

Senate Study Bill 3140 - Introduced

SENATE FILE _____

BY (PROPOSED COMMITTEE ON HEALTH
AND HUMAN SERVICES BILL BY
CHAIRPERSON WARME)

A BILL FOR

1 An Act relating to the supplemental nutrition assistance program,
2 the medical assistance program, the Iowa health and wellness
3 plan, and other programs under the purview of the department
4 of health and human services and including effective date
5 provisions.

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

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DIVISION I

PUBLIC ASSISTANCE PROGRAMS — ELIGIBILITY AND REPORTING

Section 1. Section 239.6, subsection 1, paragraph a, subparagraph (4), Code 2026, is amended to read as follows:

(4) Information maintained by the United States citizenship and immigration services of the United States department of homeland security, including information accessible through the systematic alien verification for entitlements online service.

Sec. 2. Section 239.6, subsection 2, Code 2026, is amended by adding the following new paragraph:

NEW PARAGRAPH. g. The systematic alien verification for entitlements online service maintained by the United States citizenship and immigration services of the United States department of homeland security to verify immigration and United States citizenship information.

DIVISION II

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

Sec. 3. Section 239.1, Code 2026, is amended by adding the following new subsection:

NEW SUBSECTION. 01. "Alien" means any person not a citizen or national of the United States.

Sec. 4. Section 239.2, Code 2026, is amended to read as follows:

239.2 Supplemental nutrition assistance program — income eligibility.

1. a. The department shall establish the gross countable monthly income threshold for the supplemental nutrition assistance program at less than or equal to one hundred sixty percent of the federal poverty level for the household size.

b. The department shall consider the income and financial resources of all household members in determining the eligibility and benefit allotment of the household, including all household members determined to be ineligible to participate in SNAP under this section or pursuant to 7 U.S.C. §2015(f). Notwithstanding 7 C.F.R. §273.11(c)(3), the individual's income, deductible

1 expenses, and resources shall be counted, and none shall be
2 prorated.

3 c. Pursuant to 7 U.S.C. §2015(f), an individual shall be
4 ineligible to participate in SNAP unless the individual is a
5 resident of the United States and meets at least one of the
6 following criteria:

7 (1) The individual is a citizen or national of the United
8 States.

9 (2) The individual is an alien lawfully admitted for
10 permanent residence as an immigrant, as defined in 8
11 U.S.C. §1101(a)(15) and 1101(a)(20), excluding alien visitors,
12 tourists, diplomats, students, or other individuals admitted
13 temporarily with no intention of abandoning their residence in a
14 foreign country.

15 (3) The individual is an alien who has been granted the
16 status of Cuban and Haitian entrant, as defined in section
17 501(e) of the federal Refugee Education Assistance Act of 1980,
18 Pub. L. No. 96-422.

19 (4) The individual lawfully resides in the United States in
20 accordance with a compact of free association referred to in 8
21 U.S.C. §1612(b)(2)(G).

22 2. The department shall notify the United States department
23 of agriculture, food and nutrition service, if the department
24 is unable to verify a household member's eligibility under
25 subsection 1, regardless of whether that household member is
26 applying to participate in SNAP as a member of the household.

27 DIVISION III

28 MEDICAID — MANAGED CARE

29 Sec. 5. NEW SECTION. **249A.5 Delivery of medical**
30 **assistance.**

31 1. For the purposes of this section, "managed care program"
32 means the same as defined in 42 C.F.R. §438.2.

33 2. The department shall furnish all benefits that recipients
34 are entitled to under this chapter utilizing a managed care
35 program in compliance with 42 C.F.R. pt. 438, except for benefits

1 provided on a fee-for-service basis or otherwise excluded from
2 managed care program delivery pursuant to a Medicaid state plan
3 or waiver in effect on or before July 1, 2026.

4 DIVISION IV

5 MEDICAID AND IOWA HEALTH AND WELLNESS PLAN — RETROACTIVE
6 ELIGIBILITY AND REPORTING

7 Sec. 6. NEW SECTION. **249A.3B Retroactive eligibility —**
8 **limitations.**

9 1. Upon request of an individual at the time of the
10 individual's initial application or interview for the medical
11 assistance program, subject to an independent eligibility
12 determination for the period of retroactive eligibility, the
13 department shall provide for an individual's eligibility to be
14 applied retroactively for no more than two months prior to
15 the month in which the individual submits a completed medical
16 assistance application.

17 2. The department shall adopt rules as necessary pursuant
18 to chapter 17A to implement and enforce this section. The
19 rules may establish procedures, in compliance with federal
20 requirements relating to notice and due process, to notify
21 affected individuals and providers about retroactive eligibility
22 under this section.

