House Study Bill 342 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
APPROPRIATIONS BILL BY
CHAIRPERSON MOHR)

A BILL FOR

An Act relating to and making appropriations to the department of veterans affairs and the department of health and human services, and related provisions and appropriations, including aging and disability services; behavioral health, public health, community access and eligibility; the medical assistance program, state supplementary assistance, Hawki, and other health-related programs; reimbursement rates; family well-being and protection; state-operated specialty care, administration and compliance; transfers, cash flows, and nonreversions; prior appropriations; the beer and liquor control fund, and the behavioral health fund; report on nonreversion of moneys; emergency rules; autism spectrum disorder; involuntary commitment hearing testimony; discharge of involuntarily committed persons; medical residency and fellowships; maintenance and costs of juvenile homes; and a hospital directed payment program; and including effective date and retroactive applicability provisions.

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

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DIVISION I

DEPARTMENT OF VETERANS AFFAIRS —— FY 2025-2026

Section 1. DEPARTMENT OF VETERANS AFFAIRS. There is appropriated from the general fund of the state to the department of veterans affairs for the fiscal year beginning July 1, 2025, and ending June 30, 2026, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. DEPARTMENT OF VETERANS AFFAIRS ADMINISTRATION

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... $ 1,619,205

..... FTEs 15.00

2. IOWA VETERANS HOME

For salaries, support, maintenance, and miscellaneous purposes:

..... $ 8,234,502

a. The Iowa veterans home billings involving the department of health and human services shall be submitted to the department on at least a monthly basis.

b. The Iowa veterans home expenditure report shall be submitted monthly to the general assembly.

3. HOME OWNERSHIP ASSISTANCE PROGRAM

For transfer to the Iowa finance authority for the continuation of the home ownership assistance program for persons who are or were eligible members of the armed forces of the United States or eligible service members pursuant to section 16.54:

..... $ 2,200,000

4. VETERANS SERVICE ORGANIZATION GRANT FUND

Of the moneys allocated under subsection 1, $250,000 shall be deposited in the veterans service organization grant fund created in section 35A.23, as enacted by this division of this Act.

Sec. 2. NEW SECTION. **35A.23 Veterans service organization grant program.**

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1 1. A veterans service organization grant program is
2 established under the administration and control of the
3 department to award grants to veterans service organizations for
4 the purpose of ensuring adequate staff are employed to assist
5 veterans with claims.
6 2. A veterans service organization grant fund is created
7 within the state treasury under the control of the department.
8 The fund shall consist of moneys appropriated to the fund by
9 the general assembly and any other moneys available to and
10 obtained or accepted by the department for deposit in the fund.
11 All moneys in the fund are appropriated to the department for
12 purposes of administering the program and providing grants under
13 the program. Notwithstanding section 8.33, moneys in the fund
14 that remain unencumbered or unobligated at the close of a fiscal
15 year shall not revert but shall remain available for expenditure
16 for the purposes designated. Notwithstanding section 12C.7,
17 subsection 2, interest or earnings on moneys in the fund shall
18 be credited to the fund.
19 3. *a.* In administering the program, the department shall
20 award matching funds to veterans service organizations for the
21 purpose of employing staff to assist veterans with claims.
22 *b.* To receive a grant, a veterans service organization shall
23 demonstrate that moneys have been budgeted and will be expended
24 by the veterans service organization in the amount required to
25 provide matching funds for each staff position for which grant
26 moneys are sought.
27 *c.* For purposes of this section, *"veterans service*
28 *organization"* means an organization recognized by the United
29 States department of veterans affairs pursuant to 38 C.F.R.
30 §14.628(c).
31 4. The department shall adopt rules pursuant to chapter 17A
32 as necessary to implement and administer the program.
33 DIVISION II
34 AGING AND DISABILITY SERVICES —— FY 2025-2026
35 Sec. 3. DEPARTMENT OF HEALTH AND HUMAN SERVICES —— AGING AND

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DISABILITY SERVICES. There is appropriated from the general fund of the state to the department of health and human services for the fiscal year beginning July 1, 2025, and ending June 30, 2026, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For aging programs for the department of health and human services and area agencies on aging to provide citizens of Iowa who are 60 years of age and older with case management; for Iowa's aging and disabilities resource centers; for the return to community program; for the purposes of chapter 231E; to administer the prevention of elder abuse, neglect, and exploitation program pursuant to section 231.56A, in accordance with the requirements of the federal Older Americans Act of 1965, 42 U.S.C. §3001 et seq., as amended; for the operation of the dependent adult abuse services program pursuant to chapter 235B; for other services which may include but are not limited to adult day care, respite care, chore, information and assistance, and material aid; for information and options counseling for persons with disabilities; and for salaries, support, administration, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... $ 19,208,822

..... FTEs 88.00

1. Moneys appropriated in this section may be used to supplement federal moneys received under federal regulations. To receive moneys appropriated in this section, a local area agency on aging shall match the moneys with moneys from other sources according to rules adopted by the department. Moneys appropriated in this section may be used for services not specifically enumerated in this section only if approved by the department as part of an area agency on aging's area plan.

2. Of the moneys appropriated in this section, $949,282 shall be used for the family support center component of the comprehensive family support program under section 225C.47.

3. Of the moneys appropriated in this section, $33,632 shall

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be used to build community capacity through the coordination and provision of training opportunities in accordance with the consent decree of Conner v. Branstad, No. 4-86-CV-30871 (S.D. Iowa, July 15, 1994).

4. Of the moneys appropriated in this section, $100,000 shall be used by the department of health and human services for a dementia services coordinator position. The duties of the dementia services coordinator shall include but are not limited to all of the following:

a. Coordinating state-funded and privately funded dementia services within the state.

b. Coordinating the implementation of the Alzheimer's disease and related dementias state plan.

c. Assessing and analyzing dementia-related data collected by the state.

d. Evaluating state-funded dementia services.

e. Identifying and supporting the development of dementia-specific trainings.

f. Performing other duties as may be required to ensure the state is addressing Alzheimer's and related dementias.

DIVISION III

BEHAVIORAL HEALTH —— FY 2025-2026

Sec. 4. DEPARTMENT OF HEALTH AND HUMAN SERVICES —— BEHAVIORAL HEALTH. There is appropriated from the general fund of the state to the department of health and human services for the fiscal year beginning July 1, 2025, and ending June 30, 2026, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For behavioral health prevention, treatment, and recovery efforts to reduce the prevalence of the use of, provide treatment for, and support recovery from alcohol, tobacco, and substance use and misuse, problem gambling, and other addictive behaviors. Activities shall align with accepted best practice guidance standards for behavioral health including those published by the centers for disease control and prevention of the United States

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department of health and human services, and the substance abuse and mental health services administration of the United States department of health and human services, for health promotion; universal, selective, and indicated prevention; treatment; and recovery services and supports; and shall include a 24-hour helpline, public information resources, professional training, youth prevention, program evaluation, and efforts at the state and local levels, and for not more than the following full-time equivalent positions:

..... $ 24,400,114

..... FTEs 71.00

1. Of the moneys appropriated in this section, $300,000 shall be used to support the work of the children's behavioral health system including evidence-based behavioral health prevention, treatment, and recovery services and supports for children and their families pursuant to the intent specified in section 225C.6B, subsection 1.

2. Of the moneys appropriated in this section, $950,000 shall be used for an integrated substance use disorder managed care system. The department shall maintain the level of mental health and substance use disorder treatment services provided by the managed care contractors, and shall take the steps necessary to continue the federal waivers as needed to maintain the level of services.

