

CHAPTER 15  
RESOLUTION OF LEGAL SETTLEMENT DISPUTES

These rules provide a mechanism for resolution of legal settlement disputes related to county liability for the cost of care provided in a state mental health institute, in a state resource center, or through the state medical assistance program. When a county and the department cannot agree on a legal settlement determination, the matter shall be resolved through a contested case hearing before an administrative law judge.

**441—15.1(225C) Definitions.** The following definitions apply within this chapter.

“*Certification*” means the process of accepting or rejecting a determination of legal settlement, as defined in rules 441—29.4(230) and 441—30.3(222).

“*Department*” means the Iowa department of human services.

“*Legal settlement*” means a person’s status as defined in Iowa Code sections 252.16 and 252.17.

“*Notice*” or “*notification*” includes written or electronic mailing.

“*Services*” means mental health, mental retardation, developmental disability, brain injury, or substance abuse services.

“*State case*” means a person who does not have a county of legal settlement as defined in Iowa Code sections 252.16 and 252.17.

**441—15.2(225C) Assertion of legal settlement dispute.**

**15.2(1) Notification of dispute.**

*a. By county.* A county shall provide written notice of dispute to the department when the county objects to a billing for services rendered on or after July 1, 2004, that are a county obligation under Iowa Code chapter 222, 230, or 249A or objects to a certification of legal settlement made by the department or another county.

(1) The county shall provide the notice within 120 days of receipt of the billing or certification. A billing shall be considered received 5 days after mailing by the department, unless the county affirmatively shows that the billing was received later. If notification of a dispute does not occur within 120 days of the receipt date, the dispute shall not be eligible for resolution pursuant to subrule 15.3(2).

(2) The notice of dispute may be mailed to Administrator, DHS Division of Fiscal Management, 1305 E. Walnut Street, Des Moines, Iowa 50319-0114; faxed to (515)281-6237; or sent by E-mail to [LegalSettlementCases@dhs.state.ia.us](mailto:LegalSettlementCases@dhs.state.ia.us).

(3) When a county asserts that a person has legal settlement in another county, the written notice of dispute shall also be given to that county at the same time as notice is given to the department.

*b. By department.* Within 120 days of receipt of a certification of a legal settlement, the department shall notify all affected counties when the department objects to the certification of legal settlement.

**15.2(2) Supporting evidence.** A notification of a legal settlement dispute pursuant to subrule 15.2(1) shall be accompanied by evidence supporting the determination. The evidence shall include all available information used to make a determination of legal settlement as defined in Iowa Code sections 252.16 and 252.17.

*a.* Supporting evidence shall include, but need not be limited to:

(1) The current and former addresses of the person, including the dates for the period when the person resided at each address;

(2) The person’s current services and service history, including the name and location of the provider and the dates when services were received;

(3) The history of addresses and services received by the person’s custodial parent or guardian (when the person takes the legal settlement of the custodial parent or guardian as defined in Iowa Code section 252.16);

(4) Copies of any court orders affecting a minor’s custody or guardianship; and

(5) Any other information needed to make a determination of legal settlement.

*b.* Copies of the following forms may be submitted as supportive evidence, if properly completed:

- (1) Form 470-3439, Legal Settlement Worksheet.
- (2) A county central point of coordination application.
- (3) Form 470-4160, Notice of Court Action on Mental Health Hospitalization.

c. If a county asserts that a person's legal settlement is unknown so that the person is deemed a state case, the county that makes the assertion shall provide documentation of all attempts made by the county to ascertain the facts necessary to make a legal settlement determination. Documentation shall include:

- (1) Information about each person contacted during the investigation, including the person's name, address, telephone number, and E-mail address if available;
- (2) The information obtained during the investigation; and
- (3) Identification of the person conducting the investigation.

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**441—15.3(225C) Response to dispute notification.**

**15.3(1) Verification of receipt.** Within 45 days of receipt of a notification of dispute, the department and the county shall each verify the date of receipt by responding to the party providing the notification.

**15.3(2) Failure to resolve dispute.** Any of the affected counties or the department may request a contested case hearing conducted under Iowa Code chapter 17A if:

- a. The dispute is not resolved within 90 days of receipt of the notification of dispute; or
- b. The affected counties and the department agree at any time that the dispute cannot be resolved within the 90-day period.

**15.3(3) Preparation of motion.** The party requesting the contested case hearing shall:

- a. Prepare a written motion that the matter be referred to the department of inspections and appeals for a contested case hearing; and
- b. Submit copies to all affected counties and the department's division of fiscal management.

**15.3(4) Response to motion.** The division of fiscal management shall certify the matter to the department of inspections and appeals, division of appeals, for a contested case hearing by an administrative law judge to determine the person's legal settlement status.

**15.3(5) Motion not submitted.** If a party does not submit a motion for a contested case hearing within 120 days after receipt of the notification of dispute, the matter shall be closed and the person's legal settlement shall be in the county that was billed for services provided to the person.

**441—15.4(225C) Contested case hearing.** The determination of legal settlement by the administrative law judge is considered a final agency action.

**15.4(1) Application of hearing decision.** The decision of the administrative law judge shall include an order for payment for services as follows:

- a. If legal settlement is found to be with a county, the county shall pay amounts due for the person's services and shall reimburse the department or another county for amounts that were paid for the person's services before the issuance of the decision. If payment is not made within 45 days of the date of decision, a penalty may be applied pursuant to Iowa Code section 222.68, 222.75, or 230.22.
- b. If the person is deemed a state case, the department shall credit the county for any amounts paid for the person's services before the issuance of the decision. The credit shall be issued on a county billing no later than the end of the quarter following the date of decision.

**15.4(2) Judicial review.** Any of the parties may file an application for rehearing in accordance with Iowa Code section 17A.16(2). Judicial review of the determination may be filed in district court in accordance with Iowa Code section 17A.19. The party that does not prevail in the determination or in a judicial review is liable for costs associated with the proceeding. The costs of the judicial review process, including reimbursement of the actual costs to the department of inspections and appeals, shall be assessed against the losing party.

**441—15.5(225C) Change in determination.** If, after a determination of legal settlement by mutual agreement or by decision of an administrative law judge, additional evidence becomes available that could change the outcome of the determination, the procedures in rule 441—15.2(225C) apply.

**15.5(1)** The affected counties or the department may change the determination by mutual agreement.

**15.5(2)** A party may make a motion for reconsideration by the department of inspections and appeals.

These rules are intended to implement Iowa Code section 225C.8.

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