

**House File 2716 - Introduced**

HOUSE FILE 2716  
BY COMMITTEE ON HEALTH AND HUMAN  
SERVICES

(SUCCESSOR TO HSB 696)

**A BILL FOR**

1 An Act relating to the supplemental nutrition assistance program;  
2 the medical assistance program; the special supplemental  
3 nutrition program for women, infants, and children; and other  
4 public assistance programs under the purview of the department  
5 of health and human services.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

Section 1. NEW SECTION. **135.16E Supplemental nutrition assistance program error rate — report.**

Beginning with the fiscal quarter that starts on October 1, 2026, and every fiscal quarter thereafter, within thirty calendar days of transmission of data to the food and nutrition services of the United States department of agriculture, the department shall submit a report to the general assembly detailing payment error rates associated with the supplemental nutrition assistance program for the immediately preceding fiscal quarter. For the purposes of this section, "supplemental nutrition assistance program" has the same meaning as defined in section 239.1.

Sec. 2. FEDERAL SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM — WAIVER OF EARNED INCOME RULES.

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

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

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

Sec. 3. FEDERAL SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM — WAIVER OF ELIGIBILITY VERIFICATION RULES.

1. The department of health and human services shall request a waiver from the food and nutrition services of the United

1 States department of agriculture to provide that, for purposes  
2 of state administration of the supplemental nutrition assistance  
3 program, information from the following automated sources be  
4 considered verified upon receipt for purposes  
5 of 7 C.F.R. §272.12(c):

6 a. The national directory of new hires maintained by the  
7 office of child support services of the United States office for  
8 the administration of children and families.

9 b. The unemployment insurance benefits data released by the  
10 Iowa department of workforce development.

11 c. The United States social security administration benefits,  
12 death, social security number, and citizenship records.

13 d. The residency and identity data released by the United  
14 States department of transportation.

15 e. The state incarceration data released by the Iowa  
16 department of corrections.

17 f. The automated employment verification service known as  
18 work number, or equivalent third-party income verification  
19 platforms.

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

23 Sec. 4. FEDERAL SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM —  
24 WAIVER OF EXPUNGEMENT RULES.

25 1. The department of health and human services shall request  
26 a waiver from the food and nutrition services of the United  
27 States department of agriculture to provide that, for purposes  
28 of state administration of the supplemental nutrition assistance  
29 program, expungement of benefits on a household's electronic  
30 benefit account under 7 C.F.R. §274.2(i) be permitted after  
31 three months or ninety-one days of inactivity, or of benefits  
32 remaining, on the electronic benefit account.

33 2. The department of health and human services shall  
34 implement the waiver upon receipt of approval of the waiver from  
35 the United States department of agriculture.



1 a retirement account, in a pension account, in a medical savings  
 2 account, or in any other account approved under rules adopted by  
 3 the department shall also be disregarded.

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

27 Sec. 7. Section 249A.4, Code 2026, is amended by adding the  
 28 following new subsections:

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

1 NEW SUBSECTION. 16. Submit an annual report to the general  
2 assembly on or before October 1 on petitions for a waiver, also  
3 referred to by the department as exceptions to policy, of rules  
4 governing the Medicaid program filed pursuant to the rules of the  
5 department. The report must include all the following for the  
6 immediately preceding fiscal year:

7 a. The total number of exceptions to policy granted.

8 b. The cumulative cost of the exceptions to policy that were  
9 granted.

10 c. The types of exceptions to policy that were granted.

11 d. Identifiable trends noted by the department including any  
12 of the following:

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

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

17 (3) The Medicaid program eligibility classification of  
18 individuals granted Medicaid program exceptions to policy.

19 Sec. 8. NEW SECTION. **249A.32C Home and community-based**  
20 **service waivers — rural provider rate increase.**

21 1. For the purposes of this section, unless context otherwise  
22 requires:

23 a. "Consumer" means the same as defined in section 249A.29.

