



MINUTES

JANUARY 2026 MEETING ADMINISTRATIVE RULES REVIEW COMMITTEE

MEMBERS PRESENT

Senator David D. Rowley, Chair
Senator Mike Boussetot
Senator Dan Dawson
Senator Janet Petersen
Senator Cindy Winckler

Representative Chad Ingels, Vice Chair
Representative Austin Harris
Representative Joshua Meggers
Representative Amy Nielsen
Representative Rick L. Olson

EX OFFICIO, NONVOTING MEMBER: Stan Thompson, Administrative Rules Coordinator, Office of the Governor

LSA CONTACTS: Organizational staffing provided and minutes prepared by Jack Ewing, Administrative Code Editor, 515.281.6048, and Natalie Sherman, Legal Counsel, 515.725.2299

BULLETINS NEEDED FOR THIS MEETING: 12/10/25, 12/24/25

Procedural Business

Senator Rowley convened the regular, statutory meeting of the Administrative Rules Review Committee (ARRC) at 8 a.m. on Monday, January 12, 2026, in Room 116, State Capitol, Des Moines, Iowa. The minutes of the December 8, 2025, meeting were approved. The next meeting was scheduled for February 9, 2026, at 10 a.m. The meeting was adjourned at 3:45 p.m.

Fiscal Overview

Mr. Chris Ubben, Division Editor/Supervisor, presented the LSA fiscal report. Regarding ARC 9807C, committee members asked about the recoupment of costs through increased testing fees, and who would be responsible for paying increased testing fees. Ms. Lora Vargason, Fiscal Legislative Analyst, responded that the increased fees would be paid by individual school districts. She noted that the fees for each test increased each year, and part of the increase would cover administrative costs associated with online testing.

HUMAN SERVICES DEPARTMENT

Representing the agency: Victoria Daniels, Lee Grossman, Rebecca Curtiss

ARC 9848C (NOIA), Iowa Health and Wellness Plan, Ch. 74

Committee members asked about the change to the definition of “enrollment period” and whether the change aligned with the six-month requirement in federal Pub. L. No. 119-21, also known as the One Big Beautiful Bill Act (OBBA). Ms. Daniels responded that the department was in compliance with OBBA, and the department is awaiting additional guidance from the federal Centers for Medicare and Medicaid Services in order to make additional changes once approved on a federal level.

No action taken on ARC 9848C.

Rulemaking type is indicated in parentheses following the ARC number. The acronyms have the following meanings: Notice of Intended Action (NOIA), Amended Notice of Intended Action (ANOIA), Notice of Termination (NOT), Adopted and Filed Emergency (AFE), Filed Emergency After Notice (FEAN), and Adopted and Filed (AF).

ARC 9851C (NOIA), Procedure and Method of Payment, Ch. 80

Committee members asked about third-party liability under the rulemaking, and whether the rulemaking aligned with proposed language under chapter 151 of the department's rules for juvenile court-ordered services. Ms. Daniels responded that an analysis comparing chapter 151 had not been conducted and that she would provide an analysis at a later date.

Committee members asked about negotiations between the department and the federal Centers for Medicare and Medicaid Services, and how the rulemaking would fit into federal regulations. Mr. Grossman responded that if federal changes are made, the department would change the proposed rules to align with the federal Centers for Medicare and Medicaid Services.

No action taken on ARC 9851C.

ARC 9852C (NOIA), Other Policies Relating to Providers of Medical and Remedial Care, Ch. 79

Committee members asked about payment rates and upper limits, and the frequency that upper limits were reviewed. Ms. Curtiss responded that rates had been reviewed annually, and that if rates change, it is generally through an appropriation.

Committee members asked how providers were engaged in the rulemaking process outside of the public comment period. Mr. Grossman responded that the department held provider town hall meetings. He also noted that the rate review process may be found on the department's website.

Committee members asked what benchmark was used for children, infants, and women's health care for determining rates. Mr. Grossman and Ms. Curtiss responded that Medicare benchmarks were used, or if not available, the benchmarks of surrounding states were used.

No action taken on ARC 9852C.

