

House Amendment to  
Senate File 2422

S-5206

1 Amend Senate File 2422, as amended, passed, and reprinted by  
2 the Senate, as follows:

3 1. By striking everything after the enacting clause and  
4 inserting:

5 <DIVISION I

6 PUBLIC ASSISTANCE PROGRAMS — ELIGIBILITY

7 Section 1. NEW SECTION. 234.6A Program eligibility —  
8 residency.

9 1. As used in this section, "*public assistance program*"  
10 means any of the following:

11 a. The state child care assistance program under section  
12 237A.13.

13 b. The family investment program under chapter 239B.

14 c. The medical assistance program under chapter 249A.

15 d. The supplemental nutrition assistance program  
16 administered by the state pursuant to 7 C.F.R. pts. 270 - 283,  
17 as amended.

18 e. The special supplemental nutrition program for women,  
19 infants, and children as provided in 42 U.S.C. §1786 et seq.

20 2. a. Unless prohibited under federal law, the department  
21 may require from an applicant to a public assistance program  
22 proof of at least twelve months of continuous residency within  
23 the state including any of the following:

24 (1) A statement from the applicant attesting to the  
25 applicant's reasons for being in the state and length of  
26 residency within the state.

27 (2) A statement from the applicant's employer confirming  
28 the applicant's employment in the state.

29 (3) Any other statement from other persons with knowledge  
30 who can attest to the applicant's reasons for being in the  
31 state and length of residency within the state.

32 (4) A copy of the applicant's most recently filed Iowa state  
33 income tax return.

34 b. Paragraph "a" shall not apply to applicants who receive  
35 benefits under the federal Social Security Act, 42 U.S.C. §423

1 et seq.

2 Sec. 2. Section 239.6, subsection 1, paragraph a,  
3 subparagraph (4), Code 2026, is amended to read as follows:

4 (4) Information maintained by the United States citizenship  
5 and immigration services of the United States department of  
6 homeland security, including but not limited to information  
7 accessible through the systematic alien verification for  
8 entitlements online service.

9 Sec. 3. Section 239.6, subsection 2, Code 2026, is amended  
10 by adding the following new paragraph:

11 NEW PARAGRAPH. g. The systematic alien verification for  
12 entitlements online service maintained by the United States  
13 citizenship and immigration services of the United States  
14 department of homeland security or other accessible sources to  
15 verify immigration and United States citizenship information.

16 DIVISION II

17 SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM — ELIGIBILITY

18 Sec. 4. Section 239.1, Code 2026, is amended by adding the  
19 following new subsection:

20 NEW SUBSECTION. 01. “*Alien*” means any person not a citizen  
21 or national of the United States.

22 Sec. 5. Section 239.2, Code 2026, is amended to read as  
23 follows:

24 **239.2 Supplemental nutrition assistance program — ~~income~~**  
25 **eligibility.**

26 1. a. The department shall establish the gross countable  
27 monthly income threshold for the supplemental nutrition  
28 assistance program at less than or equal to one hundred sixty  
29 percent of the federal poverty level for the household size.

30 b. (1) The department shall consider the income and  
31 financial resources of all household members in determining  
32 the eligibility and benefit allotment of the household,  
33 including all household members determined to be ineligible  
34 to participate in SNAP under this section or pursuant to 7  
35 U.S.C. §2015(f). Notwithstanding 7 C.F.R. §273.11(c)(3), the

1 individual's income, deductible expenses, and resources shall  
2 be counted, and none shall be prorated.

3 (2) (a) Notwithstanding subparagraph (1), the department  
4 shall exclude the earned income of household members who are  
5 between the ages of eighteen and twenty-two in determining  
6 the eligibility and benefit allotment of the household upon  
7 approval of the waiver submitted by the department under 2026  
8 Iowa Acts, Senate File 2422, or successor legislation to  
9 provide that for purposes of state administration of SNAP, the  
10 earned income under 7 C.F.R. §273.9(c)(7) of household members  
11 that meet all the following criteria shall be excluded from  
12 household income:

13 (i) Less than twenty-two years of age.

14 (ii) Enrolled in an elementary or secondary school.

15 (iii) Resides with a natural parent, adoptive parent,  
16 stepparent, or other household member who exercises parental  
17 control over the household member described in subparagraph  
18 subdivisions (i) and (ii).

19 (b) The director of health and human services shall  
20 notify the Iowa Code editor upon approval of the waiver under  
21 subparagraph division (a).

22 c. Pursuant to 7 U.S.C. §2015(f), an individual shall be  
23 ineligible to participate in SNAP unless the individual is a  
24 resident of the United States and meets at least one of the  
25 following criteria:

26 (1) The individual is a citizen or national of the United  
27 States.