24 b. "Rural area" means a geographical area that is not part  
25 of a metropolitan statistical area as designated by the United  
26 States office of management and budget.

27 c. "Waiver" means the same as defined in section 249A.29.

28 2. The base reimbursement rate for a provider of services  
29 under a medical assistance program home and community-based  
30 services waiver shall be increased to cover the travel time  
31 and expenses incurred by the provider to provide services to a  
32 consumer who resides in a rural area.

33 Sec. 9. NEW SECTION. **249A.32D Waivers — cost neutrality.**

34 1. As used in this section, "cost neutral" means federal  
35 approval of a waiver related to the medical assistance program

1 submitted by the department to the federal government will not  
2 result in a net increase in spending for state administration of  
3 the medical assistance program.

4 2. Prior to submitting a request for a waiver to the United  
5 States department of health and human services related to the  
6 medical assistance program, the department shall conduct an  
7 analysis to determine if the waiver is cost neutral. For any  
8 waiver that is determined to be not cost neutral, the department  
9 shall not submit the request for a waiver unless the waiver has  
10 been presented to the general assembly and approved by a majority  
11 vote of both houses of the general assembly.

12 Sec. 10. MEDICAID EXCEPTIONS TO POLICY REVIEW — REPORT TO  
13 GENERAL ASSEMBLY. The department of health and human services  
14 shall conduct a review of petitions for a waiver, also referred  
15 to by the department as exceptions to policy, of rules governing  
16 the Medicaid program granted by the department between January 1,  
17 2020, and January 1, 2026, and shall submit a report on or before  
18 December 15, 2026, of the findings of the review. The report  
19 shall include all of the following:

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

21 2. The cumulative cost of the exceptions to policy that were  
22 granted.

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

24 4. Identifiable trends noted by the department including any  
25 of the following:

26 a. The number of exceptions to policy granted in a particular  
27 geographic location.

28 b. The types of Medicaid services that were the basis for the  
29 waiver.

30 c. The Medicaid program classification of individuals granted  
31 exception to policy.

32 Sec. 11. CONTINGENT EFFECTIVE DATE. The following takes  
33 effect contingent upon receipt of federal approval by the  
34 department of health and human services from the centers for  
35 Medicare and Medicaid services of the United States department of

1 health and human services:

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

6 DIVISION III

7 ELIGIBILITY FOR CERTAIN PROGRAMS

8 Sec. 12. NEW SECTION. **234.6A Program eligibility —**  
9 **residency.**

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

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

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

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

16 d. The supplemental nutrition assistance program administered  
17 by the state pursuant to 7 C.F.R. pts. 270 - 283, 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 the  
28 applicant's employment in the state.

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

1 seq.

2 Sec. 13. 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. 14. 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 IV

17 MISCELLANEOUS PUBLIC ASSISTANCE PROGRAMS

18 Sec. 15. NEW SECTION. **135.16E Special supplemental**  
19 **nutrition program for women, infants, and children — citizens**  
20 **and qualified aliens.**

21 The department shall restrict participation in the special  
22 supplemental nutrition program for women, infants, and children  
23 to citizens and qualified aliens pursuant to section 742  
24 of the federal Personal Responsibility and Work Opportunity  
25 Reconciliation Act of 1996, Pub. L. No. 104-193.

26 Sec. 16. Section 249N.6, subsection 5, Code 2026, is amended  
27 by adding the following new paragraph:

28 NEW PARAGRAPH. c. Notwithstanding any other provision of law  
29 to the contrary, an Iowa health and wellness plan provider may  
30 impose a fee of no more than five dollars on a member based on  
31 the member's failure to attend a scheduled appointment with the  
32 provider.

