

**Senate File 532 - Introduced**

SENATE FILE 532  
BY CELSI

**A BILL FOR**

1 An Act relating to health care facilities, providing penalties,  
2 making an appropriation, and including effective date and  
3 retroactive applicability provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. Section 135C.14, subsection 5, Code 2025, is  
2 amended to read as follows:

3 5. Equipment essential to the health and welfare of the  
4 resident. The rules shall require a health care facility  
5 that accepts state funding to annually adopt and provide to  
6 the department the health care facility's policies regarding  
7 competitive procurement for supplies and equipment including  
8 transactions and associated reimbursement structures with any  
9 related party as defined in section 135C.7A.

10 Sec. 2. Section 135C.14, subsection 8, Code 2025, is amended  
11 by adding the following new paragraph:

12 NEW PARAGRAPH. g. Facility policies and procedures regarding  
13 the use of arbitration agreements. The rules and standards shall  
14 prohibit any health care facility that accepts state funding  
15 from offering a resident, or requiring a resident to sign,  
16 an arbitration agreement that limits the resident's inalienable  
17 right to seek full judicial review of a dispute as a precondition  
18 for being admitted to the facility.

19 Sec. 3. Section 135C.16, subsection 1, Code 2025, is amended  
20 to read as follows:

21 1. In addition to the inspections required by sections 135C.9  
22 and 135C.38, the department shall make or cause to be made  
23 such further unannounced inspections as it deems necessary to  
24 adequately enforce this chapter. ~~At~~ On average, at least one  
25 general unannounced inspection shall be conducted for each health  
26 care facility within a ~~thirty-month~~ twelve-month period, not to  
27 exceed a period of fifteen months. The inspector shall show  
28 identification to the person in charge of the facility and state  
29 that an inspection is to be made before beginning the inspection.  
30 An employee of the department who gives unauthorized advance  
31 notice of an inspection made or planned to be made under this  
32 subsection or section 135C.38 shall be disciplined as determined  
33 by the director, except that if the employee is employed pursuant  
34 to the merit system provisions of chapter 8A, subchapter IV, the  
35 discipline shall not exceed the discipline authorized pursuant to

1 that subchapter.

2 Sec. 4. Section 135C.36, subsection 1, Code 2025, is amended  
3 to read as follows:

4 1. A class I violation is one which presents an imminent  
5 danger or a substantial probability of resultant death or  
6 physical harm to the residents of the facility in which the  
7 violation occurs. A physical condition or one or more practices  
8 in a facility may constitute a class I violation. A class I  
9 violation shall be abated or eliminated immediately unless the  
10 department determines that a stated period of time, specified  
11 in the citation issued under section 135C.40, is required to  
12 correct the violation. A licensee is subject to a penalty of not  
13 less than ~~two~~ five thousand nor more than ten thousand dollars  
14 for each class I violation for which the licensee's facility is  
15 cited.

16 Sec. 5. Section 135C.36, Code 2025, is amended by adding the  
17 following new subsection:

18 NEW SUBSECTION. 1A. A class I violation includes any  
19 confirmed instance of a facility retaliating against a resident  
20 or employee for filing a complaint or otherwise cooperating with  
21 the department or the office of long-term care ombudsman.

22 Sec. 6. Section 135C.38, subsection 1, paragraph a, Code  
23 2025, is amended to read as follows:

24 a. Upon receipt of a complaint made in accordance with  
25 section 135C.37, the department shall make a preliminary review  
26 of the complaint. Unless the department concludes that the  
27 complaint is intended to harass a facility or a licensee or is  
28 without reasonable basis, the department shall make or cause to  
29 be made an on-site inspection of the health care facility which  
30 is the subject of the complaint within the time period determined  
31 pursuant to the following guidelines, which period shall commence  
32 on the date of receipt of the complaint:

33 (1) For nursing facilities, an on-site inspection shall be  
34 initiated as follows:

35 (a) Within ~~two~~ one working days day for a complaint

1 determined by the department to be an alleged immediate jeopardy  
2 situation.

3 (b) Within ~~ten~~ five working days for a complaint determined  
4 by the department to be an alleged high-level, nonimmediate  
5 jeopardy situation.

