

---

# LEGAL BACKGROUND BRIEFING

Legal Services Division

September 2025



---

Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

## BEHAVIORAL HEALTH AND DISABILITY SERVICES

*Legal Background Briefings, prepared by the nonpartisan Legal Services Division of the Legislative Services Agency, provide a general survey of a particular area of the law that may be pertinent to the General Assembly's consideration of a topic and are intended for use primarily by legislators, legislative staff, and other persons interested in legislative matters. Legal background briefings are updated by staff periodically to reflect changes in the law. The reader is cautioned against using information contained in a legal background briefing to draw conclusions as to the legality of a particular behavior or set of circumstances and should not be interpreted as advocating a particular course of action.*

### INSIDE THIS BRIEFING

- **Overview**
- **Behavioral Health and Disability Services Defined**
- **Background of Mental Health and Disability Services**
- **The Behavioral Health Service System**
- **Aging and Disability Services**



---

## Behavioral Health and Disability Services

---

### Overview

This Briefing provides legal background relating to behavioral health and disability services available in Iowa, including changes to the structure of behavioral health and disability services due to the transition from the Mental Health and Disability Services (MHDS) system to the Behavioral Health Service System (BHSS). References to the Iowa Code are to the 2026 Iowa Code unless otherwise stated.

### Behavioral Health and Disability Services Defined

The Iowa Department of Health and Human Services (HHS) defines “behavioral health” as mental health, substance use and addictive disorders, life stressors and crises, and stress-related physical symptoms, and “behavioral health care” as the prevention, diagnosis, and treatment of behavioral health conditions.<sup>1</sup> HHS adopted the term “behavioral health” over the term “mental health” to reflect guidance from the American Medical Association, use terminology that includes addictive disorders, and indicate “a recovery-oriented approach that centers the promotion of health and wellness as a system expectation.”<sup>2</sup>

HHS defines “disability services” as services designed to prevent or ameliorate the effect or impact of a disability, and that tend to be focused on long-term supports and services for individuals who experience limitations in their ability to carry out daily living activities due to their disability.<sup>3</sup>

### Background of Mental Health and Disability Services

#### A. Service Structure Prior to July 1, 2025

Prior to July 1, 2012, the state’s mental health and disability services were provided primarily through the counties and administered by councils comprised of members of the boards of supervisors from each county the council represented.<sup>4</sup> Each county was expected to contract with community mental health centers to provide services to county residents using moneys appropriated by the Legislature for this purpose.<sup>5</sup> The state redesigned its mental health and disability services in 2012 by implementing the MHDS system.<sup>6</sup>

Under the MHDS system, the state was divided into MHDS regions<sup>7</sup> which were responsible for ensuring a minimum level of services were available to each region’s respective residents.<sup>8</sup> Originally MHDS services focused on providing care to adults, but children’s core services were added in 2020.<sup>9</sup> On June 30, 2025, MHDS’s last day of operation, there were 13 different MHDS regions.<sup>10</sup>

#### B. Funding Prior to July 1, 2025

Prior to July 1, 2021, each MHDS region was funded by county per capita tax levies at a rate set by each region with a maximum levy rate of \$47.28 per capita.<sup>11</sup> However, on July 1, 2021, the state passed legislation that altered the funding structure and allowed each county to levy up to \$21.14 per capita,<sup>12</sup> resulting in an appropriation of \$50.04 million for the MHDS system.<sup>13</sup>

Beginning FY 2022-2023, regions were no longer funded by county per capita tax levies. Instead, the state appropriated moneys to HHS for distribution to the regions in an amount equal to \$38 per capita in FY 2022-2023, \$40 per capita in FY 2023-2024, and \$42 per capita in FY 2024-2025.<sup>14</sup> The appropriated

