

House File 2782 - Introduced

HOUSE FILE 2782

BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HSB 777)

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, including aging and disability services,
4 behavioral health, public health, and community access
5 and eligibility; the medical assistance program, state
6 supplementary assistance, Hawki, and other health-related
7 programs; family well-being and protection; state-operated
8 specialty care; administration and compliance; transfers,
9 cash flow, and nonreversions; report on nonreversion
10 of moneys; more options for maternal support program;
11 reimbursement rates review; mental diseases exclusion
12 waiver; community health centers reimbursement; full-time
13 equivalent dashboard; comprehensive family support program;
14 federal community mental health services block grant; child
15 welfare and juvenile justice decategorization; commitment
16 or hospitalization of certain persons with substance abuse
17 disorders or mental illness; behavioral health expenditure
18 report; and opioid settlement fund; and including effective
19 date and retroactive applicability provisions.

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

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DIVISION I

DEPARTMENT OF VETERANS AFFAIRS — FY 2026-2027

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, 2026, and ending June 30, 2027, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. DEPARTMENT OF VETERANS AFFAIRS ADMINISTRATION

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

.....	\$	1,369,205
.....	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:

.....	\$	2,200,000
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DIVISION II

AGING AND DISABILITY SERVICES — FY 2026-2027

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

1 services for the fiscal year beginning July 1, 2026, and ending
2 June 30, 2027, the following amount, or so much thereof as is
3 necessary, to be used for the purposes designated:

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

24	\$ 19,379,531
25	FTEs 88.00

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

34 2. Of the moneys appropriated in this section, \$949,282
35 is allocated to be used for the comprehensive family support

1 program created in section 231.80 as enacted under this Act.
2 3. Of the moneys appropriated in this section, \$33,632
3 is allocated to be used to build community capacity through
4 the coordination and provision of training opportunities in
5 accordance with the consent decree of Conner v. Branstad, No.
6 4-86-CV-30871 (S.D. Iowa, July 15, 1994).

7 DIVISION III

8 BEHAVIORAL HEALTH — FY 2026-2027

9 Sec. 3. DEPARTMENT OF HEALTH AND HUMAN SERVICES —
10 BEHAVIORAL HEALTH. There is appropriated from the general fund
11 of the state to the department of health and human services for
12 the fiscal year beginning July 1, 2026, and ending June 30,
13 2027, the following amount, or so much thereof as is necessary,
14 to be used for the purposes designated:

15 For behavioral health prevention, education, early
16 intervention, treatment, recovery support, and crisis
17 services in order to support statewide access to treatment for
18 behavioral health conditions; stabilization and mitigation of
19 behavioral health crises; and recovery for individuals and
20 families impacted by behavioral health conditions. Activities
21 shall align with accepted best practice guidance standards for
22 behavioral health including those published by the centers for
23 disease control and prevention of the United States department
24 of health and human services, and the substance abuse and
25 mental health services administration of the United States
26 department of health and human services, for health promotion;
27 universal, selective, and indicated prevention; treatment; and
28 recovery services and supports; and shall include a 24-hour
29 helpline, public information resources, professional training,
30 youth prevention, program evaluation, and efforts at the state
31 and local levels, and for not more than the following full-time
32 equivalent positions:

33	\$ 23,127,121
34	FTEs 71.00

35 1. Of the moneys appropriated in this section, \$300,000

1 is allocated to support the work of the children’s behavioral
2 health system including evidence-based behavioral health
3 prevention, treatment, and recovery services and supports for
4 children and their families.

5 2. Of the moneys appropriated in this section, \$950,000
6 is allocated for an integrated substance use disorder managed
7 care system. The department shall maintain the level of mental
8 health and substance use disorder treatment services provided
9 by the managed care contractors, and shall take the steps
10 necessary to continue the federal waivers as needed to maintain
11 the level of services.

12 Sec. 4. DEPARTMENT OF HEALTH AND HUMAN SERVICES — SPORTS
13 WAGERING RECEIPTS FUND. There is appropriated from the
14 sports wagering receipts fund created in section 8.57I, to the
15 department of health and human services for the fiscal year
16 beginning July 1, 2026, and ending June 30, 2027, the following
17 amount, or so much thereof as is necessary, to be used for
18 behavioral health prevention, education, early intervention,
19 treatment, recovery support, and crisis services in order to
20 support statewide access to treatment for behavioral health
21 conditions; stabilization and mitigation of behavioral health
22 crises; and recovery for individuals and families impacted by
23 behavioral health conditions:

24 \$ 1,750,000

25 DIVISION IV

26 PUBLIC HEALTH — FY 2026-2027

27 Sec. 5. DEPARTMENT OF HEALTH AND HUMAN SERVICES — PUBLIC
28 HEALTH. There is appropriated from the general fund of the
29 state to the department of health and human services for the
30 fiscal year beginning July 1, 2026, and ending June 30, 2027,
31 the following amount, or so much thereof as is necessary, to be
32 used for the purposes designated:

33 For programs that support health promotion, protect the
34 health and safety of the public, conduct disease surveillance
35 and investigation to reduce the incidence of morbidity and

1 mortality, serve individuals with chronic conditions including
2 but not limited to cancer, support the Iowa donor registry as
3 specified in section 142C.18, and strengthen the health care
4 delivery system and workforce to improve health outcomes for
5 all Iowans, and for not more than the following full-time
6 equivalent positions:

7 \$ 22,024,369
8 FTEs 348.60

9 1. Of the moneys appropriated in this section, \$95,000 is
10 allocated for a child vision screening program implemented
11 through the university of Iowa hospitals and clinics in
12 collaboration with early childhood Iowa areas. The program
13 shall submit a report to the department regarding the use
14 of funds allocated under this subsection. The report shall
15 include the objectives and results for the program year
16 including the target population and how the funds allocated
17 assisted the program in meeting the objectives; the number,
18 age, and location within the state of individuals served;
19 the type of services provided to the individuals served; the
20 distribution of moneys based on the services provided; and the
21 continuing needs of the program.

22 2. Of the moneys appropriated in this section, \$96,000 shall
23 be used for a grant to a nationally affiliated volunteer eye
24 organization that has an established program for children and
25 adults and that is solely dedicated to preserving sight and
26 preventing blindness through education, nationally certified
27 vision screening and training, and community and patient
28 service programs. The contractor shall submit a report to the
29 general assembly regarding the use of funds allocated under
30 this subsection. The report shall include the objectives and
31 results for the program year including the target population
32 and how the funds allocated assisted the program in meeting the
33 objectives; the number, age, grade level if appropriate, and
34 location within the state of individuals served; the type of
35 services provided to the individuals served; the distribution

1 of moneys based on the services provided; and the continuing
2 needs of the program.

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

7 a. \$600,000 for distribution to a nonprofit organization
8 that established the first statewide drug donation repository
9 for continuation of the pharmaceutical infrastructure for
10 safety net providers established as described in 2007 Iowa
11 Acts, chapter 218, section 108, and for the prescription drug
12 donation repository program established in chapter 135M.
13 Moneys under this paragraph shall be distributed in their
14 entirety on July 1, 2026, for the purpose specified.

15 b. \$374,000 for distribution to free clinics, as defined in
16 section 135.24, and a nonprofit organization that facilitates
17 the initiation, operation, and collaboration of free clinics
18 for necessary infrastructure, statewide coordination, provider
19 recruitment, service delivery, and provision of assistance to
20 patients in securing a medical home inclusive of oral health
21 care. Of the moneys allocated, \$40,000 shall be used to lower
22 fees associated with using an electronic prescribing system.
23 Moneys under this paragraph shall be distributed in their
24 entirety on July 1, 2026, for the purpose specified.

