

**Senate Study Bill 1237 - Introduced**

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
APPROPRIATIONS BILL BY  
CHAIRPERSON KRAAYENBRINK)

**A BILL FOR**

1 An Act relating to and making appropriations to the department  
2 of veterans affairs and the department of health and  
3 human services, and related provisions and appropriations,  
4 including aging and disability services; behavioral health,  
5 public health, community access and eligibility; the medical  
6 assistance program, state supplementary assistance, Hawki,  
7 and other health-related programs; family well-being and  
8 protection; state-operated specialty care; administration and  
9 compliance; transfers, cash flows, and nonreversions; prior  
10 appropriations; the beer and liquor control fund, and the  
11 behavioral health fund; report on nonreversion of moneys;  
12 emergency rules; more options for maternal support program;  
13 and a hospital directed payment program; and including  
14 effective date and retroactive applicability provisions.  
15 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, for not more than the following full-time equivalent positions:

.....	\$	1,369,205
.....	FTEs	15.00

2. IOWA VETERANS HOME

For salaries, support, maintenance, and miscellaneous purposes:

.....	\$	8,145,736
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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:

.....	\$	2,700,000
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DIVISION II

AGING AND DISABILITY SERVICES — FY 2025-2026

Sec. 2. DEPARTMENT OF HEALTH AND HUMAN SERVICES — AGING AND 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,

1 the following amount, or so much thereof as is necessary, to be  
2 used for the purposes designated:

3 For aging programs for the department of health and human  
4 services and area agencies on aging to provide citizens of Iowa  
5 who are 60 years of age and older with case management; for  
6 Iowa's aging and disabilities resource centers; for the return to  
7 community program; for the purposes of chapter 231E; to  
8 administer the prevention of elder abuse, neglect, and  
9 exploitation program pursuant to section 231.56A, in accordance  
10 with the requirements of the federal Older Americans Act of 1965,  
11 42 U.S.C. §3001 et seq., as amended; for the operation of the  
12 dependent adult abuse services program pursuant to chapter 235B;  
13 and for other services which may include but are not limited to  
14 adult day care, respite care, chore, information and assistance,  
15 and material aid, for information and options counseling for  
16 persons with disabilities, and for salaries, support,  
17 administration, maintenance, and miscellaneous purposes:

18 ..... \$ 19,208,180

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

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

30 3. Of the moneys appropriated in this section, \$33,632 shall  
31 be used to build community capacity through the coordination and  
32 provision of training opportunities in accordance with the  
33 consent decree of Conner v. Branstad, No. 4-86-CV-30871 (S.D.  
34 Iowa, July 15, 1994).

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DIVISION III

1 BEHAVIORAL HEALTH — FY 2025-2026

2 Sec. 3. DEPARTMENT OF HEALTH AND HUMAN SERVICES — BEHAVIORAL  
3 HEALTH. There is appropriated from the general fund of the state  
4 to the department of health and human services for the fiscal  
5 year beginning July 1, 2025, and ending June 30, 2026, the  
6 following amount, or so much thereof as is necessary, to be used  
7 for the purposes designated:

8 For behavioral health prevention, treatment, and recovery  
9 efforts to reduce the prevalence of the use of, provide treatment  
10 for, and support recovery from alcohol, tobacco, and substance  
11 use and misuse, problem gambling, and other addictive behaviors.  
12 Activities shall align with accepted best practice guidance  
13 standards for behavioral health including those published by the  
14 centers for disease control and prevention of the United States  
15 department of health and human services, and the substance abuse  
16 and mental health services administration of the United States  
17 department of health and human services, for health promotion;  
18 universal, selective, and indicated prevention; treatment; and  
19 recovery services and supports; and shall include a 24-hour  
20 helpline, public information resources, professional training,  
21 youth prevention, program evaluation, and efforts at the state  
22 and local levels:

23 ..... \$ 24,442,121

24 1. Of the moneys appropriated in this section, \$300,000 shall  
25 be used to support the work of the children’s behavioral health  
26 system including evidence-based behavioral health prevention,  
27 treatment, and recovery services and supports for children and  
28 their families pursuant to the intent specified in section  
29 225C.6B, subsection 1.

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

1 services.

