

CHAPTER 89
DEBTS DUE FROM TRANSFERS OF ASSETS

Chapter rescission date pursuant to Iowa Code section 17A.7: 8/1/30

441—89.1(249F) Definitions.

“*Fair market value*” means the price for which property or an item could have been sold on the open market at the time of transfer.

“*Medical assistance*” means the same as defined in Iowa Code section 249F.1.

“*Property*” means the same as defined in Iowa Code section 702.14.

“*Transfer*” means the disposal of property for less than fair market value through gifting, sale or any transfer or assignment of a legal or equitable interest in property.

“*Transferee*” means the person who receives a transfer or assignment of a legal or equitable interest in property for less than fair market value.

“*Transferor*” means the person who makes a transfer of a legal or equitable interest in property for less than fair market value.

[ARC 9313C, IAB 5/28/25, effective 8/1/25]

441—89.2(249F) Creation of debt.

89.2(1) *Transfer of property.* Except as provided in rule 441—89.3(249F), any transfer of property for less than fair market value creates a debt due and owing to the department from the transferee if:

a. The transfer is made while the transferor is receiving medical assistance or within five years prior to application for medical assistance and between July 1, 1993, and December 31, 2018.

b. The transfer is made with the intent on the part of the transferee of enabling the transferor to obtain or maintain eligibility for medical assistance.

89.2(2) *Amount of debt.* The amount of the debt is the lesser of:

a. An amount equal to the medical assistance provided to or on behalf of the transferor on or after the date of the transfer.

b. The difference between the fair market value of the property at the time of transfer and the value of any consideration received.

[ARC 9313C, IAB 5/28/25, effective 8/1/25]

441—89.3(249F) Exceptions. Notwithstanding rule 441—89.2(249F), transfers detailed in Iowa Code section 249F.1(3) “*b*” that occur on or after July 1, 1996, do not create a debt to the department.

[ARC 9313C, IAB 5/28/25, effective 8/1/25]

441—89.4(249F) Presumption of intent. Any transfer of property for less than fair market consideration made while the transferor is receiving medical assistance or within five years prior to an application for medical assistance is presumed to be made with the intent, on the part of the transferee, of enabling the transferor to obtain or maintain eligibility for medical assistance. This presumption can be rebutted only by clear and convincing evidence that the transferor’s eligibility or potential eligibility for medical assistance was no part of the transferee’s reason for accepting the transfer of property.

[ARC 9313C, IAB 5/28/25, effective 8/1/25]

441—89.5(249F) Notice of debt. The department may issue a notice establishing and demanding payment of an accrued or accruing debt due and owing to the department as provided in rule 441—89.2(249F) pursuant to Iowa Code section 249F.3(1).

[ARC 9313C, IAB 5/28/25, effective 8/1/25]

441—89.6(249F) No timely request of a hearing. If a timely written request for hearing is not received by the department, the department may enter an order pursuant to Iowa Code section 249F.3(3) and 249F.3(4).

[ARC 9313C, IAB 5/28/25, effective 8/1/25]

441—89.7(249F) Timely request for a hearing. If a timely written request for a hearing is received by the department, the department will certify the matter for hearing to the district court pursuant to Iowa Code section 249F.4.

[ARC 9313C, IAB 5/28/25, effective 8/1/25]

441—89.8(249F) Department-requested hearing. The department may also request a hearing on its own motion regarding the determination of a debt at any time prior to entry of an administrative order.

[ARC 9313C, IAB 5/28/25, effective 8/1/25]

441—89.9(249F) Filing and docketing of the order. An order may be filed pursuant to Iowa Code section 249F.5(1). The department's order shall be presented, ex parte, to the district court for review and approval.

[ARC 9313C, IAB 5/28/25, effective 8/1/25]

441—89.10(249F) Exemption from Iowa Code chapter 17A. Actions initiated under Iowa Code chapter 249F are not subject to Iowa Code chapter 17A. Review by the district court shall be an original hearing before the district court.

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These rules are intended to implement Iowa Code chapter 249F.

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