25 c. \$25,000 for distribution to an organization that raises
26 awareness about issues related to rural health clinics for
27 necessary infrastructure and service delivery transformation.
28 Moneys under this paragraph shall be distributed in their
29 entirety on July 1, 2026, for the purpose specified.

30 4. Of the moneys appropriated in this section, \$600,000
31 is allocated for rural psychiatric residencies for residents
32 selected on or before June 30, 2026.

33 5. Of the moneys appropriated in this section, \$20,000 is
34 allocated to make radon test kits available, free of charge,
35 to homeowners and renters in the state. The department shall

1 provide a link on the department's internet site for homeowners
2 and renters in the state to order radon test kits.

3 6. Of the moneys appropriated in this section, \$2,300,000 is
4 allocated for awarding grants for medical residency programs in
5 the state that meet the following criteria:

6 a. The medical residency program is not sponsored by the
7 university of Iowa hospitals and clinics.

8 b. The medical residency program is not related to the
9 practice of family medicine.

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

15 DIVISION V

16 COMMUNITY ACCESS AND ELIGIBILITY — CHILD SUPPORT SERVICES —
17 TANF — FY 2026-2027

18 Sec. 6. DEPARTMENT OF HEALTH AND HUMAN SERVICES — COMMUNITY
19 ACCESS AND ELIGIBILITY. There is appropriated from the
20 general fund of the state to the department of health and human
21 services for the fiscal year beginning July 1, 2026, and ending
22 June 30, 2027, the following amount, or so much thereof as is
23 necessary, to be used for the purposes designated:

24 To be used for salaries, support, maintenance, and
25 miscellaneous purposes and for family investment program (FIP)
26 assistance in accordance with chapter 239B, and for other costs
27 associated with providing needs-based benefits or assistance
28 including but not limited to maternal and child health, oral
29 health, obesity prevention, the promoting independence and
30 self-sufficiency through employment, job opportunities and the
31 basic skills (PROMISE JOBS) program, supplemental nutrition
32 assistance program (SNAP) employment and training, the FIP
33 diversion program, family planning, rent reimbursement,
34 and eligibility determinations for medical assistance, food
35 assistance, and the children's health insurance program, and

1 for not more than the following full-time equivalent positions:
 2 \$ 74,610,079
 3 FTEs 870.40

4 1. Of the child support collections assigned under FIP,
 5 the federal share of the child support collections shall be
 6 credited to the child support services appropriation made in
 7 this division of this Act. Of the remainder of the child
 8 support collections assigned under FIP, a portion shall be
 9 credited to community access and eligibility, and the remaining
 10 moneys may be used to increase recoveries, to sustain cash flow
 11 in the collection services center refund account as provided in
 12 section 252B.13A, or for technology needs. If child support
 13 collections assigned under FIP are greater than estimated or
 14 are otherwise determined not to be required for maintenance of
 15 efforts, the state share of either amount is appropriated to
 16 the department for child support services as described in this
 17 division of this Act, or may be transferred to or retained in
 18 the collection services center refund account.

19 2. Of the moneys appropriated in this section, \$3,075,000 is
 20 allocated for continuation of the department's initiative to
 21 provide for adequate developmental surveillance and screening
 22 during a child's first five years. The moneys shall first be
 23 used to fully fund the current participating counties to ensure
 24 that those counties are fully operational, with the remaining
 25 moneys to be used for expanding participation to additional
 26 counties. Full implementation and expansion shall include
 27 enhancing the scope of the initiative through collaboration
 28 with child health specialty clinics to promote the use of
 29 developmental surveillance and screening to support healthy
 30 child development through early identification and response to
 31 biomedical and social determinants of healthy development by
 32 providing practitioner consultation and continuous improvement
 33 through training and education, particularly for children
 34 with behavioral conditions and needs. The department shall
 35 also collaborate with the Medicaid program and child health

1 specialty clinics to assist in coordinating the activities
2 of the first five initiative into the establishment of
3 patient-centered medical homes developed to improve health
4 quality and population health while reducing health care costs.
5 To the maximum extent possible, moneys allocated in this
6 subsection shall be utilized as matching moneys for Medicaid
7 program reimbursement.

8 3. Of the moneys appropriated in this section, \$1,145,102 is
9 allocated to the Iowa commission on volunteer service created
10 in section 15H.2 for programs and grants.

11 4. Of the moneys appropriated in this section, \$127,500
12 is allocated to the Iowa food bank association, as defined
13 in section 190B.201, to operate a supplemental nutrition
14 assistance program hotline.

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

20 Sec. 7. DEPARTMENT OF HEALTH AND HUMAN SERVICES — CHILD
21 SUPPORT SERVICES. There is appropriated from the general fund
22 of the state to the department of health and human services for
23 the fiscal year beginning July 1, 2026, and ending June 30,
24 2027, the following amount, or so much thereof as is necessary,
25 to be used for the purposes designated:

26 For child support services, including salaries, support,
27 maintenance, and miscellaneous purposes, and for not more than
28 the following full-time equivalent positions:
29 \$ 15,644,114
30 FTEs 464.00

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

35 2. Moneys appropriated in this section may be used

1 throughout the fiscal year in the manner necessary for
2 cash flow management. For cash flow management under this
3 subsection, the department may temporarily draw more than the
4 amount appropriated provided the amount appropriated is not
5 exceeded at the close of the fiscal year.

6 Sec. 8. DEPARTMENT OF HEALTH AND HUMAN SERVICES —
7 TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT. There is
8 appropriated from the special fund created in section 8.41 to
9 the department of health and human services for the fiscal year
10 beginning July 1, 2026, and ending June 30, 2027, from moneys
11 received under the federal temporary assistance for needy
12 families (TANF) block grant pursuant to the federal Personal
13 Responsibility and Work Opportunity Reconciliation Act of 1996,
14 Pub. L. No. 104-193, and successor legislation, including TANF
15 block grant moneys received in any prior fiscal year that
16 were deposited in the special fund and remain unencumbered
17 or unobligated on June 30, 2026, the following amounts, or
18 so much thereof as is necessary, to be used for the purposes
19 designated:

20 1. For community access and eligibility:
21 \$ 12,566,312

22 2. For community access and eligibility to provide
23 pregnancy prevention grants on the condition that family
24 planning services are funded:
25 \$ 1,913,203

26 Pregnancy prevention grants shall be awarded to programs
27 in existence on or before July 1, 2026, if the programs have
28 demonstrated positive outcomes. Grants shall be awarded
29 to pregnancy prevention programs developed after July 1,
30 2026, if the programs are based on existing models that have
31 demonstrated positive outcomes. Grants must comply with the
32 requirements provided in 1997 Iowa Acts, chapter 208, section
33 14, subsections 1 and 2, including the requirement that a
34 program awarded a grant must emphasize sexual abstinence.
35 Priority in awarding grants shall be given to programs

1 that serve areas of the state which demonstrate the highest
2 percentage of unplanned pregnancies of females of childbearing
3 age within the geographic area to be served by the grant.

4 3. To meet one of the four purposes of TANF as specified
5 in 45 C.F.R. §260.20, including by modernizing the program
6 to promote economic mobility and self-sufficiency, ensuring
7 that families are able to overcome benefit cliffs, encouraging
8 healthy families, and streamlining service delivery to reduce
9 duplication:

10 \$ 25,000,000

11 4. For early intervention and supports for child abuse
12 prevention and the family development and self-sufficiency
13 (FaDSS) grant program in accordance with section 216A.107:

14 \$ 3,013,980

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

19 \$ 3,533,647

20 6. For state child care assistance:

21 \$ 42,281,826

22 7. For child protective services:

23 \$ 67,249,100

24 a. Of the moneys appropriated in this subsection,
25 \$1,658,000 shall be allocated for child protection centers
26 located in Iowa pursuant to the child protection center grant
27 program under section 135.118. The grant amounts under the
28 program shall be equalized so that each center receives a
29 uniform base amount of \$245,000, and the remaining moneys
30 are awarded through a funding formula based upon the volume
31 of children served by a center. To increase access to child
32 protection center services for children in rural areas, the
33 funding formula for awarding the remaining moneys shall provide
34 for awarding an enhanced amount to eligible grantees to develop
35 and maintain satellite centers in underserved regions of the

1 state.