33 Sec. 17. Section 249N.7, subsection 1, Code 2026, is amended  
34 to read as follows:

35 1. Membership in the Iowa health and wellness plan shall

1 require payment of monthly contributions for members whose  
2 household income is at or above ~~fifty~~ one hundred percent  
3 of the federal poverty level. Members shall be subject  
4 to an eight dollar copayment ~~amounts applicable only to~~ for  
5 nonemergency use of a hospital emergency department. Total  
6 member cost-sharing, annually, shall align with the cost-sharing  
7 limitations requirements for the American health benefits  
8 exchanges under the ~~Affordable Care Act~~ One Big Beautiful Bill  
9 Act, Pub. L. No. 119-21. ~~Contributions~~ Monthly contributions and  
10 copayment amounts for members shall be established by rule of the  
11 department.

12 Sec. 18. Section 249N.7, Code 2026, is amended by adding the  
13 following new subsections:

14 NEW SUBSECTION. 3. Notwithstanding subsection 1, a member  
15 who fails to complete all required preventative care services and  
16 wellness activities specified during the prior annual membership  
17 period shall be subject to a monthly five dollar fee during the  
18 subsequent year of membership.

19 NEW SUBSECTION. 4. Notwithstanding subsection 1, a member  
20 whose household income is at or above one hundred percent of the  
21 federal poverty level shall be subject to the following copay  
22 amounts:

23 a. A five dollar copay for a diagnostic dental procedure.  
24 As used in this paragraph, "*diagnostic dental procedure*" means a  
25 dental procedure that is not performed for preventative purposes.

26 b. A one dollar copay for a prescription drug when a suitable  
27 generic equivalent drug approved by the United States food and  
28 drug administration is available to the member.

29 Sec. 19. 2023 Iowa Acts, chapter 104, section 12, subsection  
30 3, is amended to read as follows:

31 3. Unless otherwise provided in this Act, the department of  
32 health and human services shall implement the provisions of this  
33 Act in an incremental fashion, beginning July 1, 2023, with a  
34 ~~goal of full implementation no later than July 1, 2025~~ completed  
35 by January 1, 2027, to minimize duplication of efforts and to

1 maximize coordination with the implementation time frames of  
2 other departmental resource enhancements.

3 Sec. 20. IOWA HEALTH AND WELLNESS PLAN — MEMBER  
4 REENROLLMENT FOLLOWING TERMINATION FOR NONPAYMENT OF MONTHLY  
5 CONTRIBUTIONS. The department of human services shall seek  
6 approval of an amendment to the section 1115 demonstration waiver  
7 for the Iowa health and wellness plan from the centers for  
8 Medicare and Medicaid services of the United States department of  
9 health and human services to provide the following:

10 1. An Iowa health and wellness plan member who is subject  
11 to payment of a monthly contribution as the result of failure  
12 to complete required preventative care services and wellness  
13 activities, and whose eligibility for the program is terminated  
14 due to nonpayment of monthly contributions, shall be allowed to  
15 subsequently reenroll in the program without first paying any  
16 outstanding monthly contributions, if the member has not been  
17 terminated from the program previously for nonpayment of monthly  
18 contributions.

19 2. If an Iowa health and wellness plan member has been  
20 terminated from the program previously for nonpayment of monthly  
21 contributions, and is subsequently terminated from the program  
22 for nonpayment of monthly contributions owed as a result of  
23 failure to complete required preventative care services and  
24 wellness activities, the member shall be subject to payment of  
25 any outstanding monthly contributions prior to reenrollment in  
26 the program.

27 DIVISION V

28 PUBLIC ASSISTANCE FRAUD — REPORT

29 Sec. 21. NEW SECTION. **10A.404 Fraud in public assistance —**  
30 **report.**

31 On or before October 1, 2026, and every fiscal year  
32 thereafter, the department shall submit a report to the general  
33 assembly concerning the department's activities relative to fraud  
34 in public assistance programs for the immediately preceding  
35 fiscal year. The report shall include but is not limited to

1 a summary of the number of cases investigated, case outcomes,  
2 overpayment dollars identified, amount of cost avoidance, and  
3 actual dollars recovered.