ARC 9853C (NOIA), Managed Care, Ch. 73

Committee members asked where the minimum contract requirements for managed care that were stricken from the rules could be found. Ms. Curtiss stated she would follow up with that information. Members asked about the auto assignment process. Ms. Curtiss responded that auto assignment happened upon enrollment once a member was deemed eligible for Medicaid. Members asked about the assignment process when a managed care organization drops out and a new managed care organization joins. She responded that the same process would be applied to ensure equitable assignment between managed care organizations. Members asked whether, during the auto assignment process, the individual's benefit was considered. She responded that an individual's needs or benefits were not considered during auto assignment, but members had discretion to reassign an individual.

No action taken on ARC 9853C.

ARC 9855C (NOIA), Conditions of Participation for Providers of Medical and Remedial Care, Ch. 77

Committee members asked for an example of what a restrictive term would be that was replaced with a less restrictive alternative. Ms. Daniels responded that the rulemaking was in response to Executive Order 10 (EO 10), and that the department was provided with a list of six restrictive terms to replace (shall, must, may not, prohibit, require, or restrict). She noted that the most common change in removing restrictive terms was replacing the word "shall" with the word "will."

No action taken on ARC 9855C.

ARC 9865C (NOIA), Amount, Duration, and Scope of Medical and Remedial Services, Ch. 78

Committee members asked what additional communication with providers had been made since the previous meeting. Mr. Grossman responded that written communication was exchanged, and the department was working to schedule a meeting to talk to providers.

Ms. Gina Blean, co-owner of Unified Therapy Services, and Ms. Amanda Dixon, occupational therapist at Unified Therapy Services, spoke on behalf of rehabilitation agencies across Iowa. They requested a session delay on the proposed changes to rule 78.19 in the rulemaking, and for committee support to stop distribution of informational letter 2714 until a proper impact review could be completed. They also noted that they had not received answers to questions posed at the December committee meeting. They asserted that the changes would not result in any savings to the program and that the department did not have the authority to implement the changes prior to completion of the rulemaking process.

Committee members asked how patients are referred to speech therapy. Ms. Blean responded that speech therapists receive patients in many different ways, including referrals from physicians, self-referrals, and through providing free screenings, including at daycares and schools. Members asked how individuals graduate from speech therapy. She responded that patients either reach their potential at that time, or reach an appropriate level of development depending on the specific patient.

Committee members asked for more information about cost savings that might result from the rulemaking. Mr. Grossman stated that Iowa's Medicaid program has a shortfall of \$200 million, a portion of which must be covered by the state through cost containment. He explained that he considers best practices, such as billing practices of other states and of Medicare, and how other providers are billed under Medicaid, to determine cost containment practices. He further explained that the department has the authority to determine what services are covered under Medicaid, in an amount, duration, and scope reasonably expected to achieve the purpose for which the services are furnished.

Committee members asked about Current Procedural Terminology (CPT) code changes for 2027. Mr. Grossman responded that coding changes made at the federal level are implemented at the state level on a quarterly basis. He stated that a future billing code change may not ultimately impact the state's reimbursement rate for speech therapy.

Committee members asked how the decline in speech therapy services would impact patients, and what the alternative methods or services for speech therapy could be provided by other sources. Ms. Blean responded that much of speech therapy is for adolescent patients, and speech therapy is often conducted at the patient's home, or at a clinic. She explained that the alternative would be treatment in a hospital setting, which would cost the state and patients more money.

Committee members asked when informational letter 2714 was initially distributed. Mr. Grossman responded that the informational letter allowed managed care organizations to implement the change effective December 1, 2025. He explained that the corresponding change in the rulemaking would only affect the 4 percent of patients in fee-for-service.

Committee members asked about the federal change to speech therapy coding anticipated in 2027. Mr. Grossman responded that any quarterly changes made by the national correct coding initiative would be implemented. Ms. Blean stated that Iowa's current coding rules are similar to the proposed 2027 federal changes. Members asked what the federal change would be. Ms. Blean stated that under current rules, a speech therapy session could be billed with one code and billed in multiple units of the same code based on the amount of time a patient is seen, and the proposed federal change would create multiple different codes to bill for a speech therapy session. Members asked about the length of a typical speech therapy session. She responded that sessions are generally 45 minutes, but the proposed rulemaking would cut down the session time.