6 (c) Within forty-five calendar days for a complaint  
7 determined by the department to be an alleged nonimmediate  
8 jeopardy situation, other than a high-level situation.

9 (2) For all other types of health care facilities, an on-site  
10 inspection shall be initiated as follows:

11 (a) Within ~~two~~ one working days ~~days~~ day for a complaint  
12 determined by the department to be an alleged immediate jeopardy  
13 situation.

14 (b) Within ~~twenty~~ five working days for a complaint  
15 determined by the department to be an alleged high-level,  
16 nonimmediate jeopardy situation.

17 (c) Within forty-five calendar days for a complaint  
18 determined by the department to be an alleged nonimmediate  
19 jeopardy situation, other than a high-level situation.

20 Sec. 7. Section 135C.44, Code 2025, is amended to read as  
21 follows:

22 **135C.44 ~~Treble~~ Additional fines for repeated violations.**

23 The penalties authorized by section 135C.36 shall be ~~trebled~~  
24 quadrupled for a second or subsequent class I ~~or~~ violation and  
25 tripled for a second or subsequent class II violation occurring  
26 within any twelve-month period if a citation was issued for the  
27 same class I or class II violation occurring within that period  
28 and a penalty was assessed ~~therefor~~ for the violation.

29 Sec. 8. NEW SECTION. **135C.49 Improper influence.**

30 1. A member of the general assembly or an employee of the  
31 legislative or executive branch shall not attempt to influence a  
32 decision of the department during the course of an investigation,  
33 inspection, or appeal under this chapter.

34 2. An allegation of a violation of this section shall  
35 be investigated by the office of ombudsman established under

1 section 2C.2. If the office of ombudsman determines a violation  
2 of this section has occurred, the office shall report the  
3 recommendations, including disciplinary action, pursuant to  
4 sections 2C.16 and 2C.19.

5 3. A person who is recommended for disciplinary action for a  
6 violation of this section is subject to a civil penalty of up to  
7 five thousand dollars per violation. A civil penalty collected  
8 pursuant to this section shall be credited to the department,  
9 shall be considered appropriated receipts as defined in section  
10 8.2, and shall be used by the department to enforce this chapter.

11 4. a. A civil penalty for violations committed by an  
12 employee of the executive branch shall be assessed by the  
13 department.

14 b. A civil penalty for violations committed by a member or  
15 employee of the general assembly shall be assessed pursuant to  
16 a resolution approved by a majority of the house in which the  
17 member serves or by which the employee is employed. If the  
18 general assembly is not in session at the time a recommendation  
19 is received from the office of ombudsman, a civil penalty shall  
20 be assessed by a majority vote of the legislative council.

21 Sec. 9. 2023 Iowa Acts, chapter 108, section 7, subsection 4,  
22 is amended to read as follows:

23 4. HEALTH FACILITIES

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

27 .....	\$	4,862,971
28 <u>5,462,971</u>	FTEs	<u>115.00</u>
29		<u>145.00</u>

30 b. The department shall make all of the following information  
31 available to the public as part of the department's development  
32 efforts to revise the department's internet site:

33 (1) The number of inspections of health facilities conducted  
34 by the department annually by type of service provider and type  
35 of inspection.

1 (2) The total annual operations budget for the department  
2 that is associated with health facilities regulation, including  
3 general fund appropriations and federal contract dollars received  
4 by type of service provider inspected.

5 (3) The total number of full-time equivalent positions in the  
6 department that are associated with health facilities regulation,  
7 to include the number of full-time equivalent positions serving  
8 in a supervisory capacity, and serving as surveyors, inspectors,  
9 or monitors in the field by type of service provider inspected.

10 (4) Identification of state and federal survey trends, cited  
11 regulations, the scope and severity of deficiencies identified,  
12 and federal and state fines assessed and collected concerning  
13 nursing and assisted living facilities and programs.

14 c. It is the intent of the general assembly that the  
15 department continuously solicit input from health facilities  
16 regulated by the department to assess and improve the  
17 department's level of collaboration and to identify new  
18 opportunities for cooperation.

19 d. Of the funds appropriated in this subsection, \$600,000, in  
20 addition to federal matching funds, shall be used to employ  
21 additional nursing facility inspectors and assisted living  
22 program monitors to perform additional safety inspections.