4 Sec. 22. NEW SECTION. **10A.404A Fraud in special**  
5 **supplemental nutrition program for women, infants, and children**  
6 **— report.**

7 On or before November 1, 2026, and by November 1 every fiscal  
8 year thereafter, the department shall submit a report to the  
9 general assembly concerning the department's activities relative  
10 to fraud in the special supplemental nutrition program for women,  
11 infants, and children. The report shall include but is not  
12 limited to a summary of the number of cases investigated, case  
13 outcomes, violation points issued, and actual dollars recovered.

14 DIVISION VI

15 HIGH-ACUITY PEDIATRIC WORK GROUP — REPORT

16 Sec. 23. HIGH-ACUITY PEDIATRIC WORK GROUP — REPORT TO  
17 GENERAL ASSEMBLY.

18 1. The department of health and human services shall convene  
19 a work group to examine the unique service needs of high-acuity  
20 pediatric recipients of medical assistance under chapter 249A,  
21 and high-acuity pediatric members of the healthy and well kids in  
22 Iowa program under chapter 514I. The work group shall do all of  
23 the following:

24 a. Identify the barriers that prevent the high-acuity  
25 pediatric recipients and members from remaining in the least  
26 restrictive environment possible.

27 b. Develop a proposal for a tiered reimbursement methodology  
28 to provide high-acuity home health services tailored to meet the  
29 allowable medical and nonmedical support needs of high-acuity  
30 pediatric recipients and members.

31 2. The work group shall be comprised of at least one  
32 representative of a provider of high-acuity home health services,  
33 one representative of the Iowa chapter of the American academy  
34 of pediatrics, one representative of the Iowa association of  
35 community providers, one representative of the Iowa health

1 care association, and other individuals or organizations deemed  
2 appropriate by the department.

3 3. On or before December 1, 2026, the department shall submit  
4 a report to the general assembly that includes all of the  
5 following:

6 a. The barriers identified by the work group that prevent  
7 high-acuity pediatric recipients and members from remaining in  
8 the least restrictive environment possible.

9 b. The working group's proposed tiered reimbursement  
10 methodology and the estimated fiscal impact on affected providers  
11 and health care facilities.

12 4. The department of health and human services shall provide  
13 administrative support, including scheduling meetings of the work  
14 group as necessary to complete the work of the work group.

15 DIVISION VII

16 MEDICAID REIMBURSEMENT RATE — SPECIAL POPULATION NURSING  
17 FACILITIES

18 Sec. 24. Section 249A.2, Code 2026, is amended by adding the  
19 following new subsection:

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

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

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

28 c. One hundred percent of the residents require care from  
29 a facility licensed by the department of inspections, appeals,  
30 and licensing as an intermediate care facility for persons with  
31 mental illness.

32 d. One hundred percent of the residents require care from  
33 a facility licensed by the department of inspections, appeals,  
34 and licensing as an intermediate care facility for persons with  
35 medical complexity.



1 must be below 250 percent of the federal poverty level (FPL),  
2 and the individual must also meet the maximum amount of  
3 resources allowed under federal law, with certain resources being  
4 disregarded by HHS in determining an individual's MEPD program  
5 eligibility. Individuals in the MEPD program pay a set premium  
6 every month to HHS on a sliding scale based on household income.  
7 A premium payment accepted directly or indirectly through an  
8 automated case management system by HHS does not automatically  
9 make an individual eligible for MEPD.

10 The bill requires HHS to extend MEPD eligibility to  
11 individuals with household incomes up to 300 percent of the  
12 FPL. Moneys in a pension fund are not to be considered by HHS  
13 for purposes of determining asset eligibility under MEPD. The  
14 bill strikes the maximum MEPD premium payable by individuals  
15 whose income exceeds 150 percent of the FPL, and the policy that  
16 an individual's MEPD premium payment being accepted directly or  
17 indirectly through an automated case management system by HHS  
18 does not make the individual automatically eligible for MEPD. The  
19 bill provides that HHS must allow for the electronic payment  
20 of MEPD premiums through a page maintained on the department's  
21 internet site.