2 b. Of the moneys appropriated in this subsection, up to
3 \$227,000 shall be used for the public purpose of continuing a
4 grant to a nonprofit human services organization that provides
5 services to individuals and families in multiple locations in
6 southwest Iowa and Nebraska, for support of a project providing
7 immediate, sensitive support and forensic interviews, medical
8 exams, needs assessments, and referrals for victims of child
9 abuse and their nonoffending family members.

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DIVISION VI

11 MEDICAL ASSISTANCE PROGRAM — STATE SUPPLEMENTARY ASSISTANCE —
12 HEALTHY AND WELL KIDS IN IOWA PROGRAM AND OTHER HEALTH-RELATED
13 PROGRAMS — FY 2026-2027

14 Sec. 9. DEPARTMENT OF HEALTH AND HUMAN SERVICES — MEDICAL
15 ASSISTANCE PROGRAM, STATE SUPPLEMENTARY ASSISTANCE, AND HEALTHY
16 AND WELL KIDS IN IOWA PROGRAM. There is appropriated from the
17 general fund of the state to the department of health and human
18 services for the fiscal year beginning July 1, 2026, and ending
19 June 30, 2027, the following amount, or so much thereof as is
20 necessary, to be used for the purposes designated:

21 For medical assistance program reimbursement and associated
22 costs as specifically provided in the reimbursement
23 methodologies in effect on June 30, 2026, except as otherwise
24 expressly authorized by law, consistent with options under
25 federal law and regulations, and contingent upon receipt of
26 approval from the office of the governor of reimbursement for
27 each abortion performed under the medical assistance program;
28 for the state supplementary assistance program; for the health
29 insurance premium payment program; and for maintenance of
30 the healthy and well kids in Iowa (Hawki) program pursuant
31 to chapter 514I, including supplemental dental services,
32 for receipt of federal financial participation under Tit.
33 XXI of the federal Social Security Act, which creates the
34 children's health insurance program; and for other specified
35 health-related programs:

1 \$ 1,995,889,295

2 1. Of the moneys appropriated in this section,
3 \$1,930,142,662 is allocated for medical assistance program
4 reimbursement and associated costs. Of the moneys allocated
5 in this subsection, \$3,383,880 shall be used for program
6 administration, outreach, and enrollment activities of the
7 state family planning services program pursuant to section
8 217.41B, and of this amount, the department may use \$200,000
9 for administrative expenses.

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

14 3. The provisions of this section relating to abortions
15 shall also apply to the Iowa health and wellness plan created
16 pursuant to [chapter 249N](#).

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

19 5. Of the moneys appropriated in this section, \$61,266,871
20 is allocated for maintenance of the Hawki program pursuant
21 to [chapter 514I](#), including supplemental dental services, for
22 receipt of federal financial participation under Tit. XXI of
23 the federal Social Security Act, which creates the children's
24 health insurance program.

25 Sec. 10. DEPARTMENT OF HEALTH AND HUMAN SERVICES — HEALTH
26 PROGRAM OPERATIONS. There is appropriated from the general
27 fund of the state to the department of health and human
28 services for the fiscal year beginning July 1, 2026, and ending
29 June 30, 2027, the following amount, or so much thereof as is
30 necessary, to be used for the purposes designated:

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

34 \$ 41,129,136
35 FTEs 82.00

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

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

11 3. Of the moneys appropriated in this section, \$750,000 is
12 allocated for a nonprofit organization that provides access
13 to emergency poison information and treatment. Pursuant to
14 the directive under 2014 Iowa Acts, chapter 1140, section
15 102, the federal matching moneys available to the nonprofit
16 organization from the department under the federal Children's
17 Health Insurance Program Reauthorization Act of 2009 shall be
18 subject to the federal administrative cap rule of 10 percent
19 applicable to moneys provided under Tit. XXI of the federal
20 Social Security Act, and shall be included in the department's
21 calculations of the cap.

22 4. Unless otherwise provided by law, if a contract for
23 services provided under this section initially entered into
24 during the fiscal year beginning July 1, 2026, and ending
25 June 30, 2027, provides for an annual increase of the cost of
26 services provided under the contract, the annual increase shall
27 not exceed the amount by which the consumer price index for
28 all urban consumers increased during the immediately preceding
29 calendar year. This subsection does not affect a contract
30 entered into on or before June 30, 2026, that is for a term of
31 more than one year.

32 Sec. 11. DEPARTMENT OF HEALTH AND HUMAN SERVICES —
33 PHARMACEUTICAL SETTLEMENT ACCOUNT. There is appropriated
34 from the pharmaceutical settlement account created in section
35 249A.33 to the department of health and human services for the

1 fiscal year beginning July 1, 2026, and ending June 30, 2027,
2 the following amount, or so much thereof as is necessary, to be
3 used for the purposes designated:

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

8 \$ 234,193

9 Sec. 12. DEPARTMENT OF HEALTH AND HUMAN SERVICES — QUALITY
10 ASSURANCE TRUST FUND. Notwithstanding any provision of law
11 to the contrary, and subject to the availability of moneys,
12 there is appropriated from the quality assurance trust fund
13 created in section 249L.4 to the department of health and human
14 services for the fiscal year beginning July 1, 2026, and ending
15 June 30, 2027, the following amount, or so much thereof as is
16 necessary, for the purposes designated:

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

20 \$111,216,205

21 Sec. 13. DEPARTMENT OF HEALTH AND HUMAN SERVICES — HOSPITAL
22 HEALTH CARE ACCESS TRUST FUND. Notwithstanding any provision
23 of law to the contrary, and any subject to the availability of
24 moneys, there is appropriated from the hospital health care
25 access trust fund created in section 249M.4 to the department
26 of health and human services for the fiscal year beginning July
27 1, 2026, and ending June 30, 2027, the following amount, or so
28 much thereof as is necessary, for the 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 \$ 33,920,554

33 Sec. 14. DEPARTMENT OF HEALTH AND HUMAN SERVICES —
34 BEHAVIORAL HEALTH FUND. Notwithstanding section 225A.7,
35 subsection 2, and subject to the availability of moneys, there

1 is appropriated from the behavioral health fund established in
2 section 225A.7, to the department of health and human services
3 for the fiscal year beginning July 1, 2026, and ending June 30,
4 2027, the following amount, or so much thereof as is necessary,
5 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 fiscal year beginning
9 July 1, 2026, and ending June 30, 2027:

10 \$ 7,771,589

11 Sec. 15. REIMBURSEMENT RATES.

12 1. Reimbursement for medical assistance, state
13 supplementary assistance, and social service providers and
14 services reimbursed under the purview of the department of
15 health and human services shall remain at the reimbursement
16 rate in effect on June 30, 2026, or shall be determined
17 pursuant to the reimbursement methodology in effect on June 30,
18 2026, with the exception of the following:

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

21 b. As otherwise provided in this section.

22 2. a. (1) Notwithstanding any provision of law to the
23 contrary, for the fiscal year beginning July 1, 2026, and
24 ending June 30, 2027, the department of health and human
25 services shall reimburse case-mix nursing facility rates based
26 on the methodology in effect on June 30, 2026.

27 (2) July 1, 2025, through December 31, 2025, the department
28 of health and human services shall calculate each nursing
29 facility's case-mix index for rates effective July 1, 2026.

