

CHAPTER 2506
CONTESTED CASES

Chapter rescission date pursuant to Iowa Code section 17A.7: 7/1/31

The Uniform Rules on Agency Procedure, 7—Chapters 2500 through 2506, are rules generally applicable to agencies pursuant to Iowa Code section 17A.24. Additions, exceptions, or amendments to the corresponding chapters are below.

[ARC 0300D, IAB 5/27/26, effective 7/1/26]

441—2506.2(17A) Definitions.

“*Enrollee*” means any applicant for or recipient of benefits or services provided by a program administered by the agency or on the agency’s behalf.

“*Good cause*,” for purposes of this chapter, has the same meaning as “good cause” for setting aside a default judgment under Iowa Rule of Civil Procedure 1.977.

“*Household*” means the same as defined in 7 CFR §273.1 as amended to July 1, 2026.

“*Intentional program violation*” means the same as established in 7 CFR §273.16 as amended to August 1, 2024.

“*Medicaid*” means Iowa’s medical assistance program administered under Iowa Code chapter 249A.

“*Party-in-interest*” refers to the party, including enrollees, whose rights or obligations are the subject of a contested case hearing under this chapter. Parties-in-interest may or may not be the appellant.

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441—2506.3(17A) Time obligations.

2506.3(1) In computing any time period specified in this chapter, the period:

- a. Excludes the day of the event that triggers the period;
- b. Includes every day of the time period (including Saturdays, Sundays, and holidays on which the agency is closed); and
- c. Includes the last day of the period, but if the last day is a Saturday, Sunday, or a legal holiday, the period continues to run until the end of the next day that is not a Saturday, Sunday, or legal holiday.

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441—2506.4(17A) Electronic requests for contested case proceeding.

2506.4(3) *When a contested case hearing will be granted.* A person will be granted a contested case hearing if the party-in-interest fulfills all the following requirements:

- a. The party-in-interest is entitled to a contested case hearing;
- b. The party-in-interest has an ongoing, specific and personal interest in the outcome of the contested case hearing; and
- c. The party-in-interest meets all the other requirements contained in these rules.

2506.4(4) *When a contested case hearing will not be granted.* A contested case hearing will not be granted when one of the following issues is appealed:

- a. Patient treatment interventions outlined in the patient handbook of the civil commitment unit for sexual offenders as amended to July 1, 2026.
- b. Children have been removed from or placed in a specific foster care setting or preadoptive placement.
- c. A final decision from a previous hearing with a presiding officer has been implemented.
- d. A request for a waiver of administrative rule has been denied.

2506.4(5) *Exhaustion of remedies.* A person will only be granted a contested case hearing if the person has exhausted all other appeal remedies available. A person should refer to program-specific provisions for the appropriate procedures applicable to the specific program.

2506.4(6) *Exception for requesting a contested case proceeding hearing for Supplemental Nutrition Assistance Program (SNAP) and Medicaid appeals.* A person entitled to a contested case or hearing for Medicaid and SNAP appeals may request it:

- a. By submitting an electronic request through the agency's website;
- b. By telephone;
- c. By mail;
- d. In person; or
- e. Through other commonly available electronic means (such as email).

2506.4(7) *Time to file appeals.* For all requests for contested case hearing, and unless federal or state law provides otherwise, the person must file the request for contested case hearing on or before the thirtieth day following the date of notice of the action being appealed. If such an appeal is made more than 30 days, but less than 90 days, after the date of notice, the director or director's designee may, at the director's or designee's sole discretion, allow a contested case hearing if the delay was for good cause, substantiated by the person.

2506.4(8) *Acceptance or denial of appeal.* The agency will determine with reasonable promptness whether the person who has filed the appeal is entitled to a contested case hearing. If a request is accepted, the agency will designate the issues. If a request is denied, the agency will provide written notice of and the reasons for the denial. On or before the thirtieth day following the denial, the person requesting the appeal may provide additional information related to the person's asserted right to a contested case hearing and request reconsideration of the denial.

2506.4(9) *Designation of issues.*

a. Initial designation. The issues initially designated by the agency will be certified to the department of inspections, appeals, and licensing (DIAL) and be identified in the notice of hearing.

b. Additional designation of issues. If any person believes additional issues should be designated, the person shall identify the additional issues within the following timelines. The presiding officer shall determine whether all issues have properly been preserved.

(1) Child abuse and dependent adult abuse registry appeals. For a child abuse and dependent adult abuse registry appeal, the person shall identify additional issues at least 30 days before the date of hearing.