23 Sec. 7. NEW SECTION. **249A.3C Retroactive eligibility —**
24 **reporting.**

25 1. On or before January 15, the department shall submit
26 an annual report to the general assembly detailing the
27 implementation and impact of retroactive eligibility for Medicaid
28 pursuant to section 249A.3B and retroactive eligibility for the
29 Iowa health and wellness program pursuant to section 249N.4. The
30 report shall include, at minimum, the following information for
31 the immediately preceding fiscal year:

32 a. The number of individuals that applied for medical
33 assistance under section 249A.3B, compared to the number that
34 applied for enrollment in the Iowa health and wellness plan under
35 chapter 249N.

1 b. The number of individuals that requested and were denied
2 retroactive benefits pursuant to section 249A.3B and section
3 249N.4.

4 c. The estimated fiscal impact on the state general fund of
5 denials of retroactive benefits under section 249A.3B and section
6 249N.4.

7 2. The annual report submitted pursuant to this section shall
8 be made publicly available on the department's internet site.

9 Sec. 8. Section 249N.4, Code 2026, is amended by adding the
10 following new subsection:

11 NEW SUBSECTION. 5A. a. Upon request of an individual
12 at the time of the individual's initial application or
13 interview for the Iowa health and wellness plan, subject to
14 an independent eligibility determination for the period of
15 retroactive eligibility, the department shall provide for an
16 individual's eligibility to be applied retroactively for no more
17 than one month prior to the month in which the individual submits
18 a completed application for enrollment.

19 b. The department shall adopt rules as necessary pursuant
20 to chapter 17A to implement and enforce this subsection. The
21 rules may establish procedures, in compliance with all federal
22 requirements relating to notice and due process, to notify
23 affected individuals and providers about retroactive eligibility
24 under this subsection.

25 Sec. 9. **MEDICAID RETROACTIVE ELIGIBILITY — WAIVER.** The
26 department of health and human services shall submit a request
27 for a section 1115 demonstration waiver to the centers for
28 Medicare and Medicaid services of the United States department
29 of health and human services for approval to allow, for purposes
30 of state administration of Medicaid, for implementation by the
31 department of a one-month retroactive eligibility period for
32 all applicants, upon the submission of a completed Medicaid
33 application, instead of three months as required under 42
34 C.F.R. §435.915. The department shall implement the waiver upon
35 receipt of approval of the waiver by the centers for Medicare and

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

4 2. Prior to submitting a request to the centers for Medicare
5 and Medicaid services of the United States department of health
6 and human services for a section 1115 demonstration waiver, a
7 section 1915 home and community-based services waiver, or a state
8 plan amendment to expand coverage under the medical assistance
9 program to additional individuals or a class of individuals, the
10 department shall conduct an analysis to determine if the waiver
11 is cost neutral. For any waiver that is determined to be not
12 cost neutral, the department shall not submit the request for
13 a waiver unless the waiver has been presented to the general
14 assembly and approved by a majority vote of both houses of the
15 general assembly. This subsection shall apply to a section 1115
16 demonstration waiver, a section 1915 home and community-based
17 services waiver, and a state plan amendment to expand coverage
18 under the medical assistance program to additional individuals
19 or classes of individuals submitted to, or approved by, the
20 centers for Medicare and Medicaid services of the United States
21 department of health and human services prior to the effective
22 date of this division of this Act.

23 3. The department shall annually conduct an analysis to
24 determine the cost neutrality of all approved or implemented
25 cost waivers, and on or before October 1, submit a report to
26 the general assembly detailing the department's cost neutrality
27 analysis and the department's compliance with section 7118 of
28 the federal One Big Beautiful Bill Act, Pub. L. No. 119-21,
29 that requires cost neutrality for all Medicaid section 1115
30 demonstration waivers.

31 DIVISION VI

32 EFFECTIVE DATE

33 Sec. 13. EFFECTIVE DATE. This Act, being deemed of immediate
34 importance, takes effect upon enactment.

35 EXPLANATION

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

3 This bill relates to the supplemental nutrition assistance
4 program (SNAP), the medical assistance program (Medicaid), the
5 Iowa health and wellness plan (IHAWP), and other programs under
6 the purview of the department of health and human services (HHS).

7 DIVISION I — PUBLIC ASSISTANCE PROGRAMS — ELIGIBILITY
8 AND REPORTING. The bill requires HHS, prior to determining
9 the initial eligibility of an applicant for, or the ongoing
10 eligibility of a recipient of, public assistance benefits to
11 verify immigration and United States citizenship information
12 of the applicant or recipient through the systematic alien
13 verification for entitlements online service maintained by the
14 United States citizenship and immigration services of the United
15 States department of homeland security.

