

State of Iowa
Iowa Department of Human Services
Des Moines, Iowa

July 16, 1991

HUMAN SERVICES GENERAL LETTER NO. 24L-MH/MR/DD

**SUBJECT: Parental Liability Limit for Children Under Age 18 in
State Hospital-Schools**

Iowa Code Section 222.78 requires the Department to establish a scale for parental liability to the counties for funds expended for a child's care in a state hospital-school or a special unit. This scale must be limited to the present personal allowance standard in the Aid to Dependent Children program. House File 479, enacted by the Seventy-fourth General Assembly, 1991 Session, revises the Schedule of Living Costs (Standard of Need) for Aid to Dependent Children recipients effective July 1, 1991. The basic needs components are revised as the result of a study completed by Iowa State University. The new components reflect the addition of transportation as a basic need. The limit for parental liability is \$164.15 per child.

Iowa Code Section 252C.10 contains guidelines for setting the amount of parental support (liability) for a child, based on the responsible person's income. Computation of any liability is the responsibility of the county board of supervisors or their designee.

Note that rules adopted by the Department for the administration of the Medicaid program under the authority of Iowa Code Section 249A.4 do not provide for parental liability for children who have been placed out of the home. Assessing parental liability for hospital-school residents receiving Medicaid is in conflict with Medicaid laws. Any parental liability collected in error for Medicaid-eligible cases must be paid to the state to offset the Medicaid payment.

Medicaid rules do provide for client participation assessed from the resident's income. This amount is collected by the institution. When income of the parents is deemed available to the child in the month of the child's entry to the institution, it is handled in the same way.

The limitations of Section 222.78 do not apply to the resident. If the resident has assets sufficient to cause ineligibility for Medicaid, the resident is responsible to pay up to the total cost of care. And finally, nothing in Section 222.78 or the Medicaid rules should be construed to prevent a relative or other person from voluntarily paying up to the full actual cost, as established by the state director responsible for caring for the mentally retarded person.

CAUTION: Federal public education laws require the provision of a free public education, regardless of handicapping conditions. For the handicapped, education costs include maintenance, support, and treatment costs when these are necessary to the provision of education. Assessing a liability under this provision of the Code may be in conflict with federal law and thus illegal.

Effective Date

July 1, 1991

Material Superseded

Circular Letter No. 24-K-MH/MR/DD, dated November 6, 1990, shall be removed from the file and destroyed.

Additional Information

If you require additional information, please direct your inquiries to the Division of Mental Health, Mental Retardation and Developmental Disabilities in the Department of Human Services.

DEPARTMENT OF HUMAN SERVICES
Charles M. Palmer, Director

William L. Gorman, Administrator
Retardation and Developmental
Disabilities

County Relief Directors
County Boards of Supervisors
Clerks of District Court
County Attorneys
County Auditors