2 Sec. 4. DEPARTMENT OF HEALTH AND HUMAN SERVICES — SPORTS  
3 WAGERING RECEIPTS FUND. There is appropriated from the sports  
4 wagering receipts fund created in section 8.57I, to the  
5 department of health and human services for the fiscal year  
6 beginning July 1, 2025, and ending June 30, 2026, the following  
7 amount, or so much thereof as is necessary, to be used for  
8 behavioral health prevention, treatment, and recovery efforts to  
9 reduce the prevalence of the use of, provide treatment for, and  
10 support recovery from alcohol, tobacco, and substance use and  
11 misuse, problem gambling, and other addictive behaviors:

12 ..... \$ 1,750,000

13 DIVISION IV

14 PUBLIC HEALTH — FY 2025-2026

15 Sec. 5. DEPARTMENT OF HEALTH AND HUMAN SERVICES — PUBLIC  
16 HEALTH. There is appropriated from the general fund of the state  
17 to the department of health and human services for the fiscal  
18 year beginning July 1, 2025, and ending June 30, 2026, the  
19 following amount, or so much thereof as is necessary, to be used  
20 for the purposes designated:

21 For programs that support health promotion, protect the health  
22 and safety of the public, conduct disease surveillance and  
23 investigation to reduce the incidence of morbidity and mortality,  
24 serve individuals with chronic conditions including but not  
25 limited to cancer, support the Iowa donor registry as specified  
26 in section 142C.18, and strengthen the health care delivery  
27 system and workforce to improve health outcomes for all Iowans:

28 ..... \$ 22,413,369

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

33 a. \$600,000 for distribution to a nonprofit organization that  
34 established the first statewide drug donation repository for  
35 continuation of the pharmaceutical infrastructure for safety net

1 providers established as described in 2007 Iowa Acts, chapter  
2 218, section 108, and for the prescription drug donation  
3 repository program established in chapter 135M. Moneys under this  
4 paragraph shall be distributed in their entirety on July 1, 2025,  
5 for the purpose specified.

6 b. \$374,000 for distribution to free clinics, as defined in  
7 section 135.24, and a nonprofit organization that facilitates the  
8 initiation, operation, and collaboration of free clinics for  
9 necessary infrastructure, statewide coordination, provider  
10 recruitment, service delivery, and provision of assistance to  
11 patients in securing a medical home inclusive of oral health  
12 care. Of the moneys allocated, \$40,000 shall be used to lower  
13 fees associated with using an electronic prescribing system.  
14 Moneys under this paragraph shall be distributed in their  
15 entirety on July 1, 2025, for the purpose specified.

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

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

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

30 3. 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.

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DIVISION V

1           COMMUNITY ACCESS AND ELIGIBILITY — FY 2025-2026

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

8       To be used for salaries, support, maintenance, and  
9 miscellaneous purposes and for family investment program (FIP)  
10 assistance in accordance with chapter 239B, and for other costs  
11 associated with providing needs-based benefits or assistance  
12 including but not limited to maternal and child health, oral  
13 health, obesity prevention, the promotion of independence and  
14 self-sufficiency through employment, job opportunities and the  
15 basic skills (PROMISE JOBS) program, supplemental nutrition  
16 assistance program (SNAP) employment and training, the FIP  
17 diversion program, family planning, rent reimbursement, and  
18 eligibility determinations for medical assistance, food  
19 assistance, and the children’s health insurance program:  
20 ..... \$ 68,542,456

21       1. Of the child support collections assigned under FIP, the  
22 federal share of the child support collections shall be credited  
23 to the child support services appropriation made in this division  
24 of this Act. Of the remainder of the child support collections  
25 assigned under FIP, a portion shall be credited to community  
26 access and eligibility, and the remaining moneys may be used to  
27 increase recoveries, to sustain cash flow in the collection  
28 services center refund account as provided in section 252B.13A,  
29 or for technology needs. If child support collections assigned  
30 under FIP are greater than estimated or are otherwise determined  
31 not to be required for maintenance of efforts, the state share of  
32 either amount is appropriated to the department for child support  
33 services as described in this Act, or may be transferred to or  
34 retained in the collection services center refund account.

35       2. Of the moneys appropriated in this section, \$3,075,000

1 shall be used for continuation of the department's initiative to  
2 provide for adequate developmental surveillance and screening  
3 during a child's first five years. The moneys shall be used  
4 first to fully fund the current participating counties to ensure  
5 that those counties are fully operational, with the remaining  
6 moneys to be used for expanding participation to additional  
7 counties. Full implementation and expansion shall include  
8 enhancing the scope of the initiative through collaboration with  
9 child health specialty clinics to promote the use of  
10 developmental surveillance and screening to support healthy child  
11 development through early identification and response to both  
12 biomedical and social determinants of healthy development by  
13 providing practitioner consultation and continuous improvement  
14 through training and education, particularly for children with  
15 behavioral conditions and needs. The department shall also  
16 collaborate with the Medicaid program and child health specialty  
17 clinics to assist in coordinating the activities of the first  
18 five initiative into the establishment of patient-centered  
19 medical homes developed to improve health quality and population  
20 health while reducing health care costs. To the maximum extent  
21 possible, moneys allocated in this subsection shall be utilized  
22 as matching moneys for Medicaid program reimbursement.