Sec. 5. DEPARTMENT OF HEALTH AND HUMAN SERVICES —— SPORTS WAGERING RECEIPTS FUND. There is appropriated from the sports wagering receipts fund created in section 8.57I, to the department of health and human services for the fiscal year beginning July 1, 2025, and ending June 30, 2026, the following amount, or so much thereof as is necessary, to be used for behavioral health prevention, treatment, and recovery efforts to reduce the prevalence of the use of, provide treatment for, and support recovery from alcohol, tobacco, and substance use and misuse, problem gambling, and other addictive behaviors:

..... $ 1,750,000

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DIVISION IV

PUBLIC HEALTH —— FY 2025-2026

Sec. 6. DEPARTMENT OF HEALTH AND HUMAN SERVICES —— PUBLIC HEALTH. There is appropriated from the general fund of the state to the department of health and human services for the fiscal year beginning July 1, 2025, and ending June 30, 2026, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For programs that support health promotion, protect the health and safety of the public, conduct disease surveillance and investigation to reduce the incidence of morbidity and mortality, serve individuals with chronic conditions including but not limited to cancer, support the Iowa donor registry as specified in section 142C.18, and strengthen the health care delivery system and workforce to improve health outcomes for all Iowans, and for not more than the following full-time equivalent positions:

..... $ 21,037,821

..... FTEs 286.00

1. Of the moneys appropriated in this section, the following amounts are allocated to the department of health and human services to be used as follows to support the goals of increased access, health system integration, and engagement:

a. $600,000 for distribution to a nonprofit organization that established the first statewide drug donation repository for continuation of the pharmaceutical infrastructure for safety net providers established as described in 2007 Iowa Acts, chapter 218, section 108, and for the prescription drug donation repository program established in chapter 135M. Moneys under this paragraph shall be distributed in their entirety on July 1, 2025, for the purpose specified.

b. $374,000 for distribution to free clinics, as defined in section 135.24, and a nonprofit organization that facilitates the initiation, operation, and collaboration of free clinics for necessary infrastructure, statewide coordination, provider

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recruitment, service delivery, e-prescribing capacity, and provision of assistance to patients in securing a medical home. Moneys under this paragraph shall be distributed in their entirety on July 1, 2025, for the purpose specified.

c. $25,000 for distribution to an organization that raises awareness about issues related to rural health clinics, and necessary infrastructure and service delivery transformation. Moneys under this paragraph shall be distributed in their entirety on July 1, 2025, for the purpose specified.

d. $225,000 for distribution to an organization that is the oldest continuously operating medical society in the state for continuation of safety net provider patients access to specialty care as described in 2007 Iowa Acts, chapter 218, section 109. Moneys under this paragraph shall be distributed in their entirety on July 1, 2025, for the purpose specified.

2. Of the moneys appropriated in this section, $600,000 shall be used for rural psychiatric residencies for residents selected on or before June 30, 2025.

3. The university of Iowa hospitals and clinics under the control of the state board of regents shall not receive indirect costs from the moneys appropriated in this section. The university of Iowa hospitals and clinics billings to the department shall be, at a minimum, on a quarterly basis.

4. Of the moneys appropriated in this section, $20,000 shall be used to make radon test kits available, free of charge, to homeowners and renters in the state. The department shall provide a link on the department's internet site for homeowners and renters in the state to order radon test kits.

5. Of the moneys appropriated in this section, $1,000,000 shall be used to provide grants to support the double up food bucks program administered by the Iowa healthiest state initiative to make fresh fruits and vegetables sold at farmers markets, grocery stores, and other participating locations accessible to individuals and families who reside in this state and receive assistance through the federal supplemental nutrition

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assistance program.

DIVISION V

COMMUNITY ACCESS AND ELIGIBILITY —— FY 2025-2026

Sec. 7. DEPARTMENT OF HEALTH AND HUMAN SERVICES —— COMMUNITY ACCESS AND ELIGIBILITY. There is appropriated from the general fund of the state to the department of health and human services for the fiscal year beginning July 1, 2025, and ending June 30, 2026, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

To be used for salaries, support, maintenance, and miscellaneous purposes and for family investment program (FIP) assistance in accordance with chapter 239B, and for other costs associated with providing needs-based benefits or assistance including but not limited to maternal and child health, oral health, obesity prevention, the promotion of independence and self-sufficiency through employment, job opportunities and the basic skills (PROMISE JOBS) program, supplemental nutrition assistance program (SNAP) employment and training, the FIP diversion program, family planning, rent reimbursement, and eligibility determinations for medical assistance, food assistance, and the children's health insurance program, and for not more than the following full-time equivalent positions:

..... $ 68,043,944

..... FTEs 948.00

1. Of the child support collections assigned under FIP, the federal share of the child support collections shall be credited to the child support services appropriation made in this division of this Act. Of the remainder of the child support collections assigned under FIP, a portion shall be credited to community access and eligibility, and the remaining moneys may be used to increase recoveries, to sustain cash flow in the collection services center refund account as provided in section 252B.13A, or for technology needs. If child support collections assigned under FIP are greater than estimated or are otherwise determined not to be required for maintenance of efforts, the state share of

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1 either amount is appropriated to the department for child support
2 services as described in this Act, or may be transferred to or
3 retained in the collection services center refund account.
4 2. Of the moneys appropriated in this section, $3,075,000
5 shall be used for continuation of the department's initiative to
6 provide for adequate developmental surveillance and screening
7 during a child's first five years. The moneys shall be used
8 first to fully fund the current participating counties to ensure
9 that those counties are fully operational, with the remaining
10 moneys to be used for expanding participation to additional
11 counties. Full implementation and expansion shall include
12 enhancing the scope of the initiative through collaboration with
13 child health specialty clinics to promote the use of
14 developmental surveillance and screening to support healthy child
15 development through early identification and response to both
16 biomedical and social determinants of healthy development by
17 providing practitioner consultation and continuous improvement
18 through training and education, particularly for children with
19 behavioral conditions and needs. The department shall also
20 collaborate with the Medicaid program and child health specialty
21 clinics to assist in coordinating the activities of the first
22 five initiative into the establishment of patient-centered
23 medical homes developed to improve health quality and population
24 health while reducing health care costs. To the maximum extent
25 possible, moneys allocated in this subsection shall be utilized
26 as matching moneys for Medicaid program reimbursement.
27 3. Of the moneys appropriated in this section, $1,145,102 is
28 allocated to the Iowa commission on volunteer service for
29 programs and grants.
30 4. The university of Iowa hospitals and clinics under the
31 control of the state board of regents shall not receive indirect
32 costs from the moneys appropriated in this section. The
33 university of Iowa hospitals and clinics billings to the
34 department shall be, at a minimum, on a quarterly basis.
35 CHILD SUPPORT SERVICES

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Sec. 8. CHILD SUPPORT SERVICES. There is appropriated from the general fund of the state to the department of health and human services for the fiscal year beginning July 1, 2025, and ending June 30, 2026, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For child support services, including salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... $ 15,434,282
..... $ 464.00

1. Federal access and visitation grant moneys shall be used for services designed to increase compliance with the child access provisions of court orders, including but not limited to neutral visitation sites and mediation services.

2. The appropriation made to the department for child support services may be used throughout the fiscal year in the manner necessary for purposes of cash flow management, and for cash flow management purposes the department may temporarily draw more than the amount appropriated provided the amount appropriated is not exceeded at the close of the fiscal year.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT

Sec. 9. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT. There is appropriated from the special fund created in section 8.41 to the department of health and human services for the fiscal year beginning July 1, 2025, and ending June 30, 2026, from moneys received under the federal temporary assistance for needy families (TANF) block grant pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, and successor legislation, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For community access and eligibility, FIP, the PROMISE JOBS program, implementing family investment agreements in accordance with chapter 239B, and for continuation of the program promoting awareness of the benefits of a healthy marriage:

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1 ..... $ 12,988,627
2 2. For community access and eligibility to provide pregnancy
3 prevention grants on the condition that family planning services
4 are funded:
5 ..... $ 1,913,203
6 Pregnancy prevention grants shall be awarded to programs in
7 existence on or before July 1, 2025, if the programs have
8 demonstrated positive outcomes. Grants shall be awarded to
9 pregnancy prevention programs developed after July 1, 2025, if
10 the programs are based on existing models that have demonstrated
11 positive outcomes. Grants shall comply with the requirements
12 provided in 1997 Iowa Acts, chapter 208, section 14, subsections
13 1 and 2, including the requirement that a program awarded a grant
14 must emphasize sexual abstinence. Priority in the awarding of
15 grants shall be given to programs that serve areas of the state
16 which demonstrate the highest percentage of unplanned pregnancies
17 of females of childbearing age within the geographic area to be
18 served by the grant.
19 3. For community access and eligibility to meet one of the
20 four purposes of TANF as specified in 45 C.F.R. §260.20,
21 including by modernizing the program to promote economic mobility
22 and self-sufficiency, ensuring that families are able to overcome
23 benefit cliffs, encouraging healthy families, and streamlining
24 service delivery to reduce duplication:
25 ..... $ 5,000,000
26 4. For technology needs related to child support
27 modernization of the Iowa collections and reporting (ICAR) system
28 and for a closed loop referral system for the thrive Iowa
29 program:
30 ..... $ 5,000,000
31 5. For early intervention and supports for the family
32 development and self-sufficiency (FaDSS) grant program in
33 accordance with section 216A.107:
34 ..... $ 2,888,980
35 Of the moneys allocated for the FaDSS grant program in this

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subsection, not more than 5 percent of the moneys shall be used for administrative purposes.