- 
1. Email from Carrie Malone, Legislative Liaison, Iowa Department of Health and Human Services, to Daniel Gough, Legal Counsel, Legislative Services Agency (Aug. 8, 2024) (on file with the author).
  2. Id.
  3. Id.
  4. See 1994 Iowa Acts, ch. 1170, §§10-19.
  5. 1994 Iowa Code §225C.7(4).
  6. See generally 2012 Iowa Acts, ch. 1120 (implementing the MHDS system).
  7. 2013 Iowa Code §331.388.
  8. 2013 Iowa Code §331.397.
  9. 2020 Iowa Code §331.397A.
  10. Iowa Department of Health and Human Services, “MHDS Regions 7-1-2023,” *available at* [hhs.iowa.gov/media/8966/download?inline=](https://hhs.iowa.gov/media/8966/download?inline=) (last visited Aug. 18, 2025).
  11. 2014 Iowa Code §426B.3.
  12. 2021 Iowa Acts, ch. 177, Division XXV, §105.
  13. Email from Jess Benson, Chief Financial Officer, Iowa Department of Health and Human Services, to Daniel Gough, Legal Counsel, Legislative Services Agency (Sept. 9, 2024) (on file with the author).
  14. Id.



---

## Behavioral Health and Disability Services

---

moneys were distributed to each region quarterly in an amount proportionate to each region's percentage of the state's population. Quarterly distributions were reduced if a region still held moneys at the beginning of the fiscal year in excess of a certain amount as described in 2025 Iowa Code §225C.7A(7).

### The Behavioral Health Service System

As of July 1, 2025, state behavioral health services are provided through the BHSS, and state disability services are provided through aging and disability resource centers (ADRCs).<sup>15</sup>

#### A. Behavioral Health Service System Structure

The state is divided into seven behavioral health districts (district).<sup>16</sup> Each district is overseen by an administrative services organization (ASO) whose primary duty is to ensure that the behavioral health needs of people within the district are met.<sup>17</sup> On December 13, 2024, HHS designated Iowa Primary Care Association as the ASO for all districts.<sup>18</sup>

While each region in the MHDS system was only responsible for providing services to residents of the respective region, each district is required to assist any person seeking behavioral health services within the district.<sup>19</sup> Residents that meet certain income and asset requirements are eligible to have BHSS services paid for by the state.<sup>20</sup>

The BHSS is intended to be focused on prevention and early intervention to offset the need for expensive high-acuity, long-term care.<sup>21</sup> To make behavioral health services more accessible, HHS secured Section 223 Certified Community Behavioral Health Clinic (CCBHC) Medicaid Demonstration funding to implement CCBHCs in Iowa.<sup>22</sup> CCBHCs serve as an access point for a person to receive 24/7 crisis services, outpatient mental health and substance use services, person and family-centered treatment planning, community-based mental health care for veterans, peer family support and counselor services, targeted care management, outpatient primary care screening and monitoring, psychiatric rehabilitation services, and screening, diagnosis, and risk assessment.<sup>23</sup>

#### B. Behavioral Health Service System Funding

In FY 2024-2025, the Legislature appropriated \$4 million to transition from the MHDS system to the BHSS.<sup>24</sup>

As of FY 2025-2026, the BHSS is funded by a statutory appropriation of \$42 per capita.<sup>25</sup> In subsequent fiscal years, the per capita rate will increase based on the "state growth factor" as defined in 2026 Iowa Code section 225A.7(1). The state growth factor cannot increase more than 1.5 percent in a single year.<sup>26</sup>

---

15. 2024 Iowa Acts, ch. 1161, Divisions I – III.

16. Iowa Department of Health and Human Services, "Behavioral Health Districts," *available at* [hhs.iowa.gov/media/14863/download?inline](https://hhs.iowa.gov/media/14863/download?inline) (last visited Aug. 18, 2025).

17. 2026 Iowa Code §225A.4.

18. Iowa Department of Health and Human Services, "Iowa HHS Announces significant milestone of new Behavioral Health Service System," *available at* [hhs.iowa.gov/news-release/2024-12-13/iowa-hhs-announces-significant-milestone-new-behavioral-health-service-system#:~:text=The%20Iowa%20Department%20of%20Health,track%20for%20July%201%2C%202025](https://hhs.iowa.gov/news-release/2024-12-13/iowa-hhs-announces-significant-milestone-new-behavioral-health-service-system#:~:text=The%20Iowa%20Department%20of%20Health,track%20for%20July%201%2C%202025) (last visited Aug. 18, 2025).

