
BUDGET UNIT BRIEF – FY 2024

Fiscal Services Division

July 1, 2023



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

Public Assistance Modernization Fund

Purpose and History

The Public Assistance Modernization Fund appropriation is administered by the Department of Health and Human Services (HHS) and provides funding for the purposes of modernizing information technology systems and for other modernization initiatives related to the delivery of public assistance programs in Iowa, including the Supplemental Nutrition Assistance Program (SNAP), the Medicaid program, the Family Investment Program (FIP), and the Children's Health Insurance Program (CHIP).

2023 Iowa Acts, [Senate File 494](#) (Public Assistance Program Oversight Act), requires the HHS to receive and review State and federal information concerning all individuals in an applicant's household and their assets for determining eligibility for receipt of SNAP benefits, and requires all initial applications for public assistance programs to be processed through a system that reviews State, federal, and other sources of information, including income, asset ownership, and information pertaining to identity fraud, defaults, and arrest warrants. The Fund was created to help the HHS pay for expenditures related to SF 494 and is repealed on July 1, 2028.

In December 2022, \$44.5 million in settlement funding was [awarded](#) to the State from the managed care organization (MCO) Centene, operating as Iowa Total Care in the State to administer Medicaid, over its pharmaceutical billing practices, with up to half of the awarded moneys redirected to the federal government for Medicaid purposes. Iowa does not have any restrictions on how to utilize the funds, with half expected to be paid from Centene in FY 2023 and half in FY 2024, as outlined in the settlement.

Funding — Other Sources of Revenue

In 2023 Iowa Acts, [Senate File 561](#) (FY 2024 Health and Human Services Appropriations Act), an appropriation of up to \$8.0 million from Centene settlement funds was made to the HHS for departmental public assistance modernization expenditures.

Related Statutes and Administrative Rules

Iowa Code chapter [239](#)

Iowa Code chapter [249A](#)

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More Information

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