Regulatory Analysis

Notice of Intended Action to be published: 441—Chapter 151
"Juvenile Court-Ordered Services"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 232.191
State or federal law(s) implemented by the rulemaking: Iowa Code section 232.191

Public Hearing

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

December 2, 2025 10 a.m.	Microsoft Teams Meeting ID: 271 715 163 940 1 Passcode: vY6Zj9Sz

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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Purpose and Summary

This proposed chapter underwent a fulsome review as a part of the Red Tape Review process laid out in Executive Order 10. As a result of this review, restrictive terms were removed, areas that were duplicative were combined or eliminated, and editorial updates were made to processes and procedures to ensure they reflect current policies and procedures. These proposed rules prescribe services for eligible children for reimbursement from funds appropriated specifically for juvenile court services directed programs. The proposed rules establish the criteria for the allocation of funds and the procedures for administration, application, eligibility, appeals, service delivery, and billing and payment. These proposed rules also prescribe the joint responsibilities of the chief juvenile court officers and the Department's service area managers for the planning and implementation of an annual child welfare and juvenile justice plan for each Department service area.

Analysis of Impact

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

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

This proposed rulemaking does not bear a cost to the public.

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

This proposed rulemaking is meant to benefit the welfare of juveniles who have court-ordered services.

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 rulemaking will help clarify what court-ordered services are covered by the State and what services are not.

- **Qualitative description of impact:**

Those involved in the juvenile court system will benefit from clarified rules regarding expenses covered by court-ordered services.

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 enforcement of this proposed chapter.

- **Anticipated effect on State revenues:**

This rulemaking is not expected to have any impact on State revenues.

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

The funding of juvenile court-ordered services is required by Iowa Code chapter 232.

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 rulemaking is not expected to have any impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 441—Chapter 151 and adopt the following **new** chapter in lieu thereof:

CHAPTER 151
JUVENILE COURT-ORDERED SERVICES

441—151.1(232) Definitions.

"Child" means a person under 18 years of age.

"Child welfare services" means services to maintain a child's connection to the child's family and community, to promote reunification or other permanent placement, and to facilitate a child's transition to adulthood.

"Court-ordered services" means the defined or specific care and treatment that are authorized by the court for an eligible child or the parent of an eligible child and for which no other payment source is available to cover the cost.

"Eligible child" means a child supervised by the department for whom the juvenile court judge has provided an order for a service funded under court-ordered services.

"Provider" means a public agency, including a school district or government unit, or a private agency, organization or eligible individual authorized to do business in the state. The provider is also known as the claimant.

"Service area" means one of the five geographic areas designated by the department for the provision of family well-being and protection services.

441—151.2(232) Administration of funds for court-ordered services. Pursuant to the authority granted in Iowa Code chapters 7E, 8, 232, and 602 and the annual appropriations Acts, the executive branch, represented by the department, and the judicial branch, represented by the juvenile court judges, are each charged with specific responsibilities for funding, administering, and providing court-ordered services.

151.2(1) *Allocations for court-ordered services.* Court-ordered services are funded by an appropriation made to the department.

151.2(2) *Court order requirement.* Upon the request of any party, the court may authorize the use of court-ordered services for child welfare services as defined in subrules 151.4(1) and 151.4(2).

151.2(3) *Application for funds.* The department will complete an application for the use of court-ordered service funds upon receiving the order.

151.2(4) *Availability of funds.* The department will have the opportunity to establish the availability of funds once an authorization for court-ordered services is received from the court.

151.2(5) *Monitoring of funds.* The department will monitor and communicate the availability of the court-ordered services funds to ensure that funds are available throughout the state fiscal year.

151.2(6) *Emergency or after-hours situations.* Any services that are provided without the signed approval of the department's approved administrator may be denied payment, unless there is an emergency or after-hours situation and no other provision exists for handling emergency or after-hours situations or transports.

151.2(7) *Transfer of funds to a decategorization governance board for administration.* Funds allocated to the department for court-ordered services may be transferred to a decategorization governance board for administration.

151.2(8) *Billing and payment.* The department will ensure that billing and payment are in compliance with the requirements of the accounting policies and procedures manual of the department of administrative services, state accounting enterprise as amended to August 1, 2025. A claim that meets the requirements of this chapter becomes a state liability on the date of a claim's accrual. The date of a claim's accrual is the date the service was provided, the end of the agreed-upon billing interval specified in the contract, or the date of a determination of liability for the claim.

