

Health and Human Services, Programs and Duties Bill House File 1014

Last Action:
House Appropriations
Committee
April 16, 2025

An Act relating to matters under the purview of the Department of Health and Human Services, including administrative services organizations, child foster care, child and dependent adult abuse, internal audit and examination information, and the Region Incentive Fund in the Mental Health and Disability Services Regional Service Fund, health maintenance organization's premium tax, and making appropriations and including effective date and retroactive applicability provisions.

**Fiscal Services Division
Legislative Services Agency**

NOTES ON BILLS AND AMENDMENTS (NOBA)

Available online at www.legis.iowa.gov/publications/information/appropriationBillAnalysis

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EXECUTIVE SUMMARY

HEALTH AND HUMAN SERVICES, PROGRAMS AND DUTIES BILL

FUNDING SUMMARY

Creates a supplemental appropriation for FY 2025 from the Region Incentive Fund to the Department of Health and Human Services (HHS) of an amount necessary to ensure the continuity of care for persons transferring from the Mental Health and Disability Services (MHDS) System to the Behavioral Health Services System, and for distribution to administrative services organizations (ASOs) to be used for expenses related to the Behavioral Health Services System. Page 11, Line 35

Exempts moneys distributed from the Region Incentive Fund to the ASOs in the Bill from being considered in the computation of any limit on the administrative costs of an ASO. Page 12, Line 11

Requires any unencumbered or unobligated moneys in the MHDS Regional Service Fund at the close of FY 2025 to be transferred to the Behavioral Health Fund. Page 12, Line 17

STUDIES AND INTENT

Requires the HHS to adopt administrative rules pursuant to Iowa Code chapter [17A](#) to administer Division II of the Bill. The administrative rules must include rules for the approval of relatives or fictive kin to provide child foster care. Page 9, Line 5

SIGNIFICANT CODE CHANGES

Excludes employees of an ASO from the definition of an employee for the purposes of the Iowa Public Employees' Retirement System (IPERS). Page 1, Line 3

Amends the definition of "child foster care" under Iowa Code chapter [237](#) to include fictive kin. Page 3, Line 8

Expands the definition of "licensee" under Iowa Code chapter 237 to include an individual who has been approved by the HHS to provide foster care. Page 3, Line 31

Expands the policy of the State relating to protection of children who are separated from the direct personal care of their parents, relatives, or guardians to include fictive kin. Page 4, Line 14

Amends the penalty under Iowa Code section [237.11](#) to add that an individual or an agency who provides child foster care without obtaining approval from the HHS to provide child foster care is guilty of a serious misdemeanor. Page 5, Line 31

EXECUTIVE SUMMARY

HEALTH AND HUMAN SERVICES, PROGRAMS AND DUTIES BILL

HOUSE FILE 1014

Amends Iowa Code section [237.12](#) to add that an individual or an agency who provides child foster care without obtaining approval from the HHS to provide child foster care, unless that individual or agency already holds a license, may be temporarily or permanently enjoined by a court in an action brought by the State, a political subdivision of the State, or an interested person. Page 6, Line 4

Amends the definition of "case permanency plan" under Iowa Code section [237.15](#) to require case permanency plans to include efforts to place a child with a relative or fictive kin. Page 6, Line 35

Allows any community-based entity to apply for and receive funds appropriated to the HHS for child abuse prevention. Page 9, Line 11

Amends the definition of "exploitation of a dependent adult" under the definition of "dependent adult abuse" under Iowa Code chapter [235B](#) (Dependent Adult Abuse Services — Information Registry) to mean the act or process of an individual, including a caregiver or fiduciary, that uses resources of a dependent adult for monetary or personal benefit, profit, or gain, or that results in depriving a dependent adult of rightful access to, or use of, benefits, resources, belonging, or assets. Page 9, Line 23

Expands Iowa Code section [235B.6\(2\)\(e\)\(2\)](#) to include an instrumentality of the State in the list of entities that have authorized access to dependent adult abuse information, other than unfounded dependent adult abuse information, when necessary to carry out official duties. Page 10, Line 20

Requires the Director of the HHS to require medical assistance providers to share information with the HHS as necessary to identify, prevent, or respond to child abuse and dependent adult abuse. Page 10, Line 27

