RA 26-249

PUBLIC HEALTH DEPARTMENT[641]

Regulatory Analysis

Notice of Intended Action to be published: 641—Chapter 154
"Medical Cannabidiol Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 124E

State or federal law(s) implemented by the rulemaking: Iowa Code chapter 124E and 2026 Iowa Acts, House File 990

Public Hearing

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

September 8, 2026 10 a.m.	Microsoft Teams Meeting ID: 245 818 881 867 66 Passcode: ya9va9uv

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:

Victoria L. Daniels
321 East 12th Street
Des Moines, Iowa 50319
Phone: 515.829.6021
Email: compliancerules@hhs.iowa.gov

Purpose and Summary

This proposed rulemaking implements in part 2026 Iowa Acts, House File 990, by removing the residency requirement for patients participating in Iowa's medical cannabidiol program. Previous law required patients served by the program to be permanent residents of the State of Iowa. As a result of eliminating the Iowa residency requirement for participation in the medical cannabidiol program, any otherwise qualified nonresident may apply for registration. The Department anticipates that the change will primarily impact qualified Nebraska residents since Nebraska is the only bordering state that does not currently have an operational medical or adult-use cannabis program. Although Nebraska has taken steps to establish a medical cannabidiol program, implementation has experienced significant delays and setbacks.

In addition, this proposed rulemaking restores language inadvertently removed during the 2023 Red Tape Review process. Prior to the 2023 Red Tape Review, proof of veteran status qualified an applicant for a reduced patient application fee, lowering the fee from $100 to $25. This provision was inadvertently removed during the Red Tape Review process and is proposed to be restored. It is important to note that authorization for a lesser fee for veterans does not explicitly appear in Iowa Code chapter 124E; however, this reduced fee provision was previously discussed at a meeting of the Administrative Rules Review Committee (ARRC), and at the time, the ARRC agreed that a reduced fee was important and appropriate for those with veteran status.

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:**

Qualified out-of-state residents and qualified veterans will benefit from the provisions of this proposed rulemaking.

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:**

There are currently 17,741 patients and 524 caregivers participating in Iowa's medical cannabidiol program. It is unknown how many additional individuals may be eligible for a medical cannabidiol card because of the legislation underlying this proposed rulemaking, but the Department does not expect a major influx.

- **Qualitative description of impact:**

Qualified out-of-state residents and qualified veterans will benefit from the provisions of this proposed rulemaking.

3. **Costs to the State:**

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

The Department incurs personnel and other administrative costs related to the administration of the program represented by this proposed rulemaking.

- **Anticipated effect on State revenues:**

This proposed rulemaking has no impact on State revenues. The fees associated with the program go to support the Department's administration of the program and do not impact the State's General Fund.

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

This proposed rulemaking is necessitated by 2026 Iowa Acts, House File 990.

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

Not applicable.

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 may impact small dispensary businesses in Iowa by increasing access to those dispensaries near the Iowa border.

Text of Proposed Rulemaking

ITEM 1. Amend rule **641—154.1(124E)**, definitions of "Medical assistance program," "Patient" and "Valid photo identification," as follows:

"Medical assistance program" means ~~IA Health Link, Medicaid Fee-for-Service, or hawki,~~ a medical assistance program as administered by ~~the Iowa~~ a state, territory, or district Medicaid ~~enterprise of the department~~ program.

"Patient" means a person ~~who is a permanent resident of the state of Iowa~~ who suffers from a debilitating medical condition that qualifies for the use of medical cannabidiol pursuant to Iowa Code chapter 124E and these rules.

"Valid photo identification" means any of the following for a patient or primary caregiver: (1) a valid ~~Iowa~~ driver's license, (2) a valid ~~Iowa~~ nonoperator's identification card, or (3) an alternative form of valid photo identification. An individual who possesses or is eligible for a driver's license or a nonoperator's identification card shall present such document as valid photo identification. An individual who is ineligible to obtain a driver's license or a nonoperator's identification card may apply for an exemption and request submission of an alternative form of valid photo identification. An individual who applies for an exemption is subject to verification of the primary caregiver's identity through a process established by the department to ensure the genuineness, regularity, and legality of the alternative form of valid photo identification.

ITEM 2. Amend subrule 154.3(3) as follows:

154.3(3) A registration card issued to a patient shall contain all of the following:

a. The patient's full legal name, ~~Iowa~~ current residence address, date of birth, and sex, as shown on the patient's valid photo identification. If the patient's information has changed since the issuance of the patient's valid photo identification, the patient shall first update the patient's valid identification to reflect the patient's current information.

b. to *d.* No change.

ITEM 3. Amend rule 641—154.11(124E) as follows:

641—154.11(124E) ~~Fees~~ Registration card fees. All registration card fees are nonrefundable. ~~Application fees are established in Iowa Code section 124E.4.~~

154.11(1) *Patient medical cannabidiol registration card fee.*

a. A registration card fee of $100 applies to all patients unless the patient qualifies for a reduced patient registration card fee under paragraph 154.11(1)*"b."*

b. If a patient attests to receiving social security disability benefits, supplemental security insurance payments, enrollment in a medical assistance program, or military veteran status, the patient registration card fee is reduced to $25.

154.11(2) *Primary caregiver medical cannabidiol registration card and renewal fees.*

a. A registration card fee of $25 applies to all primary caregivers.

b. A renewal fee of $25 applies to all primary caregivers.

ITEM 4. Amend paragraph **154.39(2)"a"** as follows:

a. Verify the patient or primary caregiver's identity using acceptable photo identification and that the patient or primary caregiver is over 18 years of age. Acceptable photo identification includes:

(1) A valid ~~Iowa~~ driver's license;

(2) A valid ~~Iowa~~ nonoperator's identification card;
(3) to (5) No change.