23 3. Of the moneys appropriated in this section, \$1,145,102 is  
24 allocated to the Iowa commission on volunteer service for  
25 programs and grants.

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

31 CHILD SUPPORT SERVICES

32 Sec. 7. CHILD SUPPORT SERVICES. There is appropriated from  
33 the general fund of the state to the department of health and  
34 human services for the fiscal year beginning July 1, 2025, and  
35 ending June 30, 2026, the following amount, or so much thereof as

1 is necessary, to be used for the purposes designated:

2 For child support services, including salaries, support,  
3 maintenance, and miscellaneous purposes:

4 ..... \$ 15,644,114

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

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

15 DIVISION VI

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

19 Sec. 8. MEDICAL ASSISTANCE PROGRAM, STATE SUPPLEMENTARY  
20 ASSISTANCE, AND HEALTHY AND WELL KIDS IN IOWA PROGRAM. There is  
21 appropriated from the general fund of the state to the department  
22 of health and human services for the fiscal year beginning July  
23 1, 2025, and ending June 30, 2026, the following amount, or so  
24 much thereof as is necessary, to be used for the purposes  
25 designated:

26 For medical assistance program reimbursement and associated  
27 costs as specifically provided in the reimbursement methodologies  
28 in effect on June 30, 2025, except as otherwise expressly  
29 authorized by law, consistent with federal law and regulations,  
30 and contingent upon receipt of approval from the office of the  
31 governor of reimbursement for each abortion performed under the  
32 medical assistance program; for the state supplementary  
33 assistance program; for the health insurance premium payment  
34 program; and for maintenance of the healthy and well kids in Iowa  
35 (Hawki) program pursuant to chapter 514I, including supplemental

1 dental services, for receipt of federal financial participation  
2 under Tit. XXI of the federal Social Security Act, which creates  
3 the children's health insurance program; and for other specified  
4 health-related programs:

5 ..... \$1,900,804,677

6 1. Of the moneys appropriated in this section, \$1,808,383,124  
7 is allocated for medical assistance program reimbursement and  
8 associated costs.

9 a. Of the moneys allocated in this subsection, \$800,000 shall  
10 be used for the renovation and construction of certain nursing  
11 facilities, consistent with chapter 249K.

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

17 c. Of the moneys allocated in this subsection, \$5,000,000  
18 shall be used to expand the capacity of intermittent  
19 community-based services that allow an individual to remain in  
20 the community and that provide support to the individual,  
21 including employment services, hourly supported community living  
22 services, respite services, and day habilitation services.

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

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

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

32 5. Of the moneys appropriated in this section, \$60,521,998 is  
33 allocated for maintenance of the Hawki program pursuant to  
34 chapter 514I, including supplemental dental services, for receipt  
35 of federal financial participation under Tit. XXI of the federal

1 Social Security Act, which creates the children's health  
2 insurance program.

3 HEALTH PROGRAM OPERATIONS

4 Sec. 9. HEALTH PROGRAM OPERATIONS. There is appropriated  
5 from the general fund of the state to the department of health  
6 and human services for the fiscal year beginning July 1, 2025,  
7 and ending June 30, 2026, the following amount, or so much  
8 thereof as is necessary, to be used for the purposes designated:

9 For health program operations, and the autism support program  
10 under section 225D.2:  
11 ..... \$ 39,672,433

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

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

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

33 4. Unless otherwise provided by law, if a contract for  
34 services provided under this section initially entered into  
35 during the fiscal year beginning July 1, 2025, and ending June

1 30, 2026, provides for an annual increase of the cost of services  
2 provided under the contract, the annual increase shall not exceed  
3 the amount by which the consumer price index for all urban  
4 consumers increased during the immediately preceding calendar  
5 year. This subsection shall not affect a contract entered into  
6 on or before June 30, 2025, that is for a term of more than one  
7 year.