23 Sec. 10. EFFECTIVE DATE. The following, being deemed of  
24 immediate importance, takes effect upon enactment:

25 The section of this Act amending 2023 Iowa Acts, chapter 108,  
26 section 7, subsection 4.

27 Sec. 11. RETROACTIVE APPLICABILITY. The following applies  
28 retroactively to July 1, 2023:

29 The section of this Act amending 2023 Iowa Acts, chapter 108,  
30 section 7, subsection 4.

31 EXPLANATION

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

34 This bill relates to health care facilities and the department  
35 of inspections, appeals, and licensing (DIAL).

1 The bill requires that the administrative rules and standards  
2 to be adopted and enforced by DIAL as part of the rule  
3 relating to equipment essential to the health and welfare of the  
4 resident, require a facility that receives state funding annually  
5 adopt and provide to the department the facility's policies  
6 regarding competitive procurement for supplies and equipment.  
7 Additionally, the rules and standards shall include policies  
8 and procedures regarding the use of arbitration agreements.  
9 Specifically, the rules shall prohibit any facility that accepts  
10 state funding from offering a resident, or requiring a resident  
11 to sign, an arbitration agreement that limits the resident's  
12 inalienable right to seek full judicial review of a dispute as  
13 a precondition for being admitted to the facility.

14 The bill requires that, on average, DIAL perform at least one  
15 general unannounced inspection of a health care facility within a  
16 12-month period not to exceed a period of 15 months, rather than  
17 the current 30-month period.

18 The bill increases the monetary amount for the bottom of the  
19 range of the penalty for a class I violation by a health care  
20 facility from \$2,000 to \$5,000, and maintains the upper part  
21 of the range at \$10,000. The bill also increases the penalty  
22 for repeated class I violations in a 12-month period for which  
23 a penalty is assessed by quadrupling rather than tripling the  
24 amount.

25 The bill adds as a class I violation for a health care  
26 facility any confirmed instance of a facility retaliating against  
27 a resident or employee for filing a complaint or otherwise  
28 cooperating with the department or the office of long-term care  
29 ombudsman.

30 The bill amends the required time period within which DIAL  
31 must respond upon receipt of a complaint. Under the bill, for  
32 nursing facilities, an on-site inspection shall be initiated  
33 within one working day rather than the current two working days  
34 if a complaint is determined to be an alleged immediate jeopardy  
35 situation; and within five rather than the current 10 working

1 days if a complaint is determined to be an alleged high-level,  
2 nonimmediate jeopardy situation. Under the bill for all other  
3 types of health care facilities, an on-site inspection shall be  
4 initiated within one working day rather than two working days  
5 if a complaint is determined to be an alleged immediate jeopardy  
6 situation; and within five working days rather than 20 working  
7 days if a complaint is determined be an alleged high-level,  
8 nonimmediate jeopardy situation.

9 The bill provides that a member of the general assembly or  
10 an employee of the legislative or executive branch shall not  
11 attempt to influence a decision of DIAL during the course of  
12 an investigation, inspection, or appeal. An allegation of a  
13 violation shall be investigated by the office of ombudsman. If  
14 the office of ombudsman determines a violation has occurred, the  
15 office shall report the recommendations, including disciplinary  
16 action, to an agency. A person who is recommended for  
17 disciplinary action for a violation is subject to a civil penalty  
18 of up to \$5,000 per violation. A civil penalty collected shall  
19 be credited to DIAL, considered appropriated receipts, and used  
20 by DIAL to enforce Code chapter 135C. DIAL shall assess the  
21 civil penalty for violations committed by an employee of the  
22 executive branch, and a civil penalty for violations committed  
23 by a member or employee of the general assembly shall be assessed  
24 pursuant to a resolution or by the legislative council if the  
25 general assembly is not in session at the time a recommendation  
26 is received from the office of ombudsman.

27 The bill amends the appropriation for FY 2023-2024 to DIAL  
28 for health facilities to provide for an increase of \$600,000  
29 and 30.00 additional full-time equivalent positions. The  
30 appropriated funds, in addition to the federal matching funds,  
31 shall be used for additional nursing facility inspectors and  
32 assisted living program monitors to perform additional safety  
33 inspections. This provision takes effect upon enactment and is  
34 retroactively applicable to July 1, 2023.