

POLK DES MOINES  
**TAXPAYERS**  
ASSOCIATION

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**CRIMINAL JUSTICE  
COORDINATING COMMITTEE –  
AUGUST**

Sally Kramer, 5<sup>th</sup> Judicial District Department of Correctional Services, made a presentation to the Committee on a *Violations Matrix*. This matrix injects consistency into sentencing and probation hearings by offering objective criteria to the judges on the actions and behaviors of the people in the system. The matrix strives to be proactive rather than reactive. For example, if someone violates the conditions of their parole, they are immediately punished (short jail time) rather than waiting until the entire period is up. The data on these short corrective sessions demonstrate that they are successful in keeping the individual out of jail for longer periods, saving tax dollars in the long run.

Data and evidence are also used in risk assessment for detainees. This assessment allows for pre-sentence triage. Low risk people, who tend to “self-correct” have options other than jail time. High risk people go to jail, and mid-risk people may be offered alternatives that keep costs low, yet still provide security in our community. Data-driven decision making also helps to even out the personalities (warm/fuzzy -> authoritarian) of the court officers.

Planning and preparation has been taking place in the criminal justice system for a return of H1N1. Contingency plans are in place for various levels of infection for both prisoners and court personnel. These range from prevention (the purchase of masks, vaccines, disinfectants, and air filters) to the use of video trials or even postponing hearings and trials if too many court employees call in. While the jail does not anticipate an epidemic, if the H1N1 mutates, vaccines may not be effective, and it is necessary to be prepared.

The web conferencing equipment between the courthouse and the jail is installed, tested, and is ready for use. The one remaining hurdle is to train enough staff to make its use effective.

**HOSPITALS IN THE WESTERN  
‘BURBS**

Non-profit hospitals receive tax-exemption status from the Internal Revenue Service in exchange for providing “community benefits” and several state governments have also added that their local

non-profit hospitals provide “charity care.” Although “community benefit” is a vague definition, it has been defined as hospitals that (1) are run by a community board, (2) operate a full-time emergency department and (3) shift profit back into health operations. Non-profit hospitals have in turn defined “community benefit” as providing care to uninsured patients and writing off their bad debts. On the other end spectrum, many state governments have instituted “charity care” provisions which require non-profit hospitals to perform more activities than needed to write off bad debts including opening and funding free clinics, teaming with local universities to train more health care workers and most importantly providing care to uninsured patients. States such as Illinois are leading the charge in requiring non-profit hospitals to give more free care to uninsured patients in exchange for their tax-exempt status and breaks from property tax. Crain’s Chicago Business reported that in 2002 Provena-Covenant hospital reportedly spent \$831,724 on charitable activities on revenue of \$113 million and requested a property tax exemption of \$1.1 million. Officials such as the Illinois State Attorney General, members of Congress (Senator Grassley), and the IRS are concerned about non-profits who invest in small charitable activities compared to their enormous revenues.

One proposal that’s been floated is an “increasing access test”. An “increasing access test” enhances health care access to underserved populations by combining charity care with investments in areas not covered by for-profit hospitals such as emergency psychiatric units or the funding and establishment of AIDS Clinics. This approach is preferable over a charity care

standard because non-profit hospitals are held more accountable and not held to the strict charity care standard which would require them to increasingly give free care to uninsured patients and potentially wipe out the hospitals’ financial resources. It will be an interesting time for non-profit hospitals throughout the country as they respond to the scrutiny from Congress, state governments and lawsuits from former patients to define the need for their tax-exempt status.

Another issue with tax exempt hospitals is the loss of property tax revenue for local governments. In some cases, hospitals make Payments In Lieu Of Taxes (PILOTS). Another offset for the loss of property tax revenue for the land and building is the development that happens around the hospital. Property tax paying medical office buildings spring up around hospitals to take advantage of the synergies that exist. In addition, other businesses (medical suppliers, restaurants, etc.) build close to the facilities to take advantage of the number of employees and clients that flow through the area.



**P O L K | C O U N T Y**  
**H E A L T H | S E R V I C E S**

On June 6, 2006, Polk County began a waiting list for many of the services needed by persons with mental illness, mental retardation, and developmental disabilities. Chronic underfunding of the mental health system by the State of Iowa necessitated this move. Unfortunately, the state has not kept up with the commitment it made to fund all of the growth in mental health service costs when it froze county property taxes for mental health services at the amount levied in 1996. That freeze was a dollar freeze, not a freeze in the levy rate, so the amount the county can levy does not change even with changes in assessed valuation. The actual levy rate for mental health services has declined from about \$1.45 in 1996 to less than 80 cents today.

Today, Polk County has over 550 people waiting for services. While they don't have to wait for inpatient or outpatient treatment, or for prescriptions, they must wait for group homes, paratransit, job supports, and other services that help folks remain and function in the community. To address the waiting list in Polk and other counties, the 2009 session of the Iowa Legislature appropriated \$10 million to the County Mental Health Risk Pool. That Risk Pool was created to target funding to counties in financial trouble with their mental health budgets about a decade ago, but it has never been adequately funded to meet significant shortfalls.

**POLK COUNTY AWARDED RISK POOL FUNDS BUT WHERE IS THE MONEY  
COMING FROM AND WHEN?**

Providers in Polk County have been preparing to rapidly put services into place to serve everyone on the waiting list, pending the availability of Risk Pool Funds. On Monday, August 10, the Risk Pool Board awarded \$7.3 million of the \$7.9 million requested by Polk County. BUT, checks to the seven counties receiving Risk Pool awards will not be written on September 15, as required by law.

**WHY WON'T THE CHECKS BE ISSUED ON TIME?**

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The Legislature used Federal economic stimulus money as the source of revenue for the Risk Pool. State officials are concerned that Federal economic stimulus funds cannot be used as matching funds for Medicaid. Some of the Risk Pool applications used a portion of the funds as

Medicaid match. Less than \$1.5 million of the award to Polk County would have been used to match Medicaid, and other county-funded services could have easily been substituted for those.

The Legislative Services Agency has notified the chairs and ranking members of the State appropriations committees of the problem, which affects a few other pots of money as well. The proposed solution is for the Legislature to exchange the Federal economic stimulus money with state funds used for other things that do not include Medicaid. The intent is that checks will be sent as soon as the Legislature approves, and the Governor signs, a bill to make the exchange complete, but that cannot happen until after the Legislature reconvenes in mid-January.

LYNN FARRELL

### **HOW WILL POLK COUNTY PROCEED?**

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Polk County Health Services and the Polk County Board of Supervisors are not comfortable proceeding with a reduction in the waiting list based on the promise of this issue being resolved in January. The Legislature is facing a very difficult budget year, and key leaders have not been able to give assurance that the exchange will happen and that the Risk Pool will remain fully funded. Polk County does not have sufficient funds in its MHMRDD services fund to cover these costs if, for some reason, the exchange is not approved.

If Risk Pool Funds are received later in the year, the county budget will be amended and the work to provide services to individuals on the waiting list will resume. Polk County is in the same dire circumstance as before. The waiting list continues to grow.