22 The bill requires the director of HHS to submit a report  
23 to the general assembly within thirty days of the release of  
24 the official Medicaid payment error rate by the federal centers  
25 for Medicare and Medicaid services (CMS), detailing the official  
26 Medicaid payment error rate and a summary of the payment error  
27 data as submitted to CMS by HHS.

28 The bill also requires the director of HHS to submit an annual  
29 report to the general assembly on or before October 1, 2026, with  
30 specific information as detailed in the bill related to certain  
31 petitions for a waiver to rules adopted by HHS (exceptions to  
32 policy) to administer Medicaid during the immediately preceding  
33 fiscal year.

34 Under current law, the reimbursement rate set by HHS for  
35 providers under home and community-based service waiver programs

1 does not cover the provider's travel and other expenses  
2 associated with providing care to a resident in a rural area of  
3 the state. The bill requires HHS to cover such costs for those  
4 providers.

5 Prior to submission of a request by HHS for certain Medicaid  
6 waivers, the bill requires HHS to conduct a cost-neutrality  
7 analysis. If the waiver is determined by HHS to not be cost  
8 neutral, HHS must seek the approval of the general assembly by  
9 majority vote of both houses of the general assembly. "Cost  
10 neutral" is defined to mean that approval of a waiver by CMS will  
11 not result in a net increase in spending on the administration of  
12 Medicaid by the state.

13 HHS is required to conduct a review of exceptions to policy  
14 granted by the department between January 1, 2020, and January  
15 1, 2026. On or before December 15, 2026, the department shall  
16 submit a report to the general assembly with specific information  
17 about these exceptions as detailed in the bill.

18 The bill provides that the provisions of the bill related to  
19 MEPD take effect contingent upon receipt of federal approval.

20 DIVISION III — ELIGIBILITY FOR CERTAIN PROGRAMS. Unless  
21 prohibited by federal law, the bill permits HHS, for purposes  
22 of determining eligibility for assistance for certain public  
23 assistance programs, to require proof of 12 months of continuous  
24 residency through documentation as detailed in the bill. HHS  
25 may not require proof of residency for people who are receiving  
26 social security benefits. "Public assistance program" is defined  
27 as the state child care assistance program, the family investment  
28 program, medical assistance program, supplemental nutrition  
29 assistance program, and the special nutrition assistance program  
30 for women, infants, and children.

31 The bill requires HHS, prior to determining the initial  
32 eligibility of an applicant for, or the ongoing eligibility of  
33 a recipient of, public assistance benefits to verify immigration  
34 and United States citizenship information of the applicant  
35 or recipient through the systematic alien verification for

1 entitlements online service maintained by the United States  
2 citizenship and immigration services, or other accessible source.

3 DIVISION IV — MISCELLANEOUS PUBLIC ASSISTANCE PROGRAMS. The  
4 bill provides that HHS shall restrict participation in WIC  
5 to citizens and qualified aliens pursuant to section 742  
6 of the federal Personal Responsibility and Work Opportunity  
7 Reconciliation Act of 1996.

8 Under current law, a provider under the Iowa health and  
9 wellness plan (IHAWP) cannot charge a member a fee for missing an  
10 appointment with the provider. Under the bill, IHAWP providers  
11 may charge a member up to a \$5 fee for missing an appointment.  
12 Under current law, members whose household income is at or above  
13 50 percent of the FPL must pay a monthly contribution. The  
14 bill changes the requirement to 100 percent of the FPL. Under the  
15 bill, all IHAWP members must pay an \$8 copayment for nonemergency  
16 use of a hospital emergency department. Monthly contributions  
17 and copayment amounts are established by HHS by rule.