8 HEALTH CARE ACCOUNTS AND FUNDS

9 Sec. 10. PHARMACEUTICAL SETTLEMENT ACCOUNT — DEPARTMENT OF  
10 HEALTH AND HUMAN SERVICES. There is appropriated from the  
11 pharmaceutical settlement account created in section 249A.33 to  
12 the department of health and human services for the fiscal year  
13 beginning July 1, 2025, and ending June 30, 2026, the following  
14 amount, or so much thereof as is necessary, to be used for the  
15 purposes designated:

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

20 ..... \$ 234,193

21 Sec. 11. QUALITY ASSURANCE TRUST FUND — DEPARTMENT OF HEALTH  
22 AND HUMAN SERVICES. Notwithstanding any provision of law to the  
23 contrary and subject to the availability of moneys, there is  
24 appropriated from the quality assurance trust fund created in  
25 section 249L.4 to the department of health and human services for  
26 the fiscal year beginning July 1, 2025, and ending June 30, 2026,  
27 the following amount, or so much thereof as is necessary, for the  
28 purposes designated:

29 To supplement the appropriation made in this Act from the  
30 general fund of the state to the department of health and human  
31 services for medical assistance for the same fiscal year:  
32 ..... \$111,216,205

33 Sec. 12. HOSPITAL HEALTH CARE ACCESS TRUST FUND — DEPARTMENT  
34 OF HEALTH AND HUMAN SERVICES. Notwithstanding any provision of  
35 law to the contrary and subject to the availability of moneys,

1 there is appropriated from the hospital health care access trust  
2 fund created in section 249M.4 to the department of health and  
3 human services for the fiscal year beginning July 1, 2025, and  
4 ending June 30, 2026, the following amount, or so much thereof as  
5 is necessary, for the purposes designated:

6 To supplement the appropriation made in this Act from the  
7 general fund of the state to the department of health and human  
8 services for medical assistance for the same fiscal year:  
9 ..... \$ 33,920,554

10 SEX REASSIGNMENT SURGERY OR TREATMENT

11 Sec. 13. MEDICAL ASSISTANCE PROGRAM — SEX REASSIGNMENT  
12 SURGERY OR TREATMENT. Moneys appropriated in this Act from the  
13 general fund of the state to the department of health and  
14 human services for the fiscal year beginning July 1, 2025, and  
15 ending June 30, 2026, and allocated for the medical assistance  
16 program, shall not be used for sex reassignment surgery or  
17 treatment related to an individual’s gender dysphoria diagnosis.  
18 The department of health and human services shall adopt rules  
19 pursuant to chapter 17A to administer this section.

20 Sec. 14. REIMBURSEMENT RATES.

21 1. Reimbursement for medical assistance, state supplementary  
22 assistance, and social service providers and services reimbursed  
23 under the purview of the department of health and human services  
24 shall remain at the current reimbursement rate, or shall be  
25 determined pursuant to the reimbursement methodology in effect on  
26 June 30, 2025, with the following exceptions:

27 a. If reimbursement is otherwise negotiated by contract or  
28 pursuant to an updated fee schedule.

29 b. As otherwise provided in this division.

30 2. Of the moneys appropriated for medical assistance program  
31 reimbursement and associated costs as specifically provided in  
32 the reimbursement methodologies in effect June 30, 2025, the  
33 following amounts, or so much thereof as is necessary, are  
34 allocated to the department of health and human services to be  
35 used for the following purposes:

1 a. (1) Notwithstanding any provision of law to the contrary,  
2 for the fiscal year beginning July 1, 2025, and ending June 30,  
3 2026, the department of health and human services shall rebase  
4 case-mix nursing facility rates beginning July 1, 2025, using the  
5 Medicaid cost reports on file for the period ending December 31,  
6 2024, to the extent possible within state funding, including no  
7 more than \$16,000,000 from the allocation provided for medical  
8 assistance program reimbursement and associated costs.

9 (2) The department of health and human services shall  
10 calculate each nursing facility's case-mix index for the period  
11 beginning July 1, 2024, using weighting based on the current  
12 patient-driven payment model schedule. Rosters shall be made  
13 to show a separate calculation to determine the average case-mix  
14 index for a nursing-facility-wide case-mix index, and a case-mix  
15 index for the residents of a nursing facility who are Medicaid  
16 recipients using all minimum data set reports by the nursing  
17 facility for the previous semiannual period using a day weighted  
18 calculation.

19 b. For the fiscal year beginning July 1, 2025, \$420,000 shall  
20 be used to increase to the extent possible reimbursement rates  
21 for maternal health providers compared to the rates in effect on  
22 June 30, 2025.

23 c. For the fiscal year beginning July 1, 2025, \$2,000 shall  
24 be used to increase to the extent possible reimbursement rates  
25 for certified nurse midwives compared to the rates in effect on  
26 June 30, 2025.

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

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

1 NURSING FACILITIES — REIMBURSEMENT METHODOLOGY PROPOSAL

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

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

8 a. A base-rate payment component.

9 b. A quality assurance assessment pass-through component.

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

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

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

24 NURSING FACILITY FORECASTING FORMULA

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

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

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

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

35 b. The director of the department of inspections, appeals,

1 and licensing, or the director's designee.

