

Senate Amendment to
House Amendment to
Senate File 2422

H-8448

1 Amend the House amendment, S-5206, to Senate File 2422, as
2 amended, passed, and reprinted by the Senate, as follows:

3 1. By striking page 1, line 1, through page 13, line 21, and
4 inserting:

5 <Amend Senate File 2422, as amended, passed, and reprinted
6 by the Senate, as follows:

7 1. By striking everything after the enacting clause and
8 inserting:

9

<DIVISION I

10

PUBLIC ASSISTANCE PROGRAMS — VERIFICATION

11 Section 1. Section 239.6, subsection 1, paragraph a,
12 subparagraph (4), Code 2026, is amended to read as follows:

13 (4) Information maintained by the United States citizenship
14 and immigration services of the United States department of
15 homeland security, including but not limited to information
16 accessible through the systematic alien verification for
17 entitlements online service, or successor federal verification
18 system.

19 Sec. 2. Section 239.6, subsection 2, Code 2026, is amended
20 by adding the following new paragraph:

21 NEW PARAGRAPH. g. The systematic alien verification for
22 entitlements online service maintained by the United States
23 citizenship and immigration services of the United States
24 department of homeland security to verify immigration and
25 United States citizenship information, or successor federal
26 verification system.

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DIVISION II

28

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM AND MEDICAID —

29

ELIGIBILITY AND ERROR RATE REPORTING

30 Sec. 3. Section 239.1, Code 2026, is amended by adding the
31 following new subsection:

32 NEW SUBSECTION. 01. "Alien" means any person not a citizen
33 or national of the United States.

34 Sec. 4. Section 239.2, Code 2026, is amended to read as
35 follows:

1 to be ineligible to participate in SNAP pursuant to 7 C.F.R.
2 §273.4(b).

3 Sec. 5. NEW SECTION. 239.12 SNAP error rate — reporting.

4 Beginning with the fiscal quarter that starts on October
5 1, 2026, and every fiscal quarter thereafter, within thirty
6 calendar days of transmission of data to the food and nutrition
7 services of the United States department of agriculture, the
8 department shall submit a report to the general assembly
9 detailing payment error rates associated with SNAP for the
10 immediately preceding fiscal quarter.

11 DIVISION III

12 SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM — WAIVERS

13 Sec. 6. FEDERAL SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM
14 — WAIVER OF EXPUNGEMENT RULES.

15 1. The department of health and human services shall
16 request a waiver from the food and nutrition services of the
17 United States department of agriculture to provide that, for
18 purposes of state administration of the supplemental nutrition
19 assistance program, expungement of benefits on a household's
20 electronic benefit account under 7 C.F.R. §274.2(i) be
21 permitted after three months or ninety-one days of inactivity,
22 or of benefits remaining, on the electronic benefit account.

23 2. The department of health and human services shall
24 implement the waiver upon receipt of approval of the waiver
25 from the United States department of agriculture.

26 Sec. 7. FEDERAL SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM
27 — WAIVER OF ELIGIBILITY VERIFICATION RULES.

28 1. No later than January 1, 2027, the department of
29 health and human services shall request a waiver from the
30 food and nutrition services of the United States department
31 of agriculture to provide that, for purposes of state
32 administration of the supplemental nutrition assistance
33 program, information from the sources under section 239.6, and
34 the following automated sources, shall be considered verified
35 for purposes of 7 C.F.R. §272.12(c):

1 a. The third-party automated asset verification services
2 contracted by the department or an equivalent third-party asset
3 verification platform.

4 b. The automated employment verification service known
5 as the work number or an equivalent third-party income
6 verification platform.

7 2. The department of health and human services shall
8 implement the waiver upon receipt of approval of the waiver
9 from the United States department of agriculture.

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DIVISION IV

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MEDICAID AND IOWA HEALTH AND WELLNESS PLAN — RETROACTIVE

12

ELIGIBILITY

13

Sec. 8. NEW SECTION. 249A.3B Medicaid — retroactive

14

eligibility.

