
BUDGET UNIT BRIEF – FY 2027

Fiscal Services Division

July 1, 2026



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

Behavioral Health

Purpose and History

The Iowa Department of Health and Human Services (HHS) Behavioral Health appropriation provides funding for the administration of HHS Division of Behavioral Health.

In 2024, Iowa enacted 2024 Iowa Acts, chapter [1161](#) (Behavioral Health Service System Act), which consolidated programs related to mental health, behavioral health, and substance abuse into the Behavioral Health Division of the HHS. 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. The Act replaced the 13 existing MHDS Regions with 7 [Behavioral Health Districts](#). The Behavioral Health Districts are managed by an Administrative Services Organization (ASO) chosen by the HHS. On December 13, 2024, the HHS [announced](#) the selection of Iowa Primary Care Association (Iowa PCA) to serve as the ASO for the new Behavioral Health Service System (BHSS).

Systems Under the Behavioral Health Division

The following systems are operated under the authority and funding of the Behavioral Health Division:

- **Behavioral Health Service System:** Services offered through the BHSS include prevention intervention services, education programs, evidence-based and evidence-informed early intervention and treatment services, comprehensive recovery support services, and crisis services related to mental health and addictive disorders. Services are made available through the Behavioral Health Districts overseen by the ASO. Each District must have a District Behavioral Health Advisory Council to help identify opportunities and address challenges, advise the ASO while behavioral health policies are developed, and advise the ASO on how to best provide services and treatment throughout the District. The BHSS went into effect on July 1, 2025.
- **Children’s Behavioral Health System (Children’s System):** The purpose of the Children’s System is to improve children’s well-being, build healthy and resilient children, provide for educational growth, and coordinate medical and mental health care for those in need. Services provided include prevention services, treatment, and recovery services and supports for children and their families.
- **Substance Use Disorder Managed Care System:** Currently, the HHS licenses and monitors approximately 100 substance use disorder and problem gambling treatment programs. The HHS helps respond to and resolve any complaints received against the programs under the Substance Use Disorder Managed Care System. The HHS is required to maintain the level of mental health and substance use disorder treatment services provided and must take the steps necessary to continue the federal waivers as needed to maintain the level of services.

More Information

Iowa HHS — Mental Health: hhs.iowa.gov/programs/mental-health

Iowa HHS — Behavioral Health Service System: hhs.iowa.gov/initiatives/system-alignment/behavioral-health-service-system

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Funding

The HHS receives an annual General Fund appropriation in the HHS Appropriations Act in addition to federal support and fees for the Behavioral Health Division.

Related Statutes and Administrative Rules

Iowa Code chapters [222](#), [225A](#), and [225C](#)

Iowa Administrative Code [441—301](#), [441—302](#), [441—304](#), and [441—305](#)

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