

HUMAN SERVICES DEPARTMENT[441]

Notice of Intended Action

Proposing rulemaking related to uniform rules on agency procedure and providing an opportunity for public comment

The Department of Health and Human Services hereby proposes to amend Chapter 9, “Public Records and Fair Information Practices,” and to adopt new Chapter 2504, “Rule Waivers,” Chapter 2505, “Fair Information Practices,” and Chapter 2506, “Contested Cases,” Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in 2026 Iowa Acts, Senate File 2463.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, 2026 Iowa Acts, Senate File 2463.

Purpose and Summary

This proposed rulemaking rescinds rules 441—9.2(17A,22) and 441—9.12(17A,22), which were not automatically rescinded under the provisions of 2026 Iowa Acts, Senate File 2463.

These amendments also modify the Uniform Rules on Agency Procedure related to rule waivers (Chapter 2504), fair information practices (Chapter 2505) and contested cases (Chapter 2506) to maintain rules as determined necessary by the Department and to ensure that the Department follows all applicable State and federal requirements not currently contained in the Uniform Rules on Agency Procedure.

The reasons for the Department’s additions, exceptions, or amendments to the rules under agency number [7] are detailed below.

Rule waivers (441—Chapter 2504):

- Did not adopt language from 7—subrule 2504.3(2) allowing an evidentiary hearing on the denial of a request for waiver. Iowa Code section 17.9A(2) provides that determinations on waivers are within the sole discretion of an agency and therefore would not properly be raised before an administrative law judge (ALJ).

Fair information practices (441—Chapter 2505):

- Added definitions in rule 441—2505.1(17A,22) necessitated by the new rule content described below.

- Added new subrule 2505.5(4), which provides that individuals may request restrictions on the use of protected health information (PHI) pursuant to 45 CFR 164.522.

- Added new subrule 2505.7(1) relating to disclosures of PHI allowed under the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

- Added new subrule 2505.7(2) specifying that the Department will also maintain written policies for general uses of PHI for treatment, payment, and health care operations pursuant to HIPAA.

- Added new rule 441—2505.9(22,252G) to restore the provisions of rule 441—9.12(17A,22), which was allowed to be retained by the Department under the provisions of 2026 Iowa Acts, Senate File 2463.

Contested cases (441—Chapter 2506):

- Added definitions to rule 441—2506.2(17A) that pertain to subsequent additions to the Uniform Rules on Agency Procedure.

- Replaced language of subrule 2506.3(1) pertaining to time computation with more specific provisions to account for time tolled for State holidays that is not accounted for in the Iowa Code section referenced in the Uniform Rules on Agency Procedure.

