

# **Rural Health Care Bill Senate File 618**

Last Action:  
Senate Appropriations  
Committee  
April 1, 2025

**An Act relating to health care including a funding model for the rural health care system; the elimination of several health care-related award, grant, residency, and fellowship programs; establishment of a Health Care Professional Incentive Program; Medicaid graduate medical education; the Health Facilities Council; and the Iowa Health Information Network, making appropriations, and including effective date provisions.**

**Fiscal Services Division  
Legislative Services Agency**

## **NOTES ON BILLS AND AMENDMENTS (NOBA)**

Available online at [www.legis.iowa.gov/publications/information/appropriationBillAnalysis](http://www.legis.iowa.gov/publications/information/appropriationBillAnalysis)

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**SUMMARY**

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Senate File 618 repeals the following programs and replaces them with the Health Care Professional Incentive Program:

- Primary Care Provider Recruitment and Retention Endeavor (PRIMECARRE)
- Rural Iowa Primary Care Loan Repayment Program
- Health Care Professional Recruitment Program
- Health Care Loan Repayment Program
- Mental Health Professional Loan Repayment Program

The Bill also repeals the following programs and requires the Department of Health and Human Services (HHS) to submit a request for approval for a Medicaid supplemental enhanced payment for graduate medical education:

- Health Care Workforce Support Initiative
- Medical Residency Training State Matching Grants Program
- Nurse Residency State Matching Grants Program
- Family Medicine Obstetrics Fellowship Program
- Psychiatry Residency and Fellowship Program

**NEW PROGRAMS, SERVICES, OR ACTIVITIES**

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Requires the HHS to submit a request for approval to the Centers for Medicare and Medicaid Services for a health care hub-and-spoke partnership funding model for the purpose of improving Iowa's rural health system.

Page 1, Line 3

Requires the HHS to coordinate with the College Student Aid Commission (CSAC) to administer the Health Professional Incentive Program as established in the Bill.

Page 1, Line 18

Requires the HHS to create an account to deposit encumbered or obligated moneys relating to the Primary Care Provider Loan Repayment Program. Specifies that any funds in the account must remain available for the duration of such loan repayment contracts. Allows interest earnings on moneys in the account to be credited to the account. Requires that any unencumbered or unobligated moneys remaining in the account upon expiration of all loan repayment contract periods be transferred to the Health Care Professional Incentive Program Fund created in the Bill.

Page 2, Line 6

Establishes a Health Care Professional Incentive Program, administered by the CSAC, in coordination with the HHS, to recruit and retain eligible health care professionals in eligible practice areas. Requires the

Page 6, Line 4

CSAC, in coordination with the HHS, to determine the number of awards available for each eligible health care profession prior to the commencement of the fiscal year.

Establishes a Health Care Professional Incentive Program Fund in the State Treasury under the control of the CSAC. Specifies that any moneys in the Fund that remain at the end of each fiscal year are permitted to remain available for the following fiscal year. Provides that any interest or earnings on moneys in the Fund must be credited to the Fund and may be utilized by the CSAC for administrative costs.

Page 8, Line 21

Requires the HHS to submit a request for approval for a Medicaid supplemental enhanced payment for the purposes of maximizing federal funding opportunities for graduate medical education, and to increase the number of medical residencies in Iowa, to the Centers for Medicare and Medicaid Services. Requires the HHS to notify the General Assembly and the Iowa Code Editor upon receipt of federal approval.

Page 9, Line 5

Requires the HHS to conduct a competitive process every eight years to select a designated entity responsible for administering the Iowa Health Information Network (IHIN) and adopts conforming changes to Iowa Code section [135D.4](#)(1) (Iowa Health Information Network — Principles — Technical Infrastructure Requirements).

Page 33, Line 2

#### **MAJOR INCREASES/DECREASES/TRANSFERS OF EXISTING PROGRAMS**

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Repeals PRIMECARRE, which includes the Health Care Workforce and Community Support Grant Program and the Primary Care Provider Loan Repayment Program.

Page 1, Line 23

Removes the authorization of health facilities to apply for matching grant funds for plan developments related to Iowa Code section [135B.33](#).

Page 1, Line 25

Repeals the Rural Iowa Primary Care Loan Repayment Program, the Health Care Professional Recruitment Program, the Health Care Loan Repayment Program, and the Mental Health Professional Loan Repayment Program.

Page 2, Line 29

Requires the CSAC to make loan repayments and provide annual awards pursuant to program agreements and contracts entered into on or before June 30, 2025, as detailed in the Bill, for all of the repealed programs in Iowa Code chapter [256](#).

Page 2, Line 31

Requires any unencumbered or unobligated moneys remaining in the repealed funds on the enactment date of the Bill to be transferred to the Health Care Professional Incentive Program Fund.

Page 3, Line 20

Requires the CSAC to create accounts to deposit encumbered and obligated moneys for each repealed program. Specifies that any funds in the accounts must remain available for the duration of all applicable loan repayments and awards. Allows interest earnings on moneys in the accounts to be credited to the accounts. Requires that any unencumbered or unobligated moneys remaining in the accounts upon expiration of all program agreements, contracts, and award disbursement periods be transferred to the Health Care Professional Incentive Program Fund created in the Bill. Page 3, Line 33

Removes a provision allowing the Fulfilling Iowa's Need For Dentists matching grant program to receive funding from the Health Care Workforce Shortage Fund or the Fulfilling Iowa's Need For Dentists matching grant program account. Page 9, Line 21

Removes a provision allowing funds in the Hospital Health Care Access Trust Fund to be used to fund the Health Care Workforce Support Initiative. Page 9, Line 30

Repeals the Health Care Workforce Support Initiative, the Medical Residency Training State Matching Grants Program, the Nurse Residency State Matching Grants Program, and the State-funded Family Medicine Obstetrics Fellowship Program. Page 10, Line 15

Repeals the State-funded Psychiatry Residency and Fellowship Program administered by the University of Iowa Hospitals and Clinics (UIHC). Page 14, Line 5

**FUNDING FOR PROJECTS AND PROGRAMS**

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Requires the HHS to make loan repayments pursuant to a loan repayment program contract, including a United States Department of Health and Human Services State loan repayment program contract, executed on or before December 31, 2025, under the Primary Care Provider Loan Repayment Program in Iowa Code section [135.107](#) to a recipient in compliance with the loan repayment contract. Page 1, Line 32

Requires the HHS to provide matching State funding and fund residency and fellowship positions awarded on or before June 30, 2025, for the programs found in Iowa Code chapter [135](#) as well as the rural psychiatric residency positions. Page 10, Line 17

Appropriates any unencumbered or unobligated moneys remaining in the repealed accounts under Division VI of the Bill to the HHS to fund Medicaid graduate medical education efforts. Page 11, Line 25

Requires the HHS to create accounts for the deposit of encumbered and obligated moneys for each eliminated program. Specifies that any funds in the accounts must remain available for the duration of all Page 12, Line 25

applicable grants, residencies, and fellowships. Allows interest earnings on moneys in the accounts to be credited to the accounts. Requires that any unencumbered or unobligated moneys remaining in the accounts upon expiration of all grant, residency, and fellowship periods be appropriated to the HHS for Medicaid graduate medical education efforts.

Requires the Board of Regents (BOR) to direct the UIHC to distribute moneys for positions approved and awarded on or before June 30, 2025, until all residents and fellows have completed or left the positions.

Page 14, Line 6

Requires the BOR to direct the UIHC to create an account for the deposit of moneys encumbered and obligated relating to the positions. Specifies that any funds in the accounts must remain available for the duration of all applicable residencies and fellowships. Allows interest earnings on moneys in the account to be credited to the account. Appropriates any unencumbered or unobligated moneys in the account upon expiration of all residency and fellowship periods to the HHS for Medicaid graduate medical education efforts.

Page 14, Line 14

Appropriates any unencumbered or unobligated moneys in the Psychiatry Residency and Fellowship Positions Fund to the HHS for Medicaid graduate medical education efforts.

Page 14, Line 33

## **STUDIES AND INTENT**

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Specifies the intent of the General Assembly that the Health Care Professional Incentive Program must not interfere with local community investments to recruit and retain health care professionals.

Page 6, Line 14

Requires the Exchange Advisory Committee to provide an annual budget and fiscal report for the IHIN to the Governor, the HHS, the Department of Management, and the General Assembly.

Page 34, Line 25

## **SIGNIFICANT CODE CHANGES**

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Removes the definition of "Council" and adds the definition of "Department" to mean the HHS for purposes of Iowa Code chapter [10A](#), Subchapter VII, Part 2 (Health Facilities Council).

Page 15, Line 14

Repeals Iowa Code section [10A.712](#) (Department to Administer Part — Health Facilities Council Established — Appointments — Powers and Duties).

Page 20, Line 14

Repeals the board of directors that governs and administers the IHIN and places the responsibilities with the Exchange Advisory Committee. Requires the Director of the HHS to appoint members of the Committee, including at least one member who is a consumer of health services, and requires a majority of the

Page 33, Line 24

Committee members to be representative of participants in the IHIN.

**EFFECTIVE DATE**

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Specifies that Division I of the Bill related to a health care hub-and-spoke partnership funding model takes effect upon enactment. Page 1, Line 13

Specifies that Division IV of the Bill related to the Health Care Professional Incentive Program takes effect upon enactment. Page 8, Line 35

Specifies that Division V of the Bill related to the Graduate Medical Education Medicaid Supplemental Enhanced Payment takes effect upon enactment. Page 9, Line 16

Provides that Division VI of the Bill related to the elimination of health-care related grant, residency, and fellowship programs takes effect when the HHS notifies the General Assembly and the Iowa Code Editor of the receipt of federal approval for a Medicaid supplemental enhanced payment for the purposes of maximizing federal funding opportunities for graduate medical education, and to increase the number of medical residencies in Iowa. Page 13, Line 29

Provides that Division VII of the Bill related to the elimination of State-funded psychiatry residency and fellowship positions takes effect when the HHS notifies the General Assembly and the Iowa Code Editor of the receipt of federal approval for a Medicaid supplemental enhanced payment for the purposes of maximizing federal funding opportunities for graduate medical education, and to increase the number of medical residencies in Iowa. Page 15, Line 5

Senate File 618 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section
1	18	3	Add	135.107.1.f
1	23	4	Strike	135.107.2,3
1	25	5	Amend	135B.33.3
2	29	7	Repeal	256.221; 256.223; 256.224; 256.225
4	26	11	New	256.222
9	21	15	Amend	135.179.2
9	30	16	Amend	249M.4.2
10	15	17	Repeal	135.175; 135.176; 135.178; 135.193
14	5	22	Repeal	135.180
15	14	27	Strike and Replace	10A.711.5
15	19	28	Amend	10A.713.4
15	29	29	Amend	10A.714.1
15	34	30	Amend	10A.714.1.r
16	4	31	Amend	10A.714.2
16	12	32	Amend	10A.716.3
16	25	33	Amend	10A.719
17	7	34	Amend	10A.720
17	23	35	Amend	10A.721
18	12	36	Amend	10A.722
18	17	37	Amend	10A.723.2.a
18	33	38	Amend	68B.35.2.e
19	18	39	Amend	97B.1A.8.a.(8)
20	14	41	Repeal	10A.712
20	18	42	Amend	10A.711
20	22	43	Amend	10A.711.1.d
20	30	44	Amend	10A.713.1
21	25	45	Amend	10A.713.2
21	32	46	Amend	10A.713.2.a,f,h,j,k,m,n
23	22	47	Amend	10A.713.2.e.(2)
23	26	48	Amend	10A.713.2.g.(1)
23	32	49	Amend	10A.713.2.g.(2)
24	8	50	Amend	10A.713.2.l
24	21	51	Amend	10A.713.2.p
24	31	52	Amend	10A.713.3
25	7	53	Amend	10A.714.3
25	18	54	Amend	10A.715.2
25	28	55	Amend	10A.716.1
26	3	56	Amend	10A.717.1
26	11	57	Amend	10A.722.2,3,4
26	32	58	Amend	10A.723.1,3
27	15	59	Amend	10A.723.2
27	23	60	Amend	10A.724.3
27	32	61	Amend	10A.725.2
28	12	62	Amend	10A.726.1
28	27	63	Amend	10A.727
29	10	64	Amend	10A.728
29	17	65	Amend	10A.729
30	2	66	Amend	135.131.1.a
30	6	67	Amend	135B.5A

Senate File 618 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section
30	22	68	Amend	135C.2.5
31	2	69	Amend	135P.1.3
31	13	70	Amend	231C.3.2
31	27	71	Amend	505.27.5.a
31	33	72	Amend	708.3A.5.d
32	15	73	Strike	135D.2.1
32	17	74	Amend	135D.2.4
32	23	75	Add	135D.2.4A,5A
32	30	76	Amend	135D.4.2.a
33	2	77	Amend	135D.5.1
33	16	78	Amend	135D.5.3.d
33	24	79	Strike and Replace	135D.6
34	31	80	Amend	135D.7.1
35	4	81	Amend	135D.7.1.c.(2)
35	10	82	Amend	135D.7.3
35	18	83	Amend	135D.7.6.b

