

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
2 program, the medical assistance program, the Iowa health
3 and wellness plan, and other programs under the purview of
4 the department of health and human services and including
5 effective date 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

1 individual's income, deductible expenses, and resources shall
2 be counted, and none shall be 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 U.S.C.
11 §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
14 a 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 assistance.

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

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

1 otherwise excluded from managed care program delivery pursuant
2 to a Medicaid state plan or waiver in effect on or before July
3 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
14 be 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
22 eligibility under this section.

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

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

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

1 under chapter 249N.

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

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

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

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

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

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

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

1 as required under 42 C.F.R. §435.915. The department shall
2 implement the waiver upon receipt of approval of the waiver by
3 the centers for Medicare and Medicaid services of the United
4 States department of health and human services.

5 Sec. 10. IOWA HEALTH AND WELLNESS PLAN RETROACTIVE
6 ELIGIBILITY — STATE PLAN AMENDMENT. The department of health
7 and human services shall submit a request for a state plan
8 amendment to the centers for Medicare and Medicaid services of
9 the United States department of health and human services to
10 allow, for purposes of state administration of the Iowa health
11 and wellness plan, for implementation by the department of a
12 two-month retroactive eligibility period for all applicants
13 upon the submission of a completed application, instead
14 of three months as required under 42 C.F.R. §435.915. The
15 department shall implement the waiver upon receipt of approval
16 of the waiver by the centers for Medicare and Medicaid services
17 of the United States department of health and human services.

18 Sec. 11. CONTINGENT EFFECTIVE DATE.

19 1. The following takes effect upon federal approval of
20 the department of health and human services request for a
21 section 1115 demonstration waiver to allow implementation by
22 the department of a one-month retroactive eligibility period
23 for Medicaid:

24 The section of this division of this Act enacting section
25 249A.3B.

26 2. The following takes effect upon federal approval of the
27 department of health and human services request for a state
28 plan amendment to allow implementation by the department of a
29 two-month retroactive eligibility period for the Iowa health
30 and wellness plan:

31 The section of this division of this Act amending section
32 249N.4.

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DIVISION V

34 MEDICAID WAIVERS AND STATE PLAN AMENDMENTS — COST NEUTRALITY

35 Sec. 12. NEW SECTION. 249A.32C Medicaid waivers and state

1 **plan amendments — cost neutrality.**

2 1. As used in this section, "*cost neutral*" means federal
3 approval of a waiver submitted by the department to the federal
4 government will not result in a net increase in spending for
5 the administration of the Medicaid program by the state.

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

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

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DIVISION VI
EFFECTIVE DATE

1 Medicaid benefits provided on a fee-for-service basis or
2 otherwise excluded from managed care program delivery pursuant
3 to a Medicaid state plan or waiver in effect on or before July
4 1, 2026.

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

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

1 retroactive IHAWP eligibility.

2 On or before January 15, HHS shall submit annually a report
3 to the general assembly detailing specific data and the costs
4 to the state related to retroactive eligibility under both
5 Medicaid and IHAWP. HHS shall make the report available on
6 HHS's internet site.

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

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

29 DIVISION VI — EFFECTIVE DATE. The bill takes effect upon
30 enactment.