19. See generally 2024 Iowa Acts, ch. 1161, Divisions I and II. (Division I enacting BHSS does not contain language making residency a requirement or a limitation to receiving behavioral health services. Division II made conforming Code changes to remove residency as a requirement or a limitation to receiving behavioral health services.)

20. Iowa Department of Health and Human Services, "Iowa SNMIS (Safety Net Management Information System) Claims Guidance," pp. 3-5, July 9, 2025, *available at* [hhs.iowa.gov/media/16752/download?inline](https://hhs.iowa.gov/media/16752/download?inline) (last visited Aug. 18, 2025).

21. Email from Carrie Malone, Legislative Liaison, Iowa Department of Health and Human Services, to Daniel Gough, Legal Counsel, Legislative Services Agency (Aug. 8, 2024) (on file with the author).

22. *Id.*

23. Substance Abuse and Mental Health Services Administration, "Certified Community Behavioral Health Clinics (CCBHCs)," *available at* [www.samhsa.gov/certified-community-behavioral-health-clinics](https://www.samhsa.gov/certified-community-behavioral-health-clinics) (last visited Aug. 18, 2025).

24. 2024 Iowa Acts, ch. 1161, §164.

25. 2026 Iowa Code §225A.7(3).

26. 2026 Iowa Code §225A.7(1)(b).

---



---

## Behavioral Health and Disability Services

---

There is no statutory requirement for how moneys appropriated for the BHSS must be distributed.<sup>27</sup> Instead, payments for services come directly from HHS.<sup>28</sup> Health care providers (providers) may receive payment from HHS by registering with HHS and submitting a claim for payment of a service eligible for reimbursement under the BHSS using HHS's electronic claims submission system, known as the Safety Net Management Information System (SNMIS).<sup>29</sup> SNMIS determines if the claim is allowed and accurate and, if it is, SNMIS electronically sends payment to the provider.<sup>30</sup> If the claim is denied, the provider has the opportunity to appeal the decision within 45 days of the denial.<sup>31</sup>

### Aging and Disability Services

Prior to July 1, 2025, HHS's Division on Aging, under the policy direction of the Commission on Aging, was responsible for overseeing certain supports and services for older Iowans, and MHDS regions were primarily responsible for overseeing certain services for persons with disabilities.<sup>32</sup> On July 1, 2025, the Commission on Aging was eliminated, HHS's Division on Aging was renamed the Aging and Disabilities Services Division, and the Aging and Disabilities Services Division assumed responsibility for overseeing supports and services for older Iowans and Iowans with disabilities.<sup>33</sup>

#### A. Disability Services Structural Changes

Prior to July 1, 2025, only Area Agencies on Aging were permitted to be an ADRC, and Iowa Code only contemplated a single ADRC for the state.<sup>34</sup> After July 1, 2025, public or private nonprofit agencies, or any subunit thereof, that have the capabilities to engage in the planning or provision of aging and disability services as directed by HHS are also eligible to be designated as an ADRC, and HHS may designate more than one ADRC for the state.<sup>35</sup>

ADRCs are the primary point of access for information and support related to aging and disability services.<sup>36</sup> ADRCs offer services through local offices known as disability access points, through the ADRC's technical assistance and call center, through area agencies on aging, and through the ADRC's Internet site.<sup>37</sup> To make obtaining services as easy as possible, HHS uses a "no wrong door model" that allows a person to request assistance regardless of the manner in which the person contacts the ADRC.<sup>38</sup>

#### B. Disability Services — Service Delivery Changes

State programs that offer services and support to people to allow those people to stay in their own homes or communities instead of an institutional setting are called "waivers."<sup>39</sup> Currently, there are seven different waivers based on the type of services a person requires:

- Intellectual Disability
- Brain Injury
- AIDS/HIV
- Physical Disability (including blindness)

---

27. See 2026 Iowa Code §225A.7.

28. See generally Iowa Department of Health and Human Services, "Iowa SNMIS (Safety Net Management Information System) Claims Guidance," pp. 8-10, July 9, 2025, *available at* [hhs.iowa.gov/media/16752/download?inline](https://hhs.iowa.gov/media/16752/download?inline) (last visited Aug. 18, 2025).