Expands the list of information to which the Auditor of the State does not have access to include information created or received by the HHS in the course of an internal audit or examination, including any allegations of misconduct or noncompliance and all audit or examination workpapers, except as required to comply with the standards for engagement described in Iowa Code section [11.3](#), to comply with any other State or federal regulation, or in the case of alleged or suspected embezzlement or theft. Page 11, Line 1

Establishes that information created or received by the HHS in the course of an internal audit or examination shall be maintained as confidential. Confidential information may be disclosed as necessary to complete an audit or examination or may be disclosed to the extent the HHS's auditor is required by law to report the same or to testify in court. Page 11, Line 8

Amends the reference to the percentage of the premiums received and taxable that a health maintenance organization contracting with the HHS to administer the medical assistance program must pay to the Page 12, Line 32

EXECUTIVE SUMMARY

HEALTH AND HUMAN SERVICES, PROGRAMS AND DUTIES BILL

Director of the Department of Revenue for deposit in the Medicaid Managed Care Organizations Premiums Fund to be the applicable percentage established in Iowa Code section [432.1](#) rather than 2.5%.

EFFECTIVE DATE

Specifies that Division V of the Bill related to the Region Incentive Fund takes effect upon enactment and applies retroactively to July 1, 2024.

Page 12, Line 21

Specifies that Division VI of the Bill related to the applicable percentage of premiums takes effect upon enactment and applies retroactively to January 1, 2024.

Page 13, Line 8

House File 1014 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section
1	3	1	Add	97B.1A.8.b.(10)
1	7	2	Strike and Replace	229.19.1.a
1	26	3	Amend	232.69.1.b.(9)
1	30	4	Amend	232.78.8.a.(4)
2	4	5	Amend	232.95.2.c.(4)
2	13	6	Amend	232.102.1.a.(4)
2	22	7	Amend	234.1.1.a.(1),(2)
3	1	8	Amend	234.39.2.b
3	8	9	Amend	237.1.3
3	18	10	Amend	237.1.3.f
3	24	11	Add	237.1.6A,6B
3	31	12	Amend	237.1.8,9
4	14	13	Amend	237.2
4	28	14	Amend	237.3.10
5	2	15	Amend	237.4
5	9	16	Amend	237.4.8
5	14	17	Amend	237.9
5	31	18	Amend	237.11
6	4	19	Amend	237.12
6	14	20	Amend	237.13
6	35	21	Amend	237.15.1.a
7	4	22	Strike	237.15.5
7	6	23	Amend	237A.3A.1.d
7	11	24	Amend	237C.1.2.f
7	15	25	Amend	237C.3.2
7	28	26	Amend	282.19.2
8	8	27	Amend	335.25.2.c
8	19	28	Amend	414.22.2.c
8	30	29	Amend	423.3.18.b
9	1	30	Amend	709.16.2.b.(1)
9	11	32	Amend	235A.1.1.b
9	16	33	Amend	235A.15.1
9	23	34	Amend	235B.2.5.a.(1).(c)
10	1	35	Amend	235B.3.7
10	13	36	Amend	235B.6.1
10	20	37	Amend	235B.6.2.e.(2)
10	27	38	Add	249A.4.16
11	1	39	Add	11.41.4.a.(10)
11	8	40	New	217.31A
12	28	44	Amend	432.1.2
12	32	45	Amend	432.1B.1