28 (2) The individual is an alien lawfully admitted for  
29 permanent residence as an immigrant, as defined in 8 U.S.C.  
30 §1101(a)(15) and 1101(a)(20), excluding alien visitors,  
31 tourists, diplomats, students, or other individuals admitted  
32 temporarily with no intention of abandoning their residence in  
33 a foreign country.

34 (3) The individual is an alien who has been granted the  
35 status of Cuban and Haitian entrant, as defined in section

1 501(e) of the federal Refugee Education Assistance Act of 1980,  
2 Pub. L. No. 96-422.

3 (4) The individual lawfully resides in the United States in  
4 accordance with a compact of free association referred to in 8  
5 U.S.C. §1612(b)(2)(G).

6 2. The department shall comply with federal reporting  
7 requirements relating to a household member who is determined  
8 to be ineligible to participate in SNAP pursuant to 7 C.F.R.  
9 §273.4(b).

10 DIVISION III

11 MEDICAID AND IOWA HEALTH AND WELLNESS PLAN — RETROACTIVE  
12 ELIGIBILITY

13 **Sec. 6. NEW SECTION. 249A.3B Medicaid — retroactive**  
14 **eligibility.**

15 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 a 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. 7. 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.  
34 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. 8. 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. 9. 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 IV

25 SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM — ERROR RATE REPORT  
26 AND WAIVERS

27 Sec. 10. NEW SECTION. 135.16E Supplemental nutrition  
28 assistance program error rate — report.

29 Beginning with the fiscal quarter that starts on October  
30 1, 2026, and every fiscal quarter thereafter, within thirty  
31 calendar days of transmission of data to the food and nutrition  
32 services of the United States department of agriculture, the  
33 department shall submit a report to the general assembly  
34 detailing payment error rates associated with the supplemental  
35 nutrition assistance program for the immediately preceding

1 fiscal quarter. For the purposes of this section, *“supplemental*  
2 *nutrition assistance program”* has the same meaning as defined  
3 in section 239.1.

4 Sec. 11. FEDERAL SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM  
5 — WAIVER OF EARNED INCOME RULES.

6 1. The department of health and human services shall  
7 request a waiver from the food and nutrition services of the  
8 United States department of agriculture to provide that,  
9 for purposes of state administration of the supplemental  
10 nutrition assistance program, the earned income under 7  
11 C.F.R. §273.9(c)(7) of household members that meet all of the  
12 following criteria shall be excluded from household income:

- 13 a. Less than twenty-two years of age.
- 14 b. Enrolled in an elementary or secondary school.
- 15 c. Resides with a natural parent, adoptive parent,  
16 stepparent, or other household member who exercises parental  
17 control over the household member described in paragraphs “a”  
18 and “b”.

19 2. The department of health and human services shall  
20 implement the waiver upon receipt of approval of the waiver  
21 from the United States department of agriculture.

22 Sec. 12. FEDERAL SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM  
23 — WAIVER OF ELIGIBILITY VERIFICATION RULES.

24 1. The department of health and human services shall  
25 request a waiver from the food and nutrition services of the  
26 United States department of agriculture to provide that, for  
27 purposes of state administration of the supplemental nutrition  
28 assistance program, information from the following automated  
29 sources be considered verified upon receipt for purposes  
30 of 7 C.F.R. §272.12(c):

- 31 a. The national directory of new hires maintained by the  
32 office of child support services of the United States office  
33 for the administration of children and families.
- 34 b. The unemployment insurance benefits data released by the  
35 Iowa department of workforce development.

1 c. The United States social security administration  
2 benefits, death, social security number, and citizenship  
3 records.

4 d. The residency and identity data released by the United  
5 States department of transportation.

6 e. The state incarceration data released by the Iowa  
7 department of corrections.

8 f. The automated employment verification service known as  
9 work number, or equivalent third-party income verification  
10 platforms.

11 2. The department of health and human services shall  
12 implement the waiver upon receipt of approval of the waiver  
13 from the United States department of agriculture.

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

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

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

27 Sec. 14. FEDERAL SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM  
28 — WAIVER OF PAYMENT QUALITY CONTROL SAMPLING PROCEDURES.

29 1. The department of health and human services shall  
30 request a waiver from the food and nutrition services of the  
31 United States department of agriculture to provide that, for  
32 purposes of state administration of the supplemental nutrition  
33 assistance program, when reporting the state's payment error  
34 rate as outlined by 7 C.F.R. §275.14, and food and nutrition  
35 services handbooks 310 and 311, the department of health and

1 human services be permitted to report the payment error rate  
2 based only on errors directly attributable to the department.