6. For early intervention and supports for child abuse prevention grants:

..... $ 125,000

7. For accountability, compliance, program integrity, technology needs, and other resources necessary to meet federal and state reporting, tracking, and case management requirements, and other departmental needs:

..... $ 3,533,647

8. For state child care assistance:

..... $ 47,166,826

9. For child protective services:

..... $ 62,364,100

10. For child protective services for the kinship caregiver payment program:

..... $ 3,000,000

DIVISION VI

MEDICAL ASSISTANCE PROGRAM —— STATE SUPPLEMENTARY ASSISTANCE —— HEALTHY AND WELL KIDS IN IOWA PROGRAM AND OTHER HEALTH-RELATED PROGRAMS —— FY 2025-2026

Sec. 10. MEDICAL ASSISTANCE PROGRAM, STATE SUPPLEMENTARY ASSISTANCE, AND HEALTHY AND WELL KIDS IN IOWA PROGRAM. There is appropriated from the general fund of the state to the department of health and human services for the fiscal year beginning July 1, 2025, and ending June 30, 2026, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For medical assistance program reimbursement and associated costs as specifically provided in the reimbursement methodologies in effect on June 30, 2025, except as otherwise expressly authorized by law, consistent with federal law and regulations, and contingent upon receipt of approval from the office of the governor of reimbursement for each abortion performed under the medical assistance program; for the state supplementary

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assistance program; for the health insurance premium payment program; and for maintenance of the healthy and well kids in Iowa (Hawki) program pursuant to chapter 514I, including supplemental dental services, for receipt of federal financial participation under Tit. XXI of the federal Social Security Act, which creates the children's health insurance program; and for other specified health-related programs:

..... $1,899,238,628

1. Of the moneys appropriated in this section, $1,833,843,866 is allocated for medical assistance program reimbursement and associated costs.

a. Of the moneys allocated in this subsection, $794,859 shall be used for the renovation and construction of certain nursing facilities, consistent with chapter 249K.

b. Of the moneys allocated in this subsection, $3,383,880 shall be used for program administration, outreach, and enrollment activities of the state family planning services program pursuant to section 217.41B, and of this amount, the department may use $200,000 for administrative expenses.

2. Iowans support reducing the number of abortions performed in our state. Moneys appropriated under this section shall not be used for abortions, unless otherwise authorized under this section.

3. The provisions of this section relating to abortions shall also apply to the Iowa health and wellness plan created pursuant to chapter 249N.

4. Of the moneys appropriated in this section, $4,479,762 is allocated for the state supplementary assistance program.

5. Of the moneys appropriated in this section, $61,275,000 is allocated for maintenance of the Hawki program pursuant to chapter 514I, including supplemental dental services, for receipt of federal financial participation under Tit. XXI of the federal Social Security Act, which creates the children's health insurance program.

HEALTH PROGRAM OPERATIONS

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Sec. 11. HEALTH PROGRAM OPERATIONS. There is appropriated from the general fund of the state to the department of health and human services for the fiscal year beginning July 1, 2025, and ending June 30, 2026, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For health program operations, and the autism support program under section 225D.2, and for not more than the following full-time equivalent positions:

..... $ 39,652,231
..... FTEs 82.00

1. The department of inspections, appeals, and licensing shall provide all state matching moneys for survey and certification activities performed by the department of inspections, appeals, and licensing. The department of health and human services shall be solely responsible for distributing the federal matching moneys for such activities.

2. Of the moneys appropriated in this section, a sufficient amount shall be allocated for the administration of the health insurance premium payment program, including salaries, support, maintenance, and miscellaneous purposes.

3. Of the moneys appropriated in this section, $750,000 shall be allocated for a nonprofit organization that provides access to emergency poison information and treatment. Pursuant to the directive under 2014 Iowa Acts, chapter 1140, section 102, the federal matching moneys available to the nonprofit organization from the department under the federal Children's Health Insurance Program Reauthorization Act of 2009 shall be subject to the federal administrative cap rule of 10 percent applicable to moneys provided under Tit. XXI of the federal Social Security Act and shall be included in the department's calculations of the cap.

4. Of the moneys appropriated in this section, $55,000 shall be allocated to expand enrollment in the ground emergency medical transportation program pursuant to section 249A.5, if enacted by 2025 Iowa Acts, House File 977.

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5. Unless otherwise provided by law, if a contract for services provided under this section initially entered into during the fiscal year beginning July 1, 2025, and ending June 30, 2026, provides for an annual increase of the cost of services provided under the contract, the annual increase shall not exceed the amount by which the consumer price index for all urban consumers increased during the immediately preceding calendar year. This subsection shall not affect a contract entered into on or before June 30, 2025, that is for a term of more than one year.

HEALTH CARE ACCOUNTS AND FUNDS

Sec. 12. PHARMACEUTICAL SETTLEMENT ACCOUNT —— DEPARTMENT OF HEALTH AND HUMAN SERVICES. There is appropriated from the pharmaceutical settlement account created in section 249A.33 to the department of health and human services for the fiscal year beginning July 1, 2025, and ending June 30, 2026, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

Notwithstanding any provision of law to the contrary, to supplement the appropriation made in this Act from the general fund of the state for health program operations under the medical assistance program for the same fiscal year:

..... $ 234,193

Sec. 13. QUALITY ASSURANCE TRUST FUND —— DEPARTMENT OF HEALTH AND HUMAN SERVICES. Notwithstanding any provision of law to the contrary, and subject to the availability of moneys, there is appropriated from the quality assurance trust fund created in section 249L.4 to the department of health and human services for the fiscal year beginning July 1, 2025, and ending June 30, 2026, the following amount, or so much thereof as is necessary, for the purposes designated:

To supplement the appropriation made in this Act from the general fund of the state to the department of health and human services for medical assistance for the same fiscal year:

..... $111,216,205

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Sec. 14. HOSPITAL HEALTH CARE ACCESS TRUST FUND —— DEPARTMENT OF HEALTH AND HUMAN SERVICES. Notwithstanding any provision of law to the contrary, and subject to the availability of moneys, there is appropriated from the hospital health care access trust fund created in section 249M.4 to the department of health and human services for the fiscal year beginning July 1, 2025, and ending June 30, 2026, the following amount, or so much thereof as is necessary, for the purposes designated:

To supplement the appropriation made in this Act from the general fund of the state to the department of health and human services for medical assistance for the same fiscal year:

..... $ 33,920,554

NURSING FACILITIES —— MEDICAID REIMBURSEMENT METHODOLOGY PROPOSAL

Sec. 15. NURSING FACILITIES —— MEDICAID REIMBURSEMENT METHODOLOGY PROPOSAL.

1. By April 1, 2026, the department of health and human services shall develop a reimbursement methodology proposal for reimbursement of nursing facilities under the Medicaid program that includes all of the following:

a. A base-rate payment component.

b. A quality assurance assessment pass-through component.

c. A quality assurance add-on component, which includes a fixed fee payment and a quality-based payment.

2. The reimbursement methodology proposal shall include recommendations developed by the department of health and human services, in consultation with stakeholders including the Iowa health care association and leadingage Iowa, for specific metrics the department of health and human services will use to determine whether a nursing facility is eligible to receive all or a portion of the quality-based payment portion of the reimbursement to the nursing facility.

3. The total state expenditures for reimbursement of nursing facilities under the Medicaid program using the reimbursement methodology proposed in this section shall not exceed the amount appropriated for this purpose for the applicable fiscal year.

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NURSING FACILITY BED FORECASTING FORMULA

Sec. 16. NURSING FACILITY BED FORECASTING FORMULA —— WORK GROUP.

1. The department of health and human services shall establish a work group to make recommendations for a forecasting formula to ensure a sufficient number of nursing facility beds are available to meet the future demand for nursing facility beds.

2. The work group shall include all of the following members:

a. The director of health and human services, or the director's designee.

b. The director of the department of inspections, appeals, and licensing, or the director's designee.

c. Multiple representatives of nursing facilities located in this state.

d. A representative from each managed care organization acting pursuant to a contract with the department of health and human services to administer the medical assistance program under chapter 249A.

e. A representative of appropriate stakeholders as determined by the director of health and human services.

3. On or before July 1, 2026, the department of health and human services shall use the recommendations from the work group to develop and implement a forecasting formula to ensure a sufficient number of nursing facility beds are available to meet the future demand for nursing facility beds.

4. The department of health and human services shall consider the forecasting formula developed and implemented under subsection 3 to complete the formal review of an application for a certificate of need under section 10A.719.