29. *Id.*

30. *Id.*

31. *Id.*

32. 2025 Iowa Code §231.21; 2025 Iowa Code §225C.56(1).

33. See 2024 Iowa Acts, ch. 1161, §§140 through 148 and §159; See also Iowa Department of Health and Human Services, "Key Leadership," *available at* [hhs.iowa.gov/leadership](https://hhs.iowa.gov/leadership) (last visited Aug. 22, 2025).

34. 2025 Iowa Code §231.64.

35. 2026 Iowa Code §231.64.

36. See generally Iowa Department of Health and Human Services, "ADRC System Roles & Responsibilities," *available at* [hhs.iowa.gov/media/16013/download?inline](https://hhs.iowa.gov/media/16013/download?inline) (last visited Aug. 18, 2025).

37. *Id.*

38. *Id.*

39. Iowa Department of Health and Human Services, "Home and Community-Based Services (HCBS) Waivers Program," *available at* [hhs.iowa.gov/programs/welcome-iowa-medicaid/policies-rules-and-regulations/home-and-community-based-services-hcbs-waivers-program](https://hhs.iowa.gov/programs/welcome-iowa-medicaid/policies-rules-and-regulations/home-and-community-based-services-hcbs-waivers-program) (last visited Aug. 18, 2025).



## Behavioral Health and Disability Services

---

- Health and Disability
- Children’s Mental Health
- Elderly

A person must enroll in a waiver designated for the type of services the person requires. Due to co-occurring disabilities, limited resources, and difficulties navigating the waiver system, many people apply for multiple waivers resulting in fewer available services and an increase in waitlists for waivers that offer more services.<sup>40</sup>

HHS intends to implement a system that prioritizes individuals based on the individual’s level of need and allows a person to inform HHS of a change that warrants the individual receiving assistance sooner, rather than the current first-come, first-serve basis. The new system also reduces the number of waivers from seven to two (one for individuals under 21 years of age, and one for individuals ages 21 and older).<sup>41</sup> HHS began implementing the changes in January 2025, but estimates the reduction in waivers will take place over the next several years.<sup>42</sup> Each waiver will include all of the following services as applicable to the individual applying for the waiver:<sup>43</sup>

- Intellectual Disability
- Brain Injury
- AIDS/HIV
- Physical Disability (including blindness)
- Developmental Disabilities
- Serious Emotional Disturbances (only for individuals under 21 years of age)
- Aging (only for individuals ages 21 and older)

LSA Staff Contact: Daniel Gough, 515.725.0479 or [daniel.gough@legis.iowa.gov](mailto:daniel.gough@legis.iowa.gov)

---

40. Iowa Department of Health and Human Services, “Recommendations for Strengthening Iowa’s Community-Based Services System,” pp. 2-5, January 31, 2023, *available at* [hhs.iowa.gov/media/2619/download?inline](https://hhs.iowa.gov/media/2619/download?inline) (last visited Aug. 18, 2025).

41. Lisa Cook, Iowa Department of Health and Human Services Senior Medicaid Policy Advisor, “The HOME Project” (Aug. 28, 2024) (presentation on file with the author).

42. Iowa Department of Health and Human Services, “FAQ Waiver Redesign,” June 11, 2024, *available at* [hhs.iowa.gov/programs/welcome-iowa-medicaid/current-projects/home/faq-waiver-redesign](https://hhs.iowa.gov/programs/welcome-iowa-medicaid/current-projects/home/faq-waiver-redesign) (last visited Aug. 18, 2025).

43. Lisa Cook, Iowa Department of Health and Human Services Senior Medicaid Policy Advisor, “The HOME Project” (Aug. 28, 2024) (presentation on file with the author).

---