3 2. The department of health and human services shall  
4 implement the waiver upon receipt of approval of the waiver  
5 from the United States department of agriculture.

6 DIVISION V

7 MEDICAID — EMPLOYED PERSONS WITH DISABILITIES AND EXCEPTIONS  
8 TO POLICY REVIEW

9 Sec. 15. Section 249A.3, subsection 2, paragraph a,  
10 subparagraph (1), Code 2026, is amended to read as follows:

11 (1) (a) As allowed under 42 U.S.C.  
12 §1396a(a)(10)(A)(ii)(XIII), individuals with disabilities,  
13 who are less than sixty-five years of age, who are members of  
14 families whose income is less than ~~two hundred fifty~~ three  
15 hundred percent of the most recently revised official poverty  
16 guidelines published by the United States department of health  
17 and human services for the family, who have earned income  
18 and who are eligible for mandatory medical assistance or  
19 optional medical assistance under this section if earnings are  
20 disregarded.

21 (b) As allowed by 42 U.S.C. §1396a(r)(2), unearned income  
22 shall also be disregarded in determining whether an individual  
23 is eligible for assistance under this subparagraph.

24 (c) For the purposes of determining the amount of an  
25 individual's resources under this subparagraph and as allowed  
26 by 42 U.S.C. §1396a(r)(2), a maximum of ten thousand dollars  
27 of available resources for an individual, and twenty-one  
28 thousand dollars of available resources for a couple shall be  
29 disregarded, and any additional resources held in a retirement  
30 account, in a medical savings account, or in any other account  
31 approved under rules adopted by the department shall also be  
32 disregarded.

33 ~~(b)~~ (d) Individuals eligible for assistance under this  
34 subparagraph, whose individual income exceeds one hundred  
35 fifty percent of the official poverty guidelines published

1 by the United States department of health and human services  
2 for an individual, shall pay a premium. The amount of the  
3 premium shall be based on a sliding fee schedule adopted by  
4 rule of the department and shall be based on a percentage of  
5 the individual's income. ~~The maximum premium payable by an~~  
6 ~~individual whose income exceeds one hundred fifty percent of~~  
7 ~~the official poverty guidelines shall be commensurate with~~  
8 ~~the cost of state employees' group health insurance in this~~  
9 ~~state. The payment to and acceptance by an automated case~~  
10 ~~management system or the department of the premium required~~  
11 ~~under this subparagraph shall not automatically confer initial~~  
12 ~~or continuing program eligibility on an individual. The~~  
13 department shall maintain a page on the department's internet  
14 site where individuals can electronically pay any premium owed  
15 by an individual to the department. A premium paid to and  
16 accepted by the department's premium payment process that is  
17 subsequently determined to be untimely or to have been paid on  
18 behalf of an individual ineligible for the program shall be  
19 refunded to the remitter in accordance with rules adopted by  
20 the department. Any unpaid premium shall be a debt owed to the  
21 department.

22 Sec. 16. Section 249A.4, Code 2026, is amended by adding the  
23 following new subsections:

24 NEW SUBSECTION. 15. Submit a report to the general  
25 assembly, including the official payment error rate and  
26 a summary of the data submitted in the payment error rate  
27 measurement report, within thirty calendar days of receipt by  
28 the department of the annual official payment error rate from  
29 the centers for Medicare and Medicaid services of the United  
30 States department of health and human services.

31 NEW SUBSECTION. 16. Submit an annual report to the general  
32 assembly on or before October 1 on petitions for a waiver, also  
33 referred to by the department as exceptions to policy, of rules  
34 governing the Medicaid program filed pursuant to the rules of  
35 the department. The report must include all the following for

1 the immediately preceding fiscal year:

2     *a.* The total number of exceptions to policy granted.

3     *b.* The cumulative cost of the exceptions to policy that were  
4 granted.

5     *c.* The types of exceptions to policy that were granted.

6     *d.* Identifiable trends noted by the department including any  
7 of the following:

8         (1) The number of exceptions to policy granted in a  
9 particular geographic location.

10        (2) The types of Medicaid services that were the basis for  
11 exceptions to policy.

12        (3) The Medicaid program eligibility classification of  
13 individuals granted exceptions to policy.

14     Sec. 17. MEDICAID EXCEPTIONS TO POLICY REVIEW — REPORT

15 TO GENERAL ASSEMBLY. The department of health and human

16 services shall conduct a review of petitions for a waiver,

17 also referred to by the department as exceptions to policy, of

18 rules governing the Medicaid program granted by the department

19 between January 1, 2020, and January 1, 2026, and shall submit

20 a report on or before December 15, 2026, of the findings of the

21 review. The report shall include all of the following:

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

23        2. The cumulative cost of the exceptions to policy that were  
24 granted.