PERSONAL NEEDS ALLOWANCE

Sec. 17. PERSONAL NEEDS ALLOWANCE. Of the moneys appropriated for the medical assistance program reimbursement and associated costs as specifically provided in the reimbursement methodologies in effect on June 30, 2025, $991,540 shall be

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allocated to provide for the increased monthly personal needs allowance under section 249A.30A.

Sec. 18. Section 249A.30A, Code 2025, is amended to read as follows:

249A.30A Medical assistance —— personal needs allowance.

1. The personal needs allowance under the medical assistance program, which may be retained by a person who is a resident of a nursing facility, an intermediate care facility for persons with an intellectual disability, or an intermediate care facility for persons with mental illness, as defined in section 135C.1, or a person who is a resident of a psychiatric medical institution for children as defined in section 135H.1, shall be ~~fifty~~ sixty-five dollars per month.

2. A resident who has income of less than ~~fifty~~ sixty-five dollars per month shall receive a supplement from the state in the amount necessary to receive a personal needs allowance of fifty dollars per month. The general assembly shall annually appropriate a sufficient amount from the general fund of the state to the department of health and human services for this purpose.

DIVISION VII

REIMBURSEMENT RATES

Sec. 19. REIMBURSEMENT METHODOLOGY. Reimbursement for medical assistance, state supplementary assistance, and social service providers and services reimbursed under the purview of the department of health and human services shall remain at the current reimbursement rate, or shall be determined pursuant to the reimbursement methodology in effect on June 30, 2025, with the exception of the following:

1. If reimbursement is otherwise negotiated by contract or pursuant to an updated fee schedule.

2. As otherwise provided in this division of this Act.

Sec. 20. REIMBURSEMENT RATES —— MEDICAL ASSISTANCE PROGRAM, STATE SUPPLEMENTARY ASSISTANCE, HEALTHY AND WELL KIDS IN IOWA, AND OTHER HEALTH-RELATED PROGRAMS. Of the moneys appropriated

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1 for medical assistance program reimbursement and associated costs
2 as specifically provided in the reimbursement methodologies June
3 30, 2025, the following amounts, or so much thereof as is
4 necessary, are allocated to the department of health and human
5 services to be used for the following purposes:
6 1. a. Notwithstanding any provision of law to the contrary,
7 for the fiscal year beginning July 1, 2025, and ending June 30,
8 2026, the department of health and human services shall rebase
9 case-mix nursing facility rates beginning July 1, 2025, using the
10 Medicaid cost reports on file for the period ending December 31,
11 2024, to the extent possible within state funding, including no
12 more than $25,000,000 from the allocation provided for medical
13 assistance program reimbursement and associated costs.
14 b. The department of health and human services shall
15 calculate each nursing facility's case-mix index for the period
16 beginning July 1, 2024, using weighting based on the current
17 patient-driven payment model schedule. Rosters shall be made
18 to show a separate calculation to determine the average case-mix
19 index for a nursing-facility-wide case-mix index, and a case-mix
20 index for the residents of a nursing facility who are Medicaid
21 recipients using all minimum data set reports by the nursing
22 facility for the previous semiannual period using a day weighted
23 calculation.
24 2. For the fiscal year beginning July 1, 2025, Medicaid
25 provider and service rates shall be adjusted to 85 percent of
26 the benchmark rates based on the department's 2024 Medicaid rate
27 review for dentists, excluding orthodontic services.
28 3. For the fiscal year beginning July 1, 2025, $420,000 shall
29 be used to increase to the extent possible reimbursement rates
30 for maternal health providers compared to the rates in effect on
31 June 30, 2025.
32 4. For the fiscal year beginning July 1, 2025, the pharmacy
33 dispensing fee shall be adjusted to $11.10. The change in
34 dispensing fee shall become effective following federal approval
35 of the Medicaid state plan.

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5. a. For the fiscal year beginning July 1, 2025, reimbursement rates for home health agencies shall continue to be based on the Medicare low utilization payment adjustment (LUPA) methodology with state geographic wage adjustments, and shall be adjusted to increase the rates to the extent possible.

b. For the fiscal year beginning July 1, 2026, and for each fiscal year thereafter, the department shall review the reimbursement rates for home health agencies and pharmacy dispensing fees.

6. On or before December 15, 2025, the department shall review the current rate limit calculation and application for special population nursing facility rates.

Sec. 21. REIMBURSEMENT RATES —— CHILD PROTECTIVE SERVICES. Of the moneys appropriated for child, family, and adoption services, the following amounts, or so much thereof as is necessary, are allocated to the department of health and human services for the following purposes:

1. For the fiscal year beginning July 1, 2025, $3,245,594 shall be used to increase to the extent possible reimbursement rates for qualified residential treatment program providers compared to rates in effect June 30, 2025.

2. For the fiscal year beginning July 1, 2025, $1,590,842 shall be used to increase to the extent possible reimbursement rates for shelter care providers compared to rates in effect June 30, 2025.

DIVISION VIII

FAMILY WELL-BEING AND PROTECTION —— FY 2025-2026

STATE CHILD CARE ASSISTANCE

Sec. 22. STATE CHILD CARE ASSISTANCE. There is appropriated from the general fund of the state to the department of health and human services for the fiscal year beginning July 1, 2025, and ending June 30, 2026, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For state child care assistance in accordance with sections 237A.13 and 237A.14, and for not more than the following

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full-time equivalent positions:
..... $ 34,966,931
..... FTEs 38.00

1. If the appropriation made for purposes of the state child care assistance program for the fiscal year is determined to be insufficient, it is the intent of the general assembly to appropriate sufficient moneys for the fiscal year to avoid application of waiting list requirements.

2. A portion of the state match for the federal child care and development block grant shall be provided as necessary to meet federal matching moneys requirements through the state general fund appropriation made for child development grants and other programs for at-risk children in section 279.51.

EARLY INTERVENTION AND SUPPORTS

Sec. 23. EARLY INTERVENTION AND SUPPORTS. There is appropriated from the general fund of the state to the department of health and human services for the fiscal year beginning July 1, 2025, and ending June 30, 2026, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For promoting optimum health status for children and adolescents from birth through 21 years of age, and for families, and for not more than the following full-time equivalent positions:
..... $ 36,277,739
..... FTEs 25.00

1. Of the moneys appropriated in this section, not more than $734,000 shall be used for the healthy opportunities for parents to experience success (HOPES)-healthy families Iowa (HFI) program established pursuant to section 135.106.

2. Of the moneys appropriated in this section, $4,313,854 is allocated for the FaDSS grant program, and not more than 5 percent of the moneys shall be used for administration of the grant program.

3. Of the moneys appropriated in this section, $29,256,799

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shall be deposited in the early childhood Iowa fund created in section 256I.11.

4. Of the moneys appropriated in this section, $1,000,000 shall be used for the purposes of program administration and provision of pregnancy support services through the more options for maternal support program in accordance with section 217.41C.

CHILD PROTECTIVE SERVICES

Sec. 24. CHILD PROTECTIVE SERVICES. There is appropriated from the general fund of the state to the department of health and human services for the fiscal year beginning July 1, 2025, and ending June 30, 2026, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For child, family, and adoption services, and for salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... $170,398,711

..... FTEs 977.00

1. Of the moneys appropriated in this section, $1,717,000 is allocated specifically for expenditure for the fiscal year beginning July 1, 2025, through the decategorization services funding pools and decategorization governance boards established pursuant to section 232.188.

2. A portion of the moneys appropriated in this section may be used to provide other resources, based on client need, required to support family preservation, emergency client need, or family reunification efforts.

3. Of the moneys appropriated in this section, a sufficient amount is allocated for foster family care, group foster care maintenance and services, shelter care, child welfare emergency services, qualified residential treatment programs, supervised apartment living contracts, and for medical assistance program reimbursement and associated costs.

4. Federal moneys received by the state during the fiscal year beginning July 1, 2025, as the result of the expenditure of state moneys appropriated during a previous state fiscal year for

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a service or activity funded under this section, are appropriated to the department to be used as additional moneys for services and purposes provided for under this section. Notwithstanding section 8.33, moneys appropriated under this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for the purposes designated until the close of the succeeding fiscal year.

5. a. Of the moneys appropriated in this section, $748,000 is allocated for the payment of the expenses of court-ordered services provided to children who are under the supervision of the department, which expenses are a charge upon the state pursuant to section 232.141, subsection 4.

b. Notwithstanding chapter 232 or any other provision of law to the contrary, a district or juvenile court shall not order any service which is a charge upon the state pursuant to section 232.141, subsection 4, if the moneys allocated under paragraph "a" for court-ordered services are insufficient to pay for the service.