<p>1 1 DIVISION I</p> <p>1 2 HEALTH CARE HUB-AND-SPOKE PARTNERSHIP FUNDING MODEL</p> <p>1 3 Section 1. HEALTH CARE HUB-AND-SPOKE PARTNERSHIP FUNDING</p> <p>1 4 MODEL APPROVAL. The department of health and human services</p> <p>1 5 shall submit to the centers for Medicare and Medicaid services</p> <p>1 6 of the United States department of health and human services</p> <p>1 7 a request for approval for a health care hub-and-spoke</p> <p>1 8 partnership funding model for the purpose of improving Iowa's</p> <p>1 9 rural health system to establish sufficient financial support</p> <p>1 10 for collaboration among regional health care providers in rural</p> <p>1 11 areas to transform health care delivery to provide quality and</p> <p>1 12 sustainable care.</p> <p>1 13 Sec. 2. EFFECTIVE DATE. This division of this Act, being</p> <p>1 14 deemed of immediate importance, takes effect upon enactment.</p> <p>1 15 DIVISION II</p> <p>1 16 ELIMINATION OF PRIMECARRE PROGRAMS — DEPARTMENT OF HEALTH AND</p> <p>1 17 HUMAN SERVICES</p> <p>1 18 Sec. 3. Section 135.107, subsection 1, Code 2025, is amended</p> <p>1 19 by adding the following new paragraph:</p> <p>1 20 NEW PARAGRAPH f. Coordinate with the college student aid</p> <p>1 21 commission to administer the health professional incentive</p> <p>1 22 program created in section 256.222.</p> <p>1 23 Sec. 4. Section 135.107, subsections 2 and 3, Code 2025, are</p> <p>1 24 amended by striking the subsections.</p> <p>1 25 Sec. 5. Section 135B.33, subsection 3, Code 2025, is amended</p> <p>1 26 to read as follows:</p>	<p>Requires the Department of Health and Human Services (HHS) to submit a request for approval to the Centers for Medicare and Medicaid Services for a health care hub-and-spoke partnership funding model for the purpose of improving Iowa's rural health system.</p> <p>Specifies that Division I of the Bill related to a health care hub-and-spoke partnership funding model takes effect upon enactment.</p> <p>CODE: Requires the HHS to coordinate with the College Student Aid Commission (CSAC) to administer the Health Professional Incentive Program as established in the Bill.</p> <p>CODE: Repeals the Primary Care Provider Recruitment and Retention Endeavor, also known as PRIMECARRE, which includes the Health Care Workforce and Community Support Grant Program and the Primary Care Provider Loan Repayment Program.</p> <p>DETAIL: The PRIMECARRE program received \$214,021 in FY 2025 from the General Fund Public Health appropriation to the HHS made in 2024 Iowa Acts, <a href="#">House File 2698</a> (FY 2025 Health and Human Services Appropriations Act).</p> <p>CODE: Removes the authorization of health facilities to apply for matching grant funds for plan developments related to Iowa Code</p>
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1 27 3. The health facilities may seek technical assistance  
 1 28 ~~or apply for matching grant funds~~ for the plan development.  
 1 29 ~~The department shall require compliance with subsection 1,~~  
 1 30 ~~paragraphs “a” through “h”, when the facility applies for~~  
 1 31 ~~matching grant funds.~~

section [135B.33](#).

1 32 Sec. 6. TRANSITION PROVISIONS — ACCOUNT.  
 1 33 1. The department of health and human services shall make  
 1 34 loan repayments pursuant to a loan repayment program contract,  
 1 35 including a United States department of health and human  
 2 1 services state loan repayment program contract, executed on  
 2 2 or before December 31, 2025, under the primary care provider  
 2 3 loan repayment program in section 135.107, Code 2025, if the  
 2 4 recipient remains in compliance with all obligations under the  
 2 5 loan repayment program contract.

Requires the HHS to make loan repayments pursuant to a loan repayment program contract, including a United States Department of Health and Human Services State loan repayment program contract, executed on or before December 31, 2025, under the Primary Care Provider Loan Repayment Program in Iowa Code section [135.107](#) to a recipient in compliance with the loan repayment contract.

2 6 2. a. The department of health and human services shall  
 2 7 create an account for deposit of any moneys encumbered or  
 2 8 obligated pursuant to a loan repayment program contract as  
 2 9 specified in subsection 1. The department shall ensure that  
 2 10 the encumbered and obligated moneys remain available for the  
 2 11 duration of the loan repayment program contract. Moneys in the  
 2 12 account are appropriated to the department for the purposes of  
 2 13 this section.

Requires the HHS to create an account to deposit encumbered or obligated moneys relating to the Primary Care Provider Loan Repayment Program. Specifies that any funds in the account must remain available for the duration of such loan repayment contracts. Allows interest earnings on moneys in the account to be credited to the account. Requires that any unencumbered or unobligated moneys remaining in the account upon expiration of all loan repayment contract periods be transferred to the Health Care Professional Incentive Program Fund created in the Bill.

2 14 b. Notwithstanding section 8.33, any balance in the account  
 2 15 shall not revert but shall remain available for the duration of  
 2 16 such loan repayment program contracts. Notwithstanding section  
 2 17 12C.7, subsection 2, interest or earnings on moneys deposited  
 2 18 in the account shall be credited to the account.

2 19 c. Upon expiration of all loan repayment program contract  
 2 20 periods and the expenditure of all moneys encumbered and  
 2 21 obligated under such loan repayment contracts, any unencumbered  
 2 22 or unobligated moneys remaining in the account created under  
 2 23 this section shall be deposited in the health care professional  
 2 24 incentive program fund created in section 256.222, as enacted  
 2 25 by this Act.

2 26 DIVISION III  
 2 27 ELIMINATION OF HEALTH CARE-RELATED LOAN REPAYMENT AND FINANCIAL  
 2 28 AWARD PROGRAMS — COLLEGE STUDENT AID COMMISSION

2 29 Sec. 7. REPEAL. Sections 256.221, 256.223, 256.224, and

CODE: Repeals the Rural Iowa Primary Care Loan Repayment

2 30 256.225, Code 2025, are repealed.

Program, the Health Care Professional Recruitment Program, the Health Care Loan Repayment Program, and the Mental Health Professional Loan Repayment Program.

DETAIL: 2024 Iowa Acts, [Senate File 2435](#) (FY 2025 Education Appropriations Act), appropriated the following amounts for the eliminated programs in FY 2025 from the General Fund:

- \$2,629,933 for the Rural Iowa Primary Care Loan Repayment Program.
- \$500,973 for the Health Care Professional Recruitment Program.
- \$500,000 for the Health Care Loan Repayment Program.
- \$520,000 for the Mental Health Professional Loan Repayment Program.

2 31 Sec. 8. TRANSITION PROVISIONS.

2 32 1. The college student aid commission shall make loan  
2 33 repayments pursuant to a program agreement entered into on or  
2 34 before June 30, 2025, by an eligible student and the commission  
2 35 under the rural Iowa primary care loan repayment program

3 1 in section 256.221, Code 2025, if the student remains in  
3 2 compliance with all obligations under the program agreement.

3 3 2. The college student aid commission shall make loan  
3 4 repayments pursuant to a contract entered into on or before  
3 5 June 30, 2025, by a health care professional and the commission  
3 6 under the health care professional recruitment program in  
3 7 section 256.223, Code 2025, if the health care professional  
3 8 remains in compliance with all obligations under the contract.

3 9 3. The college student aid commission shall provide the  
3 10 annual award to a recipient selected on or before June 30,  
3 11 2025, for an award under the health care award program in  
3 12 section 256.224, Code 2025.

3 13 4. The college student aid commission shall make loan  
3 14 repayments pursuant to a program agreement entered into on or  
3 15 before June 30, 2025, by a mental health professional and the  
3 16 commission under the mental health professional loan repayment  
3 17 program in section 256.225, Code 2025, if the mental health  
3 18 professional remains in compliance with all obligations under  
3 19 the program agreement.

Requires the CSAC to make loan repayments and provide annual awards pursuant to program agreements and contracts entered into on or before June 30, 2025, as detailed in the Bill, for all of the repealed programs in Iowa Code chapter [256](#).

3 20 Sec. 9. TRANSFER OF MONEYS. On the effective date of this

This section requires any unencumbered or unobligated moneys

3 21 division of this Act, any unencumbered and unobligated moneys  
 3 22 remaining in the following funds shall be transferred to the  
 3 23 health care professional incentive program fund created in  
 3 24 section 256.222, as enacted in this Act:

3 25 1. The rural Iowa primary care trust fund created in section  
 3 26 256.221, subsection 12, Code 2025.

3 27 2. The health care professional recruitment fund created in  
 3 28 section 256.223, subsection 4, Code 2025.

3 29 3. The health care award fund created in section 256.224,  
 3 30 subsection 6, Code 2025.

3 31 4. The mental health professional loan repayment fund  
 3 32 created in section 256.225, subsection 7, Code 2025.

3 33 Sec. 10. TRANSITION — ACCOUNTS.

3 34 1. The college student aid commission shall create  
 3 35 individual accounts for the deposit of any moneys encumbered or  
 4 1 obligated relating to a loan repayment or award funded under  
 4 2 each of the following programs:

4 3 a. The rural Iowa primary care loan repayment program under  
 4 4 section 256.221, Code 2025.

4 5 b. The health care professional recruitment program under  
 4 6 section 256.223, Code 2025.

4 7 c. The health care award program under section 256.224, Code  
 4 8 2025.

4 9 d. The mental health professional loan repayment program  
 4 10 under section 256.225, Code 2025.

4 11 2. Notwithstanding section 8.33, any balance in any of  
 4 12 the accounts created under subsection 1 shall not revert but  
 4 13 shall remain available for the duration of all applicable  
 4 14 loan repayments and awards. Notwithstanding section 12C.7,  
 4 15 subsection 2, interest or earnings on moneys deposited in each  
 4 16 account shall be credited to the respective account.

4 17 3. Upon expiration of all program agreement, contract,  
 4 18 and award disbursement periods and the expenditure of all  
 4 19 moneys encumbered and obligated under such program agreements,  
 4 20 contracts, and awards, any unencumbered or unobligated moneys  
 4 21 remaining in the accounts created under this section shall be  
 4 22 deposited in the health care professional incentive program  
 4 23 fund created in section 256.222, as enacted by this Act.

4 24 DIVISION IV

4 25 HEALTH CARE PROFESSIONAL INCENTIVE PROGRAM ESTABLISHED

remaining in the repealed funds on the enactment date of the Bill to be transferred to the Health Care Professional Incentive Program Fund.

DETAIL: Division IV takes effect upon enactment.

Requires the CSAC to create accounts to deposit encumbered and obligated moneys for each repealed program. Specifies that any funds in the accounts must remain available for the duration of all applicable loan repayments and awards. Allows interest earnings on moneys in the accounts to be credited to the accounts. Requires that any unencumbered or unobligated moneys remaining in the accounts upon expiration of all program agreements, contracts, and award disbursement periods be transferred to the Health Care Professional Incentive Program Fund created in the Bill.

4 26 Sec. 11. NEW SECTION 256.222 HEALTH CARE PROFESSIONAL  
4 27 INCENTIVE PROGRAM — FUND.  
4 28 1. DEFINITIONS. For purposes of this section, unless the  
4 29 context otherwise requires:  
4 30 a. "Award" means either of the following:  
4 31 (1) A loan repayment made on behalf of an eligible health  
4 32 care professional on the total amount owed, including principal  
4 33 and interest, by the eligible health care professional on any  
4 34 of the following:  
4 35 (a) A federally guaranteed Stafford loan under the federal  
5 1 family education loan program or the federal direct loan  
5 2 program.  
5 3 (b) A federal grad plus loan.  
5 4 (c) A consolidated federally guaranteed Stafford loan under  
5 5 the federal family education loan program or the federal direct  
5 6 loan program.  
5 7 (d) A consolidated federal grad plus loan.  
5 8 (2) An income bonus paid to an eligible health care  
5 9 professional.  
5 10 b. "Commission" means the college student aid commission.  
5 11 c. "Department" means the department of health and human  
5 12 services.  
5 13 d. "Eligible health care profession" means health care  
5 14 occupational categories that are in high demand, as determined  
5 15 and maintained on a list by the department, and may include but  
5 16 are not limited to physicians, physician assistants, registered  
5 17 nurses, nurse practitioners, nurse educators, and mental health  
5 18 professionals.  
5 19 e. "Eligible health care professional" means an individual  
5 20 currently employed, or who will be employed, in an eligible  
5 21 health care profession that is located in an eligible practice  
5 22 area.  
5 23 f. "Eligible practice area" means a geographic region  
5 24 or county in this state that has a shortage of health care  
5 25 professionals as determined by the department.  
5 26 g. "Employment obligation" means the number of consecutive  
5 27 years an eligible health care professional must practice.  
5 28 (1) If practicing full-time, which means at least two  
5 29 thousand eighty hours of work in a calendar year, including all  
5 30 paid holidays, vacations, sick time, and other paid leave, an  
5 31 eligible health care professional must practice for five years.