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

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

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

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

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

19 DIVISION VII

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

21 STATE CHILD CARE ASSISTANCE

22 Sec. 17. STATE CHILD CARE ASSISTANCE. There is appropriated  
23 from the general fund of the state to the department of health  
24 and human services for the fiscal year beginning July 1, 2025,  
25 and ending June 30, 2026, the following amount, or so much  
26 thereof as is necessary, to be used for the purposes designated:

27 For state child care assistance in accordance with sections  
28 237A.13 and 237A.14:

29 ..... \$ 34,983,000

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

35 2. A portion of the state match for the federal child care

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

5 EARLY INTERVENTION AND SUPPORTS

6 Sec. 18. EARLY INTERVENTION AND SUPPORTS. There is  
7 appropriated from the general fund of the state to the department  
8 of health and human services for the fiscal year beginning July  
9 1, 2025, and ending June 30, 2026, the following amount, or so  
10 much thereof as is necessary, to be used for the purposes  
11 designated:

12 For promoting optimum health status for children and  
13 adolescents from birth through 21 years of age, and for families:  
14 ..... \$ 36,301,904

15 1. Of the moneys appropriated in this section, not more than  
16 \$734,000 shall be used for the healthy opportunities for parents  
17 to experience success (HOPES)-healthy families Iowa (HFI) program  
18 established pursuant to section 135.106.

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

23 3. Of the moneys appropriated in this section, \$29,256,799  
24 shall be deposited in the early childhood Iowa fund created in  
25 section 256I.11.

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

30 CHILD PROTECTIVE SERVICES

31 Sec. 19. CHILD PROTECTIVE SERVICES. There is appropriated  
32 from the general fund of the state to the department of health  
33 and human services for the fiscal year beginning July 1, 2025,  
34 and ending June 30, 2026, the following amount, or so much  
35 thereof as is necessary, to be used for the purposes designated:

1 For child, family, and adoption services, and for salaries,  
2 support, maintenance, and miscellaneous purposes:

3 ..... \$166,308,818

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

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

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

19 4. Federal moneys received by the state during the fiscal  
20 year beginning July 1, 2025, as the result of the expenditure of  
21 state moneys appropriated during a previous state fiscal year for  
22 a service or activity funded under this section, are appropriated  
23 to the department to be used as additional moneys for services  
24 and purposes provided for under this section. Notwithstanding  
25 section 8.33, moneys appropriated under this subsection that  
26 remain unencumbered or unobligated at the close of the fiscal  
27 year shall not revert but shall remain available for the purposes  
28 designated until the close of the succeeding fiscal year.

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

34 b. Notwithstanding chapter 232 or any other provision of law  
35 to the contrary, a district or juvenile court shall not order any

1 service which is a charge upon the state pursuant to section  
2 232.141, subsection 4, if the court-ordered services distribution  
3 amount is insufficient to pay for the service.

4 6. Of the moneys appropriated in this section, \$1,658,000  
5 shall be used for child protection centers located in Iowa  
6 pursuant to the child protection center grant program under  
7 section 135.118. The grant amounts under the program shall be  
8 equalized so that each center receives a uniform base amount of  
9 \$245,000, and the remaining moneys are awarded through a funding  
10 formula based upon the volume of children served by a center. To  
11 increase access to child protection center services for children  
12 in rural areas, the funding formula for awarding the remaining  
13 moneys shall provide for awarding an enhanced amount to eligible  
14 grantees to develop and maintain satellite centers in underserved  
15 regions of the state.

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

19 8. Of the moneys appropriated in this section, up to \$227,000  
20 shall be used for the public purpose of continuing a grant to a  
21 nonprofit human services organization that provides services to  
22 individuals and families in multiple locations in southwest Iowa  
23 and Nebraska, for support of a project providing immediate,  
24 sensitive support and forensic interviews, medical exams, needs  
25 assessments, and referrals for victims of child abuse and their  
26 nonoffending family members.

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

31 10. a. Of the moneys appropriated in this section, a  
32 sufficient amount is allocated for adoption subsidy payments and  
33 related costs.

34 b. Any moneys remaining after the allocation under paragraph  
35 "a" are designated and allocated as state savings resulting from

1 implementation of the federal Fostering Connections to Success  
2 and Increasing Adoptions Act of 2008, Pub. L. No. 110-351, and  
3 successor legislation, as determined in accordance with 42 U.S.C.  
4 §673(a)(8), and shall be used for post-adoption services and for  
5 other purposes allowed under those federal laws, Tit. IV-B or  
6 Tit. IV-E of the federal Social Security Act.