16 DIVISION II — SUPPLEMENTAL NUTRITION PROGRAM. The bill
17 provides for additional requirements when HHS is determining
18 the initial eligibility of a household for SNAP within the
19 state. HHS shall consider the income and financial resources
20 of all household members in determining the eligibility and
21 benefit allotment of the household, including household members
22 determined to be ineligible for benefits. An individual shall
23 be ineligible to participate in SNAP unless they have an eligible
24 immigration or United States citizenship status as detailed in
25 the bill. HHS is required to notify the United States department
26 of agriculture if HHS is unable to verify the immigration or
27 United States citizenship status of any household member listed
28 on a SNAP application.

29 DIVISION III — MEDICAID — MANAGED CARE. The bill provides
30 that HHS shall furnish all Medicaid benefits utilizing a managed
31 care program as defined in the bill, except for Medicaid benefits
32 provided on a fee-for-service basis or otherwise excluded from
33 managed care program delivery pursuant to a Medicaid state plan
34 or waiver in effect on or before July 1, 2026.

35 DIVISION IV — MEDICAID AND IOWA HEALTH AND WELLNESS PLAN

1 — RETROACTIVE ELIGIBILITY AND REPORTING. The bill provides that
2 HHS shall request a section 1115 demonstration waiver from the
3 centers for Medicare and Medicaid services of the United States
4 department of health and human services (CMS) to provide for two
5 months of retroactive eligibility under Medicaid as described
6 in the bill. Contingent upon the approval such waiver by
7 CMS, HHS shall provide for a retroactive eligibility period of
8 no more than two months upon request by a Medicaid-eligible
9 applicant. HHS shall only provide retroactive eligibility if
10 it determines that the person was eligible during the period
11 of retroactive eligibility. HHS shall adopt rules as necessary
12 pursuant to Code chapter 17A to implement and enforce retroactive
13 eligibility. HHS may establish procedures, in compliance with
14 federal requirements relating to notice and due process, to
15 notify affected individuals and providers about retroactive
16 Medicaid eligibility.

17 The bill provides that HHS shall submit a request for a
18 state plan amendment from CMS to provide for one month of
19 retroactive eligibility under IHAWP as detailed in the bill.
20 Contingent upon the approval of such state plan amendment by
21 CMS, HHS shall provide for a retroactive eligibility period
22 of no more than one month upon request by eligible IHAWP
23 applicants. HHS shall only provide retroactive eligibility if
24 it determines that the applicants were eligible during the period
25 of retroactive eligibility. HHS shall adopt rules as necessary
26 pursuant to Code chapter 17A to implement and enforce retroactive
27 eligibility. HHS may establish procedures, in compliance with
28 federal requirements relating to notice and due process, to
29 notify affected individuals and providers about retroactive IHAWP
30 eligibility.

31 On or before January 15, HHS shall submit annually a report
32 to the general assembly detailing specific data and the costs to
33 the state related to retroactive eligibility under both Medicaid
34 and IHAWP. HHS shall make the report available on HHS's internet
35 site.

1 DIVISION V — MEDICAID WAIVERS AND STATE PLAN AMENDMENTS —
2 COST NEUTRALITY. The bill requires HHS to conduct an analysis,
3 prior to a request for a waiver or state plan amendment being
4 submitted to CMS to expand coverage under the medical assistance
5 program to additional individuals or classes of individuals, to
6 determine if the waiver or state plan amendment is cost neutral.
7 For any such waiver or state plan amendment that is determined
8 to not be cost neutral, HHS shall not submit the request for
9 a waiver to CMS unless the waiver has been presented to the
10 general assembly and approved by a majority vote of both houses
11 of the general assembly. HHS is not required to seek legislative
12 approval for waivers or state plan amendments already submitted
13 to, or approved by, CMS.

14 HHS shall conduct an analysis to determine if all approved
15 or implemented Medicaid section 1115 demonstration waivers are
16 cost neutral. On or before October 1, HHS shall submit a report
17 to the general assembly detailing medical assistance program
18 compliance with the federal One Big Beautiful Bill Act, which
19 requires all Medicaid section 1115 demonstration waivers to be
20 cost neutral. The report shall include HHS's cost neutrality
21 analysis for all demonstration waivers implemented or approved by
22 Medicaid. The bill defines "cost neutral".

23 DIVISION VI — EFFECTIVE DATE. The bill takes effect upon
24 enactment.