1 1 DIVISION I	
1 2 ADMINISTRATIVE SERVICES ORGANIZATIONS	
1 3 Section 1. Section 97B.1A, subsection 8, paragraph b, Code 1 4 2025, is amended by adding the following new subparagraph: 1 5 NEW SUBPARAGRAPH (10) Employees of an administrative 1 6 services organization as defined in section 225A.1.	CODE: Excludes employees of an Administrative Services Organization (ASO) from the definition of an employee for the purposes of the Iowa Public Employees' Retirement System (IPERS).
1 7 Sec. 2. Section 229.19, subsection 1, paragraph a, Code 1 8 2025, is amended by striking the paragraph and inserting in 1 9 lieu thereof the following: 1 10 a. (1) The board of supervisors of each county shall 1 11 appoint an individual to act as an advocate representing the 1 12 interests of patients involuntarily hospitalized by the court 1 13 in matters relating to a patient's hospitalization or treatment 1 14 under section 229.14 or 229.15. The individual shall have 1 15 prior experience advocating for or promoting the welfare and 1 16 rehabilitation of persons with mental illness. 1 17 (2) A person appointed under this section shall not be any 1 18 of the following: 1 19 (a) An officer or employee of the department. 1 20 (b) An officer or employee of an administrative services 1 21 organization. 1 22 (c) An officer or employee of an agency or facility 1 23 providing care or treatment to persons with mental illness.	CODE: Prohibits an officer or employee of an ASO from acting as a county's advocate to represent the interests of patients involuntarily hospitalized by the court in matters relating to a patient's hospitalization or treatment and removes mention of the mental health and disability services (MHDS) regions.
1 24 DIVISION II 1 25 CHILD FOSTER CARE	
1 26 Sec. 3. Section 232.69, subsection 1, paragraph b, 1 27 subparagraph (9), Code 2025, is amended to read as follows: 1 28 (9) An employee or operator of a child foster care facility 1 29 licensed or approved under chapter 237.	CODE: Adopts conforming changes to Iowa Code section 232.69 (1)(b)(9) (Mandatory and Permissive Reporters — Training Required).
1 30 Sec. 4. Section 232.78, subsection 8, paragraph a, 1 31 subparagraph (4), Code 2025, is amended to read as follows: 1 32 (4) An individual licensed to provide foster care pursuant 1 33 to licensee under chapter 237. If the child is placed with 1 34 a licensed foster care provider <u>an individual licensee</u> , the 1 35 department shall assign decision-making authority to the foster 2 1 care provider <u>individual licensee</u> for the purpose of applying	CODE: Adopts conforming changes to Iowa Code section 232.78 (8)(a)(4) (Temporary Custody of a Child Pursuant to Ex Parte Court Order).

2 2 the reasonable and prudent parent standard during the child's
2 3 placement.

2 4 Sec. 5. Section 232.95, subsection 2, paragraph c,
2 5 subparagraph (4), Code 2025, is amended to read as follows:
2 6 (4) An individual ~~licensed to provide foster care pursuant~~
2 7 ~~to licensee under~~ chapter 237. If the child is placed with
2 8 ~~a licensed foster care provider~~ an individual licensee, the
2 9 department shall assign decision-making authority to the ~~foster~~
2 10 ~~care provider~~ individual licensee for the purpose of applying
2 11 the reasonable and prudent parent standard during the child's
2 12 placement.

CODE: Adopts conforming changes to Iowa Code section [232.95](#)
(2)(c)(4) (Hearing Concerning Temporary Removal).

2 13 Sec. 6. Section 232.102, subsection 1, paragraph a,
2 14 subparagraph (4), Code 2025, is amended to read as follows:
2 15 (4) An individual ~~licensed to provide foster care pursuant~~
2 16 ~~to licensee under~~ chapter 237. If the child is placed with
2 17 ~~a licensed foster care provider~~ an individual licensee, the
2 18 department shall assign decision-making authority to the ~~foster~~
2 19 ~~care provider~~ individual licensee for the purpose of applying
2 20 the reasonable and prudent parent standard during the child's
2 21 placement.

CODE: Adopts conforming changes to Iowa Code section [232.102](#)
(1)(a)(4) (Transfer of Legal Custody of Child and Placement).

2 22 Sec. 7. Section 234.1, subsection 1, paragraph a,
2 23 subparagraphs (1) and (2), Code 2025, are amended to read as
2 24 follows:
2 25 (1) After reaching eighteen years of age, the person has
2 26 remained continuously and voluntarily under the care of an
2 27 individual, ~~as defined in section 237.1, licensed to provide~~
2 28 ~~foster care pursuant to licensee under~~ chapter 237, or in a
2 29 supervised apartment living arrangement, in this state.
2 30 (2) The person aged out of foster care after reaching
2 31 eighteen years of age and subsequently voluntarily applied for
2 32 placement with an individual, ~~as defined in section 237.1,~~
2 33 ~~licensed to provide foster care pursuant to licensee under~~
2 34 chapter 237, or for placement in a supervised apartment living
2 35 arrangement, in this state.

CODE: Adopts conforming changes to Iowa Code section [234.1](#)(1)(a)
(Definitions).

3 1 Sec. 8. Section 234.39, subsection 2, paragraph b, Code
3 2 2025, is amended to read as follows:
3 3 b. ~~This subsection~~ An assignment of support under paragraph
3 4 "a" shall not apply when a child is placed with a relative or

CODE: Adopts conforming changes to Iowa Code section [234.39](#)(2)(b)
(Responsibility for Costs of Service).

