

December 28, 2018

Mr. Scott Logan
Social Security Administration
Office of Income Security Programs
Keys Section
2518 Robert M. Ball Building
6401 Security Boulevard
Baltimore, Maryland 21235
D19-061

Dear Mr. Logan:

I have received your request for Iowa's fiscal year 2019 certification of compliance with Section 1616(e) of the Social Security Act (the Keys Amendment).

The Iowa Department of Human Services (DHS) has been designated as the state agency responsible for overseeing compliance with Section 1616(e) of the Social Security Act, the Keys Amendment. This letter is for federal fiscal year (FFY) 2019 and certifies that the State of Iowa has established, maintains, and ensures the enforcement of standards for categories of living arrangements in which significant numbers of Supplementary Security Income (SSI) recipients reside or are likely to reside:

- The DHS has the responsibility for standards for children's foster family home, community supervised apartment living arrangements, adult family life home, and supported community living arrangements under the Medicaid Home and Community Based Services (HCBS) Intellectual Disability (ID) and Brain Injury (BI) Waiver programs and home-based habilitation arrangements under the Medicaid State Plan HCBS.
- The Department of Inspection and Appeals (DIA) has responsibility for standards for categories of nursing facilities and residential care facilities (RCF), or elderly family homes and elder group home programs.

Complete copies of the applicable rules, or standards, for each of the departments were submitted to you in 1995. Changes have been submitted yearly since that time. Changes to the rules, that update this packet, are enclosed with this letter. We believe that we are in full compliance with the Section 1616(e) provision.

Summary of Iowa Administrative Code (IAC) Rule Changes for the Home- and Community-Based (HCBS) Waivers and State Plan HCBS Impacting the Department of Human Services (DHS)

Under the HCBS waivers and State plan HCBS, the following rules were amended during the period of October 1, 2017 through September 30, 2018:

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| <p>Rule 441 IAC 77.25, 77.25(1), 77.25(5), 77.30, 77.33, 77.34, 77.37, 77.39, 77.41, 77.46, 78.27, 78.27(1), 78.27(4), 78.27(8)"b", 78.34, 78.34(8)"d", 78.34(14), 78.37, 78.37(19), 78.38, 78.38(10), 78.41, 78.41(9)"d", 78.41(16), 78.43, 78.34(8)"d", 78.43(16), 78.46, 78.46(7), 78.52, 78.52(1), 83.1, 83.21, 83.41, 83.60, 83.81, 83.101, 83.121</p> | <p>Implements Centers for Medicare and Medicaid Services regulations that define the residential and non-residential settings in which it is permissible for states to provide and pay for Medicaid HCBS</p> |
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Summary of Legislation Impacting the Iowa Department of Inspections and Appeals (DIA)

During Federal Fiscal Year 2018 (FFY 2018), the Iowa Department of Inspections and Appeals (DIA) undertook an extensive review and rewrite of its administrative rules governing residential care facilities, including residential care facilities for persons with mental illness and residential care facilities for the intellectually disabled and specialized three to five bed facilities. Key among the rewritten chapters were provisions that prohibited the use of mechanical restraints in any facility, as well as a requirement that staff receive training in the identification and reporting of dependent adult abuse regulated by the Department's Health Facilities Division. Facilities and programs impacted by these rule changes include health care facilities as defined in Iowa Code section 135C.1 and hospitals as defined in Iowa Code section 135B.1.

Administrative Rule Changes

The Department undertook an extensive review and rewrite of its administrative rules governing residential care facilities, including residential care facilities for persons with mental illness and residential care facilities for the intellectually disabled and specialized three to five-bed facilities. Key among the rewritten chapters were provisions that prohibited the use of mechanical restraints in any facility, as well as a requirement that staff receive training in the identification and reporting of dependent adult abuse.