441—151.3(232) Use of other funding sources. The department, in cooperation with juvenile court judges, will ensure that the funds allocated for court-ordered services are spent only after all other reasonable actions have been taken to use other funding sources. Services are not eligible for reimbursement when another payment source is available.

151.3(1) The department will maximize the use of funds that may be available from the Medicaid program, including coverage for early and periodic screening, diagnosis, and treatment and for psychiatric medical institutions for children (PMIC), before requesting assistance through the court-ordered services fund. However, medical cost sharing for the one-time payment per court

order of a deductible amount or a coinsurance amount for treatment specified in a court order is an allowable expense that may be paid through the court-ordered services fund when insurance or Medicaid is then available to pay the remainder of the cost.

151.3(2) The department may recover payments from any third-party insurance carrier that is liable for coverage of the services, including health insurance coverage. The department may submit claims to third-party insurance carriers liable for coverage of the services before the claims are submitted for payment through the court-ordered services fund.

151.3(3) The date of a medical claim's accrual for reimbursement through court-ordered services is the date the claim becomes a state liability. For example, a claim becomes a state liability on:

a. The date of a court order for a contested claim; or

b. The date of a determination by Medicaid or private insurance that Medicaid or private insurance denies partial or full payment for care and treatment for which an application has been made.

151.3(4) If eligible for reimbursement through the court-ordered services fund, medical claims that are submitted to, but are denied by, Medicaid or private insurance will be paid at a rate not to exceed the rate set by Medicaid.

151.3(5) Allowable rates not available. When the department has been unable to establish an allowable rate of reimbursement for a service or a provider, the department's approved administrator or designee will negotiate a reimbursement rate with the provider to obtain the service at a reasonable cost based on available community or statewide rates.

441—151.4(232) Expenses. The following lists of expenses that are eligible for reimbursement from the court-ordered services fund are intended to be exhaustive. Billings for services not listed in subrule 151.4(1) cannot be paid except as provided in subrule 151.4(2).

151.4(1) *Expenses to be reimbursed.* The expenses for which reimbursement will be made include:

a. Expenses, other than salary, incurred by a person ordered by the court, other than a juvenile court officer, in transporting a child to or from a place designated by the court, including mileage, lodging and meals.

b. The expense of care or treatment ordered by the court whenever the minor is placed by the court with someone other than the parents; or a minor is given a physical or mental examination or treatment under order of the court; or, upon certification by the department, a minor is given physical or mental examinations or treatment with the consent of the parent, guardian or legal custodian relating to a child abuse investigation and no provision is otherwise made by the law for payment for the care, examination, or treatment of the minor. Care and treatment expenses for which no other provision for payment is made by law that will be reimbursable include court-ordered:

(1) Individual services for the child separate from a family's treatment plan.

(2) Diagnosis and evaluation on an outpatient basis unless the diagnosis and evaluation is provided by a person or agency with a contract with the department for the service for which the child is eligible.

(3) An evaluation of a child in a residential facility.

(4) Inpatient (hospital) evaluation of a child previous to disposition.

(5) Medical treatment for a child. This includes medical treatment while in detention in a facility used for detention when the medical treatment is court-ordered.

(6) Drug treatment, testing and care for a child.

(7) Intensive in-home supervision and monitoring and alternatives to shelter care unless a person or agency that has a contract with the department provides the service for which the child is eligible.

(8) Evaluation of parents pursuant to an adjudication unless the diagnosis and evaluation is provided by a person or agency with a contract with the department for that service for which the child is eligible.

(9) Physical or mental examinations ordered pursuant to Iowa Code section 232.49 or 232.98 or those eligible for payment pursuant to Iowa Code chapter 249A.

(10) Services ordered under family in need of assistance proceedings unless a person or agency with a contract with the department provides the service for which the child is eligible.

(11) Expenses for all educational testing or programming for children, not weighted as special education students, who attend an on-campus school in an out-of-state facility.

(12) Expenses for educational testing or programs related to a high school equivalency diploma or for credit hours, when the expenses are not required to be paid by the state.

(13) Medical cost sharing for payment of a deductible amount or a coinsurance amount when Medicaid or private insurance is then available to pay the remainder of the cost.

151.4(2) *Expenses not listed.* Expenses not covered in subrule 151.4(1) will be eligible for reimbursement from court-ordered service funds only under the following circumstances:

a. The expense is for a child welfare service;

b. The expense is authorized by the court;

c. The reimbursement is not in conflict with current law or administrative rule, and

d. No alternative funding sources are available to pay for the service.

These rules are intended to implement Iowa Code section 232.141.