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

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

15 DIVISION VIII

16 STATE-OPERATED SPECIALTY CARE — FY 2025-2026

17 Sec. 20. STATE-OPERATED SPECIALTY CARE. There is  
18 appropriated from the general fund of the state to the department  
19 of health and human services for the fiscal year beginning July  
20 1, 2025, and ending June 30, 2026, the following amount, or so  
21 much thereof as is necessary, to be used for the purposes  
22 designated:

23 For salaries, support, maintenance, and miscellaneous purposes  
24 at institutions under the jurisdiction of the department of  
25 health and human services:

26 ..... \$102,337,130

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

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

32 a. For the state mental health institute at Cherokee:  
33 ..... \$ 19,694,904

34 b. For the state mental health institute at Independence:  
35 ..... \$ 24,378,189

- 1 c. For the civil commitment unit for sexual offenders at
- 2 Cherokee:
- 3 ..... \$ 18,941,250
- 4 d. For the state resource center at Woodward:
- 5 ..... \$ 14,164,449
- 6 e. For the state resource center at Glenwood:
- 7 ..... \$ 5,296,062
- 8 f. For the state training school at Eldora:
- 9 ..... \$ 19,862,275

DIVISION IX

ADMINISTRATION AND COMPLIANCE — FY 2025-2026

11 Sec. 21. ACCOUNTABILITY, COMPLIANCE, PROGRAM INTEGRITY, AND

12 FULL-TIME EQUIVALENT POSITIONS. There is appropriated from the

13 general fund of the state to the department of health and human

14 services for the fiscal year beginning July 1, 2025, and ending

15 June 30, 2026, the following amount, or so much thereof as is

16 necessary, to be used for the purposes designated:

17 For accountability, compliance, and program integrity,

18 including salaries, support, maintenance, and miscellaneous

19 purposes:

20

21 ..... \$ 21,904,214

22 1. Of the moneys appropriated in this section, \$2,602,312

23 shall be used for foster care review and the court appointed

24 special advocate program, including for salaries, support,

25 maintenance, and miscellaneous purposes.

26 2. Of the moneys appropriated in this section, \$1,148,959

27 shall be used for the office of long-term care ombudsman for

28 salaries, support, administration, maintenance, and miscellaneous

29 purposes.

30 3. For the fiscal year beginning July 1, 2025, and ending

31 June 30, 2026, the department of health and human services may

32 utilize moneys appropriated in this Act from the general fund of

33 the state to the department for up to 4,148.00 full-time

34 equivalent positions. The department shall report to the general

35 assembly by December 15, 2025, the distribution of the approved

1 number of full-time equivalent positions across the  
2 organizational divisions of the department.

3

DIVISION X

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

6 Sec. 22. DEPARTMENT OF HEALTH AND HUMAN SERVICES TRANSFERS  
7 AND CASH FLOW.

8 1. Notwithstanding any provision of law to the contrary,  
9 the department of health and human services may transfer moneys  
10 appropriated in this Act to support continuing alignment efforts,  
11 to maximize federal support in accordance with the department's  
12 federal costs allocation plan, and for resources necessary to  
13 implement and administer the services for which moneys are  
14 appropriated. The department shall report any transfers made  
15 pursuant to this subsection to the general assembly.

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

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

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

35 5. To the extent the department determines that moneys

1 appropriated under this Act, or allocated for a specific purpose  
2 under this Act, will remain unencumbered or unobligated at the  
3 close of the fiscal year, such unencumbered or unobligated moneys  
4 may be used in the same fiscal year for any other purpose for  
5 which the appropriated moneys may be used, or for any other  
6 allocation within the same appropriation.

7       Sec. 23. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
8 NONREVERSIONS.

9       1. Notwithstanding section 8.33, moneys appropriated under  
10 this Act from the general fund of the state and the temporary  
11 assistance for needy families block grant to the department of  
12 health and human services for the fiscal year beginning July  
13 1, 2025, and ending June 30, 2026, for the purposes of the  
14 FaDSS grant program that remain unencumbered or unobligated at  
15 the close of the fiscal year shall not revert, but shall remain  
16 available for expenditure for the purposes designated until the  
17 close of the succeeding fiscal year.

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

29       3. Notwithstanding section 8.33, and notwithstanding the  
30 nonreversion amount limitation specified for state resource  
31 centers in section 222.92, subsection 4, moneys appropriated  
32 under this Act from the general fund of the state to  
33 the department of health and human services for the fiscal  
34 year beginning July 1, 2025, and ending June 30, 2026, for  
35 the purposes of state-operated specialty care that remain

1 unencumbered or unobligated at the close of the fiscal year shall  
2 not revert, but shall remain available for expenditure for the  
3 purposes designated for subsequent fiscal years.