(2) Appeals set on or before the fifteenth day following the notice of hearing. If the hearing is on or before the fifteenth day following the date of the notice of hearing, the person shall identify any additional issues at the hearing.

(3) All other appeals. For all other appeals not identified in this paragraph, the person shall identify the additional issues on or before the fifteenth day following the date of the notice of hearing.

2506.4(10) *Agency responsibilities on SNAP hearing requests.* Upon request, the agency will make available without charge the specific materials necessary for a household or its representative to determine whether a hearing should be requested or to prepare for a hearing. If the person making the request speaks a language other than English and the agency is required by 7 CFR §272.4(c)(3) as amended to July 1, 2026, to provide bilingual staff or interpreters who speak the appropriate language, the agency will ensure that the hearing procedures are verbally explained in that language. Upon request, the agency will also help a household with its hearing request. If a household makes an oral request for a hearing, the agency will complete the procedures necessary to start the hearing process. Households will be advised of any legal services available that can provide representation at the hearing. This rule does not preclude the provision of these services in all other appeals.

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441—2506.5(17A) Notice of hearing.

2506.5(2) *Contents.* The notice of hearing must state:

- a. The time, place, and nature of the hearing;
- b. The legal authority and jurisdiction under which the hearing is to be held;
- c. The particular sections of the statutes and rules involved;
- d. The procedural rules governing conduct of the contested case proceeding;
- e. The procedural rules governing informal settlement;

f. The identity of the presiding officer, if known, or, if not, a description of who will serve as presiding officer; and

g. The deadline to request under Iowa Code section 17A.11 and rule 441—2506.6(17A), that the presiding officer be an administrative law judge (ALJ).

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441—2506.6(17A) Presiding officer.

2506.6(1) If an ALJ is not assigned, any party that wants an ALJ employed by DIAL to serve as the presiding officer must file a request. The deadline for that request is 20 days after service of a notice of hearing that identifies someone other than an ALJ as the presiding officer.

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441—2506.10(17A) Consolidation—severance.

2506.10(3) *Medicaid member appeals.* Notwithstanding subrule 2506.10(1), for Medicaid member appeals, the agency and the presiding officer acting on behalf of the agency:

- a. May respond to a series of individual requests for hearing by conducting a single group hearing;
- b. May consolidate hearings only in cases in which the sole issue involved is one of federal or state law or policy;
- c. Must follow the policies of 42 CFR, Chapter IV, Subchapter C, Part 431, Subpart E, as amended to July 1, 2026;
- d. Must permit each person to present the individual's own case or be represented by the individual's authorized representative.

2506.10(4) *SNAP appeals.* The agency may respond to a series of individual requests for hearings by conducting a single group hearing. The agency may consolidate only cases where individual issues of fact are not disputed and where related issues of state or federal law, regulation, or policy are the sole issues being raised. In all group hearings, the regulations governing individual hearings must be followed. Each individual household shall be permitted to present its own case or have its case presented by a representative.

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441—2506.11(17A) Pleadings. This rule is not adopted.

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441—2506.12(17A) Electronic service and filing of pleadings and other papers.

2506.12(1) *Filing and service electronically.* Except as provided in subrule 2506.4(6), every pleading, motion, document, or other paper that is filed or served shall be executed electronically whenever possible. Filing or service by a nonelectronic method can only be upon a showing to the presiding officer of undue hardship to use electronic mail.

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441—2506.18(17A) Withdrawals.

2506.18(1) *Medicaid appeal withdrawals.* For Medicaid member appeals, the agency must record the individual's statement and telephonic signature for telephonic hearing withdrawals. For telephonic, online and other electronic withdrawals, the agency must send the affected person written confirmation, via regular mail or electronic notification in accordance with the individual's election.

2506.18(2) *SNAP appeal withdrawals.* For oral withdrawal of SNAP appeals, the agency must provide a written notice to the household within ten days of the household's request confirming the withdrawal request and providing the household with an opportunity to request a hearing. The written notice must advise the household it has ten days from the date it receives the notice to advise the agency of its desire to request, or reinstate, the hearing. If the household timely advises the agency that it wishes to reinstate the fair hearing, the agency must provide the household with a fair hearing, within the time frames specified in 7 CFR §273.15(c) as amended to July 1, 2026, and beginning the date the household advises the agency that it wishes to reinstate its request. The agency must reinstate a fair hearing as requested

from a household at least once. The agency must not deny a household's request for a fair hearing if the household is aggrieved by an agency action that differs from the reinstated action.

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441—2506.20(17A) Hearing procedures.