CODE: Defines terms related to the Health Care Professional  
Incentive Program created in the Bill.

5 32 (2) If practicing part-time, which means at least one  
 5 33 thousand five hundred sixty hours of work in a calendar year,  
 5 34 including all paid holidays, vacations, sick time, and other  
 5 35 paid leave, an eligible health care professional must practice  
 6 1 for seven years.

6 2 h. "Program" means the health care professional incentive  
 6 3 program established in this section.

6 4 2. PROGRAM ESTABLISHED. The health care professional  
 6 5 incentive program is established and shall be administered  
 6 6 by the commission, in coordination with the department, for  
 6 7 the purpose of offering awards to recruit and retain eligible  
 6 8 health care professionals for employment in eligible practice  
 6 9 areas. For the fiscal year beginning July 1, 2025, and  
 6 10 each fiscal year thereafter, the commission, in coordination  
 6 11 with the department, shall determine the number of awards  
 6 12 available for each eligible health care profession prior to the  
 6 13 commencement of the fiscal year.

6 14 3. LEGISLATIVE INTENT. It is the intent of the general  
 6 15 assembly that the program shall not interfere with local  
 6 16 community investments to recruit and retain health care  
 6 17 professionals.

6 18 4. EXCEPTIONS. An eligible health care professional shall  
 6 19 be ineligible for the program if the eligible health care  
 6 20 professional is currently participating in, or has participated  
 6 21 in, any of the following:  
 6 22 a. The primary care provider loan repayment program pursuant  
 6 23 to section 135.107, Code 2025.  
 6 24 b. The rural Iowa primary care loan repayment program  
 6 25 pursuant to section 256.221, Code 2025.  
 6 26 c. The health care professional recruitment program pursuant  
 6 27 to section 256.223, Code 2025.  
 6 28 d. The health care award program pursuant to section  
 6 29 256.224, Code 2025.  
 6 30 e. The mental health professional loan repayment program  
 6 31 pursuant to section 256.225, Code 2025.

6 32 5. PROGRAM REQUIREMENTS.  
 6 33 a. An eligible health care professional may submit an

CODE: Establishes a Health Care Professional Incentive Program, administered by the CSAC, in coordination with the HHS, to recruit and retain eligible health care professionals in eligible practice areas. Requires the CSAC, in coordination with the HHS, to determine the number of awards available for each eligible health care profession prior to the commencement of the fiscal year.

DETAIL: The Governor is recommending a new \$10,000,000 appropriation to the Department of Education (DE) in FY 2026, for the Health Care Professional Incentive Program to be used to incentivize health care professionals to work in rural communities.

CODE: Specifies the intent of the General Assembly that the Health Care Professional Incentive Program must not interfere with local community investments to recruit and retain health care professionals.

CODE: Provides that a health care professional is ineligible for the Health Care Professional Incentive Program if the health care professional is currently participating, or has participated, in the programs repealed in Division III of the Bill.

CODE: Allows an eligible health care professional to submit an application for the Health Care Professional Incentive Program to the

6 34 application for the program to the commission in the form and  
 6 35 manner prescribed by the commission. The applicant shall  
 7 1 elect to receive an award as either a loan repayment or an  
 7 2 income bonus if selected for the program, and shall submit any  
 7 3 additional information requested by the commission.

7 4 b. The commission shall give priority to an applicant  
 7 5 fulfilling a full-time employment obligation.

7 6 c. If selected for an award, the eligible health care  
 7 7 professional and the commission shall execute a program  
 7 8 agreement that specifies all of the following:

7 9 (1) The date the eligible health care professional's  
 7 10 employment obligation begins, which shall be no later than six  
 7 11 months from the date the program agreement is executed.

7 12 (2) The date the health care professional's employment  
 7 13 obligation terminates.

7 14 (3) Whether the award is a loan repayment or an income  
 7 15 bonus, and the terms and conditions related to the award,  
 7 16 including the aggregate award amount that the eligible health  
 7 17 care professional will receive.

7 18 (4) Requirements regarding the eligible health care  
 7 19 professional's license to practice in this state while  
 7 20 participating in the program.

7 21 (5) All other terms and conditions agreed to by the eligible  
 7 22 health care professional and the commission.

7 23 6. AWARDS.

7 24 a. Upon verifying the eligible health care professional is  
 7 25 in compliance with all terms of the program agreement executed  
 7 26 pursuant to subsection 5, paragraph "c", the commission shall  
 7 27 pay the eligible health care professional's award annually as  
 7 28 follows:

7 29 (1) For a full-time employment obligation, the award shall  
 7 30 be paid as follows:

7 31 (a) An amount equal to twenty percent of the aggregate award  
 7 32 shall be paid to the eligible health care professional after  
 7 33 the completion of the first year of the eligible health care  
 7 34 professional's employment obligation.

7 35 (b) An amount equal to fifteen percent of the aggregate  
 8 1 award shall be paid to the eligible health care professional  
 8 2 after the completion of the second year, the third year, and  
 8 3 the fourth year of the eligible health care professional's  
 8 4 employment obligation.

CSAC in the form and manner prescribed by the CSAC. Requires the applicant to elect to receive an award as either a loan repayment or an income bonus. Requires the CSAC to give priority to an applicant fulfilling a full-time employment obligation. Requires the eligible health care professional and the CSAC to execute a program agreement specifying details related to the employment obligation and the award.

CODE: Requires Health Care Professional Incentive Program awards to be distributed annually by the CSAC and provides a timeline for award payments to full-time employment obligation. Requires the CSAC to prorate the aggregate award for a part-time employment obligation.

8 5 (c) An amount equal to thirty-five percent of the aggregate  
 8 6 award shall be paid to the eligible health care professional  
 8 7 after the completion of the fifth year of the eligible health  
 8 8 care professional's employment obligation.

8 9 (2) For a part-time employment obligation, the aggregate  
 8 10 award shall be prorated by the commission.

8 11 b. A minimum of every five years, the commission, in  
 8 12 consultation with the department, shall establish a list of  
 8 13 eligible health care professions and the aggregate award amount  
 8 14 for each eligible health care profession. The aggregate award  
 8 15 amount shall not exceed two hundred thousand dollars.

8 16 c. An individual who executed a program agreement under  
 8 17 subsection 5, paragraph "c", prior to the exclusion of the  
 8 18 individual's health care profession from the list established  
 8 19 under paragraph "b" shall remain eligible for the program per  
 8 20 the terms of the individual's program agreement.

8 21 7. HEALTH CARE PROFESSIONAL INCENTIVE PROGRAM FUND. A  
 8 22 health care professional incentive program fund is created in  
 8 23 the state treasury under the control of the commission. All  
 8 24 moneys deposited or paid into the fund are appropriated to the  
 8 25 commission to be used for awards as provided in this section.  
 8 26 Notwithstanding section 8.33, moneys in the fund that remain  
 8 27 unencumbered or unobligated at the close of each fiscal year  
 8 28 shall not revert but shall remain available for expenditure.  
 8 29 Notwithstanding section 12C.7, subsection 2, interest or  
 8 30 earnings on moneys in the fund shall be credited to the fund  
 8 31 and may be utilized by the commission for administrative costs.

8 32 8. RULES. The commission, in coordination with the  
 8 33 department, shall adopt rules pursuant to chapter 17A to  
 8 34 administer this section.

8 35 Sec. 12. EFFECTIVE DATE. This division of this Act, being  
 9 1 deemed of immediate importance, takes effect upon enactment.

9 2 DIVISION V  
 9 3 GRADUATE MEDICAL EDUCATION — MEDICAID SUPPLEMENTAL ENHANCED  
 9 4 PAYMENT

CODE: Requires the CSAC, in consultation with the HHS, to establish, at least every five years, a list of the eligible health care professions and the aggregate award amounts, not to exceed \$200,000, for each profession.

CODE: Provides that an individual who executed a program agreement prior to the exclusion of an eligible health care professional from the list of eligible health care professions must remain eligible for the Health Care Professional Incentive Program per the terms of the individual's program agreement.

CODE: Establishes a Health Care Professional Incentive Program Fund in the State Treasury under the control of the CSAC and appropriates all moneys deposited or paid into the Fund to the CSAC to be used for Program awards. Specifies that any moneys in the Fund that remain at the end of each fiscal year are permitted to remain available for expenditure. Provides that any interest or earnings on moneys in the Fund must be credited to the Fund and may be utilized by the CSAC for administrative costs.

CODE: Requires the CSAC, in coordination with the HHS, to adopt administrative rules to administer the Health Care Professional Incentive Program.

Specifies that Division IV of the Bill related to the Health Care Professional Incentive Program takes effect upon enactment.

9 5 Sec. 13. GRADUATE MEDICAL EDUCATION — MEDICAID  
 9 6 SUPPLEMENTAL ENHANCED PAYMENT. The department of health and  
 9 7 human services shall submit to the centers for Medicare and  
 9 8 Medicaid services of the United States department of health  
 9 9 and human services a request for approval for a Medicaid  
 9 10 supplemental enhanced payment for the purposes of maximizing  
 9 11 federal funding opportunities for graduate medical education,  
 9 12 and to increase the number of medical residencies in the state.  
 9 13 Upon receipt of federal approval, the department of health and  
 9 14 human services shall notify the general assembly and the Code  
 9 15 editor.

Requires the HHS to submit a request for approval for a Medicaid supplemental enhanced payment for the purposes of maximizing federal funding opportunities for graduate medical education, and to increase the number of medical residencies in Iowa, to the Centers for Medicare and Medicaid Services. Requires the HHS to notify the General Assembly and the Iowa Code Editor upon receipt of federal approval.

9 16 Sec. 14. EFFECTIVE DATE. This division of this Act, being  
 9 17 deemed of immediate importance, takes effect upon enactment.

Specifies that Division V of the Bill related to the Graduate Medical Education Medicaid Supplemental Enhanced Payment takes effect upon enactment.

9 18 DIVISION VI  
 9 19 ELIMINATION OF HEALTH CARE-RELATED GRANT, RESIDENCY, AND  
 9 20 FELLOWSHIP PROGRAMS — DEPARTMENT OF HEALTH AND HUMAN  
 SERVICES

9 21 Sec. 15. Section 135.179, subsection 2, Code 2025, is  
 9 22 amended to read as follows:  
 9 23 2. ~~Funding for the program may be provided through the~~  
 9 24 ~~health care workforce shortage fund or the fulfilling Iowa's~~  
 9 25 ~~need for dentists matching grant program account created in~~  
 9 26 ~~section 135.175.~~ The purpose of the program is to establish,  
 9 27 expand, or support the placement of dentists in dental or rural  
 9 28 shortage areas across the state by providing education loan  
 9 29 repayments.

CODE: Removes a provision allowing the Fulfilling Iowa's Need For Dentists matching grant program to receive funding from the Health Care Workforce Shortage Fund or the Fulfilling Iowa's Need For Dentists matching grant program account.

9 30 Sec. 16. Section 249M.4, subsection 2, Code 2025, is amended  
 9 31 to read as follows:

9 32 2. Moneys in the trust fund shall be used, subject to  
 9 33 their appropriation by the general assembly, by the department  
 9 34 to reimburse participating hospitals the medical assistance  
 9 35 program upper payment limit for inpatient and outpatient  
 10 1 hospital services as calculated in this section. Following  
 10 2 payment of such upper payment limit to participating hospitals,  
 10 3 any remaining funds in the trust fund on an annual basis may be  
 10 4 used for any of the following purposes:  
 10 5 a. To support medical assistance program utilization

CODE: Removes a provision allowing funds in the Hospital Health Care Access Trust Fund to be used to fund the Health Care Workforce Support Initiative.

10 6 shortfalls.

10 7 b. To maintain the state's capacity to provide access to and  
10 8 delivery of services for vulnerable lowans.

10 9 ~~c. To fund the health care workforce support initiative  
10 10 created pursuant to section 135.175.~~

10 11 ~~d. c.~~ To support access to health care services for  
10 12 uninsured lowans.

10 13 ~~e. d.~~ To support Iowa hospital programs and services which  
10 14 expand access to health care services for lowans.

10 15 Sec. 17. REPEAL. Sections 135.175, 135.176, 135.178, and  
10 16 135.193, Code 2025, are repealed.