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1. Notwithstanding any provision of state law to the
16 contrary, effective January 1, 2027, in compliance with section
17 71112 of Pub. L. No. 119-21, commonly referred to as the One
18 Big Beautiful Bill Act, the department shall adopt rules to
19 provide that the eligibility of an individual who is a pregnant
20 woman, a child, or a resident of a nursing facility licensed
21 under chapter 135C shall be applied retroactively for no more
22 than two months prior to the month in which the individual
23 submits a completed medical assistance program application.

24

2. The department shall not adopt rules, or submit a
25 request for a waiver or state plan amendment to the centers for
26 Medicare and Medicaid services of the United States department
27 of health and human services, to permit the department to
28 provide medical assistance program eligibility retroactively to
29 any other adult individual except as provided in subsection 1.

30

Sec. 9. Section 249N.4, subsection 5, Code 2026, is amended
31 to read as follows:

32

5. A member is eligible for coverage effective the first day
33 of the month ~~following the month~~ of application for enrollment.

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The department shall not adopt rules or submit a request for

35

a waiver or state plan amendment to the centers for Medicare

1 and Medicaid services of the United States department of health
2 and human services to permit the department to provide program
3 eligibility prior to the month in which the individual submits
4 a completed application for enrollment.

5 Sec. 10. 2017 Iowa Acts, chapter 174, section 12, subsection
6 15, paragraph a, subparagraph (7), as amended by 2018 Iowa
7 Acts, chapter 1165, section 107, is amended by striking the
8 subparagraph.

9 Sec. 11. MEDICAID RETROACTIVE ELIGIBILITY — WAIVER. The
10 department of health and human services shall submit a
11 request for a section 1115 demonstration waiver to the centers
12 for Medicare and Medicaid services of the United States
13 department of health and human services for approval to
14 allow, for purposes of state administration of Medicaid, for
15 implementation by the department of no retroactive eligibility
16 for any adult individual who is not a pregnant woman, a child,
17 or a resident of a nursing facility licensed under chapter
18 135C, upon the submission of a completed Medicaid application,
19 instead of three months as required under 42 C.F.R. §435.915.
20 The department shall implement the waiver upon receipt of
21 approval of the waiver by the centers for Medicare and Medicaid
22 services of the United States department of health and human
23 services.

24 DIVISION V

25 MEDICAID — MEDICAID MANAGED CARE ORGANIZATION HEALTH CARE TAX
26 FUND; EXPENDITURE NEUTRALITY; AND EXCEPTIONS TO POLICY

27 Sec. 12. Section 249A.13, subsection 2, Code 2026, is
28 amended to read as follows:

29 2. Moneys in the fund are appropriated to the department
30 of health and human services for the purposes of the medical
31 assistance program. Unless expressly approved by the general
32 assembly through legislation, or as required by federal law
33 or regulations, the department shall not take any action that
34 reduces moneys deposited in the fund from a health maintenance
35 organization contracting with the department to administer the

1 medical assistance program under this chapter. Such moneys
2 shall not be diverted, reduced, or used by the department for
3 any other purposes than those permitted by this subsection.

4 Sec. 13. NEW SECTION. 249A.59 Medicaid waivers and state
5 plan amendments — expenditure neutrality.

6 1. For purposes of this section, unless the context
7 otherwise requires, "*expenditure neutral*" means that the cost of
8 a federally approved change to an existing, or new request for
9 a, Medicaid waiver or state plan amendment will not result in a
10 net increase in expenditures from the appropriation enacted for
11 the fiscal year the change or new request is made, as certified
12 by an actuary retained by the department.

13 2. a. The department shall not implement a change to a
14 Medicaid waiver or a state plan amendment approved by the
15 centers for Medicare and Medicaid services of the United
16 States department of health and human services, or submit a
17 new request, if the change or new request is not expenditure
18 neutral, unless expressly approved by the general assembly
19 through legislation prior to implementation of the change or
20 submission of the new request.

21 b. The department shall not implement a change to a Medicaid
22 waiver or a state plan amendment approved by the centers for
23 Medicare and Medicaid services of the United States department
24 of health and human services, or submit a new request, if the
25 change or new request expands coverage under the Medicaid
26 program to individuals or classes of individuals, unless
27 expressly approved by the general assembly through legislation
28 prior to implementation of the change or submission of the new
29 request.