3 5 fictive kin as those terms are defined in section 232.2, ~~who~~
 3 6 unless the relative or fictive kin is not licensed a licensee
 3 7 under chapter 237 to provide child foster care.

3 8 Sec. 9. Section 237.1, subsection 3, unnumbered paragraph
 3 9 1, Code 2025, is amended to read as follows:
 3 10 "Child foster care" means the provision of parental
 3 11 nurturing, including but not limited to the furnishing of food,
 3 12 lodging, training, education, supervision, treatment, or other
 3 13 care, to a child on a full-time basis by a person, including
 3 14 a relative or fictive kin of the child if the relative or
 3 15 fictive kin is licensed under this chapter, but not including a
 3 16 guardian of the child. "Child foster care" does not include any
 3 17 of the following care situations:

CODE: Amends the definition of "child foster care" under Iowa Code chapter [237](#) (Child Foster Care Facilities) to include fictive kin.

3 18 Sec. 10. Section 237.1, subsection 3, paragraph f, Code
 3 19 2025, is amended to read as follows:
 3 20 f. Care furnished by a relative or fictive kin of a child
 3 21 ~~or an individual person with a meaningful relationship with~~
 3 22 ~~the child~~ where the child is not under the placement, care, or
 3 23 supervision of the department.

CODE: Updates language in Iowa Code section 237.1 by replacing "an individual person with a meaningful relationship with the child" with "fictive kin."

3 24 Sec. 11. Section 237.1, Code 2025, is amended by adding the
 3 25 following new subsections:
 3 26 NEW SUBSECTION 6A. "Fictive kin" means the same as defined
 3 27 in section 232.2.

CODE: Defines "fictive kin" in Iowa Code chapter 237 to mean an adult person who is not a relative of a child but who has an emotionally positive significant relationship with the child or the child's family.

3 28 NEW SUBSECTION 6B. "Foster family home" means a licensed
 3 29 single-family home environment in which an individual provides
 3 30 child foster care.

CODE: Defines "foster family home" in Iowa Code chapter 237 as a licensed single-family home environment in which an individual provides child foster care.

3 31 Sec. 12. Section 237.1, subsections 8 and 9, Code 2025, are
 3 32 amended to read as follows:
 3 33 8. "Licensee" means an individual or an agency licensed
 3 34 under this chapter, or an individual who has been approved by
 3 35 the department to provide child foster care.

CODE: Expands the definition of "licensee" under Iowa Code chapter 237 to include an individual who has been approved by the HHS to provide foster care.

4 1 9. "Reasonable and prudent parent standard" means the
 4 2 standard characterized by careful and sensible parenting
 4 3 decisions that maintain the health, safety, and best interests
 4 4 of a child, while at the same time encouraging the emotional
 4 5 and developmental growth of a child, that a caregiver shall

CODE: Makes conforming changes to the definition of "caregiver" under the definition of "reasonable and prudent parent standard."

4 6 use when determining whether to allow a child in foster care
 4 7 under the placement, care, or supervision of the department to
 4 8 participate in extracurricular, enrichment, cultural, or social
 4 9 activities. For the purposes of this subsection, “caregiver”
 4 10 means ~~an individual or an agency licensed under this chapter a~~
 4 11 licensee with which a child in foster care has been placed or a
 4 12 juvenile shelter care home approved under chapter 232 in which
 4 13 a child in foster care has been placed.

4 14 Sec. 13. Section 237.2, Code 2025, is amended to read as
 4 15 follows:

4 16 237.2 PURPOSE.

4 17 It is the policy of this state to provide appropriate
 4 18 protection for children who are separated from the direct
 4 19 personal care of their parents, relatives, fictive kin, or
 4 20 guardians and, as a result, are subject to difficulty in
 4 21 achieving appropriate physical, mental, emotional, educational,
 4 22 or social development. This chapter shall be construed and
 4 23 administered to further that policy by assuring that child
 4 24 foster care is adequately provided by competently staffed and
 4 25 well-equipped child foster care facilities, including but not
 4 26 limited to residential treatment centers, group homes, and
 4 27 foster family homes.