- Added subrule 2506.4(3) regarding “parties-in-interest” to a contested case. The Department frequently encounters situations in which a contested case hearing is requested by individuals who are not constitutionally or statutorily entitled to a hearing. Adding this subrule provides clear guidelines for those situations.
- Added subrule 2506.4(4) outlining situations in which a contested case hearing will not be granted by the Department.
- Added subrule 2506.4(5), which accounts for situations in which all other remedies must be exhausted before a contested case hearing will be granted. For example, under Medicaid managed care, aggrieved enrollees must first go through the internal grievance process established by the Managed Care Organizations (MCOs) prior to requesting a contested case hearing from the State.
- Added subrule 2506.4(6) to accommodate federal regulations for appeals under Medicaid and the Supplemental Nutrition Assistance Program (SNAP). These regulations outline the methods in which appeals can be submitted and encompass more than electronic submission, which is the only method allowed under the Uniform Rules on Agency Procedure.
- Added subrule 2506.4(7), which sets a standard time frame to file appeals for situations in which another law or rule does not set forth the time frame.
- Added subrule 2506.4(8) regarding acceptance or denial of an appeal. The Department receives approximately 10,000 appeal requests per year, many from unrepresented individuals. This provision allows the Department to vet the requests to determine whether they should move forward, facilitating efficiency, while still preserving an individual’s right to appeal.
- Added subrule 2506.4(9), which allows the Department to designate and certify exactly which issues are to be decided in the contested case proceeding. This creates clarity early in the process yet allows the issues to be adjusted as the appeal progresses. This provision is not included in the Uniform Rules on Agency Procedure.
- Added subrule 2506.4(10) to incorporate federal requirements for SNAP hearings.
- Added a revised subrule 2506.5(2), which excludes language from the Uniform Rules on Agency Procedure that the Department has already clarified by previously adding subrule 2506.4(7). This clearly establishes that the Department bears the burden of identifying the issues of the matter. In addition, the revised subrule excludes language that would require the Department to set forth the telephone number and address of all representatives, which would require a system change for the Department.
- Revised language in subrule 2506.6(1), which reflects the fact that almost all the Department’s appeals go before an ALJ and therefore parties would only have to request an ALJ in the event one has not already been assigned.
- Added subrules 2506.10(3) and 2506.10(4) to ensure compliance with federal regulations for Medicaid and SNAP appeals, respectively.
- Did not adopt rule 441—2506.11(17A), which would require a formal petition in addition to the request for contested case hearing and would also require the Department to answer every appeal. Due to the Department’s high volume of appeals and current appeals system constraints, the requirements of this rule would be overly burdensome.
- Added conforming language to subrule 2506.12(1) to reflect the Department’s addition of subrule 2506.4(4) regarding filing methodology. This addition ensures compliance with federal Medicaid regulations.
- Added subrule 2506.18(1), which conforms to the federal regulations that dictate method of withdrawal from Medicaid appeals.
- Added subrule 2506.18(2), which conforms to the federal regulations that dictate method of withdrawal from SNAP appeals.
- Added language to subrule 2506.20(3) to explicitly state that:
 - The Department may be represented by its own employees or employees of Department contractors at contested case hearings.
 - Medicaid members may appoint an authorized representative to represent them in all Department matters as required by 42 CFR 435.923.

- Added subrule 2506.20(8) to help ensure that the terms of authorized representation are clearly defined and properly limited to protect Medicaid members' interests.
- Added subrule 2506.20(9) to require legal counsel to enter an appearance. Because the Department does not require petitions and answers, requiring counsel to enter an appearance is necessary to ensure the Department is aware of representation.
- Added subrule 2506.20(10), which provides that absent a mutual agreement by the parties, contested case hearings are closed to the public. This is necessary because many of the Department's appeals pertain to sensitive, confidential situations and information.
- Added paragraphs 2506.27(1)"a" through "e" to reflect the unique time frames required by State or federal law for Medicaid, SNAP, child abuse, and the Special Supplemental Nutrition Program for Women and Children (WIC) appeals of proposed decisions.
- Added the qualifier, "Unless otherwise required by law," to subrule 2506.27(2) to reflect the time frames described in subrule 2506.27(1).
- Added subrule 2506.27(7) to maintain the Department's existing requirement that a director's review on appeal is limited to the issues and record heard by the ALJ.
- Added rule 441—2506.32(17A) to implement federal requirements for the time frames within which contested cases must be held for Medicaid, division of spousal community resources for benefit determinations; SNAP; and WIC.
- Added rule 441—2506.33(17A) to reflect the federal requirements for an expedited review for Medicaid appeals.
- Added rule 441—2506.34(17A) to account for the federal requirements for administrative disqualifications hearings with respect to SNAP.
- Added rule 441—2506.35(17A) containing federal requirements for continuation and reinstatement of benefits in certain circumstances and allowing the Department to recoup benefits in the event an adverse action is overturned.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 441—Chapter 2504.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Department no later than 4:30 p.m. on June 16, 2026. Comments should be directed to:

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Public Hearing

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)"b," an oral presentation regarding this rulemaking may be demanded by 25 interested persons, a governmental

subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Emergency Rulemaking Adopted by Reference

This proposed rulemaking is also published herein as an Adopted and Filed Emergency rulemaking (see **ARC 0300D**, IAB 05/27/26). The purpose of this Notice of Intended Action is to solicit public comment on that emergency rulemaking, whose subject matter is hereby adopted by reference.