CODE: Repeals the Health Care Workforce Support Initiative, the Medical Residency Training State Matching Grants Program, the Nurse Residency State Matching Grants Program, and the State-funded Family Medicine Obstetrics Fellowship Program.

DETAIL: 2024 Iowa Acts, [House File 2698](#) (FY 2025 Health and Human Services Appropriations Act), allocated the following amounts for the eliminated programs in FY 2025 from the General Fund:

- \$2,100,000 for the Medical Residency Training State Matching Grants Program.
- The Nurse Residency State Matching Grants Program did not receive an allocation in FY 2025.
- \$560,000 for the State-funded Family Medicine Obstetrics Fellowship Program. This is a standing unlimited appropriation under Iowa Code section [135.193](#).

10 17 Sec. 18. TRANSITION PROVISIONS.

10 18 1. a. The department of health and human services shall  
10 19 provide matching state funding to a sponsor awarded on or  
10 20 before June 30, 2025, under the medical residency training  
10 21 state matching grants program in section 135.176, Code 2025,  
10 22 until all residents in the funded residencies have completed or  
10 23 left the program.

10 24 b. The department of health and human services shall provide  
10 25 matching state funding to a sponsor for medical residency  
10 26 training program liability costs awarded on or before June  
10 27 30, 2025, under the medical residency training state matching  
10 28 grants program in section 135.176, Code 2025, until June 30,  
10 29 2026.

10 30 2. The department of health and human services shall provide  
10 31 matching state funding to a sponsor awarded on or before June

Requires the HHS to provide matching State funding and fund residency and fellowship positions awarded on or before June 30, 2025, for the programs found in Iowa Code chapter [135](#) as well as the rural psychiatric residency positions.

DETAIL: 2024 Iowa Acts, House File 2698 (FY 2025 Health and Human Services Appropriations Act), allocated \$800,000 for rural psychiatric residents to support the annual funding of eight psychiatric residents to provide mental health services to underserved areas of the State.

10 32 30, 2025, under the nurse residency state matching grants  
 10 33 program in section 135.178, Code 2025, until all residents have  
 10 34 completed or left the nurse residency programs.

10 35 3. The department of health and human services shall fund  
 11 1 a fellowship position pursuant to a program agreement entered  
 11 2 into on or before June 30, 2025, by a participating teaching  
 11 3 hospital and a participating fellow under the state-funded  
 11 4 family medicine obstetrics fellowship program in section  
 11 5 135.193, Code 2025, if the participating fellow remains in  
 11 6 compliance with all obligations under the program agreement.

11 7 4. The department of health and human services shall fund  
 11 8 a rural psychiatric residency for a resident selected on or  
 11 9 before June 30, 2025, until all residents have completed  
 11 10 or left the rural psychiatric residencies, pursuant to  
 11 11 appropriations as provided in the following:

11 12 a. 2024 Iowa Acts, chapter 1157, section 5, subsection 3,  
 11 13 and 2024 Iowa Acts, chapter 1157, section 22, subsection 5.

11 14 b. 2023 Iowa Acts, chapter 112, section 5, subsection 4,  
 11 15 paragraph "j", as amended by 2024 Iowa Acts, chapter 1157,  
 11 16 section 29.

11 17 c. 2022 Iowa Acts, chapter 1131, section 3, subsection 4,  
 11 18 paragraph "j", as amended by 2024 Iowa Acts, chapter 1157,  
 11 19 section 23.

11 20 d. 2021 Iowa Acts, chapter 182, section 3, subsection 4,  
 11 21 paragraph "j".

11 22 e. 2019 Iowa Acts, chapter 85, section 3, subsection 4,  
 11 23 paragraph "j", as amended by 2020 Iowa Acts, chapter 1121,  
 11 24 section 19.

11 25 Sec. 19. TRANSFER OF MONEYS. Notwithstanding section 8.33  
 11 26 or any other provision to the contrary, any unobligated or  
 11 27 unencumbered moneys in any of the following accounts or funds  
 11 28 or constituting any specified appropriation, shall not revert  
 11 29 but are appropriated to the department of health and human  
 11 30 services to fund Medicaid graduate medical education efforts.

11 31 1. The health care workforce shortage fund created in  
 11 32 section 135.175, subsection 1, paragraph "b", Code 2025.

11 33 2. The medical residency training account created in  
 11 34 section 135.175, subsection 5, paragraph "a", Code 2025.

11 35 3. The nurse residency state matching grants program  
 12 1 account created in section 135.175, subsection 5, paragraph  
 12 2 "b", Code 2025.

Appropriates any unencumbered or unobligated moneys remaining in  
 the repealed accounts under Division VI of the Bill to the HHS to fund  
 Medicaid graduate medical education efforts.

12 3 4. The health care workforce shortage national initiatives  
 12 4 account created in section 135.175, subsection 5, paragraph  
 12 5 “c”, Code 2025.  
 12 6 5. The family medicine obstetrics fellowship program fund  
 12 7 created in section 135.193, Code 2025.  
 12 8 6. Moneys appropriated to the department of health and human  
 12 9 services for rural psychiatric residencies to fund psychiatric  
 12 10 residents to provide mental health services in underserved  
 12 11 areas of the state as described in the following:  
 12 12 a. 2024 Iowa Acts, chapter 1157, section 5, subsection 3,  
 12 13 and 2024 Iowa Acts, chapter 1157, section 22, subsection 5.  
 12 14 b. 2023 Iowa Acts, chapter 112, section 5, subsection 4,  
 12 15 paragraph “j”, as amended by 2024 Iowa Acts, chapter 1157,  
 12 16 section 29.  
 12 17 c. 2022 Iowa Acts, chapter 1131, section 3, subsection 4,  
 12 18 paragraph “j”, as amended by 2024 Iowa Acts, chapter 1157,  
 12 19 section 23.  
 12 20 d. 2021 Iowa Acts, chapter 182, section 3, subsection 4,  
 12 21 paragraph “j”.  
 12 22 e. 2019 Iowa Acts, chapter 85, section 3, subsection 4,  
 12 23 paragraph “j”, as amended by 2020 Iowa Acts, chapter 1121,  
 12 24 section 19.

12 25 Sec. 20. TRANSITION — ACCOUNTS.

12 26 1. The department of health and human services shall create  
 12 27 individual accounts for the deposit of any moneys encumbered  
 12 28 or obligated relating to a grant awarded, or residency or  
 12 29 fellowship funded, under each of the following programs:

- 12 30 a. The medical residency training state matching grants  
 12 31 program under section 135.176, Code 2025.  
 12 32 b. The nurse residency state matching grants program under  
 12 33 section 135.178, Code 2025.  
 12 34 c. The state-funded family medicine obstetrics fellowship  
 12 35 program under section 135.193, Code 2025.  
 13 1 d. Rural psychiatric residencies as described in the  
 13 2 following:  
 13 3 (1) 2024 Iowa Acts, chapter 1157, section 5, subsection 3,  
 13 4 and 2024 Iowa Acts, chapter 1157, section 22, subsection 5.  
 13 5 (2) 2023 Iowa Acts, chapter 112, section 5, subsection 4,  
 13 6 paragraph “j”, as amended by 2024 Iowa Acts, chapter 1157,  
 13 7 section 29.  
 13 8 (3) 2022 Iowa Acts, chapter 1131, section 3, subsection

Requires the HHS to create accounts for the deposit of encumbered and obligated moneys for each eliminated program. Specifies that any funds in the accounts must remain available for the duration of all applicable grants, residencies, and fellowships. Allows interest earnings on moneys in the accounts to be credited to the accounts. Requires that any unencumbered or unobligated moneys remaining in the accounts upon expiration of all grant, residency, and fellowship periods be appropriated to the HHS for Medicaid graduate medical education efforts.

13 9 4, paragraph “j”, as amended by 2024 Iowa Acts, chapter 1157,  
13 10 section 23.

13 11 (4) 2021 Iowa Acts, chapter 182, section 3, subsection 4,  
13 12 paragraph “j”.

13 13 (5) 2019 Iowa Acts, chapter 85, section 3, subsection 4,  
13 14 paragraph “j”, as amended by 2020 Iowa Acts, chapter 1121,  
13 15 section 19.

13 16 2. Notwithstanding section 8.33, any balance in any of the  
13 17 accounts created under subsection 1 shall not revert but shall  
13 18 remain available for the duration of all applicable grants,  
13 19 residencies, and fellowships. Notwithstanding section 12C.7,  
13 20 subsection 2, interest or earnings on moneys deposited in each  
13 21 account shall be credited to the respective account.

13 22 3. Upon expiration of all grant, residency, and fellowship  
13 23 periods and the expenditure of all moneys encumbered under  
13 24 such grants, residencies, and fellowships, any unencumbered or  
13 25 unobligated moneys remaining in any of the accounts created  
13 26 under subsection 1 are appropriated to the department of health  
13 27 and human services for Medicaid graduate medical education  
13 28 efforts.

13 29 Sec. 21. CONTINGENT EFFECTIVE DATE. This division of  
13 30 this Act takes effect upon the date that the department of  
13 31 health and human services notifies the general assembly and the  
13 32 Code editor of the receipt of federal approval for a Medicaid  
13 33 supplemental enhanced payment for the purposes of maximizing  
13 34 federal funding opportunities for graduate medical education,  
13 35 and to increase the number of medical residencies in the state.

Provides that Division VI of the Bill related to the elimination of health-care related grant, residency, and fellowship programs takes effect when the HHS notifies the General Assembly and the Iowa Code Editor of the receipt of federal approval for a Medicaid supplemental enhanced payment for the purposes of maximizing federal funding opportunities for graduate medical education, and to increase the number of medical residencies in Iowa.

14 1 DIVISION VII  
14 2 ELIMINATION OF THE STATE-FUNDED PSYCHIATRY RESIDENCY AND  
14 3 FELLOWSHIP POSITIONS — UNIVERSITY OF IOWA HOSPITALS AND  
14 4 CLINICS

14 5 Sec. 22. REPEAL. Section 135.180, Code 2025, is repealed.

CODE: Repeals the State-funded Psychiatry Residency and Fellowship Program administered by the University of Iowa Hospitals and Clinics (UIHC), including the standing appropriation for the Program from the General Fund.

FISCAL IMPACT: The State-funded Psychiatry Residency and Fellowship Program received a standing appropriation of \$1,200,000 in FY 2025.

14 6 Sec. 23. TRANSITION PROVISIONS. The board of regents  
14 7 shall direct the university of Iowa hospitals and clinics to  
14 8 distribute moneys for state-funded psychiatry residency and  
14 9 fellowship positions approved and awarded on or before June  
14 10 30, 2025, under the state-funded psychiatry residency and  
14 11 fellowship positions in section 135.180, Code 2025, until all  
14 12 residents and fellows have completed or left the state-funded  
14 13 psychiatry residency or fellowship positions.

Requires the Board of Regents (BOR) to direct the UIHC to distribute moneys for positions approved and awarded on or before June 30, 2025, until all residents and fellows have completed or left the positions.

14 14 Sec. 24. TRANSITION — ACCOUNT.  
14 15 1. The board of regents shall direct the university of Iowa  
14 16 hospitals and clinics to create an account for the deposit  
14 17 of moneys encumbered or obligated relating to residency and  
14 18 fellowship positions funded under the state-funded psychiatry  
14 19 residency and fellowship positions under section 135.180, Code  
14 20 2025.  
14 21 2. Notwithstanding section 8.33, any balance in the account  
14 22 created under subsection 1 shall not revert but shall remain  
14 23 available for the duration of all applicable residencies and  
14 24 fellowships. Notwithstanding section 12C.7, subsection 2,  
14 25 interest or earnings on moneys deposited in the account shall  
14 26 be credited to the account.  
14 27 3. Upon expiration of all residency and fellowship periods  
14 28 and the expenditure of all moneys encumbered under such  
14 29 residencies and fellowships, any unencumbered or unobligated  
14 30 moneys remaining in the account created under subsection 1 are  
14 31 appropriated to the department of health and human services for  
14 32 Medicaid graduate medical education efforts.

Requires the BOR to direct the UIHC to create an account for the deposit of moneys encumbered and obligated relating to the positions. Specifies that any funds in the accounts must remain available for the duration of all applicable residencies and fellowships. Allows interest earnings on moneys in the account to be credited to the account. Appropriates any unencumbered or unobligated moneys in the account upon expiration of all residency and fellowship periods to the HHS for Medicaid graduate medical education efforts.

14 33 Sec. 25. TRANSFER OF MONEYS. Notwithstanding section 8.33  
14 34 or any other provision to the contrary, any unobligated or  
14 35 unencumbered moneys in the psychiatry residency and fellowship  
15 1 positions fund created in section 135.180, Code 2025, shall  
15 2 not revert but are appropriated to the department of health  
15 3 and human services to fund Medicaid graduate medical education  
15 4 efforts.

