

HUMAN SERVICES DEPARTMENT[441]

Notice of Intended Action

**Proposing rulemaking related to quality improvement initiative grants
and providing an opportunity for public comment**

The Department of Health and Human Services hereby proposes to rescind Chapter 166, “Quality Improvement Initiative Grants,” Iowa Administrative Code, and to adopt a new Chapter 166 with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 249A.4.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 249A.57.

Purpose and Summary

These proposed rules define and structure grants to be funded from civil money penalties collected from nursing facilities that do not comply with the requirements of the federal Social Security Act, Section 1919, as codified in 42 U.S.C. §1396r. The grant funds are available for activities that protect or improve the quality of care and quality of life for residents of a nursing facility. This proposed chapter underwent a Red Tape Review pursuant to Executive Order 10. As a result of the Department’s review, the Department eliminated restrictive terms and updated dates certain.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on April 29, 2026. A public hearing was held on the following date(s):

- May 19, 2026

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 30, 2026. Comments should be directed to:

Victoria L. Daniels
Department of Health and Human Services
Lucas State Office Building
321 East 12th Street
Des Moines, Iowa 50319

Phone: 515.829.6021
Email: compliancerules@hhs.iowa.gov

Public Hearing

Public hearings at which persons may present their views orally or in writing will be held as follows:

June 30, 2026 10 to 10:30 a.m.	Microsoft Teams Meeting ID: 229 255 924 058 729 Passcode: PQ7BW33e
June 30, 2026 2 to 2:30 p.m.	Microsoft Teams Meeting ID: 295 119 285 641 869 Passcode: dg9Sa9Q2

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend a public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Department and advise of specific needs.

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).

The following rulemaking action is proposed:

ITEM 1. Rescind 441—Chapter 166 and adopt the following **new** chapter in lieu thereof:

CHAPTER 166 QUALITY IMPROVEMENT INITIATIVE GRANTS

441—166.1(249A) Definitions.

“Eligible entities” means certified long-term care facilities, professional or state nursing home associations, state agencies, consumer and nursing facility advocacy organizations, resident and family councils, and private applicants.

“Nursing facility” means a Medicaid-enrolled facility that is defined in rule 441—81.1(249A) as “facility.”

“Quality improvement initiative” or *“initiative”* means a project or training in accordance with provisions of 42 CFR 488.433 as amended to August 1, 2026, that directly or indirectly supports and benefits the quality of care and quality of life of nursing facility residents.

441—166.2(249A) Availability of grants. The department will set aside an annual amount from the civil money penalty fund established pursuant to Iowa Code section 249A.57 to be awarded in the form of emergency reserve fund grants to eligible entities for approved support and protection of residents of a facility that closes (voluntarily or involuntarily). At no time shall the grant set-aside cause the civil money penalty emergency reserve fund to drop below \$1 million.

166.2(1) In any calendar year in which sufficient funds are available in the civil money penalty fund to support quality improvement initiative grants, the department may issue a notice for applications for grants.

166.2(2) There is no entitlement to any funds available for grants awarded pursuant to this chapter. The department may award grants to the extent funds are available and, within its discretion, to the extent that applications are approved.

166.2(3) The project plan as described in rule 441—166.4(249A) and allocation of funds shall be in compliance with state and federal laws and approved by the Centers for Medicare and Medicaid Services (CMS).

166.2(4) Emergency reserve fund grants are available for purposes of:

- a.* Time-limited expenses incurred in the process of relocating residents when a facility closes (voluntarily or involuntarily) or downsizes pursuant to an agreement with the department, and
- b.* Development and maintenance of temporary management or receivership capability.

441—166.3(249A) Grant eligibility. Grants are available for quality improvement initiatives that are outside the scope of normal operations for the nursing facility or other applicants. Grants cannot be used as replacement funding for goods or services that the applicant already offers.

166.3(1) Grants may be awarded for:

- a.* Short-term quality improvement initiatives (three years or less), and
- b.* Situations eligible for emergency reserve funds.

166.3(2) The department will comply with CMS guidance on civil money penalty uses.

441—166.4(249A) Grant application process and selection of proposals. The department will announce through a request for proposals the opening of an application period. The request will state the purpose for which grant funds may be sought. Applicants shall submit their grant proposals by the deadline specified in the announcement.

166.4(1) All proposals completed as directed and submitted within the time frames allowed will be evaluated by the grant review committee to determine which applicants' project plans will be submitted for CMS approval.

166.4(2) The department will submit the project plan for each grant the department intends to award, along with any required documentation, to CMS to seek approval or denial of the proposed project. All activities and plans for utilizing civil money penalty funds must be approved in advance by CMS.

441—166.5(249A) Project contracts. Grants for approved applicant project plans will be awarded through a contract entered into by the department and the applicant. The contract period will not exceed the time frames allowed by state and federal laws. The department will reimburse expenditures pursuant to contract terms and the regular reimbursement procedures of the state of Iowa.

These rules are intended to implement Iowa Code section 249A.57.