6. Of the moneys appropriated in this section, $1,658,000 shall be allocated for child protection centers located in Iowa pursuant to the child protection center grant program under section 135.118. The grant amounts under the program shall be equalized so that each center receives a uniform base amount of $245,000, and the remaining moneys are awarded through a funding formula based upon the volume of children served by a center. To increase access to child protection center services for children in rural areas, the funding formula for awarding the remaining moneys shall provide for awarding an enhanced amount to eligible grantees to develop and maintain satellite centers in underserved regions of the state.

7. Of the moneys appropriated in this section, $4,359,500 is allocated for the preparation for adult living program established pursuant to section 234.46.

8. Of the moneys appropriated in this section, up to $227,000 shall be used for the public purpose of continuing a grant to a

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nonprofit human services organization that provides services to individuals and families in multiple locations in southwest Iowa and Nebraska, for support of a project providing immediate, sensitive support and forensic interviews, medical exams, needs assessments, and referrals for victims of child abuse and their nonoffending family members.

9. Of the moneys appropriated in this section, a portion may be used for family-centered services for purposes of complying with the federal Family First Prevention Services Act of 2018, Pub. L. No. 115-123, and successor legislation.

10. a. Of the moneys appropriated in this section, $39,673,470 is allocated for adoption subsidy payments and related costs.

b. Of the moneys allocated in this subsection, $148,232 shall be used to increase the adoption subsidy pursuant to section 600.17 by 5 percent compared to the rates in effect on June 30, 2025, for a child adopted after July 1, 2025.

c. Any moneys remaining after the allocations under paragraphs "a" and "b" are designated and allocated as state savings resulting from implementation of the federal Fostering Connections to Success and Increasing Adoptions Act of 2008, Pub. L. No. 110-351, and successor legislation, as determined in accordance with 42 U.S.C. §673(a)(8), and shall be used for post-adoption services and for other purposes allowed under those federal laws, Tit. IV-B or Tit. IV-E of the federal Social Security Act.

11. Of the moneys appropriated in this section, a sufficient amount is allocated to support training needs for child welfare providers and to address disproportionality within the child welfare system.

12. Of the moneys appropriated in this section, $308,756 shall be allocated to increase the foster care reimbursement rates pursuant to section 234.38 by 5 percent compared to the rates in effect on June 30, 2025, not to exceed the maximum reimbursement rate established in section 234.38.

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13. If a separate funding source is available that reduces the need for state moneys within an allocation under this section, the allocated state moneys may be redistributed to other allocations under this section for the same fiscal year.

DIVISION IX

STATE-OPERATED SPECIALTY CARE —— FY 2025-2026

Sec. 25. STATE-OPERATED SPECIALTY CARE. There is appropriated from the general fund of the state to the department of health and human services for the fiscal year beginning July 1, 2025, and ending June 30, 2026, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes at institutions under the jurisdiction of the department of health and human services, and for not more than the following full-time equivalent positions:

..... $102,343,507

..... FTEs 756.00

1. The department shall utilize the moneys appropriated in this section as necessary to maximize bed capacity and to most effectively meet the needs of the individuals served.

2. Of the moneys appropriated in this section, the following amounts are allocated to each institution as follows:

a. For the state mental health institute at Cherokee:

..... $ 19,738,275

b. For the state mental health institute at Independence:

..... $ 24,215,468

c. For the civil commitment unit for sexual offenders at Cherokee:

..... $ 18,898,416

d. For the state resource center at Woodward:

..... $ 14,217,377

e. For the state resource center at Glenwood:

..... $ 5,453,792

f. For the state training school at Eldora:

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..... $ 19,820,177

DIVISION X

ADMINISTRATION AND COMPLIANCE —— FY 2025-2026

Sec. 26. ACCOUNTABILITY, COMPLIANCE, AND PROGRAM INTEGRITY. There is appropriated from the general fund of the state to the department of health and human services for the fiscal year beginning July 1, 2025, and ending June 30, 2026, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For accountability, compliance, and program integrity, including salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... $ 21,242,539

..... FTEs 411.00

1. Of the moneys appropriated in this section, $200,000 shall be transferred to and deposited in the Iowa ABLE savings plan trust administrative fund created in section 12I.4, to be used for implementation and administration activities of the Iowa ABLE savings plan trust.

2. Of the moneys appropriated in this section, $2,602,312 shall be allocated for foster care review and the court appointed special advocate program, including for salaries, support, maintenance, and miscellaneous purposes.

3. Of the moneys appropriated in this section, $1,148,959 shall be allocated for the office of long-term care ombudsman for salaries, support, administration, maintenance, and miscellaneous purposes.

DIVISION XI

DEPARTMENT OF HEALTH AND HUMAN SERVICES TRANSFERS, CASH FLOW, AND NONREVERSIONS —— FY 2025-2026

Sec. 27. DEPARTMENT OF HEALTH AND HUMAN SERVICES TRANSFERS AND CASH FLOW.

1. Notwithstanding any provision of law to the contrary, the department of health and human services may transfer moneys

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appropriated in this Act to support continuing alignment efforts, to maximize federal support in accordance with the department's federal costs allocation plan, and for resources necessary to implement and administer the services for which moneys are appropriated. The department shall report any transfers made pursuant to this subsection to the general assembly.

2. If, due to ongoing cost management efforts, the appropriations under this Act for the Medicaid program exceed the associated costs for the Medicaid program for the fiscal year, the department may transfer any savings to the appropriations made in this Act for health program operations, or for accountability, compliance, and program integrity, to defray the costs associated with ongoing cost management efforts.

3. Notwithstanding any provision of law to the contrary, the department may transfer moneys appropriated under this Act for child protective services to pay the nonfederal share costs of services reimbursed under the medical assistance program, state child care assistance program, or the family investment program which are provided to children who would otherwise receive services paid by the appropriation for child protective services.

4. The department may transfer moneys from the temporary assistance for needy families block grant to the federal social services block grant appropriation, and to the child care and development block grant appropriation, in accordance with federal law.

5. To the extent the department determines that moneys appropriated under this Act, or allocated for a specific purpose under this Act, will remain unencumbered or unobligated at the close of the fiscal year, such unencumbered or unobligated moneys may be used in the same fiscal year for any other purpose for which the appropriated moneys may be used, or for any other allocation within the same appropriation.

6. To the extent the department determines that moneys appropriated under this Act will remain unencumbered or unobligated at the close of the fiscal year, and that services

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will not be impacted, the department may utilize up to $3,000,000 of such unencumbered or unobligated moneys to develop and support the thrive Iowa program, a closed-loop referral system utilizing a navigator model, that acts as the connection point to link Iowans on an individualized path to prosperity and self-sufficiency to available resources in all sectors of the community.

Sec. 28. DEPARTMENT OF HEALTH AND HUMAN SERVICES NONREVERSIONS.

1. Notwithstanding section 8.33, moneys appropriated under this Act from the general fund of the state and the temporary assistance for needy families block grant to the department of health and human services for the fiscal year beginning July 1, 2025, and ending June 30, 2026, for the purposes of the FaDSS grant program that remain unencumbered or unobligated at the close of the fiscal year shall not revert, but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

2. Notwithstanding section 8.33, of the moneys appropriated under this Act from the general fund of the state, the quality assurance trust fund, and the hospital health care access trust fund to the department of health and human services for the fiscal year beginning July 1, 2025, and ending June 30, 2026, for the purposes of the medical assistance program, the amount in excess of actual expenditures for the medical assistance program that remains unencumbered or unobligated at the close of the fiscal year shall not revert, but shall remain available for expenditure for the medical assistance program until the close of the succeeding fiscal year.

3. Notwithstanding section 8.33, and notwithstanding the nonreversion amount limitation specified for state resource centers in section 222.92, subsection 4, moneys appropriated under this Act from the general fund of the state to the department of health and human services for the fiscal year beginning July 1, 2025, and ending June 30, 2026, for

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the purposes of state-operated specialty care that remain unencumbered or unobligated at the close of the fiscal year shall not revert, but shall remain available for expenditure for the purposes designated for subsequent fiscal years.

4. Notwithstanding section 8.33, moneys appropriated in this Act from the general fund of the state to the department of health and human services for the fiscal year beginning July 1, 2025, and ending June 30, 2026, for the Iowa commission on volunteer service for programs and grants that remain unencumbered or unobligated at the close of the fiscal year shall not revert, but shall remain available for expenditure for the purposes designated for subsequent fiscal years.

