

Senate File 599 - Introduced

SENATE FILE 599
BY COMMITTEE ON HEALTH AND HUMAN
SERVICES

(SUCCESSOR TO SF 363)

A BILL FOR

1 An Act relating to work requirements for the Iowa health and
2 wellness plan, public assistance programs, an information
3 technology fund, the public assistance modernization fund, and
4 the Medicaid for employed people with disabilities program.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

DIVISION I

IOWA HEALTH AND WELLNESS PLAN — WORK REQUIREMENTS

Section 1. NEW SECTION. **249N.4A Work requirements.**

1. The department shall request any federal approval necessary to include work requirements as a condition of a member maintaining eligibility for the Iowa health and wellness plan.

2. The goal of including work requirements is to reduce the dependence of low-income Iowans on public assistance programs through efforts that advance economic stability and mobility.

3. The department shall exempt an individual from the work requirements for the Iowa health and wellness plan if the individual meets any of the following criteria:

a. The individual is under nineteen years of age.

b. The individual is sixty-five years of age or older.

c. The individual is determined to be disabled by the United States social security administration.

d. The individual is identified as medically frail or medically exempt under the Medicaid program.

e. The individual is a caretaker of a dependent child under six years of age.

f. The individual is pregnant and the pregnancy is high risk.

g. The individual is receiving unemployment compensation as determined by the department of workforce development.

h. The individual is participating in substance use disorder treatment, not to exceed a consecutive six-month period.

i. The individual is otherwise exempt for good cause as determined by the director.

4. To maximize fiscal stability and administrative efficiency, any exemption applied under the Iowa health and wellness plan shall be substantially similar to the exemptions applied under other public assistance programs.

5. Upon the department's receipt of federal approval, and the department's operationalizing of a real-time system to facilitate evaluation efforts and recipient referrals and reporting, the department shall implement work requirements as a condition of

1 maintaining eligibility for the Iowa health and wellness plan.
2 The department shall adopt rules pursuant to chapter 17A as
3 necessary to administer the work requirements for the Iowa health
4 and wellness plan.

5 6. The department may resubmit a request for federal approval
6 submitted under subsection 1 if the initial request is denied or
7 withdrawn for any reason.

8 7. If federal law or regulations affecting work requirements
9 for the Iowa health and wellness plan are modified to exclude
10 work requirements as a basis for maintaining eligibility as
11 provided in this section, the department shall discontinue the
12 Iowa health and wellness plan, subject to federal approval. If,
13 under federal law, the department is not allowed to discontinue
14 the Iowa health and wellness plan, the department may implement
15 an alternative plan as specified in the medical assistance state
16 plan or waiver for coverage of the affected population, subject
17 to prior statutory approval of implementation of the alternative
18 plan.

19 Sec. 2. EFFECTIVE DATE. This division of this Act, being
20 deemed of immediate importance, takes effect upon enactment.

21 DIVISION II

22 WORK RULES AND REQUIREMENTS FOR PUBLIC ASSISTANCE PROGRAMS

23 Sec. 3. PUBLIC ASSISTANCE PROGRAMS — WORK RULES AND
24 REQUIREMENTS ALIGNMENT. The department of health and human
25 services shall work with the United State department of
26 health and human services and the United States department of
27 agriculture to align the requirements and rules for participants
28 of public assistance programs related to working, including but
29 not limited to rules and requirements related to employment and
30 training for the supplemental nutrition assistance program.

31 DIVISION III

32 INFORMATION TECHNOLOGY

33 Sec. 4. NEW SECTION. **217.25 Information technology fund.**

34 1. An information technology fund is created in the state
35 treasury under the control of the department of health and human

1 services. The fund shall consist of moneys appropriated or
2 transferred to, or deposited in, the fund as provided by law.
3 All moneys deposited or paid into the fund are appropriated
4 to the department of health and human services to be used
5 for information technology systems and related modernization
6 initiatives.

7 2. Notwithstanding section 8.33, moneys appropriated in this
8 section that remain unencumbered or unobligated at the close
9 of the fiscal year shall not revert but shall remain available
10 for expenditure for the purposes designated until the close
11 of the succeeding fiscal year. Notwithstanding section 12C.7,
12 subsection 2, interest or earnings on moneys in the fund shall be
13 credited to the fund.