30 (3) January 1, 2026, through June 30, 2026, the department
31 of health and human services shall calculate each nursing
32 facility's case-mix index for rates effective January 1, 2027.

33 (4) (a) Medicaid managed care organizations shall adjust
34 the following rates based upon payment rate listings issued by
35 the department of health and human services:

- 1 (i) Nursing facility-specific rates.
- 2 (ii) Medicaid low utilization payment adjustment (LUPA)
3 rate-based services.
- 4 (iii) Medicaid home health agency services.
- 5 (iv) Private duty nursing and personal care services
6 provided under the Medicaid early and periodic screening,
7 diagnosis, and treatment program.
- 8 (v) Medicaid home and community-based waiver services.
- 9 (b) A rate adjustment made pursuant to subparagraph
10 division (a) shall be applied retroactively to the effective
11 date of the applicable rate letter issued by the department of
12 health and human services.
- 13 b. For the fiscal year beginning July 1, 2026, \$1,167,867
14 shall be used to increase to the extent possible reimbursement
15 rates for ambulatory surgical centers compared to rates in
16 effect on June 30, 2026.
- 17 c. For the fiscal year beginning July 1, 2026, \$2,800,000
18 shall be used to increase to the extent possible reimbursement
19 rates for providers of rehabilitation and speech therapy
20 services compared to rates for such services in effect on June
21 30, 2026.
- 22 d. For the fiscal year beginning July 1, 2026, \$250,000
23 shall be used to increase to the extent possible reimbursement
24 rates for air medical services provided by an entity that
25 has over forty years of experience and is the largest
26 community-based provider of air medical services compared to
27 rates for such services in effect on June 30, 2026.
- 28 e. For the fiscal year beginning July 1, 2026, \$300,000
29 shall be used to increase to the extent possible reimbursement
30 rates for providers of adult day services, as defined in
31 section 231D.1, compared to rates for such services in effect
32 on June 30, 2026.
- 33 f. For the fiscal year beginning July 1, 2026, \$5,000,000
34 shall be used to increase to the extent possible reimbursement
35 rates for providers of Medicaid home and community-based

1 elderly waiver services compared to rates for such services in
2 effect on June 30, 2026.

3 g. For the fiscal year beginning July 1, 2026, \$250,000
4 shall be used to increase to the extent possible reimbursement
5 rates for prosthetics compared to rates for such prosthetics in
6 effect on June 30, 2026.

7 h. For the fiscal year beginning July 1, 2026, \$333,000
8 shall be used to increase to the extent possible reimbursement
9 rates for special population nursing facilities compared to
10 rates for such special population nursing facilities in effect
11 on June 30, 2026.

12 DIVISION VII

13 FAMILY WELL-BEING AND PROTECTION — FY 2026-2027

14 Sec. 16. DEPARTMENT OF HEALTH AND HUMAN SERVICES — STATE
15 CHILD CARE ASSISTANCE. There is appropriated from the general
16 fund of the state to the department of health and human
17 services for the fiscal year beginning July 1, 2026, and ending
18 June 30, 2027, the following amount, or so much thereof as is
19 necessary, to be used for the purposes designated:

20 For state child care assistance in accordance with sections
21 237A.13 and 237A.14, and for not more than the following
22 full-time equivalent positions:

23	\$ 31,983,000
24	FTEs 53.00

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

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

35 Sec. 17. DEPARTMENT OF HEALTH AND HUMAN SERVICES — EARLY

1 INTERVENTION AND SUPPORTS. There is appropriated from the
2 general fund of the state to the department of health and human
3 services for the fiscal year beginning July 1, 2026, and ending
4 June 30, 2027, the following amount, or so much thereof as is
5 necessary, to be used for the purposes designated:

6 For promotion of optimum health status for children and
7 adolescents from birth through 21 years of age, and for
8 families, and for not more than the following full-time
9 equivalent positions:

10 \$ 35,346,904
11 FTEs 29.00

12 1. Of the moneys appropriated in this section, not more than
13 \$734,000 is allocated for the healthy opportunities for parents
14 to experience success (HOPES) – healthy families Iowa (HFI)
15 program established pursuant to section 135.106.

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

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

23 Sec. 18. DEPARTMENT OF HEALTH AND HUMAN SERVICES — CHILD
24 PROTECTIVE SERVICES. There is appropriated from the general
25 fund of the state to the department of health and human
26 services for the fiscal year beginning July 1, 2026, and ending
27 June 30, 2027, the following amount, or so much thereof as is
28 necessary, to be used for the purposes designated:

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

32 \$164,052,467
33 FTEs 977.00

34 1. Based on client need, a portion of the moneys
35 appropriated in this section may be used to provide other

1 resources required to support family preservation, emergency
2 client need, or family reunification efforts.

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

9 3. Federal moneys received by the state during the fiscal
10 year beginning July 1, 2026, as the result of the expenditure
11 of state moneys appropriated during a previous state fiscal
12 year for a service or activity funded under this section,
13 are appropriated to the department to be used as additional
14 moneys for services and purposes provided under this section.
15 Notwithstanding section 8.33, moneys appropriated under this
16 subsection that remain unencumbered or unobligated at the close
17 of the fiscal year shall not revert but shall remain available
18 for the purposes designated until the close of the succeeding
19 fiscal year.

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

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

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

34 6. Of the moneys appropriated in this section, a portion may
35 be used for family-centered services for purposes of complying

1 with the federal Family First Prevention Services Act of 2018,
2 Pub. L. No. 115-123, and successor legislation.

3 7. a. Of the moneys appropriated in this section,
4 \$39,823,955 is allocated for adoption subsidy payments and
5 related costs.

6 b. Any moneys remaining after the allocation under
7 paragraph "a" is designated and allocated as state savings
8 resulting from implementation of the federal Fostering
9 Connections to Success and Increasing Adoptions Act of 2008,
10 Pub. L. No. 110-351, and successor legislation, as determined
11 in accordance with 42 U.S.C. §673(a)(8), and shall be used for
12 post-adoption services and for other purposes allowed under
13 those federal Acts and regulations, and Tit. IV-B or Tit. IV-E
14 of the federal Social Security Act.

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

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

23 DIVISION VIII

24 STATE-OPERATED SPECIALTY CARE — FY 2026-2027

25 Sec. 19. DEPARTMENT OF HEALTH AND HUMAN SERVICES —
26 STATE-OPERATED SPECIALTY CARE. There is appropriated from the
27 general fund of the state to the department of health and human
28 services for the fiscal year beginning July 1, 2026, and ending
29 June 30, 2027, the following amount, or so much thereof as is
30 necessary, to be used for the purposes designated:

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

35 \$100,225,768

1 FTEs 756.00
2 1. The department shall utilize the moneys appropriated in
3 this section as necessary to maximize bed capacity and to most
4 effectively meet the needs of the individuals served.
5 2. Of the moneys appropriated in this section, the following
6 amounts are allocated to each institution as follows:
7 a. For the state mental health institute at Cherokee:
8 \$ 19,878,962
9 b. For the state mental health institute at Independence:
10 \$ 23,760,205
11 c. For the civil commitment unit for sexual offenders at
12 Cherokee:
13 \$ 23,272,111
14 d. For the state resource center at Woodward:
15 \$ 12,567,092
16 e. For the state training school at Eldora:
17 \$ 19,805,171
18 f. For outstanding obligations related to workers'
19 compensation, the sick leave insurance program, unemployment,
20 and other costs related to the closure of the state resource
21 center at Glenwood:
22 \$ 942,227

DIVISION IX

ADMINISTRATION AND COMPLIANCE — FY 2026-2027

24 Sec. 20. DEPARTMENT OF HEALTH AND HUMAN SERVICES —
25 ACCOUNTABILITY, COMPLIANCE, AND PROGRAM INTEGRITY. There
26 is appropriated from the general fund of the state to the
27 department of health and human services for the fiscal year
28 beginning July 1, 2026, and ending June 30, 2027, the following
29 amount, or so much thereof as is necessary, to be used for the
30 purposes designated:

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

1 \$ 23,152,404

2 FTEs 409.00

3 1. Of the moneys appropriated in this section, \$2,602,312
4 is allocated for foster care review and the court appointed
5 special advocate program, including for salaries, support,
6 maintenance, and miscellaneous purposes.