Appropriates any unencumbered or unobligated moneys in the Psychiatry Residency and Fellowship Positions Fund to the HHS for Medicaid graduate medical education efforts.

15 5 Sec. 26. CONTINGENT EFFECTIVE DATE. This division of  
15 6 this Act takes effect upon the date that the department of  
15 7 health and human services notifies the general assembly and the  
15 8 Code editor of the receipt of federal approval for a Medicaid

Provides that Division VII of the Bill related to the elimination of State-funded psychiatry residency and fellowship positions takes effect when the HHS notifies the General Assembly and the Iowa Code Editor of the receipt of federal approval for a Medicaid supplemental

15 9 supplemental enhanced payment for the purposes of maximizing  
 15 10 federal funding opportunities for graduate medical education,  
 15 11 and to increase the number of medical residencies in the state.

enhanced payment for the purposes of maximizing federal funding opportunities for graduate medical education, and to increase the number of medical residencies in Iowa.

15 12 DIVISION VIII  
 15 13 ELIMINATION OF THE HEALTH FACILITIES COUNCIL

15 14 Sec. 27. Section 10A.711, subsection 5, Code 2025, is  
 15 15 amended by striking the subsection and inserting in lieu  
 15 16 thereof the following:  
 15 17 5. "Department" means the department of health and human  
 15 18 services.

CODE: Removes the definition of "Council" and defines "Department" to mean the HHS for purposes of Iowa Code chapter [10A](#), Subchapter VII, Part 2 (Health Facilities Council).

FISCAL IMPACT: The Department of Inspections, Appeals, and Licensing (DIAL) received \$131,757 in FY 2025 from the General Fund Professional Licensing appropriation to the DIAL made in 2024 Iowa Acts, [Senate File 2433](#) (FY 2025 Administration and Regulation Appropriations Act) for the duties of the Council. The DIAL also received \$75,984 in application fees for certificate of need applications in FY 2024. Application fee funds are anticipated to move to the HHS.

15 19 Sec. 28. Section 10A.713, subsection 4, unnumbered  
 15 20 paragraph 1, Code 2025, is amended to read as follows:  
 15 21 ~~A copy of the application shall be sent to the department~~  
 15 22 ~~of health and human services at the time the application is~~  
 15 23 ~~submitted to the department. The department shall not process~~  
 15 24 ~~applications for and the council shall not an intermediate~~  
 15 25 ~~care facility for persons with an intellectual disability, or~~  
 15 26 ~~consider a new or changed institutional health service for an~~  
 15 27 ~~intermediate care facility for persons with an intellectual~~  
 15 28 ~~disability, unless both of the following conditions are met:~~

CODE: Adopts conforming changes to Iowa Code section [10A.713](#)(4) (Certificate of Need Required — Exclusions).

15 29 Sec. 29. Section 10A.714, subsection 1, unnumbered  
 15 30 paragraph 1, Code 2025, is amended to read as follows:  
 15 31 In determining whether a certificate of need shall be  
 15 32 issued, the department ~~and council~~ shall consider the  
 15 33 following:

CODE: Adopts conforming changes to Iowa Code section [10A.714](#)(1) (Criteria for Evaluation of Applications).

15 34 Sec. 30. Section 10A.714, subsection 1, paragraph r, Code  
 15 35 2025, is amended to read as follows:  
 16 1 r. The recommendations of staff personnel of the department  
 16 2 assigned to the area of certificate of need, concerning the  
 16 3 application, ~~if requested by the council.~~

CODE: Adopts conforming changes to Iowa Code section [10A.714](#)(1) (Criteria for Evaluation of Applications).

16 4 Sec. 31. Section 10A.714, subsection 2, unnumbered  
 16 5 paragraph 1, Code 2025, is amended to read as follows:  
 16 6 In addition to the findings required with respect to any  
 16 7 of the criteria listed in subsection 1 of this section, the  
 16 8 ~~council~~ department shall grant a certificate of need for a new  
 16 9 institutional health service or changed institutional health  
 16 10 service only if ~~the department~~ finds in writing, on the  
 16 11 basis of data submitted ~~to it by the department~~, that:

CODE: Adopts conforming changes to Iowa Code section 10A.714(2)  
 (Criteria for Evaluation of Applications).

16 12 Sec. 32. Section 10A.716, subsection 3, Code 2025, is  
 16 13 amended to read as follows:

CODE: Adopts conforming changes to Iowa Code section [10A.716](#)(3)  
 (Procedure Upon Receipt of Application — Public Notification).

16 14 3. Each application accepted by the department shall be  
 16 15 formally reviewed ~~for the purpose of furnishing to the council~~  
 16 16 ~~the information necessary~~ to enable it ~~the department~~ to  
 16 17 determine whether or not to grant the certificate of need. A  
 16 18 formal review shall consist, at a minimum, of the following  
 16 19 steps:  
 16 20 a. Evaluation of the application against the criteria  
 16 21 specified in section ~~10A.714~~ [135.63](#).  
 16 22 b. A public hearing on the application, to be held prior to  
 16 23 completion of the evaluation required by paragraph "a", ~~shall be~~  
 16 24 ~~conducted by the council~~.

16 25 Sec. 33. Section 10A.719, Code 2025, is amended to read as  
 16 26 follows:

CODE: Adopts conforming changes to Iowa Code section [10A.719](#)  
 (Council to Make Final Decision).

16 27 10A.719—~~COUNCIL~~ DEPARTMENT TO MAKE FINAL DECISION.

16 28 1. The department shall complete its formal review of  
 16 29 the application within ninety days after acceptance of the  
 16 30 application, except as otherwise provided by section ~~10A.722~~  
 16 31 [135.71](#), subsection 4. Upon completion of the formal review,  
 16 32 ~~the council~~ department shall approve or deny the application.  
 16 33 ~~The council~~ department shall issue written findings stating the  
 16 34 basis for its decision on the application; and ~~the department~~  
 16 35 shall send copies of the ~~council's~~ decision and the written  
 17 1 findings supporting the decision to the applicant and to any  
 17 2 other person who so requests.

17 3 2. Failure by the ~~council~~ department to issue a written  
 17 4 decision on an application for a certificate of need within the  
 17 5 time required by this section shall constitute denial of and  
 17 6 final administrative action on the application.

17 7 Sec. 34. Section 10A.720, Code 2025, is amended to read as

CODE: Adopts conforming changes to Iowa Code section [10A.720](#)

17 8 follows:

17 9 10A.720 APPEAL OF CERTIFICATE OF NEED DECISIONS.  
 17 10 The ~~council's~~ department's decision on an application for  
 17 11 certificate of need, when announced pursuant to section ~~10A.719~~  
 17 12 135.68, ~~is shall be~~ a final decision. Any dissatisfied party  
 17 13 who is an affected person with respect to the application,  
 17 14 and who participated or sought unsuccessfully to participate  
 17 15 in the formal review procedure prescribed by section ~~10A.716~~  
 17 16 135.65, may request a rehearing in accordance with chapter 17A  
 17 17 and rules of the department. If a rehearing is not requested  
 17 18 or an affected party remains dissatisfied after the request for  
 17 19 rehearing, an appeal may be taken in the manner provided by  
 17 20 chapter 17A. Notwithstanding the Iowa administrative procedure  
 17 21 Act, chapter 17A, a request for rehearing is not required;  
 17 22 prior to appeal under section 17A.19.

(Appeal of Certificate of Need Decisions).

17 23 Sec. 35. Section 10A.721, Code 2025, is amended to read as  
 17 24 follows:

17 25 10A.721 PERIOD FOR WHICH CERTIFICATE IS VALID — EXTENSION  
 17 26 OR REVOCATION.

17 27 1. A certificate of need shall be valid for a maximum of  
 17 28 one year from the date of issuance. Upon the expiration of the  
 17 29 certificate, or at any earlier time while the certificate is  
 17 30 valid, the holder ~~thereof~~ of the certificate shall provide the  
 17 31 department ~~such~~ information on the development of the project  
 17 32 covered by the certificate as the department may request.  
 17 33 The ~~council~~ department shall determine at the end of the  
 17 34 certification period whether sufficient progress is being made  
 17 35 on the development of the project. The certificate of need may  
 18 1 be extended by the ~~council~~ department for additional periods  
 18 2 of time as are reasonably necessary to expeditiously complete  
 18 3 the project, but may be revoked by the ~~council~~ department at  
 18 4 the end of the first or any subsequent certification period for  
 18 5 insufficient progress in developing the project.

18 6 2. Upon expiration of a certificate of need, and prior to  
 18 7 extension ~~thereof~~ of the certificate of need, any affected  
 18 8 person shall have the right to submit to the department  
 18 9 information which may be relevant to the question of granting  
 18 10 an extension. The department may call a public hearing for  
 18 11 this purpose.

CODE: Adopts conforming changes to Iowa Code section [10A.721](#)  
 (Period for Which Certificate is Valid — Extension or Revocation).

18 12 Sec. 36. Section 10A.722, unnumbered paragraph 1, Code

CODE: Adopts conforming changes to Iowa Code section [10A.722](#)

18 13 2025, is amended to read as follows:

(Authority to Adopt Rules).

18 14 The department shall adopt, ~~with approval of the council,~~  
18 15 such administrative rules as are necessary to enable it to  
18 16 implement this part subchapter. These rules shall include:

18 17 Sec. 37. Section 10A.723, subsection 2, paragraph a, Code  
18 18 2025, is amended to read as follows:

CODE: Adopts conforming changes to Iowa Code section [10A.723\(2\)](#)  
(Sanctions).

18 19 a. A class I violation is one in which a party offers a  
18 20 new institutional health service or changed institutional  
18 21 health service modernization or acquisition without review and  
18 22 approval by the council department. A party in violation is  
18 23 subject to a penalty of three hundred dollars for each day of a  
18 24 class I violation. The department may seek injunctive relief  
18 25 which shall include restraining the commission or continuance  
18 26 of an act which would violate the provisions of this paragraph.  
18 27 Notice and opportunity to be heard shall be provided to a party  
18 28 pursuant to rule of civil procedure 1.1507 and contested case  
18 29 procedures in accordance with chapter 17A. The department may  
18 30 reduce, alter, or waive a penalty upon the party showing good  
18 31 faith compliance with the department's request to immediately  
18 32 cease and desist from conduct in violation of this section.

18 33 Sec. 38. Section 68B.35, subsection 2, paragraph e, Code  
18 34 2025, is amended to read as follows:

CODE: Adopts conforming changes to Iowa Code section [68B.35\(2\)](#)  
(Personal Financial Disclosure — Certain Officials, Members of the  
General Assembly, and Candidates).

18 35 e. Members of the state banking council, the Iowa ethics and  
19 1 campaign disclosure board, the credit union review board, the  
19 2 economic development authority, the employment appeal board,  
19 3 the environmental protection commission, ~~the health facilities~~  
19 4 ~~council~~, the Iowa finance authority, the Iowa public employees'  
19 5 retirement system investment board, the Iowa lottery commission  
19 6 created in section 99G.8, the natural resource commission, the  
19 7 board of parole, the state racing and gaming commission, the  
19 8 state board of regents, the transportation commission, the  
19 9 office of consumer advocate, the utilities commission, the Iowa  
19 10 telecommunications and technology commission, and any full-time  
19 11 members of other boards and commissions as defined under  
19 12 section 7E.4 who receive an annual salary for their service  
19 13 on the board or commission. The Iowa ethics and campaign  
19 14 disclosure board shall conduct an annual review to determine  
19 15 if members of any other board, commission, or authority should  
19 16 file a statement and shall require the filing of a statement  
19 17 pursuant to rules adopted pursuant to chapter 17A.