2506.20(3) Representation. Parties have the right to participate or to be represented in all hearings or prehearing conferences related to their case. Partnerships, corporations, limited-liability companies, and associations may be represented by any member, officer, director, or duly authorized agent. The agency may be represented by agency employees or employees of an agency contractor. Any party may be represented by an attorney, an authorized representative appointed pursuant to rule 441—76.9(249A), an authorized representative appointed pursuant to subrule 2506.20(8), or another person authorized by law. An attorney admitted pro hoc vice in accordance with Iowa Court Rules to practice in an agency administrative action in accordance with Iowa Court Rule 31.14 is obligated to have an in-state attorney present at every interaction with the presiding officer.

2506.20(8) Authorized representatives.

a. Regulations. The provisions of this subrule only apply to the extent the standards expressed in this subrule are not in conflict with other state or federal law.

b. Designation of authority. Legally recognized delegations of authority, such as guardianships, applicable designations of power of attorney, or similar designations, shall be sufficient for a delegate to serve as authorized representative under this chapter. A person who is not designated a legally recognized delegation of authority but who otherwise seeks to act as an authorized representative for a person in an appeal under this chapter shall provide a written, signed designation of authority to the agency with the request for appeal. The designation must provide the scope of the representation, applicable waivers for the release of confidential information, and any temporal or other limitations on the scope of representation. An authorized representative of a party-in-interest only represents the party-in-interest and has no independent right to appeal by virtue of the authorized representative's representation.

c. Written designation. For a person other than an attorney seeking to act as an authorized representative of a party-in-interest in a Medicaid managed care appeal, the authorized representative's written designation of authority pursuant to paragraph 2506.20(8)"b" shall be on an authorized representative form prescribed by the agency. This form is required for all managed care appeals, including those handled through the expedited appeals process. Failure to provide the form or legal documentation may result in denial of the appeal request.

2506.20(9) Appearance by attorney. Legal counsel appearing on behalf of any person in a proceeding under this chapter shall enter an appropriate written appearance.

2506.20(10) Closed to public. Contested case hearings are closed to the public, and unless otherwise provided by state or federal law, only the parties, their representatives, permissible intervenors, and witnesses may be present for a contested case hearing in the absence of mutual agreement of the parties.

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441—2506.27(17A) Appeals and review.

2506.27(1) Appeal by party.

a. Unless otherwise prohibited by law, any adversely affected party may appeal a proposed decision to the agency within 30 days after the decision is issued.

b. A managed care organization (MCO) appealing a proposed decision reversing an adverse benefit determination shall request the director's review within 72 hours from the date it received notice of the proposed decision.

c. In Medicaid and SNAP appeals, an appeal of a proposed decision to the agency shall be made within 14 days after the date the decision is issued.

d. In appeals from a child abuse assessment under Iowa Code section 235A.19, an appeal of a proposed decision to the agency shall be made within ten days after the date the decision is issued.

e. In WIC appeals, an appeal of a proposed decision to the agency shall be made within ten days after the date the decision is issued.

2506.27(2) *Review.* Unless otherwise prohibited by law, the agency may initiate review of a proposed decision on its own motion at any time within 30 days following the issuance of such a decision.

2506.27(7) *Limited record.* The director's review on appeal shall be limited to the issues and record before the contested case hearing presiding officer.

[ARC 0300D, IAB 5/27/26, effective 7/1/26]

441—2506.32(17A) Timelines for contested case hearings.

2506.32(1) *Medical assistance.* In cases involving the determination of medical assistance, the contested case hearing shall be held within a time frame such that the final administrative action is timely pursuant to 42 CFR §431.244(f) as amended to December 8, 2021.

2506.32(2) *Community spouse resource allowance.* In cases involving the determination of the community spouse resource allowance, the hearing shall be held within 30 days of the date of the appeal request.

2506.32(3) *SNAP.* In cases involving SNAP, the contested case hearing shall be held within a time frame such that the final administrative action is timely pursuant to 7 CFR §273.15(c) as amended to July 1, 2026.

2506.32(4) *WIC.* In cases involving WIC, the hearing shall be held within three weeks from the date the request for hearing was received.

[ARC 0300D, IAB 5/27/26, effective 7/1/26]

441—2506.33(17A) Medical assistance expedited review.

2506.33(1) *Expedited review criteria.* An appellant to a medical assistance appeal may, at any time, file with the agency a request for expedited review of the appeal. Expedited review shall be granted pursuant to 42 CFR §438.410 as amended to August 1, 2024, for an MCO appeal or 42 CFR §431.224 as amended to August 1, 2024, for a non-MCO appeal.

