

249M.4 Hospital health care access trust fund.

1. A hospital health care access trust fund is created in the state treasury under the authority of the department. Moneys received through the collection of the hospital health care access assessment imposed under [this chapter](#) and any other moneys specified for deposit in the trust fund shall be deposited in the trust fund.

2. Moneys in the trust fund shall be used, subject to their appropriation by the general assembly, by the department to reimburse participating hospitals the medical assistance program upper payment limit for inpatient and outpatient hospital services as calculated in [this section](#). Following payment of such upper payment limit to participating hospitals, any remaining funds in the trust fund on an annual basis may be used for any of the following purposes:

- a. To support medical assistance program utilization shortfalls.
- b. To maintain the state's capacity to provide access to and delivery of services for vulnerable Iowans.
- c. To fund the health care workforce support initiative created pursuant to [section 135.175](#).
- d. To support access to health care services for uninsured Iowans.
- e. To support Iowa hospital programs and services which expand access to health care services for Iowans.

3. The trust fund shall be separate from the general fund of the state and shall not be considered part of the general fund. The moneys in the trust fund shall not be considered revenue of the state, but rather shall be funds of the hospital health care access assessment program. The moneys deposited in the trust fund are not subject to [section 8.33](#) and shall not be transferred, used, obligated, appropriated, or otherwise encumbered, except to provide for the purposes of [this chapter](#). Notwithstanding [section 12C.7, subsection 2](#), interest or earnings on moneys deposited in the trust fund shall be credited to the trust fund.

4. The department shall adopt rules pursuant to [chapter 17A](#) to administer the trust fund and reimbursements and expenditures as specified in [this chapter](#) made from the trust fund.

5. a. Beginning July 1, 2010, or the implementation date of the hospital health care access assessment program as determined by receipt of approval from the centers for Medicare and Medicaid services of the United States department of health and human services, whichever is later, the department shall increase the diagnostic related groups and ambulatory patient classifications base rates to provide payments to participating hospitals at the Medicare upper payment limit for the fiscal year beginning July 1, 2010, calculated as of July 31, 2010. Each participating hospital shall receive the same percentage increase, but the percentage may differ depending on whether the basis for the base rate increase is the diagnostic related groups or ambulatory patient classifications.

b. The percentage increase shall be calculated by dividing the amount calculated under subparagraph (1) by the amount calculated under subparagraph (2) as follows:

(1) The amount under the Medicare upper payment limit for the fiscal year beginning July 1, 2010, for participating hospitals.

(2) The projected expenditures for participating hospitals for the fiscal year beginning July 1, 2010, as determined by the department, plus the amount calculated under subparagraph (1).

6. For the fiscal year beginning July 1, 2011, and for each fiscal year beginning July 1, thereafter, the payments to participating hospitals shall continue to be calculated based on the upper payment limit as calculated for the fiscal year beginning July 1, 2010.

7. Reimbursement of participating hospitals shall incorporate the rebasing process for inpatient and outpatient services for state fiscal year 2012. However, the total amount of increased funding available for reimbursement attributable to rebasing shall not exceed four million five hundred thousand dollars for state fiscal year 2012 and six million dollars for state fiscal year 2013.

8. Any payments to participating hospitals under [this section](#) shall result in budget neutrality to the general fund of the state.

[2010 Acts, ch 1135, §5, 9; 2013 Acts, ch 138, §124, 127; 2019 Acts, ch 85, §69; 2023 Acts, ch 19, §825](#)

Referred to in [§249M.2, 249M.3](#)

For future amendment to subsection 2 effective upon the date that the department of health and human services notifies the general assembly and the Code editor of the receipt of federal approval for a Medicaid supplemental enhanced payment for the purposes of maximizing federal funding opportunities for graduate medical education and to increase the number of medical residencies in the state, see [2025 Acts, ch 120, §16, 21](#)