<p>19 18 Sec. 39. Section 97B.1A, subsection 8, paragraph a,  19 19 subparagraph (8), Code 2025, is amended to read as follows:  19 20 (8) Members of the state transportation commission; <u>and</u> the  19 21 board of parole; <del>and the state health facilities council.</del></p>	<p>CODE: Adopts conforming changes to Iowa Code section <a href="#">97B.1A</a>(8) (Definitions).</p>
<p>19 22 Sec. 40. CODE EDITOR DIRECTIVE.  19 23 1. The Code editor is directed to make the following  19 24 transfers:  19 25 a. Section 10A.711 to section 135.61.  19 26 b. Section 10A.713 to section 135.62.  19 27 c. Section 10A.714 to section 135.63.  19 28 d. Section 10A.715 to section 135.64.  19 29 e. Section 10A.716 to section 135.65.  19 30 f. Section 10A.717 to section 135.66.  19 31 g. Section 10A.718 to section 135.67.  19 32 h. Section 10A.719 to section 135.68.  19 33 i. Section 10A.720 to section 135.69.  19 34 j. Section 10A.721 to section 135.70.  19 35 k. Section 10A.722 to section 135.71.  20 1 l. Section 10A.723 to section 135.72.  20 2 m. Section 10A.724 to section 135.73.  20 3 n. Section 10A.725 to section 135.74.  20 4 o. Section 10A.726 to section 135.75.  20 5 p. Section 10A.727 to section 135.76.  20 6 q. Section 10A.728 to section 135.77.  20 7 r. Section 10A.729 to section 135.78.  20 8 2. The Code editor is directed to rename and retitle  20 9 subchapter VI of chapter 135 as HEALTH FACILITIES and include  20 10 sections 135.61 through 135.78.  20 11 3. The Code editor shall correct internal references in the  20 12 Code and in any enacted legislation as is necessary due to the  20 13 enactment of this division.</p>	<p>CODE: Directs the Iowa Code Editor to make conforming changes to Iowa Code chapters <a href="#">10A</a> (Department of Inspections, Appeals, and Licensing) and <a href="#">135</a> (Department of Health and Human Services — Public Health).</p>
<p>20 14 Sec. 41. REPEAL. Section 10A.712, Code 2025, is repealed.</p>	<p>CODE: Repeals Iowa Code section <a href="#">10A.712</a> (Department to Administer Part — Health Facilities Council Established — Appointments — Powers and Duties).</p>
<p>20 15 DIVISION IX  20 16 CONFORMING CHANGES — ELIMINATION OF THE HEALTH FACILITIES  20 17 COUNCIL</p>	

20 18 Sec. 42. Section 10A.711, unnumbered paragraph 1, Code  
20 19 2025, is amended to read as follows:  
20 20 As used in this ~~part~~ subchapter, unless the context  
20 21 otherwise requires:

CODE: Adopts conforming changes to Iowa Code section [10A.711](#)  
(Definitions).

20 22 Sec. 43. Section 10A.711, subsection 1, paragraph d, Code  
20 23 2025, is amended to read as follows:  
20 24 d. Each institutional health facility or health maintenance  
20 25 organization which, prior to receipt of the application by the  
20 26 department, has formally indicated to the department pursuant  
20 27 to this ~~part~~ subchapter an intent to furnish in the future  
20 28 institutional health services similar to the new institutional  
20 29 health service proposed in the application.

CODE: Adopts conforming changes to Iowa Code section 10A.711(1)  
(Definitions).

20 30 Sec. 44. Section 10A.713, subsection 1, Code 2025, is  
20 31 amended to read as follows:  
20 32 1. A new institutional health service or changed  
20 33 institutional health service shall not be offered or developed  
20 34 in this state without prior application to the department  
20 35 for and receipt of a certificate of need, pursuant to this  
21 1 ~~part~~ subchapter. The application shall be made upon forms  
21 2 furnished or prescribed by the department and shall contain  
21 3 such information as the department may require under this ~~part~~  
21 4 subchapter. The application shall be accompanied by a fee  
21 5 equivalent to three-tenths of one percent of the anticipated  
21 6 cost of the project with a minimum fee of six hundred dollars  
21 7 and a maximum fee of twenty-one thousand dollars. The fee  
21 8 shall be remitted by the department to the treasurer of  
21 9 state, who shall place it in the general fund of the state.  
21 10 If an application is voluntarily withdrawn within thirty  
21 11 calendar days after submission, seventy-five percent of the  
21 12 application fee shall be refunded; if the application is  
21 13 voluntarily withdrawn more than thirty but within sixty days  
21 14 after submission, fifty percent of the application fee shall  
21 15 be refunded; if the application is withdrawn voluntarily more  
21 16 than sixty days after submission, twenty-five percent of  
21 17 the application fee shall be refunded. Notwithstanding the  
21 18 required payment of an application fee under this subsection,  
21 19 an applicant for a new institutional health service or a  
21 20 changed institutional health service offered or developed by  
21 21 an intermediate care facility for persons with an intellectual  
21 22 disability or an intermediate care facility for persons with

CODE: Adopts conforming changes to Iowa Code section [10A.713](#)(1)  
(Certificate of Need Required — Exclusions).

21 23 mental illness as defined pursuant to section 135C.1 is exempt  
21 24 from payment of the application fee.

21 25 Sec. 45. Section 10A.713, subsection 2, unnumbered  
21 26 paragraph 1, Code 2025, is amended to read as follows:  
21 27 This ~~part~~ subchapter shall not be construed to augment,  
21 28 limit, contravene, or repeal in any manner any other statute  
21 29 of this state which may authorize or relate to licensure,  
21 30 regulation, supervision, or control of, nor to be applicable  
21 31 to:

CODE: Adopts conforming changes to Iowa Code section [10A.713\(2\)](#)  
(Certificate of Need Required — Exclusions).

21 32 Sec. 46. Section 10A.713, subsection 2, paragraphs a, f, h,  
21 33 j, k, m, and n, Code 2025, are amended to read as follows:  
21 34 a. Private offices and private clinics of an individual  
21 35 physician, dentist, or other practitioner or group of health  
22 1 care providers, except as provided by section ~~10A.711~~ 135.61,  
22 2 subsection 17, paragraphs “g”, “h”, and “m”, and section ~~10A.711~~  
22 3 135.61, subsections 2 and 19.  
22 4 f. A residential care facility, as defined in section  
22 5 135C.1, including a residential care facility for persons with  
22 6 an intellectual disability, notwithstanding any provision in  
22 7 this ~~part~~ subchapter to the contrary.  
22 8 h. (1) The deletion of one or more health services,  
22 9 previously offered on a regular basis by an institutional  
22 10 health facility or health maintenance organization,  
22 11 notwithstanding any provision of this ~~part~~ subchapter to the  
22 12 contrary, if all of the following conditions exist:  
22 13 (a) The institutional health facility or health maintenance  
22 14 organization reports to the department the deletion of the  
22 15 service or services at least thirty days before the deletion on  
22 16 a form prescribed by the department.  
22 17 (b) The institutional health facility or health maintenance  
22 18 organization reports the deletion of the service or services on  
22 19 its next annual report to the department.  
22 20 (2) If these conditions are not met, the institutional  
22 21 health facility or health maintenance organization is subject  
22 22 to review as a “new institutional health service” or “changed  
22 23 institutional health service” under section ~~10A.711~~ 135.61,  
22 24 subsection 17, paragraph “f”, and is subject to sanctions under  
22 25 section ~~10A.723~~ 135.72.  
22 26 (3) If the institutional health facility or health  
22 27 maintenance organization reestablishes the deleted service

CODE: Adopts conforming changes to Iowa Code section 10A.713(2)  
(Certificate of Need Required — Exclusions).

22 28 or services at a later time, review as a “new institutional  
 22 29 health service” or “changed institutional health service” may  
 22 30 be required pursuant to section ~~10A.711~~ 135.61, subsection 17.

22 31 j. The construction, modification, or replacement of  
 22 32 nonpatient care services, including parking facilities,  
 22 33 heating, ventilation and air conditioning systems, computers,  
 22 34 telephone systems, medical office buildings, and other projects  
 22 35 of a similar nature, notwithstanding any provision in this ~~part~~  
 23 1 subchapter to the contrary.

23 2 k. (1) The redistribution of beds by a hospital within  
 23 3 the acute care category of bed usage, notwithstanding any  
 23 4 provision in this ~~part~~ subchapter to the contrary, if all of  
 23 5 the following conditions exist:

23 6 (a) The hospital reports to the department the number and  
 23 7 type of beds to be redistributed on a form prescribed by the  
 23 8 department at least thirty days before the redistribution.

23 9 (b) The hospital reports the new distribution of beds on its  
 23 10 next annual report to the department.

23 11 (2) If these conditions are not met, the redistribution  
 23 12 of beds by the hospital is subject to review as a new  
 23 13 institutional health service or changed institutional health  
 23 14 service pursuant to section ~~10A.711~~ 135.61, subsection 17,  
 23 15 paragraph “d”, and is subject to sanctions under section ~~10A.723~~  
 23 16 135.72.

23 17 m. Hemodialysis services provided by a hospital or  
 23 18 freestanding facility, notwithstanding any provision in this  
 23 19 ~~part~~ subchapter to the contrary.

23 20 n. Hospice services provided by a hospital, notwithstanding  
 23 21 any provision in this ~~part~~ subchapter to the contrary.

23 22 Sec. 47. Section 10A.713, subsection 2, paragraph e,  
 23 23 subparagraph (2), Code 2025, is amended to read as follows:

23 24 (2) Acquires major medical equipment as provided by section  
 23 25 ~~10A.711~~ 135.61, subsection 17, paragraphs “i” and “j”.

CODE: Adopts conforming changes to Iowa Code section [10A.713\(2\)](#)  
 (Certificate of Need Required — Exclusions).

23 26 Sec. 48. Section 10A.713, subsection 2, paragraph g,  
 23 27 subparagraph (1), unnumbered paragraph 1, Code 2025, is amended  
 23 28 to read as follows:

23 29 A reduction in bed capacity of an institutional health  
 23 30 facility, notwithstanding any provision in this ~~part~~ subchapter  
 23 31 to the contrary, if all of the following conditions exist:

CODE: Adopts conforming changes to Iowa Code section 10A.713(2)  
 (Certificate of Need Required — Exclusions).

23 32 Sec. 49. Section 10A.713, subsection 2, paragraph g,  
 23 33 subparagraph (2), Code 2025, is amended to read as follows:  
 23 34 (2) If these conditions are not met, the institutional  
 23 35 health facility is subject to review as a “new institutional  
 24 1 health service” or “changed institutional health service” under  
 24 2 section ~~10A.711~~ 135.61, subsection 17, paragraph “d”, and is  
 24 3 subject to sanctions under section ~~10A.723~~ 135.72. If the  
 24 4 institutional health facility reestablishes the deleted beds at  
 24 5 a later time, review as a “new institutional health service” or  
 24 6 “changed institutional health service” is required pursuant to  
 24 7 section ~~10A.711~~ 135.61, subsection 17, paragraph “d”.

CODE: Adopts conforming changes to Iowa Code section 10A.713(2)  
 (Certificate of Need Required — Exclusions).

24 8 Sec. 50. Section 10A.713, subsection 2, paragraph l,  
 24 9 unnumbered paragraph 1, Code 2025, is amended to read as  
 24 10 follows:

CODE: Adopts conforming changes to Iowa Code section [10A.713](#)(2)  
 (Certificate of Need Required — Exclusions).

24 11 The replacement or modernization of any institutional  
 24 12 health facility if the replacement or modernization does  
 24 13 not add new health services or additional bed capacity for  
 24 14 existing health services, notwithstanding any provision in this  
 24 15 ~~part subchapter~~ to the contrary. With respect to a nursing  
 24 16 facility, “replacement” means establishing a new facility within  
 24 17 the same county as the prior facility to be closed. With  
 24 18 reference to a hospital, “replacement” means establishing a new  
 24 19 hospital that demonstrates compliance with all of the following  
 24 20 criteria through evidence submitted to the department:

24 21 Sec. 51. Section 10A.713, subsection 2, paragraph p,  
 24 22 unnumbered paragraph 1, Code 2025, is amended to read as  
 24 23 follows:

CODE: Adopts conforming changes to Iowa Code section 10A.713(2)  
 (Certificate of Need Required — Exclusions).

24 24 The conversion of an existing number of beds by an  
 24 25 intermediate care facility for persons with an intellectual  
 24 26 disability to a smaller facility environment, including but not  
 24 27 limited to a community-based environment which does not result  
 24 28 in an increased number of beds, notwithstanding any provision  
 24 29 in this ~~part subchapter~~ to the contrary, including subsection  
 24 30 4, if all of the following conditions exist:

24 31 Sec. 52. Section 10A.713, subsection 3, Code 2025, is  
 24 32 amended to read as follows:

CODE: Adopts conforming changes to Iowa Code section 10A.713(3)  
 (Certificate of Need Required — Exclusions).

24 33 3. This ~~part subchapter~~ shall not be construed to be  
 24 34 applicable to a health care facility operated by and for the  
 24 35 exclusive use of members of a religious order, which does

25 1 not admit more than two individuals to the facility from the  
 25 2 general public, and which was in operation prior to July 1,  
 25 3 1986. However, this part subchapter is applicable to such  
 25 4 a facility if the facility is involved in the offering or  
 25 5 developing of a new or changed institutional health service on  
 25 6 or after July 1, 1986.

25 7 Sec. 53. Section 10A.714, subsection 3, Code 2025, is  
 25 8 amended to read as follows:

25 9 3. In the evaluation of applications for certificates  
 25 10 of need submitted by the university of Iowa hospitals and  
 25 11 clinics, the unique features of that institution relating to  
 25 12 statewide tertiary health care, health science education, and  
 25 13 clinical research shall be given due consideration. Further,  
 25 14 in administering this part subchapter, the unique capacity of  
 25 15 university hospitals for the evaluation of technologically  
 25 16 innovative equipment and other new health services shall be  
 25 17 utilized.