7 2. Of the moneys appropriated in this section, \$1,148,959
8 is allocated for the office of long-term care ombudsman
9 for salaries, support, administration, maintenance, and
10 miscellaneous purposes.

11 DIVISION X

12 TRANSFERS, CASH FLOW, AND NONREVERSIONS — FY 2026-2027

13 Sec. 21. DEPARTMENT OF HEALTH AND HUMAN SERVICES —

14 TRANSFERS AND CASH FLOW.

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

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

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

35 Sec. 22. DEPARTMENT OF HEALTH AND HUMAN SERVICES —

1 NONREVERSIONS.

2 1. Notwithstanding section 8.33, of the moneys appropriated
3 under this Act from the general fund of the state, the quality
4 assurance trust fund, and the hospital health care access trust
5 fund to the department of health and human services for the
6 fiscal year beginning July 1, 2026, and ending June 30, 2027,
7 for the purposes of the medical assistance program, the amount
8 in excess of actual expenditures for the medical assistance
9 program that remains unencumbered or unobligated at the close
10 of the fiscal year shall not revert but shall remain available
11 for expenditure for the medical assistance program until the
12 close of the succeeding fiscal year.

13 2. Notwithstanding section 8.33, moneys appropriated under
14 this Act from the general fund of the state to the department
15 of health and human services for the fiscal year beginning
16 July 1, 2026, and ending June 30, 2027, and allocated for
17 rural psychiatric residencies, that remain unencumbered or
18 unobligated at the close of the fiscal year shall not revert
19 but shall remain available for expenditure for the purposes
20 designated until the close of the succeeding fiscal year.

21 3. Notwithstanding section 8.33, moneys appropriated under
22 this Act from the general fund of the state to the department
23 of health and human services for the fiscal year beginning July
24 1, 2026, and ending June 30, 2027, and allocated for adoption
25 subsidy payments and related costs, or for post-adoption
26 services and allowable related purposes, that remain
27 unencumbered or unobligated at the close of the fiscal year
28 shall not revert but shall remain available for expenditure for
29 adoption reinvestment obligations.

30 4. Notwithstanding section 8.33, moneys appropriated under
31 this Act from the general fund of the state to the department
32 of health and human services for the fiscal year beginning July
33 1, 2026, and ending June 30, 2027, and allocated for child
34 protective services, that remain unencumbered or unobligated at
35 the close of the fiscal year shall not revert but shall remain

1 available for expenditure for the partnership between the
2 department of health and human services and the administration
3 of children and family services of the United States department
4 of health and human services to develop and implement the
5 comprehensive welfare information system, also known as VISION.

6 DIVISION XI

7 REPORT ON NONREVERSION OF MONEYS

8 Sec. 23. DEPARTMENT OF HEALTH AND HUMAN SERVICES — REPORT
9 ON NONREVERSION OF MONEYS. The department of health and
10 human services shall report the expenditure of any moneys for
11 which nonreversion authorization was provided for the fiscal
12 year beginning July 1, 2026, and ending June 30, 2027, to the
13 general assembly on a quarterly basis beginning October 1,
14 2027.

15 DIVISION XII

16 MORE OPTIONS FOR MATERNAL SUPPORT PROGRAM APPROPRIATION

17 NONREVERSION

18 Sec. 24. [2025 Iowa Acts, chapter 169, section 27](#), is amended
19 by adding the following new subsection:

20 NEW SUBSECTION. 8. Notwithstanding section 8.33, moneys
21 appropriated from the general fund of the state to the
22 department of health and human services for the fiscal year
23 beginning July 1, 2025, and ending June 30, 2026, for the more
24 options for maternal support program created in section 217.41C
25 that remain unencumbered or unobligated at the close of the
26 fiscal year shall not revert but shall remain available for
27 expenditure for the purposes designated until the close of the
28 succeeding fiscal year.

29 Sec. 25. EFFECTIVE DATE. This division of this Act, being
30 deemed of immediate importance, takes effect upon enactment.

31 Sec. 26. RETROACTIVE APPLICABILITY. This division of this
32 Act applies retroactively to July 1, 2025.

33 DIVISION XIII

34 REIMBURSEMENT RATES — REVIEW

35 Sec. 27. Section 235.2, Code 2026, is amended by adding the

1 following new subsection:

2 NEW SUBSECTION. 9. Upon implementation by the department
3 of a uniform cost report for shelter care and qualified
4 residential treatment providers, biennially conduct a review of
5 shelter care and qualified residential treatment provider costs
6 compared to current shelter care and qualified residential
7 treatment provider rates. On or before October 1 of the
8 calendar year immediately succeeding the calendar year in
9 which the review is conducted, the department shall submit a
10 report to the governor and the general assembly detailing the
11 results of the department's review and recommendations for rate
12 adjustments.

13 Sec. 28. Section 249A.4, Code 2026, is amended by adding the
14 following new subsection:

15 NEW SUBSECTION. 15. a. Conduct an annual review of
16 provider reimbursement rates for medical and health services
17 provided under this chapter that are reimbursed by a statewide
18 fee schedule and that are not periodically updated or rebased
19 pursuant to federal or state law or rule. The department shall
20 compare each provider reimbursement rate in the following
21 manner:

22 (1) For all medical and health services other than dental
23 services, to reimbursement rates under the federal Medicare
24 program.

25 (2) For dental services, to reimbursement rates for
26 Medicaid programs in states contiguous to Iowa.

27 b. On or before January 15 of each calendar year, the
28 department shall submit to the general assembly a report
29 summarizing the department's review under paragraph "a".

30 Sec. 29. NEW SECTION. 249A.32C Home and community-based
31 service waivers — provider rate limits.

32 1. For purposes of this section:

33 a. "Consumer" means the same as defined in section 249A.29.

34 b. "Provider" means the same as defined in section 249A.29.

35 c. "Waiver" means the same as defined in section 249A.29.

1 2. On or before July 1 of each fiscal year, each provider
2 shall submit actual cost of service and supply data to the
3 department. Upon request by the department, a provider shall
4 submit to reasonable review of the actual cost of service and
5 supply data submitted.

6 3. *a.* Upon the required submission of annual cost reports
7 by providers and implementation by the department of a waiver
8 fee schedule, the department, with input from the public,
9 consumers, providers, and other stakeholders, shall develop a
10 proposed cost-based reimbursement system and related changes to
11 department policies and procedures for all services rendered
12 under a waiver during the period of review specified by
13 the department. The cost-based reimbursement system shall
14 be developed using information provided to the department
15 including but not limited to all of the following:

- 16 (1) Provider cost data.
- 17 (2) Provider claims data.
- 18 (3) Consumer needs assessment data.
- 19 (4) Other relevant regional and national data.

20 *b.* The department shall, with input from providers and
21 other relevant stakeholders, develop a uniform and streamlined
22 provider cost reporting mechanism for home and community-based
23 services.

24 4. At least once every four calendar years, the department
25 shall establish a new base period to be used in calculating
26 proposed rate models and related changes to department policies
27 and procedures. On or before October 1 of each year that a
28 new base period is established, the department shall submit
29 a report to the general assembly that includes proposed
30 rate models, the projected fiscal impact of implementing the
31 proposed rate models, including documentation supporting the
32 actuarial soundness of the proposed rate models, and the
33 proposed changes to department policies and procedures.

