

HUMAN SERVICES DEPARTMENT[441]

Regulatory Analysis

Notice of Intended Action to be published: 441—Chapter 79
“Implementation of 2026 Iowa Acts, House File 2543”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 249A

State or federal law(s) implemented by the rulemaking: 2026 Iowa Acts, House File 2543

Public Hearing

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

October 6, 2026
10 a.m.

Microsoft Teams
Meeting ID: 211 532 914 792 67
Passcode: 94Ve93DX

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
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

Purpose and Summary

This proposed rulemaking implements 2026 Iowa Acts, House File 2543, section 3, by referencing new Iowa Code section 135G.3A, which specifies the time frames required for responses to requests for prior authorization of subacute mental health care services under the Medicaid program.

The reference to Iowa Code section 135G.3A is to that section as enacted by 2026 Iowa Acts, House File 2543.

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:**

Providers requesting approval for and Medicaid-covered individuals needing subacute mental health care services will benefit from the guidance in 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:**

It is unknown how many requests for prior authorization the Department will receive under the new time frames.

- **Qualitative description of impact:**

Providers requesting approval for and Medicaid-covered individuals needing subacute mental health care services will benefit from the guidance in 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 associated with this proposed rulemaking.

- **Anticipated effect on State revenues:**

This proposed rulemaking has no effect on State revenues.

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

Rulemaking is required by 2026 Iowa Acts, House File 2543, section 3.

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 has no impact on small business.

Text of Proposed Rulemaking

ITEM 1. Amend paragraph **79.9(3)“c”** as follows:

c. Decisions regarding approval or denial for items or procedures other than prescription drugs will be made according to the time frames set forth in 42 CFR 438.210(d) as amended to July 1, 2026, or Iowa Code section 135G.3A, as applicable.