4 4. Notwithstanding section 8.33, moneys appropriated in this  
5 Act from the general fund of the state to the department of  
6 health and human services for the fiscal year beginning July  
7 1, 2025, and ending June 30, 2026, for the Iowa commission  
8 on volunteer service for programs and grants that remain  
9 unencumbered or unobligated at the close of the fiscal year shall  
10 not revert, but shall remain available for expenditure for the  
11 purposes designated for subsequent fiscal years.

12 5. Notwithstanding section 8.33, moneys appropriated under  
13 this Act from the general fund of the state to the department  
14 of health and human services for the fiscal year beginning July  
15 1, 2025, and ending June 30, 2026, and allocated for rural  
16 psychiatric residencies that remain unencumbered or unobligated  
17 at the close of the fiscal year shall not revert, but shall  
18 remain available for expenditure for the purposes designated  
19 until the close of the succeeding fiscal year.

20 6. Notwithstanding section 8.33, moneys appropriated under  
21 this Act from the general fund of the state to the department  
22 of health and human services for the fiscal year beginning July  
23 1, 2025, and ending June 30, 2026, and allocated for adoption  
24 subsidy payments and related costs, or for post-adoption services  
25 and related allowable purposes, that remain unencumbered or  
26 unobligated at the close of the fiscal year shall not revert,  
27 but shall remain available for expenditure for the purposes  
28 designated until the close of the succeeding fiscal year.

29 DIVISION XI

30 DEPARTMENT OF HEALTH AND HUMAN SERVICES PRIOR APPROPRIATIONS AND  
31 OTHER PROVISIONS

32 THRIVE IOWA PROGRAM CLOSED-LOOP REFERRAL SYSTEM

33 Sec. 24. 2024 Iowa Acts, chapter 1157, section 21, subsection  
34 6, is amended to read as follows:

35 6. To the extent the department determines that moneys

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

12 COMMUNITY ACCESS AND ELIGIBILITY

13 Sec. 25. 2024 Iowa Acts, chapter 1157, section 22, is amended  
14 by adding the following new subsection:

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

27 Sec. 26. EFFECTIVE DATE. This division of this Act, being  
28 deemed of immediate importance, takes effect upon enactment.

29 Sec. 27. RETROACTIVE APPLICABILITY. This division of this  
30 Act applies retroactively to July 1, 2024.

31 DIVISION XII

32 BEER AND LIQUOR CONTROL FUND — BEHAVIORAL HEALTH FUND

33 Sec. 28. 2024 Iowa Acts, chapter 1157, is amended by adding  
34 the following new section:

35 NEW SECTION. SEC. 4A. IN LIEU OF STANDING

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

7 Sec. 29. 2024 Iowa Acts, chapter 1161, section 14, is amended  
8 by striking the section and inserting in lieu thereof the  
9 following:

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

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

30 Sec. 30. EFFECTIVE DATE. This division of this Act, being  
31 deemed of immediate importance, takes effect upon enactment.

32 Sec. 31. RETROACTIVE APPLICABILITY. This division of this  
33 Act applies retroactively to July 1, 2024.

34  
35

DIVISION XIII  
REPORT ON NONREVERSION OF MONEYS

1     Sec. 32. REPORT ON NONREVERSION OF MONEYS. The department of  
2 health and human services shall report the expenditure of any  
3 moneys for which nonreversion authorization was provided for the  
4 fiscal year beginning July 1, 2024, and ending June 30, 2025, to  
5 the general assembly on a quarterly basis beginning October 1,  
6 2025.

7                                   DIVISION XIV  
8                                   EMERGENCY RULES

9     Sec. 33. EMERGENCY RULES.

10    1. If necessary to comply with federal requirements,  
11 including time frames, the department of health and human  
12 services or the mental health and disability services commission  
13 shall adopt administrative rules under section 17A.4, subsection  
14 3, and section 17A.5, subsection 2, paragraph "b", to implement  
15 the applicable provisions of this Act. The rules shall  
16 be effective immediately upon filing unless a later date is  
17 specified in the rules. Any rules adopted in accordance with  
18 this section shall also be published as a notice of intended  
19 action as provided in section 17A.4.

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

32                                   DIVISION XV  
33                                   MORE OPTIONS FOR MATERNAL SUPPORT PROGRAM

34    Sec. 34. Section 217.41C, subsection 1, paragraph c,  
35 subparagraph (2), Code 2025, is amended to read as follows:

1 (2) "Provider of pregnancy support services" or "provider"  
2 means a nonprofit organization that provides pregnancy support  
3 services under contract with the ~~program administrator or the~~  
4 department.