34 DIVISION XIV

35 MENTAL DISEASES EXCLUSION — WAIVER

1 5. The aggregate amount of state moneys used to fund
2 full-time equivalent positions approved by the general assembly
3 for the department.

4 6. The number of vacant full-time equivalent positions
5 approved by the general assembly for the department.

6 7. The number of department personnel that are classified as
7 full-time, part-time, or temporary.

8 DIVISION XVII

9 COMPREHENSIVE FAMILY SUPPORT PROGRAM

10 Sec. 33. NEW SECTION. 231.80 **Comprehensive family support**
11 **program.**

12 1. For the purposes of this section, unless the context
13 otherwise requires:

14 *a. "Comprehensive family support"* means services and
15 supports that assist families caring for an individual with
16 a disability who is a member of the family, including but
17 not limited to programs, services, parent-to-parent support,
18 assistive devices, and various adaptations that allow an
19 individual with a disability to participate more fully in
20 family and community life.

21 *b. (1) "Family"* means a group of interdependent persons
22 living in the same household. A family consists of an
23 individual with a disability and any of the following:

24 (a) The individual's parent.

25 (b) The individual's sibling.

26 (c) The individual's grandparent, aunt, or uncle.

27 (d) The individual's legal custodian.

28 (e) A person providing short-term foster care to the
29 individual with a disability subject to a case permanency plan
30 that provides for reunification between the individual and the
31 individual's parent.

32 (2) *"Family"* does not include a person who is employed
33 to provide services to an individual with a disability in an
34 out-of-home setting, including but not limited to a hospital,
35 nursing facility, personal care home, board and care home,

1 group foster care home, or other institutional setting.

2 *c. "Individual with a disability"* means an individual who is
3 less than twenty-two years of age and meets the definition of
4 developmental disability in 42 U.S.C. §15002.

5 *d. "Services and support"* means assistance intended
6 to enable an individual with a disability to control
7 the individual's environment, to remain living with the
8 individual's family, to function more independently, and
9 to increase the integration of the individual into the
10 individual's community including but not limited to funding
11 for purchase of equipment, respite care, supplies, assistive
12 technology, and payment of other costs attributable to
13 the individual's disability which are identified by the
14 individual's family.

15 2. A comprehensive family support program is created under
16 the purview of the department to provide a statewide system of
17 services and support to eligible families. The program shall
18 be implemented in a manner that enables a family member of an
19 individual with a disability to identify the needed services
20 and support.

21 3. Eligibility for the program is limited to families who
22 meet all of the following criteria:

23 *a.* The family resides in the state of Iowa.

24 *b.* The family intends for the family member who is an
25 individual with a disability to remain living in the family's
26 home.

27 *c.* The family's taxable income is less than sixty thousand
28 dollars for the most recently completed tax year.

29 4. A family may apply to the department or to a family
30 support center for assistance under the comprehensive family
31 support program. The department or family support center shall
32 determine eligibility for the comprehensive family support
33 program in accordance with subsection 3.

34 5. The department shall adopt rules pursuant to chapter
35 17A to implement the comprehensive family support program.

1 The comprehensive family support program must do all of the
2 following:

3 *a.* To the extent possible, incorporate in the application
4 process the eligibility determination processes that the
5 department uses for other disability services programs.

6 *b.* Ensure the ability of families to maintain control of
7 decisions which affect an individual with a disability who is a
8 member of a family.

9 *c.* Utilize existing local agencies to provide facilities and
10 a single entry point for program applicants.

11 *d.* Ensure services and support are provided in a timely
12 manner and emergency access to needed services and support is
13 provided.

14 *e.* Ensure technical assistance is provided to providers and
15 users of services and support.

16 *f.* Utilize state, regional, and local media to publicize the
17 program.

18 *g.* Incorporate a process to appeal the department's or
19 family support center's denial of services and support to a
20 family under the program, including reasonable efforts by the
21 department to utilize telecommunications in the appeal process.

22 *h.* Identify the services and support, and service provider
23 components, included in the program.

24 *i.* Upon request by a family member, provide a family with
25 assistance in locating a service provider.

26 *j.* Make payment for services and support directly to
27 families by voucher or other appropriate means.

28 *k.* Utilize a voucher system for payment for the family
29 support center component of the program under subsection 7.

30 6. Services and support provided under the comprehensive
31 family support program shall not be used to supplant other
32 services and support available to a family of an individual
33 with a disability but shall be used to meet family needs that
34 will not be met without the program.

35 7. The comprehensive family support program shall include a

1 family support center component. Under the component, a family
2 member of an individual with a disability shall be assisted
3 by a family support center in identifying the services and
4 support to be provided to the family under the family support
5 subsidy program or the comprehensive family support program.
6 The identification of services and support must be based upon
7 the specific needs of the individual with a disability and
8 the individual's family which are not met by other service
9 programs available to the individual with a disability and the
10 individual's family.

11 8. The comprehensive family support program shall be funded
12 by appropriations made by the general assembly for purposes of
13 the program. Notwithstanding section 8.33, moneys appropriated
14 for the comprehensive family support program under this section
15 that remain unobligated or unexpended at the close of each
16 fiscal year shall not revert but shall remain available for
17 expenditure for the purposes designated until the close of the
18 immediately succeeding fiscal year.

19 Sec. 34. CODE EDITOR DIRECTIVE. The Code editor is directed
20 to designate section 231.80, as enacted in this division
21 of this Act, as subchapter VIII of chapter 231 entitled
22 "Comprehensive Family Support Program".

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

25 Sec. 36. RETROACTIVE APPLICABILITY. This division of this
26 Act applies retroactively to July 1, 2025.

27 DIVISION XVIII

28 FEDERAL COMMUNITY MENTAL HEALTH SERVICES BLOCK GRANT

29 Sec. 37. 2025 Iowa Acts, chapter 152, section 2, subsection
30 1, paragraph d, is amended to read as follows:

31 ~~d. For the federal fiscal year beginning October 1, 2025,~~
32 ~~and ending September 30, 2026, of~~ Of the moneys allocated
33 to providers under paragraph "c", 70 percent of the moneys
34 allocated each federal fiscal year shall be distributed by
35 a behavioral health administrative services organization or

1 the department of health and human services to the state's
2 accredited community mental health centers designated by
3 the department of health and human services under section
4 225A.3, as enacted by 2024 Iowa Acts, chapter 1161, section
5 3. Community mental health centers that receive moneys
6 distributed under this paragraph shall use the moneys for the
7 purposes of training staff, providing services to adults with
8 a serious mental illness, or providing services to children
9 with a serious emotional disturbance, and shall bill treatment
10 dollars related to such services to the department of health
11 and human services through the department's claims system.
12 The department of health and human services shall publish the
13 amounts to be distributed to community mental health centers on
14 the department's internet site on or before October 1, 2025,
15 and on or before October 1, 2026, and distribute the moneys to
16 the recipients on a quarterly basis. Recipients of the moneys
17 shall submit quarterly reports to the department of health and
18 human services containing data consistent with performance
19 measures approved by the federal substance abuse and mental
20 health services administration.

21 DIVISION XIX

22 CHILD WELFARE AND JUVENILE JUSTICE DECATEGORYIZATION

23 Sec. 38. Section 235.7, subsection 2, Code 2026, is amended
24 to read as follows:

25 2. *Membership.* ~~The department may authorize the governance~~
26 ~~boards of decategorization of child welfare and juvenile~~
27 ~~justice funding projects established under [section 232.188](#) to~~
28 ~~appoint the transition committee membership and may utilize~~
29 ~~the boundaries of decategorization projects to establish~~
30 ~~the service areas for transition committees. The committee~~
31 A committee's membership may include but is not limited to
32 department staff involved with foster care, child welfare,
33 and adult services, juvenile court services staff, staff
34 involved with county general assistance or emergency relief
35 under [chapter 251](#) or [252](#), school district and area education

1 agency staff involved with special education, and a child's
2 court appointed special advocate, guardian ad litem, service
3 providers, and other persons knowledgeable about the child.