CODE: Adopts conforming changes to Iowa Code section [10A.714](#)(3)  
 (Criteria for Evaluation of Applications).

25 18 Sec. 54. Section 10A.715, subsection 2, Code 2025, is  
 25 19 amended to read as follows:

25 20 2. Upon request of the sponsor of the proposed new or  
 25 21 changed service, the department shall make a preliminary review  
 25 22 of the letter for the purpose of informing the sponsor of  
 25 23 the project of any factors which may appear likely to result  
 25 24 in denial of a certificate of need, based on the criteria  
 25 25 for evaluation of applications in section ~~10A.714~~ [135.63](#).  
 25 26 A comment by the department under this section shall not  
 25 27 constitute a final decision.

CODE: Adopts conforming changes to Iowa Code section [10A.715](#)(2)  
 (Letter of Intent to Precede Application — Review and Comment).

25 28 Sec. 55. Section 10A.716, subsection 1, Code 2025, is  
 25 29 amended to read as follows:

25 30 1. Within fifteen business days after receipt of an  
 25 31 application for a certificate of need, the department shall  
 25 32 examine the application for form and completeness and accept or  
 25 33 reject it. An application shall be rejected only if it fails  
 25 34 to provide all information required by the department pursuant  
 25 35 to section ~~10A.713~~ [135.62](#), subsection 1. The department shall  
 26 1 promptly return to the applicant any rejected application, with  
 26 2 an explanation of the reasons for its rejection.

CODE: Adopts conforming changes to Iowa Code section [10A.716](#)(1)  
 (Procedure Upon Receipt of Application — Public Notification).

26 3 Sec. 56. Section 10A.717, subsection 1, unnumbered

CODE: Adopts conforming changes to Iowa Code section [10A.717](#)(1)

26 4 paragraph 1, Code 2025, is amended to read as follows:  
26 5 The department may waive the letter of intent procedures  
26 6 prescribed by section ~~10A.715~~ 135.64 and substitute a summary  
26 7 review procedure, which shall be established by rules of the  
26 8 department, when it accepts an application for a certificate  
26 9 of need for a project which meets any of the criteria in  
26 10 paragraphs “a” through “e”:

(Summary Review Procedure).

26 11 Sec. 57. Section 10A.722, subsections 2, 3, and 4, Code  
26 12 2025, are amended to read as follows:

CODE: Adopts conforming changes to Iowa Code section [10A.722](#)  
(Authority to Adopt Rules).

26 13 2. Uniform procedures for variations in application of  
26 14 criteria specified by section ~~10A.714~~ 135.63 for use in formal  
26 15 review of applications for certificates of need, when such  
26 16 variations are appropriate to the purpose of a particular  
26 17 review or to the type of institutional health service proposed  
26 18 in the application being reviewed.

26 19 3. Uniform procedures for summary reviews conducted under  
26 20 section ~~10A.717~~ 135.66.

26 21 4. Criteria for determining when it is not feasible to  
26 22 complete formal review of an application for a certificate  
26 23 of need within the time limits specified in section ~~10A.719~~  
26 24 135.68. The rules adopted under this subsection shall include  
26 25 criteria for determining whether an application proposes  
26 26 introduction of technologically innovative equipment, and if  
26 27 so, procedures to be followed in reviewing the application.  
26 28 However, a rule adopted under this subsection shall not permit  
26 29 a deferral of more than sixty days beyond the time when a  
26 30 decision is required under section ~~10A.719~~ 135.68, unless both  
26 31 the applicant and the department agree to a longer deferment.

26 32 Sec. 58. Section 10A.723, subsections 1 and 3, Code 2025,  
26 33 are amended to read as follows:

CODE: Adopts conforming changes to Iowa Code section [10A.723](#)  
(Sanctions).

26 34 1. Any party constructing a new institutional health  
26 35 facility or an addition to or renovation of an existing  
27 1 institutional health facility without first obtaining a  
27 2 certificate of need or, in the case of a mobile health  
27 3 service, ascertaining that the mobile health service has  
27 4 received certificate of need approval, as required by this ~~part~~  
27 5 subchapter, shall be denied licensure or change of licensure by  
27 6 the appropriate responsible licensing agency of this state.

27 7 3. Notwithstanding any other sanction imposed pursuant  
27 8 to this section, a party offering or developing any new

27 9 institutional health service or changed institutional health  
27 10 service without first obtaining a certificate of need as  
27 11 required by this part subchapter, may be temporarily or  
27 12 permanently restrained from doing so by any court of competent  
27 13 jurisdiction in any action brought by the state, any of its  
27 14 political subdivisions, or any other interested person.

27 15 Sec. 59. Section 10A.723, subsection 2, unnumbered  
27 16 paragraph 1, Code 2025, is amended to read as follows:  
27 17 A party violating this part subchapter shall be subject  
27 18 to penalties in accordance with this section. The  
27 19 department shall adopt rules setting forth the violations by  
27 20 classification, the criteria for the classification of any  
27 21 violation not listed, and procedures for implementing this  
27 22 subsection.

CODE: Adopts conforming changes to Iowa Code section [10A.723](#)(2)  
(Sanctions).

27 23 Sec. 60. Section 10A.724, subsection 3, Code 2025, is  
27 24 amended to read as follows:  
27 25 3. The department shall, where appropriate, provide  
27 26 for modification, consistent with the purposes of this part  
27 27 subchapter, of reporting requirements to correctly reflect the  
27 28 differences among hospitals and among health care facilities  
27 29 referred to in subsection 2, and to avoid otherwise unduly  
27 30 burdensome costs in meeting the requirements of uniform methods  
27 31 of financial reporting.

CODE: Adopts conforming changes to Iowa Code section [10A.724](#)(3)  
(Uniform Financial Reporting).

27 32 Sec. 61. Section 10A.725, subsection 2, Code 2025, is  
27 33 amended to read as follows:  
27 34 2. Where more than one licensed hospital or health  
27 35 care facility is operated by the reporting organization,  
28 1 the information required by this section shall be reported  
28 2 separately for each licensed hospital or health care facility.  
28 3 The department shall require preparation of specified financial  
28 4 reports by a certified public accountant, and may require  
28 5 attestation of responsible officials of the reporting hospital  
28 6 or health care facility that the reports submitted are to the  
28 7 best of their knowledge and belief prepared in accordance with  
28 8 the prescribed methods of reporting. The department shall  
28 9 have the right to inspect the books, audits and records of any  
28 10 hospital or health care facility as reasonably necessary to  
28 11 verify reports submitted pursuant to this part subchapter.

CODE: Adopts conforming changes to Iowa Code section [10A.725](#)(2)  
(Annual Reports by Hospitals, Health Care Facilities).

28 12 Sec. 62. Section 10A.726, subsection 1, Code 2025, is  
 28 13 amended to read as follows:  
 28 14 1. The department shall from time to time undertake analyses  
 28 15 and studies relating to hospital and health care facility  
 28 16 costs and to the financial status of hospitals or health care  
 28 17 facilities, or both, which are subject to the provisions of  
 28 18 this ~~part~~ subchapter. It shall further require the filing  
 28 19 of information concerning the total financial needs of each  
 28 20 individual hospital or health care facility and the resources  
 28 21 currently or prospectively available to meet these needs,  
 28 22 including the effect of proposals made by health systems  
 28 23 agencies. The department shall also prepare and file such  
 28 24 summaries and compilations or other supplementary reports based  
 28 25 on the information filed with it as will, in its judgment,  
 28 26 advance the purposes of this ~~part~~ subchapter.

CODE: Adopts conforming changes to Iowa Code section [10A.726\(1\)](#)  
 (Analyses and Studies by Department).

28 27 Sec. 63. Section 10A.727, Code 2025, is amended to read as  
 28 28 follows:  
 28 29 10A.727 DATA TO BE COMPILED.  
 28 30 The department shall compile all relevant financial and  
 28 31 utilization data in order to have available the statistical  
 28 32 information necessary to properly monitor hospital and health  
 28 33 care facility charges and costs. Such data shall include  
 28 34 necessary operating expenses, appropriate expenses incurred for  
 28 35 rendering services to patients who cannot or do not pay, all  
 29 1 properly incurred interest charges, and reasonable depreciation  
 29 2 expenses based on the expected useful life of the property  
 29 3 and equipment involved. The department shall also obtain  
 29 4 from each hospital and health care facility a current rate  
 29 5 schedule as well as any subsequent amendments or modifications  
 29 6 of that schedule as it may require. In collection of the data  
 29 7 required by this section and sections ~~10A.724~~ [135.73](#) through  
 29 8 ~~10A.726~~ [135.75](#), the department and other state agencies shall  
 29 9 coordinate their reporting requirements.

CODE: Adopts conforming changes to Iowa Code section [10A.727](#)  
 (Data to be Compiled).

29 10 Sec. 64. Section 10A.728, Code 2025, is amended to read as  
 29 11 follows:  
 29 12 10A.728 CIVIL PENALTY.  
 29 13 Any hospital or health care facility which fails to file  
 29 14 with the department the financial reports required by sections  
 29 15 ~~10A.724~~ [135.73](#) through ~~10A.727~~ [135.76](#) is subject to a civil  
 29 16 penalty of not to exceed five hundred dollars for each offense.

CODE: Adopts conforming changes to Iowa Code section [10A.728](#)  
 (Civil Penalty).

29 17 Sec. 65. Section 10A.729, Code 2025, is amended to read as  
 29 18 follows:  
 29 19 10A.729 CONTRACTS FOR ASSISTANCE WITH ANALYSES, STUDIES, AND  
 29 20 DATA.  
 29 21 In furtherance of the department's responsibilities under  
 29 22 sections ~~10A.726~~ 135.75 and ~~10A.727~~ 135.76, the director may  
 29 23 contract with the Iowa hospital association and third-party  
 29 24 payers, the Iowa health care facilities association and  
 29 25 third-party payers, or leading age Iowa and third-party  
 29 26 payers for the establishment of pilot programs dealing with  
 29 27 prospective rate review in hospitals or health care facilities,  
 29 28 or both. Such contract shall be subject to the approval of  
 29 29 the executive council and shall provide for an equitable  
 29 30 representation of health care providers, third-party payers,  
 29 31 and health care consumers in the determination of criteria  
 29 32 for rate review. No third-party payer shall be excluded from  
 29 33 positive financial incentives based upon volume of gross  
 29 34 patient revenues. No state or federal funds appropriated or  
 29 35 available to the department shall be used for any such pilot  
 30 1 program.

CODE: Adopts conforming changes to Iowa Code section [10A.729](#)  
 (Contracts for Assistance with Analyses, Studies, and Data).

30 2 Sec. 66. Section 135.131, subsection 1, paragraph a, Code  
 30 3 2025, is amended to read as follows:  
 30 4 a. "Birth center" means birth center as defined in section  
 30 5 ~~10A.711~~ 135.61.

CODE: Adopts conforming changes to Iowa Code section [135.131](#)(1)  
 (Universal Newborn and Infant Hearing Screening).

30 6 Sec. 67. Section 135B.5A, Code 2025, is amended to read as  
 30 7 follows:  
 30 8 135B.5A CONVERSION RELATIVE TO CERTAIN HOSPITALS.  
 30 9 1. A conversion of a long-term acute care hospital,  
 30 10 rehabilitation hospital, or psychiatric hospital as defined by  
 30 11 federal regulations to a general hospital or to a specialty  
 30 12 hospital of a different type is a permanent change in bed  
 30 13 capacity and shall require a certificate of need pursuant to  
 30 14 section ~~10A.713~~ 135.62.  
 30 15 2. A conversion of a critical access hospital or general  
 30 16 hospital to a rural emergency hospital shall not require a  
 30 17 certificate of need pursuant to section ~~10A.713~~ 135.62.  
 30 18 3. Any change of a rural emergency hospital in licensure,  
 30 19 organizational structure, or type of institutional health  
 30 20 facility shall require a certificate of need pursuant to

CODE: Adopts conforming changes to Iowa Code section [135B.5A](#)  
 (Conversion Relative to Certain Hospitals).

30 21 section ~~10A.713~~ 135.62.

