



TERRY E. BRANSTAD
GOVERNOR

OFFICE OF THE GOVERNOR

KIM REYNOLDS
LT. GOVERNOR

May 27, 2016

The Honorable Paul Pate
Secretary of State of Iowa
State Capitol
LOCAL

Dear Mr. Secretary:

I hereby transmit House File 2460, an Act relating to appropriations for health and human services and veterans and including other related provisions and appropriations, and including effective date and retroactive and other applicability provisions.

House File 2460 passed both the Senate and House. It is concerning to me that more than \$15 million of one-time revenue is being used to fund the Department of Human Services. The budget I proposed in January 2016 funded ongoing expenses with ongoing revenue. It is my hope to work with the legislature next year to provide much needed budget predictability and stability for Iowa taxpayers who make these programs possible.

This legislation requires an individual enrolling in school in 7th or 12th grade in Iowa to be immunized against meningococcal disease. I have met with families who lost loved ones and medical experts and I am convinced this will save lives in Iowa. This immunization is covered by insurance. Also, there is an exception for individuals to opt out of the immunization for medical reasons or religious beliefs.

I am committed to making Iowa the healthiest state in the nation. This year, Iowa transitioned to a modernized Medicaid program that will improve patient health outcomes and fit individual needs. Last year in Senate File 505, I signed every Medicaid Modernization oversight item into law. I was proud to do so because our Medicaid patients deserve an outcome-focused, accountable Medicaid program. We now have nearly 1,000 measurable results tracking the health outcomes of Medicaid patients. Something our old Medicaid program never did. Today, I am proud to sign every additional Medicaid Modernization oversight item contained in House File 2460. I appreciate that the legislature agreed in a bipartisan manner that we need a modernized Medicaid program focused on health outcomes to improve the lives of our most

vulnerable Iowans. By signing into law every Medicaid Modernization oversight item, Iowa's Medicaid program will be one of the most transparent, outcome-focused, and accountable programs in the country.

House File 2460 is approved on this date with the following exceptions, which I hereby disapprove.

I am unable to approve the designated portion of the item designated as Section 10, amending 2015 Iowa Acts, chapter 137, section 132, by inserting subsection 23. This item restricts the Department of Human Services from implementing certain cost containment strategies. The Department must have the tools and flexibility to effectively manage a program so critically important to so many vulnerable Iowans. Such a restriction on the management and oversight authority of the Department of Human Services is inappropriate.

I am unable to approve the designated portion of the item designated as Section 10, amending 2015 Iowa Acts, chapter 137, section 132, by inserting subsection 24. This item requires the Department of Human Services to report on cost containment strategies. The Department of Human Services, Department of Management and the Legislative Services Agency meet on a monthly basis to determine projections for the Medical Assistance appropriation. Information relating to cost containment strategies is shared during these meetings. While I strongly support transparency efforts that publicly disclose how departments spend their resources, this information is already available within the State's accounting and budgeting systems.

I am unable to approve the item designated portion of the item designated as Section 27, amending the 2015 Iowa Acts, chapter 137, section 149, by inserting subsection 11A, subparagraph b. Iowa has modernized its administration of Medicaid by partnering with specialized, patient-centered health care plans. This bipartisan initiative was implemented on April 1, 2016. The provider reimbursement rate floors issued by the Department of Human Services already include protections for providers and their reimbursement. Therefore, restrictions in this item are redundant and unnecessary.

I am unable to approve the item designated as Section 54, in its entirety. This item limits the Department of Human Services review of all alternative assessment methodologies for the hospital health care access assessment.

I am unable to approve the item designated as Division XVII, in its entirety. This item prevents the Iowa Department of Public Health and the Trauma Systems Advisory Council to be able to effectively carry out its regulatory obligation to the patients of Iowa's trauma system.

For the above reasons, I respectfully disapprove the designated items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in House File 2460 are hereby approved as of this date.

Sincerely,

A handwritten signature in black ink, reading "Terry E. Branstad". The signature is written in a cursive style with a large, stylized initial "T".

TERRY E. BRANSTAD

Governor