No action taken on ARC 9865C.

EDUCATION DEPARTMENT

Representing the agency: Thomas Mayes

ARC 9804C (NOIA), Human Growth and Development—Instruction in Grades 5 through 12, Permissible Source of Materials, Rules 12.2, 12.5

Committee members asked whether the rulemaking required a health component for grades 9 through 12. Mr. Mayes responded that the rulemaking did not change the health requirement for those grades.

Mr. Danny Carroll, speaking on behalf of the Family Leader, explained that the rulemaking was in conflict with the statute, with the statute stating “grades five and six” and “grades seven and eight,” and the rulemaking stating “either fifth or sixth grade” and “either seventh or eighth grade.” He noted that he had discussed this discrepancy with the department.

No action taken on ARC 9804C.

ARC 9813C (AF), Abuse of Students by School Employees—Investigation, Charges, Amendments to Ch. 102
Committee members asked whether the rulemaking would apply to schools that accepted student educational savings account money from the state. Mr. Mayes responded that the rulemaking would apply to any accredited public school in the state, a nonpublic school, and an area education agency. Members asked whether the rulemaking included a background check. He responded that background checks are part of separate requirements under the Department of Health and Human Services and the Board of Educational Examiners.
No action taken on ARC 9813C.

WORKFORCE DEVELOPMENT DEPARTMENT

Representing the agency: Rebecca Stonawski

Emergency Filing, Approval Required: Innovative Businesses Internship Program, Ch. 69

Note: Innovative Businesses Internship Program, Ch. 69, and STEM Internship Program, Ch. 75, were reviewed and discussed collectively.

Committee members asked why emergency rulemaking was used rather than the standard rulemaking process. Ms. Stonawski responded that funding was provided on a per semester basis, and because funding was provided in January, emergency rulemaking ensured funding could be made without pushback.

Committee members explained that under the rulemaking, funding could go to a business that is not located in Iowa that employs Iowa residents, and asked why such out-of-state businesses could receive funding. Ms. Stonawski stated that a business not based in the state with a significant portion of employees residing in the state could receive funds, but such a business must be a registered business in the state.

Committee members asked about the cap on the number of employees an Iowa business could have to receive funds under the rulemaking, and why it did not apply to an out-of-state business. Ms. Stonawski responded that an out-of-state business did not have a cap, but there had never been an application with a number of employees exceeding the cap.

Committee members asked whether a nonprofit organization could participate in the program. Ms. Stonawski stated that the Iowa Code listed denominated groups, and nonprofits were not included. Members asked whether the Iowa Code was a comprehensive list. She responded that the rulemaking mirrored the language of the Iowa Code.

Emergency Rulemaking Authorized

Note: Authorization for emergency rulemaking for Innovative Businesses Internship Program, Ch. 69, and STEM Internship Program, Ch. 75, were voted on collectively. A motion to authorize emergency rulemaking carried 6-3 on a roll call vote.

INSPECTIONS AND APPEALS DEPARTMENT

Representing the agency: Amy Oetken, Mark Speltz, Catie Campbell

ARC 9776C (NOIA), Food and Consumer Safety, Ch. 30

Note: ARC 9776C, 9777C, and 9778C were reviewed and discussed collectively.

Committee members asked for an example of a contractor under the rulemaking. Mr. Speltz responded that contractors are local health departments that work under a 28E agreement with the department. Members asked how the department interacted with, and received reports from contractors. He responded that local boards of health and the department utilized the same data system, and all licenses and inspections were collected in one data system so that the department had immediate access to such data.

Committee members noted that the term “cottage food” in the rulemaking referenced the incorrect Iowa Code section.

No action taken on ARC 9776C.

ARC 9781C (NOIA), General Provisions for Elder Group Homes, Assisted Living Programs, and Adult Day Services, Ch. 67

Committee members asked why the rulemaking eliminated the requirement that medications be kept in locked containers, and whether this provision was unnecessary or duplicative. Ms. Campbell responded that the same requirement is located in Iowa Code chapter 231C, and mirrored the administrative rules. No action taken on ARC 9781C.