Physical Restraints in Residential Care Facilities

Iowa Administrative Code chapter 481—57

The amendments added definitions of "mechanical restraint", "physical restraint" and "prone restraint"; added a requirement for facilities to provide staff with proper training on the use of physical restraints; and expressly prohibited the use of mechanical restraints in residential care facilities. [See ARC 3738C]

Residential Care Facilities – Rewrite

Iowa Administrative Code chapter 481—57

Iowa Code section 135C.2(3)"b" allows the Department to establish by administrative rule special classifications within the residential care facility category for facilities intended to serve individuals

who have special health care problems or conditions in common. The previous Administrative Code chapter [481—63] dealt with residential care facilities for persons with an intellectually disability (RCFs/ID). After reviewing its administrative rules dealing with all license types of residential care facilities, the Department determined that an entire chapter dealing with RCFs/ID was not necessary as many of the provision of 481—63 overlapped the general licensure provisions contained in 481—57. The rule making added the general licensure requirements for all types of residential care facilities, except the three- to five-bed facilities to Iowa Administrative Code chapter 481—57. During the rule making process, the Department made one change to the proposed rules by adding a requirement for training for staff relating to the identification and reporting of dependent adult abuse pursuant to Iowa Code section 235B.16. [See ARC 3737C]

Residential Care Facilities for Persons with Mental Illness – Rewrite

Iowa Administrative Code chapter 481—62

Following the review of its administrative rules governing all types of residential care facilities, the Department determined that duplication could be eliminated by using 481—57, “Residential Care Facilities,” as the primary chapter containing information common to all residential care facilities. This particular rule making rescinded the former chapter 481—62 and replaced it with a new chapter 481—62 that included only those rules specific to residential care facilities for persons with mental illness (RCFs/PMI). [See ARC 3739C]

Residential Care Facility – Three- to Five-Bed Specialized License – Rewrite

Iowa Administrative Code chapter 481—63

Iowa Code section 135C.2(5) requires the Department to establish a special classification within the residential care facility category in order to foster the development of three- to five-bed residential care facilities that serve persons with an intellectual disability, chronic mental illness, a developmental disability, or brain injury. After reviewing its administrative rules governing all types of residential care facilities, the Department determined that an entire chapter devoted to residential care facilities for the intellectually disabled was not necessary because many of the provisions contained in the old Chapter 481—63 overlapped with those in the rewritten Chapter 481—57, “Residential Care Facilities”. Additionally, the Department determined that the current rule regarding licensure of these specialized units [481 63.47(135c)] was confusing as written and should be given its own chapter as the number of these types of facilities (three- to five-bed specialized facilities) was increasing in Iowa. Therefore, this rule making rescinded the current Chapter 481—63 and replaced it with a new Chapter 481—63, which details the specialized licensure of three- to five-bed residential care facilities.

During a public hearing on the proposed rule changes, representatives from two organizations that operate small three- to five-bed facilities provided both oral and written comments on the proposed rule. In response to the comments, the Department made several changes to the rule making, including lessening the burden on operators of three- to five-bed facilities, clarifying the rule regarding “group homes,” reducing confusion regarding the difference between RCFs and the smaller three- to five-bed facilities, correcting an oversight by adding the mechanical restraints provision to the rule making, and updating language to reflect industry terminology. [See ARC 3740C]

Additional Rule Making Action

In addition to the substantial rewriting of the Department's administrative rules dealing with residential care facilities, changes to two other administrative code sections were either implemented during FFY 2018 or initially proposed during the federal fiscal year.

Fine Calculations for Class I Violations

Iowa Administrative Code chapter 481—56

All health care facilities licensed under Iowa Code chapter 135C may be subject to a state fine for violations of the regulatory requirements governing the operation of the facilities and the care provided to their residents and clients. This rule making is the result of a Kaizen event held by the Department during which the calculation of state fines was reviewed and discussed. As a result of the Kaizen, a chart was developed for use by the Health Facilities Division's compliance officers that more clearly indicates how fines associated with Class I violations are calculated. Several stakeholders felt that the use of a chart would lead automatically to larger fines. While the Department acknowledged the stakeholders' concerns, it does not believe the use of a chart to calculate fines will lead to increased penalties. The maximum amount of a single state fine that can be imposed for any class of violation is limited by statutory language; the chart is designed simply to provide transparency in the calculation of fines imposed for Class I Violations. [See ARC 3390C]

Hospital Construction Standards

Iowa Administrative Code chapter 481—51

The rule making adopted by reference the 2018 Guidelines for Design and Construction of Hospitals published by the Facility Guidelines Institute as the minimum construction standards for hospitals and off-site premises licensed under Iowa Code chapter 135B. Changes contained in the 2018 Guidelines include clarification of the requirements and greater flexibility in some designs to support the development of facilities that will be functional over the long term.