4 Sec. 39. Section 237A.1, subsection 2, paragraph j,
5 subparagraph (2), Code 2026, is amended by striking the
6 subparagraph.

7 Sec. 40. Section 249A.26, subsection 5, Code 2026, is
8 amended by striking the subsection.

9 Sec. 41. Section 256I.4, subsection 6, Code 2026, is amended
10 by striking the subsection.

11 Sec. 42. REPEAL. Section 232.188, Code 2026, is repealed.

12 Sec. 43. DECATEGORIZATION CARRYOVER FUNDING.

13 1. For purposes of this section, unless the context
14 otherwise requires:

15 a. "Carryover funding" means unobligated or unencumbered
16 moneys described in section 232.188, subsection 5, paragraph
17 "b", Code 2026, at the close of the fiscal year beginning July
18 1, 2025.

19 b. "Decategorization project" means the same as defined in
20 section 232.188, Code 2026.

21 c. "Funding pool" means the same as defined in section
22 232.188, Code 2026.

23 d. "Governance board" means the same as defined in section
24 232.188, Code 2026.

25 2. Carryover funding that remains in a funding pool at the
26 close of the fiscal year beginning July 1, 2025, which has been
27 encumbered or obligated by the governance board for a multiyear
28 service decategorization project for that fiscal year, shall
29 remain available for expenditure to ensure continuation of
30 such service or activity until the close of the fiscal year
31 beginning July 1, 2028, or until the close of the fiscal year
32 in which the service or activity is completed, whichever is
33 earlier.

34 3. Carryover funding that remains in a funding pool at the
35 end of the fiscal year beginning July 1, 2025, which remains

1 unencumbered or unobligated by the governance board for a
2 multiyear service decategorization project for that fiscal
3 year, shall be appropriated to the department of health and
4 human services and juvenile court services proportionately
5 based on the percentage of moneys appropriated to each entity
6 by the general assembly for decategorization projects.

7 Sec. 44. EFFECTIVE DATE. The section of this division of
8 this Act related to decategorization carryover funding, being
9 deemed of immediate importance, takes effect upon enactment.

10 Sec. 45. RETROACTIVE APPLICABILITY. The section of this
11 division of this Act related to decategorization carryover
12 funding applies retroactively to July 1, 2025.

13 DIVISION XX

14 COMMITMENT OR HOSPITALIZATION OF CERTAIN PERSONS WITH SUBSTANCE
15 USE DISORDERS OR MENTAL ILLNESS

16 Sec. 46. Section 125.81, subsection 1, Code 2026, is amended
17 to read as follows:

18 1. a. If a person filing an application requests that a
19 respondent be taken into immediate custody, and the court upon
20 reviewing the application and accompanying documentation, finds
21 probable cause to believe that the respondent is a person with
22 a substance use disorder who is likely to injure the person or
23 other persons if allowed to remain at liberty, the court may
24 enter a written order directing that the respondent be taken
25 into immediate custody by the sheriff, and be detained until
26 the commitment hearing, which shall be held no more than five
27 days after the date of the order, except that if the fifth
28 day after the date of the order is a Saturday, Sunday, or a
29 holiday, the hearing may be held on the next business day. The
30 court may order the respondent detained for the period of time
31 until the hearing is held, and no longer except as provided in
32 section 125.88, in accordance with [subsection 2](#), paragraph "a",
33 if possible, and if not, then in accordance with [subsection 2](#),
34 paragraph "b", or, only if neither of these alternatives is
35 available in accordance with [subsection 2](#), paragraph "c".

1 b. The county in which a respondent is taken into immediate
2 custody by the sheriff pursuant to paragraph "a" shall
3 compensate the sheriff, as determined by the county board of
4 supervisors of that county and consistent with section 331.655,
5 subsection 1, paragraph "1", for conveyance of the respondent
6 to a detention location.

7 Sec. 47. Section 229.2, subsection 1, paragraph b,
8 subparagraph (3), Code 2026, is amended to read as follows:

9 (3) As soon as is practicable after the filing of a
10 petition for juvenile court approval of the admission of the
11 minor, the juvenile court shall determine whether the minor
12 has an attorney to represent the minor in the hospitalization
13 proceeding, and if not, the court shall ~~assign to~~ appoint the
14 minor an attorney pursuant to section 815.10. If the minor is
15 financially unable to pay for an attorney, the attorney shall
16 be compensated by an administrative services organization at an
17 hourly rate to be established by the administrative services
18 organization in substantially the same manner as provided in
19 section 815.7.

20 Sec. 48. Section 229.8, subsection 1, Code 2026, is amended
21 to read as follows:

22 1. Determine whether the respondent has an attorney
23 who is able and willing to represent the respondent in the
24 hospitalization proceeding, and if not, whether the respondent
25 is financially able to employ an attorney and capable of
26 meaningfully assisting in selecting one. In accordance with
27 those determinations, the court shall if necessary allow
28 the respondent to select, or pursuant to section 815.10
29 shall ~~assign to~~ appoint the respondent, an attorney. If the
30 respondent is financially unable to pay an attorney, the
31 attorney shall be compensated by an administrative services
32 organization at an hourly rate to be established by the
33 administrative services organization in substantially the same
34 manner as provided in [section 815.7](#).

35 Sec. 49. Section 229.10, subsection 1, paragraph a, Code

1 2026, is amended to read as follows:

2 a. An examination of the respondent shall be conducted by
3 one or more licensed physicians or mental health professionals,
4 as required by the court's order, within a reasonable time.
5 If the respondent is detained pursuant to section 229.11,
6 subsection 1, paragraph ~~"b"~~ "a", subparagraph (2), the
7 examination shall be conducted within twenty-four hours.
8 If the respondent is detained pursuant to section 229.11,
9 subsection 1, paragraph "a" or ~~"e"~~, subparagraph (1) or (3), the
10 examination shall be conducted within forty-eight hours. If
11 the respondent so desires, the respondent shall be entitled to
12 a separate examination by a licensed physician or mental health
13 professional of the respondent's own choice. The reasonable
14 cost of the examinations shall, if the respondent lacks
15 sufficient funds to pay the cost, be paid by an administrative
16 services organization upon order of the court.

17 Sec. 50. Section 229.11, subsections 1 and 3, Code 2026, are
18 amended to read as follows:

19 1. a. If the applicant requests that the respondent be
20 taken into immediate custody and the judge, upon reviewing the
21 application and accompanying documentation, finds probable
22 cause to believe that the respondent has a serious mental
23 impairment and is likely to injure the respondent or other
24 persons if allowed to remain at liberty, the judge may enter
25 a written order directing that the respondent be taken into
26 immediate custody by the sheriff or the sheriff's deputy
27 and be detained until the hospitalization hearing. The
28 hospitalization hearing shall be held no more than five days
29 after the date of the order, except that if the fifth day after
30 the date of the order is a Saturday, Sunday, or a holiday, the
31 hearing may be held on the next succeeding business day. ~~If
32 the expenses of a respondent are payable in whole or in part
33 by an administrative services organization, for a placement
34 in accordance with paragraph "a", the judge shall give notice
35 of the placement to an administrative services organization,~~

1 ~~and for a placement in accordance with paragraph "b" or "c",~~
 2 ~~the judge shall order the placement in a hospital or facility~~
 3 ~~designated by an administrative services organization.~~ The
 4 judge may order the respondent detained for the period of time
 5 until the hearing is held, and no longer, in accordance with
 6 ~~paragraph "a" subparagraph (1),~~ if possible, and if not then
 7 in accordance with ~~paragraph "b" subparagraph (2),~~ or, only if
 8 neither of these alternatives is available, in accordance with
 9 ~~paragraph "c" subparagraph (3).~~ Detention may be in any of the
 10 following:

11 ~~a.~~ (1) In the custody of a relative, friend, or other
 12 suitable person who is willing to accept responsibility for
 13 supervision of the respondent, and the respondent may be placed
 14 under such reasonable restrictions as the judge may order
 15 including but not limited to restrictions on or a prohibition
 16 of any expenditure, encumbrance, or disposition of the
 17 respondent's funds or property.