5. Notwithstanding section 8.33, moneys appropriated under this Act from the general fund of the state to the department of health and human services for the fiscal year beginning July 1, 2025, and ending June 30, 2026, and allocated for rural psychiatric residencies that remain unencumbered or unobligated at the close of the fiscal year shall not revert, but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

6. Notwithstanding section 8.33, moneys appropriated under this Act from the general fund of the state to the department of health and human services for the fiscal year beginning July 1, 2025, and ending June 30, 2026, and allocated for adoption subsidy payments and related costs, or for post-adoption services and related allowable purposes, that remain unencumbered or unobligated at the close of the fiscal year shall not revert, but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

DIVISION XII

DEPARTMENT OF HEALTH AND HUMAN SERVICES PRIOR APPROPRIATIONS AND OTHER PROVISIONS

THRIVE IOWA PROGRAM CLOSED-LOOP REFERRAL SYSTEM

Sec. 29. 2024 Iowa Acts, chapter 1157, section 21, subsection 6, is amended to read as follows:

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6. To the extent the department determines that moneys appropriated under this Act will remain unencumbered or unobligated at the close of the fiscal year or that services will not be impacted, the department may utilize up to $3,000,000 of such unencumbered or unobligated moneys appropriated to develop and support the thrive Iowa program, a closed-loop referral system utilizing a navigator model, that acts as the connection point to link Iowans on an individualized path to prosperity and self-sufficiency to available resources in all sectors of the community. Notwithstanding section 8.33, any moneys utilized for this purpose shall not revert but shall remain available for expenditure for the purposes designated.

COMMUNITY ACCESS AND ELIGIBILITY

Sec. 30. 2024 Iowa Acts, chapter 1157, section 22, is amended by adding the following new subsection:

NEW SUBSECTION. 7. Notwithstanding section 8.33, moneys appropriated under this Act from the general fund of the state to the department of health and human services for the fiscal year beginning July 1, 2024, and ending June 30, 2025, and allocated for community access and eligibility that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated, or are appropriated to the department for any purpose described in this division of this Act or to be used as necessary to enhance the department's accountability, compliance, program integrity, and efficiency, until the close of the succeeding fiscal year.

Sec. 31. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 32. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to July 1, 2024.

DIVISION XIII

BEER AND LIQUOR CONTROL FUND —— BEHAVIORAL HEALTH FUND

Sec. 33. 2024 Iowa Acts, chapter 1157, is amended by adding the following new section:

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NEW SECTION. SEC. 4A. IN LIEU OF STANDING APPROPRIATION. The moneys appropriated and allocated in this division of this Act for purposes of treatment and prevention of substance use and misuse and addictive behaviors are in lieu of the standing appropriation to the department of health and human services pursuant to section 123.17, subsection 5, for the fiscal year beginning July 1, 2024.

Sec. 34. 2024 Iowa Acts, chapter 1161, section 14, is amended by striking the section and inserting in lieu thereof the following:

SEC. 14. Section 123.17, subsection 5, Code 2024, is amended to read as follows:

5. After any transfer provided for in subsection 3 is made, the department shall transfer into a special revenue account in the general fund of the state, a sum of money at least equal to seven percent of the gross amount of sales made by the department from the beer and liquor control fund on a monthly basis but not less than nine million dollars annually. Of the amounts transferred, ~~two~~ one million dollars, ~~plus an additional amount determined by the general assembly, shall be appropriated to the department of health and human services for use by the staff who administer the comprehensive substance use disorder program under chapter 125 for substance use disorder treatment and prevention programs~~ shall be transferred to the behavioral health fund established under section 225A.7. Any amounts received in excess of the amounts ~~appropriated to the department of health and human services for use by the staff who administer the comprehensive substance use disorder program under chapter 125~~ transferred to the behavioral health fund shall be considered part of the general fund balance.

Sec. 35. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 36. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to July 1, 2024.

DIVISION XIV

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REPORT ON NONREVERSION OF MONEYS

Sec. 37. REPORT ON NONREVERSION OF MONEYS. The department of health and human services shall report the expenditure of any moneys for which nonreversion authorization was provided for the fiscal year beginning July 1, 2024, and ending June 30, 2025, to the general assembly on a quarterly basis beginning October 1, 2025.

DIVISION XV

EMERGENCY RULES

Sec. 38. EMERGENCY RULES.

1. If necessary to comply with federal requirements, including time frames, the department of health and human services or the mental health and disability services commission shall adopt administrative rules under section 17A.4, subsection 3, and section 17A.5, subsection 2, paragraph "b", to implement the applicable provisions of this Act. The rules shall be effective immediately upon filing unless a later date is specified in the rules. Any rules adopted in accordance with this section shall also be published as a notice of intended action as provided in section 17A.4.

2. If the department of health and human services adopts emergency rules in accordance with this section, or as otherwise directed or authorized by state law, and the rules will result in an increase in expenditures beyond the amount anticipated in the budget for the fiscal year, or if the expenditures were not addressed in the budget for the fiscal year, the department shall notify the general assembly and the department of management concerning the rules and the increase in expenditures. The notification shall be provided at least thirty calendar days prior to the date notice of the rules is submitted to the administrative rules coordinator and the administrative code editor.

DIVISION XVI

MATTERS RELATED TO AUTISM SPECTRUM DISORDER

Sec. 39. Section 225D.2, Code 2025, is amended by adding the

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following new subsection:

NEW SUBSECTION. 4A. The department shall not approve a new application for the autism support program on or after July 1, 2025. The department shall continue to provide treatment and make payments pursuant to the program for an eligible individual whose application is approved on or before June 30, 2025, if the individual remains eligible for the program.

Sec. 40. NEW SECTION. **225D.3 Future repeal.**

This chapter is repealed July 1, 2027.

Sec. 41. Section 514I.5, subsection 4, paragraph c, Code 2025, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (18) Applied behavior analysis services for the treatment of autism spectrum disorder.

Sec. 42. TRANSFER OF MONEYS. Upon repeal of chapter 225D on July 1, 2027, any unencumbered and unobligated moneys remaining in the autism support fund created in section 225D.2, are transferred to the Hawki trust fund created in section 514I.11.

DIVISION XVII

INVOLUNTARY COMMITMENT HEARING TESTIMONY

Sec. 43. Section 125.82, subsection 3, Code 2025, is amended to read as follows:

3. *a.* The person who filed the application, and ~~a~~ the licensed physician and surgeon, ~~or~~ osteopathic physician and surgeon, mental health professional, or ~~certified~~ alcohol and drug counselor certified by the nongovernmental Iowa board of certification who has examined the respondent in connection with the commitment hearing, shall be present at the hearing, unless ~~the court for good cause finds that their presence or testimony is not necessary~~ any of the following apply:

(1) The court finds for good cause that the presence or testimony of the person who examined the respondent is not necessary. *"Good cause"* may include but is not limited to a waiver under subparagraph (3).

(2) The court grants an application to allow a physician assistant licensed under chapter 148C or an advanced registered

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nurse practitioner licensed under chapter 152 to be present and testify at the hearing on behalf of the licensed physician and surgeon, osteopathic physician and surgeon, mental health professional, or certified alcohol and drug counselor who examined the respondent in connection with the commitment hearing. An application under this subparagraph shall contain all of the following:

(a) A sworn statement that the physician assistant or advanced registered nurse practitioner witnessed the physician and surgeon, osteopathic physician and surgeon, mental health professional, or certified alcohol and drug counselor examine the respondent in connection with the commitment hearing.

(b) A sworn statement that the physician assistant or advanced registered nurse practitioner has reviewed the written report of the examination prepared pursuant to section 125.80.

(c) A sworn statement that the physician and surgeon, osteopathic physician and surgeon, mental health professional, or certified alcohol and drug counselor is unable to attend the hearing.

(3) The applicant, respondent, and the respondent's attorney ~~may~~ waive the presence, televised appearance, or telephonic appearance of the licensed physician and surgeon, ~~or~~ osteopathic physician and surgeon, mental health professional, or certified alcohol and drug counselor who examined the respondent and agree to submit as evidence the written report ~~of the licensed physician and surgeon or osteopathic physician and surgeon, mental health professional, or certified alcohol and drug counselor~~ of examination prepared pursuant to section 125.80. The respondent's attorney shall inform the court if the respondent's attorney reasonably believes that the respondent, due to diminished capacity, cannot make an adequately considered waiver decision. ~~"*Good cause*" for finding that the testimony of the licensed physician and surgeon or osteopathic physician and surgeon, mental health professional, or certified alcohol and drug counselor who examined the respondent is not necessary may~~

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~~include but is not limited to such a waiver.~~

b. If the court determines that the testimony of the licensed physician and surgeon, ~~or~~ osteopathic physician and surgeon, mental health professional, or certified alcohol and drug counselor is necessary, the court may allow the licensed physician and surgeon, ~~or~~ osteopathic physician and surgeon, mental health professional, or certified alcohol and drug counselor to testify by telephone or televised means.

c. The respondent shall be present at the hearing unless prior to the hearing the respondent's attorney stipulates in writing that the attorney has conversed with the respondent, and that in the attorney's judgment either the respondent cannot make a meaningful contribution to the hearing~~,~~ or ~~that~~ the respondent has waived the right to be present, and the basis for the attorney's conclusions. A stipulation to the respondent's absence shall be reviewed by the court before the hearing, and may be rejected if it appears that insufficient grounds are stated or that the respondent's interests would not be served by the respondent's absence.