Major additions and changes affected the following areas: Functional programs, acoustic designs, sustainable designs, design considerations for patients of size, and guidance for emergency preparedness and management. [See ARC 4070C]

Residential Care Facilities

New Facilities – Three (3) new residential care facilities opened during Federal Fiscal Year 2018, with a total potential capacity of 23. Two (2) of the new facilities are licensed as three- to five-bed specialized facilities catering to individuals with brain injuries, and one (1) is a residential care facility also specializing in brain injuries.

New RCF Facilities

| Facility | Type | Beds | City | Opening Date |
|----------------------------------|-------------|-------------|--------------|---------------------|
| NeuroRestorative – C Street | 3-5 | 3-5 | Cedar Rapids | 11/16/17 |
| On with Life NeuroRehabilitation | 3-5 | 3-5 | Ankeny | 12/15/17 |
| Neuro RehabCare RCF 13 | 13 | 13 | Waterloo | 12/11/2017 |

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Closed Facilities – During Federal Fiscal Year 2018, 13 residential care facilities ceased operation in the State of Iowa – seven (7) residential care facilities and six (6) residential care facilities for the intellectually disabled. The primary reasons cited for closure were the loss of residents and conversion to waiver homes. The closure of these facilities represents a loss of 174 licensed beds to serve potential residents throughout the State of Iowa. The 13 facilities that closed during FFY 2018 were:

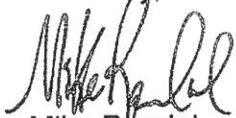
Closed RCF Facilities

| Facility | Type | Beds | City | Closure Date |
|---------------------------------------|-------------|-------------|-------------|---------------------|
| Marion County Care | RCF | 15 | Knoxville | 10/18/17 |
| Pleasant view Kalona | RCF | 20 | Kalona | 10/23/17 |
| Wellington Place | RCF | 40 | Decorah | 05/07/18 |
| Hazel House | RCF | 8 | Ames | 06/01/18 |
| Countryside Health Care Center | RCF | 10 | Sioux City | 06/01/18 |
| Sunnybrook Living Care Center | RCF | 8 | Fairfield | 06/27/18 |
| Profit's Residential Care | RCF | 10 | Centerville | 07/09/18 |
| Malvern Group Home | RCF-ID | 10 | Malvern | 11/01/17 |
| West Valley Group Home | RCF-ID | 10 | Shenandoah | 02/01/18 |
| Meadows Group Home | RCF-ID | 12 | Hampton | 04/01/18 |
| Gugeler Group Home | RCF-ID | 8 | Burlington | 05/01/18 |
| Fairway Group Home | RCF -ID | 12 | Waterloo | 06/30/18 |
| One Vision–Ralph Schroeder Group Home | RCF-ID | 11 | Clear Lake | 07/04/18 |

The standards are available from each Department, online or the public library upon request to providers, residents, and any member of the general public.

If you need additional information, please contact LeAnn Moskowitz, LTSS Policy Specialist, Iowa Medicaid Enterprise, Bureau of Medical and Long Term Care Services, at (515) 256-4653 or Imoskow@dhs.state.ia.us

Sincerely,



Mike Randol
Medicaid Director

MR/Imm

Enclosures: Attachment 1 - Iowa Department of Human Services: ARC 2891C, ARC 2936C, ARC 3184C, and ARC 3234C

Attachment 2 - Iowa Department of Inspections and Appeals Keys Amendments
Compliance Report Federal Fiscal Year 2019

cc: David Werning, DIA
LeAnn Moskowitz, IME