5 Sec. 35. Section 217.41C, subsections 3, 5, and 6, Code 2025,  
6 are amended to read as follows:

7 3. The department ~~may~~ shall administer the program directly  
8 through providers of ~~pregnancy support services or may issue a~~  
9 ~~request for proposals to select a program administrator for the~~  
10 ~~program. If the department issues a request for proposals and~~  
11 ~~selects a program administrator, the program administrator shall~~  
12 ~~meet all of the following requirements:~~

13 a. ~~Be a nonprofit entity incorporated in this state with a~~  
14 ~~tax-exempt status pursuant to section 501(c)(3) of the Internal~~  
15 ~~Revenue Code.~~

16 b. ~~Create and maintain, and have systems and processes in~~  
17 ~~place to successfully manage, a statewide network of providers of~~  
18 ~~pregnancy support services.~~

19 c. ~~Have a commitment to promoting healthy pregnancies and~~  
20 ~~childbirth instead of abortion as a fundamental part of the~~  
21 ~~program administrator's mission.~~

22 d. ~~Maintain records for each provider of pregnancy support~~  
23 ~~services.~~

24 e. ~~Monitor compliance with the terms and conditions of a~~  
25 ~~contract with a provider of pregnancy support services.~~

26 5. The department shall adopt rules pursuant to chapter  
27 17A to administer the program. ~~If the department selects a~~  
28 ~~program administrator through a request for proposals process,~~  
29 ~~the Notwithstanding chapter 8A, subchapter III, the department~~  
30 ~~shall use an application process to approve and contract with~~  
31 ~~each provider upon verification that the provider meets the~~  
32 ~~requirements under subsection 4. The department shall provide~~  
33 ~~technical assistance to the program administrator, monitor~~  
34 ~~the program administrator for adherence to state and federal~~  
35 ~~requirements, and collect and maintain program data prospective~~

1 providers to facilitate and expedite provider participation in  
2 the program.

3 ~~6. Beginning October 1, 2024, and on~~ Annually, on or before  
4 October 1 ~~annually thereafter,~~ the department shall ~~submit to~~  
5 ~~the general assembly~~ publish on the department's internet site,  
6 pursuant to section 217.22, the following program information  
7 relative to the ~~prior~~ immediately preceding fiscal year:

8 a. The total number of providers of ~~pregnancy support~~  
9 ~~services~~ by geographical region and the total number of  
10 unduplicated clients served by each provider by gender and age.

11 b. A description of outreach efforts by ~~an administrator,~~  
12 ~~providers of pregnancy support services,~~ and the department.

13 c. Total program expenditures.

14 d. The amounts attributable to ~~any program administrator~~  
15 ~~contract~~ administration and to each contract with a provider of  
16 ~~pregnancy support services.~~

17 e. The outcomes based on outcome measures included in the  
18 contracts with ~~any program administrator~~ and each provider of  
19 ~~pregnancy support services.~~

20 DIVISION XVI

21 HOSPITAL DIRECTED PAYMENT PROGRAM

22 Sec. 36. NEW SECTION. **2490.1 Definitions.**

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

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

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

30 3. "*Hospital*" means a non-state-owned hospital licensed by  
31 the state.

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

35 5. "*State directed payment*" means the same as defined in 42

1 C.F.R. §438.2.

2 Sec. 37. NEW SECTION. **2490.2 Hospital directed payment**  
3 **program.**

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

12 2. a. For the sole purpose of the hospital directed payment  
13 program, the department may impose an assessment on a hospital.  
14 The total amount of assessments collected by the department shall  
15 not exceed the amount necessary to fully fund the nonfederal  
16 share of the maximum state directed payment allowed under federal  
17 regulations.

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

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

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

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



1 The bill requires HHS to establish a work group to make  
2 recommendations for a forecasting formula (formula) related to  
3 the future demand for nursing facility beds. HHS shall use  
4 the work group's recommendations to develop and implement a  
5 forecasting formula. HHS shall consider the formula to complete  
6 the formal review of an application for a certificate of need.

7 The bill limits how moneys appropriated to the early childhood  
8 Iowa fund shall be used by HHS.

9 The bill eliminates the option for HHS to select a program  
10 administrator to administer the more options for maternal support  
11 program, and requires that HHS administer the program.

12 The bill requires HHS to submit documentation to the federal  
13 centers for Medicare and Medicaid services for approval to  
14 administer a hospital directed payment program. Upon receipt of  
15 approval, the bill permits HHS to administer a hospital directed  
16 payment program. HHS may impose an assessment on a hospital.

17 The bill includes transfer, cash flow, and nonreversion  
18 provisions, emergency rulemaking authority, and reporting  
19 requirements.