Regulatory Analysis

Notice of Intended Action to be published: 441—Chapter 306
"Opioid Settlement Fund Disbursement"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 12.51 as amended by 2025 Iowa Acts, House File 1038

State or federal law(s) implemented by the rulemaking: Iowa Code section 12.51 as amended by 2025 Iowa Acts, House File 1038

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:

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 chapter is intended to implement division I of 2025 Iowa Acts, House File 1038, by adopting rules to outline the Department's responsibilities in the distribution of funds from the State of Iowa's Opioid Settlement Fund.

Analysis of Impact

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

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

The entities that manufactured, marketed, sold, distributed, dispensed, or promoted opioids, and made payments to settle claims arising from the manufacturing, marketing, selling, distributing, dispensing, or promoting of opioids paid the money that is allocated to the Opioid Settlement Fund created in Iowa Code section 12.51.

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

Individuals struggling with opioid addiction will ultimately benefit from the programs supported by funds as disbursed pursuant to these proposed rules.

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:**

During State fiscal year (SFY) 2025, over 20 opioid abatement projects were supported by funds from the State's Opioid Settlement Fund. In total, $29 million was obligated to the identified projects.

Beyond this funding, an additional $27 million of accrued settlement funds is available for opioid remediation. How this funding will be utilized remains to be determined, but it will not result in additional costs to the Department beyond what is allowed for as part of the settlement agreement.

- **Qualitative description of impact:**

Individuals struggling with opioid addiction will ultimately benefit from the programs supported by funds as disbursed pursuant to these proposed rules. The projects and programs supported through the Opioid Settlement Fund will utilize *Exhibit E. The List of Opioid Remediation Uses* as a reference point, ensuring that the full continuum of prevention, early intervention, treatment, recovery, and crisis services are available to any individual impacted by the opioid crisis.

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 implementing this proposed rulemaking.

- **Anticipated effect on State revenues:**

This proposed rulemaking has no impact on State revenues beyond the $29 million appropriated by the underlying legislation from the Fund to the Department for FY 2024 and FY 2025.

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

The proposed rulemaking is required by division I of 2025 Iowa Acts, House File 1038.

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 division I of 2025 Iowa Acts, House File 1038.

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. Adopt the following **new** 441—Chapter 306:

CHAPTER 306
OPIOID SETTLEMENT FUND DISBURSEMENT

441—306.1(12) Definition.

"Fund" means the opioid settlement fund created in Iowa Code section 12.51.

441—306.2(12) Methodology. To facilitate the fund disbursement required by Iowa Code section 12.51, the department may solicit requests for proposals pursuant to rules of the department of administrative services each fiscal year, starting with the fiscal year beginning July 1, 2025. The department may pursue additional funding mechanisms as fund availability and opportunities allow.

441—306.3(12) Outcome measurement. Subsequent to the awarding of disbursements, the department will formulate indicators to be used to help identify if the outcomes intended for each disbursement are being met. Intended outcomes can include but are not to be limited to prevention of opioid-related deaths, reduction of opioid misuse, and increased access to appropriate medication and services.

441—306.4(12) Annual report. Starting with the fiscal year beginning on July 1, 2025, on or before November 1, the department will annually submit to the general assembly and to the governor a report that includes the elements required by Iowa Code section 12.51*"b"*(3)(d).

These rules are intended to implement Iowa Code section 12.51 as amended by 2025 Iowa Acts, House File 1038.