RACING AND GAMING COMMISSION

Representing the agency: Tina Eick, David Ranscht

ARC 9802C (NOIA), Thoroughbred and Quarter Horse Racing, Ch. 10

Committee members asked why the rulemaking split a Commission steward and Commission veterinarian. Mr. Ranscht responded that rather than one rule containing multiple roles, the rulemaking created a separate rule for each job.

No action taken on ARC 9802C.

HOMELAND SECURITY AND EMERGENCY MANAGEMENT DEPARTMENT

Representing the agency: Blake DeRouchey

ARC 9825C (NOIA), 911 Telephone Systems, Ch. 10

Daniel Stalder, representing the Iowa Communications Alliance, stated that the Alliance had an issue with the rulemaking's use of rescinding rather than redlining rules, and that the Alliance had been working with the department to fix and correct the rulemaking.

Doug Struyk, speaking on behalf of the CTIA — The Wireless Association and the Iowa Cable and Telecommunications Association, noted the same issues as Mr. Stalder, but approved of most of the department's changes.

No action taken on ARC 9825C.

TRANSPORTATION DEPARTMENT

Representing the agency: Maria Hobbs

ARC 9790C (NOIA), Railroad Revolving Loan and Grant Fund Program, Ch. 822

Committee members noted that chapter 822 included information that could not be found in the Iowa Code, but is instead on the department's website. Members asked why the application process should not be included in the Iowa Code. Ms. Hobbs responded that Iowa Code section 327H.20A provided funds for the program, the detail and implementation requirements to carry out Iowa Code section 327H.20A were specified in the program guidance, and multiple components to the job creation and economic development could be found on the department's website under guidance. Members noted that by eliminating chapter 822, changes to the application process would no longer come before the committee prior to implementation, and would eliminate transparency and an opportunity for the public to weigh in on changes through public comment.

No action taken on ARC 9790C.

ADMINISTRATIVE RULES COORDINATOR

Representing the agency: Stan Thompson

Emergency Filing, Approval Required: Uniform Rules on Agency Procedure, Chs. 2500 to 2506

Committee members asked what would happen to current rules that mirror the language of the proposed uniform rules. Mr. Thompson responded that current rules with the same language as the proposed uniform rules would not be changed, and the rulemaking would act as a gap filler. He explained that if the uniform rules were adopted, to streamline the process current rules would be rescinded by a specified date on which the uniform rules would apply, and a procedure would be

determined for an agency to adopt unique rules. Members asked whether agencies should be required to give a good reason for opting out of a uniform rule, and whether sufficient reasons had been discussed. He responded that some sufficient reasons include a federal mandate with different requirements than the uniform rules, or agencies with a high volume of contested cases may require different time frames and procedures than the uniform rules.

Committee members asked about vague language in the proposed uniform rules, including “may also request,” “promptly,” and “reasonable.” Mr. Thompson responded that in some instances, there may be changes to the term “reasonable,” and that if the uniform rules were adopted as emergency rulemaking, formal rules would still require a notice and hearing process, which would allow for concerns with vague words to be raised. Mr. Brad Horn, liaison for the Department of Management, explained that the most recent draft of the uniform rules decreased the number of vague terms used. Ms. Lindsey Browning, Assistant Attorney General, also explained that some terms like “reasonable” would be necessary to allow for discretion in certain processes.

Committee members asked how the adoption of the emergency rulemaking would impact agencies currently going through the rulemaking process. Mr. Horn responded that some agencies may have to make corrections to rules currently in the process. He noted that if there was a process to delete rules inconsistent with the uniform rules by a certain date, that would self-correct the administrative rules, eliminating thousands of pages of potential rulemaking. He also noted it would reduce the number of rules subject to the five-year sunset process.

Committee members asked what a reasonable time frame would be for a finalized set of uniform rules. Mr. Thompson responded that July 1, 2026, would be possible. Members asked whether such deadline would require rulemaking or a legislative process. He responded that both rulemaking and legislation would be required.

Committee members noted that work on the uniform rules may require significant effort for agencies and legislative staff in light of the ongoing EO 10 process and the recent reorganization of many agencies. Members discussed whether emergency rulemaking would be appropriate for individual agencies to align with the uniform rules.

Emergency Rulemaking Authorized

A motion to authorize emergency rulemaking carried 7-2 on a roll call vote.