
BUDGET UNIT BRIEF – FY 2025

Fiscal Services Division

July 1, 2024



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

Behavioral Health Service System Implementation — Region Incentive Fund (RIF)

Purpose and History

2024 Iowa Acts, [House File 2673](#) (Behavioral Health Service System Act), established a Behavioral Health Service System under the control of the Iowa Department of Health and Human Services (HHS) responsible for implementing a statewide system related to mental health and addiction disorders. The Act consolidated programs related to mental health, behavioral health, and substance abuse into the Behavioral Health Division of the HHS. This new system divides the State into seven Behavioral Health Districts that are managed by Behavioral Health Administrative Services Organizations (BH-ASOs).

Prior to the enactment of this Act, mental health services and programs in the State were managed by the Mental Health and Disability Services (MHDS) Regions. Disability services previously provided by the MHDS Regions will be transitioned from the local MHDS Regions to the HHS Division of Aging and Disability Services. Mental health services will be transitioned to the Behavioral Health Division. The HHS published a [transition plan](#) in June of 2024. The transition from the MHDS regional system to the Behavioral Health Service System will be completed on July 1, 2025.

Funding — Region Incentive Fund

2021 Iowa Acts, [Senate File 619](#) (FY 2022 Taxation and Other Provisions Act), created a new Region Incentive Fund in the Mental Health and Disability Services Regional Service Fund to provide additional funding to the MHDS Regions and specified the criteria in which an MHDS Region may apply for funding. The Region Incentive Fund consists of moneys appropriated or credited to the Region Incentive Fund, with an initial appropriation of \$3.0 million in FY 2022.

The Behavioral Health Service System Act appropriated \$1.0 million from the Region Incentive Fund to the HHS in FY 2025 to be used to implement the transition to the Behavioral Health Service System.

Related Statutes and Administrative Rules

Iowa Code chapters [222](#), [225C](#), and [231](#)
Iowa Administrative Code [441—24](#)

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More Information

Iowa HHS Behavioral Health Service System:
hhs.iowa.gov/initiatives/system-alignment/behavioral-health-service-system
LSA Staff Contact: Lindsey Ingraham (515.281.6764) lindsey.ingraham@legis.iowa.gov