18 Under current law, IHAWP members with household incomes  
19 between 51 percent and 100 percent of the FPL who fail to  
20 complete the required preventative services and wellness services  
21 annually are required to pay a monthly contribution of \$5, while  
22 those members with household incomes in excess of 100 percent of  
23 the FPL that fail to complete the required preventative services  
24 and wellness services annually are required to pay a monthly  
25 contribution of \$10. The bill instead requires any member  
26 that fails to complete the required preventative services and  
27 wellness services annually to pay a monthly fee of \$5 during the  
28 subsequent membership year.

29 The bill requires an IHAWP member whose household income is  
30 at or above 100 percent of the FPL to pay a \$5 copay for  
31 diagnostic dental procedures, and a \$1 copay for a prescription  
32 drug when an equivalent generic drug is available. The bill  
33 defines "diagnostic dental procedure".

34 Under current law, HHS was to have fully implemented the  
35 requirements for public assistance programs pursuant to Code

1 chapter 239 by July 1, 2025. Under the bill, the department must  
2 fully implement the requirements by January 1, 2027.

3 The bill requires HHS to seek approval of an amendment to  
4 the section 1115 demonstration waiver for the Iowa health and  
5 wellness plan from CMS to provide that an IHAWP member whose  
6 eligibility for the program is terminated due to nonpayment of  
7 monthly contributions owed as a result of the member's failure  
8 to complete required preventative care services and wellness  
9 activities will be allowed to subsequently reenroll without first  
10 paying any outstanding monthly contributions, if the member has  
11 not been terminated from the program previously for nonpayment  
12 of monthly contributions. If the IHAWP member has previously  
13 been terminated for nonpayment of monthly contributions, the  
14 member shall be subject to payment of any outstanding monthly  
15 contributions prior to reenrollment.

16 DIVISION V — PUBLIC ASSISTANCE FRAUD — REPORT. The bill  
17 requires the department of inspections, appeals, and licensing  
18 to submit an annual report on or before October 1, 2026, to the  
19 general assembly concerning the department's activities relative  
20 to fraud in public assistance programs for the immediately  
21 preceding fiscal year. The report shall include a summary of  
22 the number of cases investigated, case outcomes, overpayment  
23 dollars identified, amount of cost avoidance, and actual dollars  
24 recovered.

25 The bill requires HHS to submit an annual report on or before  
26 November 1 to the general assembly concerning the department's  
27 activities relative to fraud in WIC. The report shall include  
28 a summary of the number of cases investigated, case outcomes,  
29 violation points issued, and actual dollars recovered.

30 DIVISION VI — HIGH-ACUITY PEDIATRIC WORK GROUP —  
31 REPORT. Under the bill, HHS is required to convene a work group  
32 to identify the unique service needs of high-acuity pediatric  
33 Medicaid recipients and members of the healthy and well kids in  
34 Iowa (Hawki) program. The work group must identify barriers to  
35 the individuals remaining in the least restrictive environment

1 possible, and develop a proposal for a tiered reimbursement  
2 methodology to provide high-acuity home health services tailored  
3 to meet the allowable medical and nonmedical support needs of  
4 such individuals. The required members of the work group are  
5 detailed in the bill. The work group shall submit a report to  
6 the general assembly on or before December 1, 2026, that outlines  
7 barriers identified by the work group to high-acuity pediatric  
8 members remaining in the least restrictive environment possible,  
9 and provides the estimated fiscal impact of the work group's  
10 proposed tiered reimbursement methodology on affected providers  
11 and health care facilities. HHS shall provide administrative  
12 support to the work group.

13 DIVISION VII — MEDICAID REIMBURSEMENT RATE — SPECIAL  
14 POPULATION NURSING FACILITIES. The bill defines "special  
15 population nursing facility" (SPNF). The bill requires HHS to  
16 set the Medicaid reimbursement rate for certain SPNFs at the  
17 average allowable per diem cost adjusted for inflation based  
18 on the special nursing facility market basket index. If  
19 an SPNF increases the number of beds or expands to provide  
20 additional services, such reimbursement rate will also apply to  
21 the additional beds or services.