care for Exceptional Children in Polk County. This would save \$465,000 in the first year, and \$2.3 million over five years.

Those with Internet access can access the full reports, and all recommendations to be considered by the Legislature by going to www.infonetowa.com.

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