14 Sec. 5. TRANSFER OF MONEYS. Any unobligated or unencumbered
15 moneys remaining in the public assistance modernization fund
16 created in section 239.11, on June 30, 2025, shall be transferred
17 to the information technology fund created in section 217.25, as
18 enacted in this division of this Act.

19 Sec. 6. REPEAL. Section 239.11, Code 2025, is repealed.

20 DIVISION IV

21 MEDICAID FOR EMPLOYED PEOPLE WITH DISABILITIES PROGRAM

22 Sec. 7. Section 249A.3, subsection 2, paragraph a,
23 subparagraph (1), subparagraph division (a), Code 2025, is
24 amended to read as follows:

25 (a) As allowed under 42 U.S.C. §1396a(a)(10)(A)(ii)(XIII),
26 individuals with disabilities, who are less than sixty-five years
27 of age, who are members of families whose income is less than
28 two hundred fifty percent of the most recently revised official
29 poverty guidelines published by the United States department
30 of health and human services for the family, who have earned
31 income and who are eligible for mandatory medical assistance or
32 optional medical assistance under this section if earnings are
33 disregarded. As allowed by 42 U.S.C. §1396a(r)(2), unearned
34 income shall also be disregarded in determining whether an
35 individual is eligible for assistance under this subparagraph.

1 For the purposes of determining the amount of an individual's
2 resources under this subparagraph and as allowed by 42 U.S.C.
3 §1396a(r)(2), a maximum of ten thousand dollars of available
4 resources for an individual and twenty-one thousand dollars of
5 available resources for a couple shall be disregarded, and any
6 additional resources held in a retirement account, in a medical
7 savings account, or in any other account approved under rules
8 adopted by the department shall also be disregarded.

9 EXPLANATION

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

12 This bill relates to work requirements for the Iowa health and
13 wellness plan (IHAWP), public assistance programs, an information
14 technology fund, the public assistance modernization fund, and
15 the Medicaid for employed people with disabilities program and
16 program review and report.

17 DIVISION I. This division requires the department of health
18 and human services (HHS) to request any federal approval
19 necessary to include work requirements as a condition of
20 maintaining eligibility for IHAWP.

21 HHS shall exempt certain individuals from the work requirement
22 who are under 19 years of age, 65 years of age or older,
23 medically frail or medically exempt under Medicaid, a caretaker
24 of a child under 6 years of age, experiencing a high-risk
25 pregnancy, receiving unemployment compensation, participating in
26 substance use disorder treatment, or exempt for good cause as
27 determined by the director of HHS. The division requires that
28 any exemption applied under IHAWP shall be substantially similar
29 to the exemptions applied under other public assistance programs.

30 The division requires that upon HHS's receipt of federal
31 approval and HHS's operationalizing of a system to facilitate
32 evaluation, and recipient referrals and reporting, HHS shall
33 implement and adopt rules to administer work requirements as a
34 condition of maintaining eligibility for IHAWP.

35 HHS may resubmit a request for federal approval under the

1 division if the initial request is denied or withdrawn for any
2 reason.

3 If federal law or regulations exclude work requirements for
4 IHAWP, HHS shall discontinue IHAWP or implement an alternative
5 plan as described in the bill.

6 The division takes effect upon enactment.

7 DIVISION II. This division requires HHS to work with the
8 United States department of health and human services and the
9 United States department of agriculture to align the department's
10 work rules and requirements for participants of public assistance
11 programs, including but not limited to rules and requirements
12 related to employment and training for the supplemental nutrition
13 assistance program.

14 DIVISION III. This division creates a information technology
15 fund in the state treasury under the control of HHS. All
16 moneys in the fund shall be appropriated to HHS to be used
17 for information technology systems and related modernization
18 initiatives.

19 The division repeals the public assistance modernization fund,
20 and transfers any unobligated and unencumbered moneys in the fund
21 on June 30, 2025, to the information technology fund created in
22 the division.

23 DIVISION IV. Currently, for the purposes of determining the
24 resources of an individual to meet the eligibility requirements
25 for the Medicaid for employed people with disabilities program
26 (MEPD) program, a maximum of \$10,000 of available resources is
27 disregarded, in addition to any additional resources held in
28 a retirement account, in a medical savings account, or in any
29 other account approved under rules adopted by HHS. The bill
30 maintains the maximum amount of \$10,000 in available resources
31 disregarded for an individual, but provides that for the purposes
32 of determining the resources of a couple, a maximum amount of
33 \$21,000 of available resources is disregarded.