30 3. This section shall not apply when the department
31 implements a federally approved change to, or submits a new
32 request to the federal government for, a Medicaid waiver
33 or state plan amendment that meets any of the following
34 requirements:

35 a. The change or new request was submitted for federal

1 approval prior to January 1, 2026, regardless of whether
2 federal approval has been received by the department by January
3 1, 2026.

4 *b.* The change or new request is required by federal law
5 or regulation, or is necessary to comply with federal law or
6 regulations.

7 *c.* The change or new request is necessary to comply with a
8 settlement agreement, consent decree, or other resolution of a
9 state violation of the federal Medicaid program. A change or
10 new request initiated under this paragraph shall be reported
11 to the general assembly, with an estimate of the fiscal impact
12 of the change or new request to the extent it is known, within
13 thirty days of the date of the settlement agreement, consent
14 decree, or other resolution of a state violation of the federal
15 Medicaid program.

16 *d.* The change or new request involves the development or
17 implementation of actuarially sound capitation rates consistent
18 with 42 C.F.R. §438.4.

19 4. The department may adopt rules pursuant to chapter 17A to
20 administer this section.

21 Sec. 14. NEW SECTION. 249A.60 Medicaid — exceptions to
22 policy.

23 The department shall make publicly available, pursuant to
24 section 217.22, information on petitions for a waiver, also
25 referred to by the department as exceptions to policy, of the
26 rules governing the rules of department, including but not
27 limited to the following:

28 1. The total number of exceptions to policy granted.

29 2. The cumulative cost of the exceptions to policy that were
30 granted.

31 3. The types of exceptions to policy that were granted.

32 4. Identifiable trends noted by the department including
33 any of the following:

34 *a.* The number of exceptions to policy granted in a
35 particular geographic location.

1 *b.* The types of Medicaid services that were the basis for
2 exceptions to policy.

3 *c.* The Medicaid program classification of individuals
4 granted exceptions to policy.

5 Sec. 15. EFFECTIVE DATE. The following takes effect on
6 January 1, 2027:

7 The section of this division of this Act amending section
8 249A.13, subsection 2.

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DIVISION VI

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MEDICAID — HOSPITAL DIRECTED PAYMENT PROGRAM

11 Sec. 16. Section 2490.2, Code 2026, is amended by adding the
12 following new subsection:

13 NEW SUBSECTION. 01. Unless otherwise authorized by the
14 general assembly through legislation, the department shall
15 continue to implement a hospital directed payment program
16 under this chapter utilizing rates up to the maximum amount as
17 permitted under 42 C.F.R. §438.6.

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DIVISION VII

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PROGRAM ADMINISTRATION — ELECTRONIC BENEFITS FUNDS PAYMENT

20 Sec. 17. Section 217.24, Code 2026, is amended to read as
21 follows:

22 **217.24 Payment by electronic funds transfer.**

23 1. The department shall continue expanding the practice of
24 making payments to program participants and vendors by means
25 of electronic funds transfer. The department shall seek the
26 capacity for making payment by such means for all programs
27 administered by the department.

28 2. The department, in coordination with the department of
29 management's division of information technology, shall seek
30 the capacity to allow premium payments by program participants
31 to be made by electronic benefits transfer for all programs
32 administered by the department that require premium payments.
33 By January 1, 2028, the department shall allow premium payments
34 made by participants pursuant to section 249A.3, subsection
35 2, paragraph "a", subparagraph (1), to be made by electronic

1 benefits transfer.

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DIVISION VIII

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EFFECTIVE DATE

4 Sec. 18. EFFECTIVE DATE. This Act, being deemed of
5 immediate importance, takes effect upon enactment.>

6 2. Title page, by striking lines 1 through 5 and inserting
7 <An Act relating to public assistance programs under the
8 purview of the department of health and human services,
9 including the supplemental nutrition assistance program,
10 Medicaid, and the Iowa health and wellness plan, and including
11 effective date provisions.>>