Sec. 44. Section 229.12, subsection 3, paragraph b, Code 2025, is amended to read as follows:

b. (1) The licensed physician or mental health professional who examined the respondent shall be present at the hearing unless ~~the court for good cause finds that the licensed physician's or mental health professional's presence or testimony is not necessary~~ any of the following apply:

(a) The court finds for good cause that the licensed physician's or mental health professional's presence is not necessary. *"Good cause"* may include but is not limited to a waiver under subparagraph division (c).

(b) The court grants an application to allow a physician assistant licensed under chapter 148C or an advanced registered nurse practitioner licensed under chapter 152 to be present and testify at the hearing on behalf of the licensed physician or mental health professional who examined the respondent in

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connection with the commitment hearing. An application under this subparagraph division shall contain all of the following:

(i) A sworn statement that the physician assistant or advanced registered nurse practitioner witnessed the licensed physician or mental health professional examine the respondent.

(ii) A sworn statement that the physician assistant or advanced registered nurse practitioner has reviewed the written report of the examination prepared pursuant to section 229.10.

(iii) A sworn statement that the licensed physician or mental health professional who examined the respondent is unable to attend the hearing.

(c) The applicant, respondent, and the respondent's attorney ~~may~~ waive the presence, televised appearance, or the telephonic appearance of the licensed physician or mental health professional who examined the respondent and agree to submit as evidence the written report ~~of the licensed physician or mental health professional~~ of the examination prepared pursuant to section 229.10. The respondent's attorney shall inform the court if the respondent's attorney reasonably believes that the respondent, due to diminished capacity, cannot make an adequately considered waiver decision. ~~*"Good cause"* for finding that the testimony of the licensed physician or mental health professional who examined the respondent is not necessary may include but is not limited to such a waiver.~~

(2) If the court determines that the testimony of the licensed physician or mental health professional is necessary, the court may allow the licensed physician or the mental health professional to testify by telephone or televised means.

DIVISION XVIII

DISCHARGE OF INVOLUNTARILY COMMITTED PERSONS

Sec. 45. Section 125.2, Code 2025, is amended by adding the following new subsections:

NEW SUBSECTION. 01. *"Administrative services organization"* means the same as defined in section 225A.1.

NEW SUBSECTION. 001. *"Behavioral health district"* means the

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1 same as defined in section 225A.1.
2 Sec. 46. Section 125.85, subsection 4, Code 2025, is amended
3 by striking the subsection.
4 Sec. 47. Section 125.85, Code 2025, is amended by adding the
5 following new subsections:
6 NEW SUBSECTION. 6. Prior to a discharge of a respondent
7 under this section, the facility treating the respondent shall do
8 all of the following:
9 *a.* Refer the respondent to an administrative services
10 organization for evaluation, system navigation, and postdischarge
11 services.
12 *b.* Assess the respondent for suicide risk.
13 *c.* Provide the respondent or the respondent's legal
14 representative with a discharge report. The discharge report
15 shall include all of the following:
16 (1) The respondent's name and address.
17 (2) The dates, times, and locations of all postdischarge
18 appointments scheduled for the respondent.
19 (3) A list of each medication prescribed for the respondent
20 before or during the respondent's treatment, including
21 psychiatric and nonpsychiatric medications.
22 (4) Contact information for the administrative services
23 organization to which the respondent was referred under paragraph
24 "*a*".
25 (5) A written patient-centered aftercare plan, including
26 crisis prevention and steps to address the respondent's ongoing
27 care needs.
28 (6) (a) Educational materials for the respondent and
29 individuals who are willing to support the respondent after the
30 respondent's discharge.
31 (b) Educational materials shall be developed by the
32 department for distribution to facilities. Educational materials
33 shall include but not be limited to all of the following:
34 (i) Descriptions of the symptoms of a substance use disorder.
35 (ii) Warning signs of decompensation.

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(iii) Information regarding the availability of other educational services, services offered in the respondent's community, and services offered statewide.

d. Notify all of the following persons:

(1) The administrative services organization to which the respondent was referred under paragraph "*a*".

(2) The respondent's legal guardian, parent, spouse, attorney in fact under chapter 144B, or adult siblings, as applicable.

NEW SUBSECTION. 7. *a.* The administrative services organization to which a respondent was referred under subsection 6, paragraph "*a*", shall do all of the following in relation to the discharged respondent:

(1) Coordinate postdischarge care, including but not limited to contacting the respondent to ensure the respondent attends scheduled appointments and receives necessary care and services.

(2) Follow up with the respondent in a timely manner. Follow-ups shall include but not be limited to home visits, telephone calls, and other means of contacting the respondent.

b. An administrative services organization may delegate duties required under this subsection to a managed care organization acting pursuant to a contract with the department to administer the Medicaid program under chapter 249A, if the respondent referred to the administrative services organization qualifies for Medicaid.

NEW SUBSECTION. 8. *a.* Each administrative services organization shall make a quarterly report to the department, and the report shall include all of the following:

(1) The number of respondents discharged and referred to the administrative services organization during the reporting period.

(2) The outcome of each discharged respondent.

(3) Any issues encountered while ensuring each respondent's postdischarge continuity of care.

b. A report under this section shall be considered a confidential record under section 22.7.

c. A report under this section shall comply with the federal

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Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.

NEW SUBSECTION. 9. Following a respondent's discharge from a facility or from treatment, the administrator of the facility shall immediately report the discharge to the court which ordered the respondent's commitment or treatment. The court shall issue an order confirming the respondent's discharge and terminating the proceedings in which the respondent's commitment or treatment was ordered. Copies of the order confirming the discharge and terminating the proceedings shall be sent by regular mail to the facility and the respondent.

NEW SUBSECTION. 10. The department shall adopt rules pursuant to chapter 17A to implement and administer this section.

Sec. 48. Section 229.1, Code 2025, is amended by adding the following new subsections:

NEW SUBSECTION. 01. *"Administrative services organization"* means the same as defined in section 225A.1.

NEW SUBSECTION. 001. *"Behavioral health district"* means the same as defined in section 225A.1.

Sec. 49. Section 229.16, Code 2025, is amended to read as follows:

229.16 Discharge and termination of proceeding.

1. When ~~the condition of~~, in the opinion of the chief medical officer, a patient ~~who is hospitalized pursuant to a report issued~~ whose treatment was recommended under section 229.14, subsection 1, ~~paragraph "b", or is receiving treatment pursuant to a report issued under section 229.14, subsection 1, paragraph "c", or is in full-time care and custody pursuant to a report issued under section 229.14, subsection 1, paragraph "d", is such that in the opinion of the chief medical officer the patient~~ no longer requires treatment ~~or care~~ for serious mental impairment, the chief medical officer shall tentatively discharge the patient and immediately report ~~that fact~~ the discharge to the court which ordered the patient's ~~hospitalization or care and custody~~ treatment. Upon receiving the report, the court

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shall issue an order confirming the patient's discharge ~~from the hospital or from care and custody, as the case may be,~~ and ~~shall terminate~~ terminating the proceedings ~~pursuant to~~ in which the ~~order~~ patient's treatment was ~~issued~~ ordered. Copies of the order shall be sent by regular mail to the hospital, the patient, and the applicant if the applicant has filed a written waiver signed by the patient.

2. If a patient is receiving inpatient care, prior to a discharge of the patient under subsection 1, the facility or hospital treating the patient shall do all of the following:

a. Refer the patient to an administrative services organization for evaluation, system navigation, and postdischarge services.

b. Assess the patient for suicide risk.

c. Provide the patient or the patient's legal representative with a discharge report. The discharge report shall include all of the following:

(1) The patient's name and address.

(2) The dates, times, and locations of all postdischarge appointments scheduled for the patient.

(3) A list of each medication prescribed for the patient before or during the patient's treatment, including psychiatric and nonpsychiatric medications.

(4) Contact information for the administrative services organization to which the patient was referred under paragraph *"a"*.