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

26        4. Identifiable trends noted by the department including  
27 any of the following:

28            *a.* The number of exceptions to policy granted in a  
29 particular geographic location.

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

32            *c.* The Medicaid program classification of individuals  
33 granted exceptions to policy.

34     Sec. 18. CONTINGENT EFFECTIVE DATE. The following takes

35 effect contingent upon receipt of federal approval by the

1 department of health and human services from the centers for  
2 Medicare and Medicaid services of the United States department  
3 of health and human services:

4 The section of this division of this Act amending section  
5 249A.3, subsection 2, paragraph "a", subparagraph (1), Code  
6 2026, relating to Medicaid eligibility for employed individuals  
7 with disabilities.

8 DIVISION VI

9 MEDICAID REIMBURSEMENT RATE — SPECIAL POPULATION NURSING  
10 FACILITIES

11 Sec. 19. Section 249A.2, Code 2026, is amended by adding the  
12 following new subsection:

13 NEW SUBSECTION. 15. *"Special population nursing facility"*  
14 refers to a nursing facility that serves one of the following  
15 populations and has been designated as a special population  
16 nursing facility by the department:

17 a. One hundred percent of the residents served are aged  
18 thirty and under and require a skilled level of care.

19 b. Seventy percent of the residents served require a skilled  
20 level of care for neurological disorders.

21 c. One hundred percent of the residents require care from a  
22 facility licensed by the department of inspections, appeals,  
23 and licensing as an intermediate care facility for persons with  
24 mental illness.

25 d. One hundred percent of the residents require care from a  
26 facility licensed by the department of inspections, appeals,  
27 and licensing as an intermediate care facility for persons with  
28 medical complexity.

29 Sec. 20. NEW SECTION. 249A.38C Medicaid reimbursement rate  
30 — special population nursing facilities.

31 The provider reimbursement rate for each special population  
32 nursing facility must be the special population nursing  
33 facility's average allowable per diem costs as adjusted in  
34 compliance with applicable federal laws and regulations,  
35 including the upper payment limits specified in 42 C.F.R.

1 §447.272(b). If a special population nursing facility subject  
2 to this section increases the special population nursing  
3 facility's number of beds or expands to provide additional  
4 services on or after July 1, 2026, the reimbursement rate in  
5 this section shall apply to such additional beds or services.

6 DIVISION VII

7 MEDICAID — EXPENDITURE NEUTRALITY

8 Sec. 21. NEW SECTION. **249A.32C Medicaid waivers and state**  
9 **plan amendments — expenditure neutrality.**

10 1. For purposes of this section, unless the context  
11 otherwise requires, "*expenditure neutral*" means that the cost  
12 of a federally approved change to an existing, or new request  
13 for a, Medicaid waiver or state plan amendment will not result  
14 in a net increase in expenditures from the general fund of the  
15 state, as certified by an actuary retained by the department.

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

22 3. This section shall not apply when the department  
23 implements a federally approved change to, or submits a new  
24 request for, a Medicaid waiver or state plan amendment that  
25 meets any of the following requirements:

26 *a.* The change or new request was submitted for federal  
27 approval prior to July 1, 2026, regardless of whether federal  
28 approval has been received by the department by July 1, 2026.

29 *b.* The change or new request has previously been approved  
30 by the general assembly through legislation, or is necessary  
31 to administer legislation enacted prior to the department  
32 implementing the change or submitting a new request.

33 *c.* The change or new request is required by federal law  
34 or regulation, or is necessary to comply with federal law or  
35 regulation.

1     *d.* The change or new request is necessary to comply with a  
2 settlement agreement, consent decree, or other resolution of a  
3 state violation of the federal Medicaid program. A change or  
4 new request initiated under this paragraph shall be reported  
5 to the general assembly, with an estimate of the fiscal impact  
6 of the change or new request to the extent it is known, within  
7 thirty days of the date of the settlement agreement, consent  
8 decree, or other resolution of a state violation of the federal  
9 Medicaid program.

10    *e.* The change or new request involves the development or  
11 implementation of actuarially sound capitation rates consistent  
12 with 42 C.F.R. §438.4.

13    4. The department may adopt rules pursuant to chapter 17A to  
14 administer this section.>

15    2. Title page, by striking lines 1 through 5 and inserting  
16 <An Act relating to public assistance programs under the  
17 purview of the department of health and human services,  
18 including the supplemental nutrition assistance program,  
19 Medicaid, the Iowa health and wellness plan, and Medicaid for  
20 unemployed persons with disabilities, and including effective  
21 date provisions.>