30 22 Sec. 68. Section 135C.2, subsection 5, unnumbered paragraph  
30 23 1, Code 2025, is amended to read as follows:

30 24 The department shall establish a special classification  
30 25 within the residential care facility category in order to  
30 26 foster the development of residential care facilities which  
30 27 serve persons with an intellectual disability, chronic mental  
30 28 illness, a developmental disability, or brain injury, as  
30 29 described under section 225C.26, and which contain five or  
30 30 fewer residents. A facility within the special classification  
30 31 established pursuant to this subsection is exempt from the  
30 32 requirements of section ~~10A.713~~ 135.62. The department  
30 33 shall adopt rules which are consistent with rules previously  
30 34 developed for the waiver demonstration project pursuant to  
30 35 1986 Iowa Acts, ch.1246, §206, and which include all of the  
31 1 following provisions:

CODE: Adopts conforming changes to Iowa Code section [135C.2\(5\)](#)  
(Purpose — Rules — Special Classifications — Protection and  
Advocacy Agency).

31 2 Sec. 69. Section 135P.1, subsection 3, Code 2025, is amended  
31 3 to read as follows:

31 4 3. "Health facility" means an institutional health facility  
31 5 as defined in section ~~10A.711~~ 135.61, a hospice licensed under  
31 6 chapter 135J, a home health agency as defined in section  
31 7 144D.1, an assisted living program certified under chapter  
31 8 231C, a clinic, a community health center, or the university  
31 9 of Iowa hospitals and clinics, and includes any corporation,  
31 10 professional corporation, partnership, limited liability  
31 11 company, limited liability partnership, or other entity  
31 12 comprised of such health facilities.

CODE: Adopts conforming changes to Iowa Code section [135P.1\(3\)](#)  
(Definitions).

31 13 Sec. 70. Section 231C.3, subsection 2, Code 2025, is amended  
31 14 to read as follows:

31 15 2. Each assisted living program operating in this state  
31 16 shall be certified by the department. If an assisted living  
31 17 program is voluntarily accredited by a recognized accrediting  
31 18 entity, the department shall certify the assisted living  
31 19 program on the basis of the voluntary accreditation. An  
31 20 assisted living program that is certified by the department on  
31 21 the basis of voluntary accreditation shall not be subject to  
31 22 payment of the certification fee prescribed in section 231C.18,  
31 23 but shall be subject to an administrative fee as prescribed by  
31 24 rule. An assisted living program certified under this section

CODE: Adopts conforming changes to Iowa Code section [231C.3\(2\)](#)  
(Certification of Assisted Living Programs).

31 25 is exempt from the requirements of section ~~10A.713~~ 135.62  
 31 26 relating to certificate of need requirements.

31 27 Sec. 71. Section 505.27, subsection 5, paragraph a, Code  
 31 28 2025, is amended to read as follows:  
 31 29 a. "Health care provider" means the same as defined in  
 31 30 section ~~10A.711~~ 135.61, a hospital licensed pursuant to chapter  
 31 31 135B, or a health care facility licensed pursuant to chapter  
 31 32 135C.

CODE: Adopts conforming changes to Iowa Code section [505.27](#)(5)  
 (Medical Malpractice Insurance — Annual Claims Reports Required).

31 33 Sec. 72. Section 708.3A, subsection 5, paragraph d, Code  
 31 34 2025, is amended to read as follows:  
 31 35 d. "Health care provider" means an emergency medical care  
 32 1 provider as defined in chapter 147A or a person licensed  
 32 2 or registered under chapter 148, 148C, 148D, or 152 who is  
 32 3 providing or who is attempting to provide emergency medical  
 32 4 services, as defined in section 147A.1, or who is providing  
 32 5 or who is attempting to provide health services as defined in  
 32 6 section ~~10A.711~~ 135.61 in a hospital. A person who commits an  
 32 7 assault under this section against a health care provider in  
 32 8 a hospital, or at the scene or during out-of-hospital patient  
 32 9 transportation in an ambulance, is presumed to know that the  
 32 10 person against whom the assault is committed is a health care  
 32 11 provider.

CODE: Adopts conforming changes to Iowa Code section [708.3A](#)(5)  
 (Assaults on Persons Engaged in Certain Occupations).

32 12 DIVISION X  
 32 13 IOWA HEALTH INFORMATION NETWORK — EXCHANGE ADVISORY  
 32 14 ~~COMMITTEE~~ AND BOARD OF DIRECTORS ELIMINATED

32 15 Sec. 73. Section 135D.2, subsection 1, Code 2025, is amended  
 32 16 by striking the subsection.

CODE: Removes the definition of "board of directors" for purposes of  
 Iowa Code chapter [135D](#) (Iowa Health Information Network).

32 17 Sec. 74. Section 135D.2, subsection 4, Code 2025, is amended  
 32 18 to read as follows:  
 32 19 4. "Designated entity" means the ~~nonprofit~~ corporation  
 32 20 ~~designated~~ selected by the department through a competitive  
 32 21 process as the entity responsible for administering ~~and~~  
 32 22 ~~governing~~ the Iowa health information network.

CODE: Removes the requirement that a designated entity be a  
 nonprofit corporation and makes conforming changes for Iowa Code  
 chapter 135D (Iowa Health Information Network).

32 23 Sec. 75. Section 135D.2, Code 2025, is amended by adding the  
 32 24 following new subsections:  
 32 25 NEW SUBSECTION 4A. "Director" means the director of health

CODE: Defines "director" and "exchange advisory committee" for  
 purposes of Iowa Code chapter 135D (Iowa Health Information  
 Network).

32 26 and human services.  
 32 27 NEW SUBSECTION 5A. “Exchange advisory committee” or  
 32 28 “advisory committee” means the exchange advisory committee  
 32 29 appointed by the director pursuant to section 135D.6.

32 30 Sec. 76. Section 135D.4, subsection 2, paragraph a, Code  
 32 31 2025, is amended to read as follows:  
 32 32 a. The network, through the designated entity complying with  
 32 33 chapter 490, 496C, and 504 and reporting as required under this  
 32 34 chapter, operates in an entrepreneurial and businesslike manner  
 32 35 in which it is accountable to all participants utilizing the  
 33 1 network’s products and services.

CODE: Adopts conforming changes to Iowa Code section [135D.4\(2\)](#) (Iowa Health Information Network — Principles — Technical Infrastructure Requirements).

33 2 Sec. 77. Section 135D.5, subsection 1, Code 2025, is amended  
 33 3 to read as follows:  
 33 4 1. The Iowa health information network shall be  
 33 5 administered ~~and governed~~ by a designated entity selected by  
 33 6 the department through a competitive process. The designated  
 33 7 entity shall be established as a ~~nonprofit~~ corporation  
 33 8 organized under chapter 490, 496C, or 504. ~~Unless otherwise~~  
 33 9 ~~provided in this chapter, the corporation is subject to the~~  
 33 10 ~~provisions of chapter 504~~. The designated entity shall be  
 33 11 established for the purpose of administering ~~and governing~~ the  
 33 12 statewide Iowa health information network. Notwithstanding any  
 33 13 provision of law to the contrary, the department shall conduct  
 33 14 a competitive process to select a designated entity at least  
 33 15 every eight years.

CODE: Requires the HHS to conduct a competitive process every eight years to select a designated entity responsible for administering the Iowa Health Information Network (IHIN) and adopts conforming changes to Iowa Code section 135D.4(1) (Iowa Health Information Network — Principles — Technical Infrastructure Requirements).

33 16 Sec. 78. Section 135D.5, subsection 3, paragraph d, Code  
 33 17 2025, is amended to read as follows:  
 33 18 d. The employment of personnel necessary for the efficient  
 33 19 performance of the duties assigned to the designated entity.  
 33 20 All such personnel shall be considered employees of a private,  
 33 21 ~~nonprofit~~ corporation and shall be exempt from the personnel  
 33 22 requirements imposed on state agencies, departments, and  
 33 23 administrative units.

CODE: Adopts conforming changes to Iowa Code section [135D.5\(3\)](#) (Designated Entity — Administration and Governance).

33 24 Sec. 79. Section 135D.6, Code 2025, is amended by striking  
 33 25 the section and inserting in lieu thereof the following:  
 33 26 135D.6 EXCHANGE ADVISORY COMMITTEE.  
 33 27 1. The director shall appoint an exchange advisory  
 33 28 committee.

CODE: Eliminates the board of directors that governs and administers the IHIN and places the responsibilities with the Exchange Advisory Committee. Requires the Director of the HHS to appoint members of

33 29 2. The advisory committee shall include at least one  
 33 30 member who is a consumer of health services, and a majority  
 33 31 of the advisory committee members shall be representative of  
 33 32 participants in the Iowa health information network.

33 33 3. The exchange advisory committee shall do all of the  
 33 34 following:

33 35 a. Advise the department regarding the needs of participants  
 34 1 and nonparticipants relating to the exchange of health  
 34 2 information.

34 3 b. Ensure the department develops, and the designated  
 34 4 entity complies with, the standards, requirements, policies,  
 34 5 and procedures for access to, use, secondary use, privacy,  
 34 6 and security of health information exchanged through the Iowa  
 34 7 health information network, consistent with applicable federal  
 34 8 and state standards and laws.

34 9 c. Direct a public and private collaborative effort to  
 34 10 promote the adoption and use of health information technology  
 34 11 in the state to improve health care quality, increase patient  
 34 12 safety, reduce health care costs, enhance public health,  
 34 13 and empower individuals and health care professionals with  
 34 14 comprehensive, real-time medical information to provide  
 34 15 continuity of care and make the best health care decisions.

34 16 d. Educate the public and the health care sector about  
 34 17 the value of health information technology in improving  
 34 18 patient care, and methods to promote increased support and  
 34 19 collaboration of state and local public health agencies,  
 34 20 health care professionals, and consumers in health information  
 34 21 technology initiatives.

34 22 e. Work to align interstate and intrastate interoperability  
 34 23 standards in accordance with national health information  
 34 24 exchange standards.

34 25 f. Provide an annual budget and fiscal report for the Iowa  
 34 26 health information network to the governor, the department  
 34 27 of health and human services, the department of management,  
 34 28 and the general assembly. The report shall also include  
 34 29 information about the services provided through the network and  
 34 30 information on the participant usage of the network.

34 31 Sec. 80. Section 135D.7, subsection 1, unnumbered paragraph

the Committee, including at least one member who is a consumer of health services, and requires a majority of the Committee members to be representative of participants in the IHIN.

Requires the Exchange Advisory Committee to provide an annual budget and fiscal report for the IHIN to the Governor, the HHS, the Department of Management, and the General Assembly.

DETAIL: Requires the report to include information about the services provided through the network and information on the participant usage of the IHIN.

34 32 1, Code 2025, is amended to read as follows:  
34 33 The board designated entity shall implement  
34 34 industry-accepted security standards, policies, and procedures  
34 35 to protect the transmission and receipt of protected health  
35 1 information exchanged through the Iowa health information  
35 2 network, which shall, at a minimum, comply with HIPAA and shall  
35 3 include all of the following:

35 4 Sec. 81. Section 135D.7, subsection 1, paragraph c,  
35 5 subparagraph (2), Code 2025, is amended to read as follows:  
35 6 (2) The board designated entity shall provide the means  
35 7 and process by which a patient may decline participation.  
35 8 The means and process utilized shall minimize the burden on  
35 9 patients and health care professionals.

CODE: Adopts conforming changes to Iowa Code section [135D.7\(1\)](#)  
(Legal and Policy — Liability — Confidentiality).

35 10 Sec. 82. Section 135D.7, subsection 3, Code 2025, is amended  
35 11 to read as follows:  
35 12 3. A participant exchanging health information and data  
35 13 through the Iowa health information network shall grant to  
35 14 other participants of the network a nonexclusive license to  
35 15 retrieve and use that information in accordance with applicable  
35 16 state and federal laws, and the policies and standards  
35 17 established by the board department.

CODE: Adopts conforming changes to Iowa Code section 135D.7(3)  
(Legal and Policy — Liability — Confidentiality).

35 18 Sec. 83. Section 135D.7, subsection 6, paragraph b, Code  
35 19 2025, is amended to read as follows:  
35 20 b. Any health information in the possession of the  
35 21 board designated entity due to its the designated entity's  
35 22 administration of the Iowa health information network.

CODE: Adopts conforming changes to Iowa Code section 135D.7(6)  
(Legal and Policy — Liability — Confidentiality).

# Health and Human Services

## General Fund

	Actual FY 2024 (1)	Estimated FY 2025 (2)	Senate Approp FY 2026 (3)	Sen Appr FY26 vs Est FY 2025 (4)	Page and Line # (5)
<b><u>Health and Human Services, Department of</u></b>					
<b>Health and Human Services</b>					
Psychiatry Residency & Fellowship Program – Standing	\$ 0	\$ 1,200,000	\$ 0	\$ -1,200,000	PG 14 LN 5
<b>Total Health and Human Services, Department of</b>	<b>\$ 0</b>	<b>\$ 1,200,000</b>	<b>\$ 0</b>	<b>\$ -1,200,000</b>	
<b>Total Health and Human Services</b>	<b>\$ 0</b>	<b>\$ 1,200,000</b>	<b>\$ 0</b>	<b>\$ -1,200,000</b>	