Regulatory Analysis

Notice of Intended Action to be published: 441—Chapter 86
"Healthy and Well Kids in Iowa (Hawki) Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 514I as amended by 2025 Iowa Acts, Senate File 474, division IV

State or federal law(s) implemented by the rulemaking: Iowa Code chapter 514I as amended by 2025 Iowa Acts, Senate File 474, division IV

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

February 10, 2026 10 a.m.	Microsoft Teams Meeting ID: 231 027 605 005 81 Passcode: b4Cu3c7i

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Department of Health and Human Services no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

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Des Moines, Iowa 50319
Phone: 515.829.6021
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Purpose and Summary

This proposed rulemaking serves to implement 2025 Iowa Acts, Senate File 474, division IV, by amending rule 441—86.7(514I).

2025 Iowa Acts, Senate File 474, division IV, pertains to Iowa's Children's Health Insurance Program (CHIP), Hawki. Within division IV, section 47 creates new Iowa Code section 514I.8B and provides that following the first 30 days of commitment to a public institution, the Department will suspend rather than terminate an otherwise eligible individual's eligibility for Hawki. The Iowa Code section also requires the Department to adopt rules to implement the new Iowa Code section.

This new Iowa Code section is intended to implement Section 5121 of the federal Consolidated Appropriations Act, which similarly requires suspension rather than termination of eligibility after 30 days of commitment to a public institution for incarcerated individuals otherwise eligible for CHIP.

Prior to fully implementing this federal change, the Department must receive federal approval for a State Plan Amendment (SPA), which has not yet been submitted pending receipt of federal funding approval from the Centers for Medicare and Medicaid Services. For this reason, when the adopted filing is submitted for this proposed rulemaking, it will contain a future effective date contingent upon that federal approval of the SPA.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

- **Classes of persons that will bear the costs of the proposed rulemaking:**

There are no costs associated with this proposed rulemaking.

- **Classes of persons that will benefit from the proposed rulemaking:**

Individuals who are otherwise eligible for Hawki who are committed to public institutions may benefit from this proposed rulemaking by having their Hawki eligibility suspended as opposed to terminated.

2. **Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:**

- **Quantitative description of impact:**

The Department does not currently have any quantitative information related to the number of individuals who may be impacted in the future by this proposed rulemaking.

- **Qualitative description of impact:**

This proposed rulemaking is intended to implement 2025 Iowa Acts, Senate File 474, division IV.

3. **Costs to the State:**

- **Implementation and enforcement costs borne by the agency or any other agency:**

The Department may incur personnel and other administrative costs associated with this proposed rulemaking.

- **Anticipated effect on State revenues:**

This proposed rulemaking and the underlying legislation will have no effect on State revenues.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

The proposed rulemaking is required by 2025 Iowa Acts, Senate File 474, section 47.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

The proposed rulemaking is required by 2025 Iowa Acts, Senate File 474, section 47.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

Not applicable.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

This proposed rulemaking has no impact on small business.

Text of Proposed Rulemaking

ITEM 1. Amend rule 441—86.7(514I) as follows:

441—86.7(514I) Cancellation or suspension. The child's eligibility for the hawki program shall be canceled or suspended before the end of the 12-month enrollment period for any of the following~~:~~.

86.7(1) to **86.7(4)** No change.

86.7(5) *Admission to a public institution.* The ~~child shall be canceled from the program if the child is in a public institution at the time of the annual review~~ child's eligibility for the program shall be suspended after the first 30 days a child is in a public institution. Eligibility will be suspended for the term of the child's commitment, provided that all other eligibility criteria are met. Eligibility will resume upon the child's discharge, provided all other eligibility criteria are met.

86.7(6) and **86.7(7)** No change.