2506.33(2) *Managed care expedited proceedings.*

a. If the appellant is granted an expedited review, all subsequent proceedings shall also be expedited without an additional request if the appeal request indicates that the MCO appeal was expedited and provides the basis for expedited relief.

b. When review is expedited pursuant to this rule, the presiding officer shall issue a proposed decision as expeditiously as the enrollee's health condition requires but no later than three working days after the agency receives from the MCO the case file and information for any appeal of a denial of a service that, as indicated by the MCO:

(1) Meets the criteria for expedited resolution but was not resolved within the time frame for expedited resolution; or

(2) Was resolved within the time frame for expedited resolution but reached a decision wholly or partially adverse to the enrollee.

2506.33(3) *Medicaid eligibility or preadmission and annual resident review expedited proceedings.* For expedited appeals related to Medicaid eligibility or preadmission and annual resident review requirements, the presiding officer shall issue a proposed decision as expeditiously as possible but no later than seven working days after the agency receives a request for an expedited fair hearing.

2506.33(4) *Medicaid-covered benefits or services expedited proceedings.* For expedited appeals related to Medicaid-covered benefits or services, the presiding officer shall issue a proposed decision as expeditiously as possible but no later than provided in paragraph 2506.33(2) "b."

2506.33(5) *Final decision for expedited proceeding.* The agency will issue its final decision in accordance with this rule, except as provided by subrule 2506.33(2).

2506.33(6) *Notification if expedited relief is granted or denied.* The agency will notify the appellant as expeditiously as possible whether the request for expedited relief is granted or denied. Such notice will be provided orally or through electronic means to the extent consistent with federal and state law. If oral notice is provided, the agency will follow up with written notice, which may be through electronic means to the extent consistent with federal and state law.

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441—2506.34(17A) SNAP administrative disqualification hearings. An intentional program violation is determined through a SNAP administrative disqualification hearing; through a court conviction; or through individual signs and returns a form prescribed by the agency, which may result in a period of ineligibility for the program, a claim for overpayment of benefits, or both in accordance with the procedures outlined in this rule and in 7 CFR §273.16(e) and (f) as amended to December 8, 2021.

2506.34(1) When a case is referred for an administrative disqualification hearing, the agency will mail written notification to the individual that the individual can waive the right to an administrative disqualification hearing by signing and returning a waiver of right to an administrative disqualification hearing.

2506.34(2) By signing a waiver of right to an administrative disqualification hearing, the individual:

- a. Waives the right to an administrative disqualification hearing;
- b. Consents to the SNAP disqualification period designated in the waiver of right to an administrative disqualification hearing and a reduction of benefits for the period of disqualification; and
- c. Acknowledges that remaining household members, if any, may be held responsible for repayment of the resulting claim.

2506.34(3) An administrative disqualification hearing will be scheduled if the individual does not sign and mail or fax the waiver of right to an administrative disqualification hearing to the agency within ten days of receipt of the written notification stating the individual can waive the right to an administrative disqualification hearing. The date on which the written notification is received is considered to be five days after the date on the notification unless the individual shows the notification was not received within the five-day period.

2506.34(4) An individual who waives the right to an administrative disqualification hearing will be subject to the same penalties as an individual found to have committed an intentional program violation in an administrative disqualification hearing.

[ARC 0300D, IAB 5/27/26, effective 7/1/26]

441—2506.35(17A) Continuation and reinstatement of benefits.

2506.35(1) *Programs for which no federal or state law applies.* For all assistance programs for which there is no contravening federal or state law, benefits or services shall not be suspended, reduced, restricted, or discontinued, nor shall a license, registration, certification, approval, or accreditation be revoked or other adverse action taken pending a final decision when:

- a. An appeal is filed before the effective date of the intended action; or
- b. The appellant requests a hearing within ten days of receipt of a notice to suspend, reduce, restrict, or discontinue benefits or services. The date on which the notice is received is considered to be five days after the date on the notice unless the appellant shows the notice was not received within the five-day period.

2506.35(2) *Sole issue is state or federal law or policy.* Benefits or services continued pursuant to subrule 2506.35(1) may be suspended, reduced, restricted, or discontinued if the presiding officer determines at the contested case hearing that the sole issue is one of state or federal law or policy and the agency has notified the enrollee in writing that services are to be suspended, reduced, restricted, or discontinued pending the proposed decision.

2506.35(3) *Recoup cost of services or benefits.* The agency or MCO may recoup the cost of benefits or services provided pursuant to this chapter and 7—Chapter 2506 if the adverse action appealed from is affirmed, consistent with state and federal law.

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