(5) A written patient-centered aftercare plan, including crisis prevention and steps to address the patient's ongoing care needs.

(6) (a) Educational materials for the patient and individuals who are willing to support the patient after the patient's discharge.

(b) Educational materials shall be developed by the department for distribution to facilities and hospitals treating persons with a mental illness. Educational materials shall

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1 include but not be limited to all of the following:
2 (i) Descriptions of the symptoms of mental illness.
3 (ii) Warning signs of decompensation.
4 (iii) Information regarding the availability of other
5 educational services, services offered in the patient's
6 community, and services offered statewide.
7 *d.* Notify all of the following persons:
8 (1) The administrative services organization to which the
9 patient was referred under paragraph "*a*".
10 (2) The patient's legal guardian, parent, spouse, attorney in
11 fact under chapter 144B, or adult siblings, as applicable.
12 3. *a.* The administrative services organization to which a
13 patient was referred under subsection 2, paragraph "*a*", shall do
14 all of the following in relation to the discharged patient:
15 (1) Coordinate postdischarge care, including but not limited
16 to contacting the patient to ensure the patient attends scheduled
17 appointments and receives necessary care and services.
18 (2) Follow up with the patient in a timely manner.
19 Follow-ups shall include but not be limited to home visits,
20 telephone calls, and other means of contacting the patient.
21 *b.* An administrative services organization may delegate
22 duties required under this subsection to a managed care
23 organization acting pursuant to a contract with the department
24 to administer the Medicaid program under chapter 249A, if the
25 patient referred to the administrative services organization
26 qualifies for Medicaid.
27 4. *a.* Each administrative services organization shall make a
28 quarterly report to the department, and the report shall include
29 all of the following:
30 (1) The number of patients discharged and referred to the
31 administrative services organization during the reporting period.
32 (2) The outcomes of each discharged patient.
33 (3) Any issue encountered while ensuring each patient's
34 postdischarge continuity of care.
35 *b.* A report under this section shall be considered a

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confidential record under section 22.7.

c. A report under this section shall comply with the federal Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.

5. The department shall adopt rules pursuant to chapter 17A to implement this section.

DIVISION XIX

MEDICAL RESIDENCY AND FELLOWSHIP POSITIONS —— RESIDENTS OF IOWA

Sec. 50. Section 262.9, subsection 39, paragraph e, subparagraph (2), if enacted by 2025 Iowa Acts, House File 516, section 1, is amended to read as follows:

(2) An individual who has lived in Iowa for at least four consecutive years immediately preceding the date the individual ~~applies for admission to~~ begins classes at the college of medicine in the doctor of medicine program or the college of dentistry at the state university of Iowa, or ~~for~~ begins a residency at the university of Iowa hospitals and clinics.

DIVISION XX

MAINTENANCE AND COSTS OF JUVENILE HOMES

Sec. 51. Section 232.142, subsection 6, paragraph b, Code 2025, is amended to read as follows:

b. (1) Moneys deposited in the juvenile detention home fund during a fiscal year are appropriated to the department for the same fiscal year for distribution of an amount equal to a percentage of the costs of the establishment, improvement, operation, and maintenance of county or multicounty juvenile detention homes in the ~~prior~~ immediately preceding fiscal year. Such percentage shall be determined by the department based on the amount available for distribution from the fund.

(2) Moneys appropriated for distribution in accordance with this subsection shall be allocated ~~among eligible detention homes,~~ as follows:

(a) One hundred twenty-five thousand dollars shall be distributed to each eligible county or multicounty juvenile detention home.

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(b) Appropriated moneys remaining after the distribution in subparagraph division (a) shall be prorated and distributed on the basis of an eligible county or multicounty juvenile detention home's proportion of the costs of all eligible county or multicounty juvenile detention homes in the ~~prior~~ immediately preceding fiscal year.

DIVISION XXI

HOSPITAL DIRECTED PAYMENT PROGRAM

Sec. 52. NEW SECTION. **249O.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Centers for Medicare and Medicaid services"* means the centers for Medicare and Medicaid services of the United States department of health and human services.

2. *"Department"* means the department of health and human services.

3. *"Hospital"* means a nonstate-owned hospital licensed by the state.

4. *"Hospital directed payment program"* means a program that provides a state directed payment to a hospital for inpatient and outpatient hospital services.

5. *"State directed payment"* means the same as defined in 42 C.F.R. §438.2.

Sec. 53. NEW SECTION. **249O.2 Hospital directed payment program.**

1. Prior to the department administering a hospital directed payment program under this chapter for any specific fiscal year, the department shall submit any authorizing documentation necessary to the centers for Medicare and Medicaid services for approval. Upon receipt of approval from the centers for Medicare and Medicaid services, the department shall administer the hospital directed payment program during the specified fiscal year.

2. *a.* For the sole purpose of the hospital directed payment program, the department may impose an assessment on a hospital.

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The total amount of assessments collected by the department shall not exceed the amount necessary to fully fund the nonfederal share of the maximum state directed payment allowed under federal regulations.

b. The department shall establish requirements for timely payment of an assessment, and any penalties for late payment or nonpayment of an assessment. Any assessment imposed under this section shall constitute a debt due the state and may be collected by civil action under any method provided by law.

c. The department and a third-party administrator contracted with the department may collectively assess and collect an administrative fee of no more than four percent of the amount of each assessment imposed.

3. Any assessments and penalties collected under this section shall be used for the purposes of the hospital directed payment program.

4. *a.* The hospital directed payment program shall not be administered, an assessment shall not be imposed, and a hospital shall not be required to pay an assessment if federal financial participation is not available, or if the hospital directed payment program and imposition of an assessment are not approved by the centers for Medicare and Medicaid services.

b. If federal law or policy significantly impacts the hospital directed payment program as determined by the department, the department, in collaboration with stakeholders, may terminate the hospital directed payment program.

5. The department shall adopt rules pursuant to chapter 17A as necessary to administer this chapter.

EXPLANATION

The inclusion of this explanation does not constitute agreement with the explanation's substance by the members of the general assembly.

This bill makes appropriations from the general fund of the state to the department of veterans affairs and to the department of health and human services (HHS) for fiscal year 2025-2026. The appropriations from the general fund of the state

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1 to the department of veterans affairs include appropriations for
2 administration, the Iowa veterans home, and the home ownership
3 assistance program. The appropriations from the general fund of
4 the state to HHS include appropriations for aging and disability
5 services; behavioral health; public health; community access and
6 eligibility including for child support services; the medical
7 assistance program, state supplementary assistance, the healthy
8 and well kids in Iowa (Hawki) program, and other specified
9 health-related programs including health program operations;
10 reimbursement rates; family well-being and protection including
11 state child care assistance, early intervention and supports,
12 and child protective services; state-operated specialty care; and
13 administration and compliance.
14 The bill also makes appropriations to HHS from the sports
15 wagering receipts fund, the pharmaceutical settlement account,
16 the quality assurance trust fund, and the hospital health care
17 access trust fund.
18 The bill transfers money from the beer and liquor control fund
19 to the behavioral health fund.
20 The bill requires HHS to develop a reimbursement methodology
21 proposal for reimbursement of nursing facilities under the
22 medical assistance program.
23 The bill limits how moneys appropriated to the early childhood
24 Iowa fund shall be used by HHS.
25 The bill repeals the autism support program, requires the
26 Hawki program to cover applied behavior analysis services for
27 the treatment of autism spectrum disorder, and transfers any
28 unencumbered and unobligated moneys remaining in the autism
29 support fund to the Hawki trust fund upon the repeal of the
30 autism support program.
31 The bill allows an assistant or an advanced registered nurse
32 practitioner to testify in an involuntary commitment hearing for
33 a substance abuse disorder or a serious mental impairment.
34 The bill requires a facility or a hospital treating an
35 involuntarily committed person to perform certain actions prior

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1 to the discharge of the person, and the referred administrative
2 services organization to coordinate the discharged person's care
3 and provide quarterly reports to HHS.
4 The bill amends the definition of "resident of Iowa" in 2025
5 Iowa Acts, House File 516.
6 The bill amends how moneys in the juvenile detention home fund
7 are allocated under Code section 232.142(6)(b).
8 The bill requires HHS to submit documentation to the federal
9 centers for Medicare and Medicaid services for approval to
10 administer a hospital directed payment program. Upon receipt of
11 approval, the bill permits HHS to administer a hospital directed
12 payment program. HHS may impose an assessment on a hospital.
13 The bill includes transfer, cash flow, and nonreversion
14 provisions, emergency rulemaking authority, and reporting
15 requirements.

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