18 ~~b.~~ (2) In a suitable hospital the chief medical officer of
 19 which shall be informed of the reasons why immediate custody
 20 has been ordered and may provide treatment which is necessary
 21 to preserve the respondent's life, or to appropriately control
 22 behavior by the respondent which is likely to result in
 23 physical injury to the respondent or to others if allowed
 24 to continue, but may not otherwise provide treatment to the
 25 respondent without the respondent's consent.

26 ~~c.~~ (3) In the nearest facility in the community which is
 27 licensed to care for persons with mental illness or substance
 28 use disorder, provided that detention in a jail or other
 29 facility intended for confinement of those accused or convicted
 30 of crime shall not be ordered.

31 b. The county in which a respondent is taken into immediate
 32 custody by the sheriff pursuant to paragraph "a" shall
 33 compensate the sheriff, as determined by the county board of
 34 supervisors of that county and consistent with section 331.655,
 35 subsection 1, paragraph "l", for conveyance of the respondent

1 to a detention location.

2 3. If a respondent is detained pursuant to [subsection 1](#),
3 paragraph ~~"b" or "c"~~ "a", subparagraph (2) or (3), the sheriff
4 or the sheriff's deputy that took the respondent into immediate
5 custody may inform the hospital or facility that an arrest
6 warrant has been issued for or charges are pending against the
7 respondent and may request the hospital or facility to notify
8 the sheriff or the sheriff's deputy about the discharge of the
9 respondent prior to discharge.

10 Sec. 51. Section 229.22, subsection 2, paragraph a,
11 subparagraph (1), Code 2026, is amended to read as follows:

12 (1) In the circumstances described in [subsection 1](#), any
13 peace officer who has reasonable grounds to believe that
14 a person is mentally ill, and because of that illness is
15 likely to physically injure the person's self or others if
16 not immediately detained, may without a warrant take or cause
17 that person to be taken to the nearest available facility or
18 hospital as ~~defined~~ described in [section 229.11, subsection 1](#),
19 ~~paragraphs "b"~~ paragraph "a", subparagraphs (2) and ~~"c"~~ (3). A
20 person believed mentally ill, and likely to injure the person's
21 self or others if not immediately detained, may be delivered to
22 a facility or hospital by someone other than a peace officer.

23 Sec. 52. Section 815.9, subsection 1, unnumbered paragraph
24 1, Code 2026, is amended to read as follows:

25 For purposes of [this chapter, chapters 13B, 125, 229, 229A,](#)
26 [232, 665, 812, 814, and 822, and section 811.1A,](#) and the rules
27 of criminal procedure, a person is indigent if the person is
28 entitled to an attorney appointed by the court as follows:

29 DIVISION XXI

30 DEPARTMENT OF HEALTH AND HUMAN SERVICES — BEHAVIORAL HEALTH

31 EXPENDITURE REPORT

32 Sec. 53. NEW SECTION. **225A.10 Behavioral health services**
33 **expenditure report.**

34 No later than December 15 of each year, the department shall
35 submit to the general assembly a summary of the department's

1 expenditures for behavioral health services for adults and
2 children for the immediately preceding fiscal year, including a
3 summary of which appropriations or funding sources were used to
4 fund the expenditures.

5

DIVISION XXII

6

OPIOID SETTLEMENT FUND — FY 2026-2027

7

Sec. 54. OPIOID SETTLEMENT FUND — DEPARTMENT OF HEALTH AND

8

HUMAN SERVICES.

9 1. There is appropriated from the opioid settlement fund
10 created in [section 12.51](#) to the department of health and human
11 services for the fiscal year beginning July 1, 2026, and ending
12 June 30, 2027, the following amount, or so much thereof is as
13 necessary, for the purposes designated:

14 \$ 3,000,000

15 2. Notwithstanding any provision of law to the contrary,
16 of the moneys appropriated to the department of health and
17 human services under subsection 1, the department shall
18 disburse to an opioid treatment program that operates a
19 facility with at least one hundred fifty licensed beds that
20 provides medical detoxification stabilization and residential
21 substance abuse disorder treatment to support comprehensive
22 addiction and co-occurring mental health treatment, and provides
23 24-hour medical detoxification, residential treatment, and
24 medication-assisted treatment.

25

EXPLANATION

26

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

28 This bill makes appropriations from the general fund of
29 the state to the department of veterans affairs and to the
30 department of health and human services (HHS) for FY 2026-2027.
31 The appropriations from the general fund of the state to the
32 department of veterans affairs include appropriations for
33 administration, the Iowa veterans home, and the home ownership
34 assistance program. The appropriations from the general
35 fund of the state to HHS include appropriations for aging

1 and disability services; behavioral health; public health;
2 community access and eligibility including for child support
3 services; the medical assistance program, state supplementary
4 assistance, the healthy and well kids in Iowa (Hawki) program,
5 and other specified health-related programs including health
6 program operations; family well-being and protection including
7 state child care assistance, early intervention and supports,
8 and child protective services; state-operated specialty care;
9 and administration and compliance.

10 The bill also makes appropriations to HHS from the sports
11 wagering receipts fund, the pharmaceutical settlement account,
12 the quality assurance trust fund, the hospital health care
13 access trust fund, and behavioral health fund. In addition,
14 the bill appropriates to HHS the moneys received by the state
15 under the federal temporary assistance for needy families block
16 grant.

17 The bill includes transfer, cash flow, and nonreversion
18 provisions.

19 The bill requires HHS to report to the general assembly
20 quarterly on expenditure of moneys for which nonreversion
21 authorization is provided for the fiscal year beginning July 1,
22 2026, and ending June 30, 2027.

23 The bill includes certain requirements for HHS to report and
24 set certain provider reimbursement rates.

25 The bill requires HHS to apply, no later than July 1,
26 2027, to the federal government for a waiver of Medicaid's
27 institution for mental diseases exclusion.

28 The bill requires HHS, by July 1, 2026, to reimburse
29 community health centers to at least the same rate that
30 substantially similar behavioral health services are reimbursed
31 by Medicaid.

32 The bill requires HHS to create a dashboard on HHS's internet
33 site with information related to full-time equivalent positions
34 within the department.

35 The bill creates a comprehensive family support program.

1 Under current law, a certain amount of the federal
2 community mental health services block grant is allocated for
3 distribution to the state's accredited community mental health
4 centers for federal FY 2025-2026. The bill also applies the
5 allocation to federal FY 2026-2027.

6 The bill eliminates child welfare and juvenile justice
7 decategorization initiative projects and appropriates carryover
8 funding to HHS and juvenile court services.

9 The bill requires the county to pay the cost of transport to
10 a detention location by the sheriff for certain persons with a
11 substance abuse disorder or serious mental impairment prior to
12 a commitment hearing.

13 The bill requires HHS to annually submit a report to the
14 general assembly, no later than December 15, that summarizes
15 HHS's expenditures to provide behavioral health services to
16 adults and children for the immediately preceding fiscal year.

17 The bill appropriates moneys to HHS from the opioid
18 settlement fund.