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
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 514I

Public Hearing

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

October 21, 2025 10 a.m.	Microsoft Teams Meeting ID: 286 319 808 076 0 Passcode: tX6ck6P8

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

The purpose of this proposed rulemaking is to correct an error that was made in a recent adopted filing.

The Red Tape review of Chapter 86 was done in 2024 and was Adopted and Filed in **ARC 9468C** (IAB 8/6/25). During the adopted filing process, language describing the grace period for premium payment was added back to the chapter. The language had been removed in the Regulatory Analysis and the Notice of Intended Action as being duplicative of the State Plan for the program.

Since the 2024 Red Tape Review was initiated in early 2024, a change was made to Iowa's State Plan Amendment (SPA) to comply with a federal requirement for continuous eligibility for children under the age of 19 for both Medicaid and Hawki. This change became effective April 1, 2024, and eliminated the need for a grace period for premium payment for both the Medicaid program and Hawki.

This proposed rulemaking strikes the grace period language from the chapter.

There is no substantive impact because the SPA's authority exceeds that of administrative rule. The Hawki program has not changed, and no children's coverage or eligibility has been or will be impacted.

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:**

No one will benefit from or be harmed by the 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:**

This proposed rulemaking has no quantitative impact.

- **Qualitative description of impact:**

This proposed rulemaking will bring the Iowa Administrative Code into alignment with the SPA.

3. **Costs to the State:**

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

There are no costs associated with this proposed rulemaking.

- **Anticipated effect on State revenues:**

This proposed rulemaking 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 the appropriate remedy to a previous filing error.

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

This proposed rulemaking is the appropriate remedy to a previous filing error.

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. Rescind subrule **86.8(4)**.

ITEM 2. Renumber subrules **86.8(5)** and **86.8(6)** as **86.8(4)** and **86.8(5)**.