CODE: Expands the policy of the State relating to protection of children who are separated from the direct personal care of their parents, relatives, or guardians to include fictive kin.

4 28 Sec. 14. Section 237.3, subsection 10, Code 2025, is amended
 4 29 to read as follows:

4 30 10. The department shall adopt rules to administer the
 4 31 exception to the definition of child care in section 237A.1,
 4 32 subsection 2, paragraph “l”, allowing a child care facility, for
 4 33 purposes of providing respite care to a foster family home, to
 4 34 provide care, supervision, or guidance of a child for a period
 4 35 of twenty-four hours or more who is placed with the ~~licensed~~
 5 1 foster family home.

CODE: Adopts conforming changes to Iowa Code section [237.3](#)(10) (Rules).

5 2 Sec. 15. Section 237.4, unnumbered paragraph 1, Code 2025,
 5 3 is amended to read as follows:

5 4 ~~An individual or an agency, as defined in section 237.1,~~
 5 5 ~~shall not provide child foster care unless the individual~~
 5 6 ~~or agency obtains a license issued under this chapter is~~
 5 7 a licensee. However, a license under this chapter is not
 5 8 required of the following:

CODE: Adopts conforming changes to Iowa Code section [237.4](#) (License Required — Exceptions).

5 9 Sec. 16. Section 237.4, subsection 8, Code 2025, is amended
 5 10 to read as follows:
 5 11 8. An individual providing child care as a babysitter at the
 5 12 request of a parent, guardian, fictive kin, or relative having
 5 13 lawful custody of the child.

CODE: Adds individuals providing child care as a babysitter at the request of fictive kin to the exemptions for licensure under Iowa Code chapter [237](#).

5 14 Sec. 17. Section 237.9, Code 2025, is amended to read as
 5 15 follows:
 5 16 237.9 CONFIDENTIAL INFORMATION.
 5 17 A person who receives information from or through the
 5 18 department concerning ~~a child who has received or is receiving~~
 5 19 ~~child foster care, a relative or guardian of the child, a~~
 5 20 ~~single-family, home licensee, or an individual employee of~~
 5 21 ~~a licensee~~, shall not disclose that information directly or
 5 22 indirectly, except as authorized by section 217.30, or as
 5 23 authorized or required by section 232.69: if the information
 5 24 concerns any of the following:
 5 25 1. A child who has received or is receiving child foster
 5 26 care.
 5 27 2. A relative, fictive kin, or guardian of a child who has
 5 28 received or is receiving child foster care.
 5 29 3. An individual licensee.
 5 30 4. An employee of a licensee.

CODE: Makes conforming changes to Iowa Code section [237.9](#) (Confidential Information) and includes information concerning fictive kin of a child who has received or is receiving child foster care as confidential information.

5 31 Sec. 18. Section 237.11, Code 2025, is amended to read as
 5 32 follows:
 5 33 237.11 PENALTY.
 5 34 An individual or an agency who provides child foster care
 5 35 without obtaining a license under this chapter, or approval
 6 1 from the department to provide child foster care, or who
 6 2 knowingly violates this chapter or the rules promulgated
 6 3 pursuant to this chapter is guilty of a serious misdemeanor.

CODE: Amends Iowa Code section [237.11](#) (Penalty) to add that an individual or an agency who provides child foster care without obtaining approval from the HHS to provide child foster care, unless that individual or agency already holds a license to provide child foster care, is guilty of a serious misdemeanor.

6 4 Sec. 19. Section 237.12, Code 2025, is amended to read as
 6 5 follows:
 6 6 237.12 INJUNCTIVE RELIEF.
 6 7 An individual or an agency who provides child foster care
 6 8 without obtaining a license under this chapter, or approval
 6 9 from the department to provide child foster care, or who
 6 10 knowingly violates this chapter or the rules promulgated
 6 11 pursuant to this chapter may be temporarily or permanently
 6 12 enjoined by a court in an action brought by the state, a

CODE: Amends Iowa Code section [237.12](#) (Injunctive Relief) to add that an individual or an agency who provides child foster care without obtaining approval from the HHS to provide child foster care, unless that individual or agency already holds a license, may be temporarily or permanently enjoined by a court in an action brought by the State, a political subdivision of the State, or an interested person.

6 13 political subdivision of the state or an interested person.

6 14 Sec. 20. Section 237.13, Code 2025, is amended to read as
6 15 follows:

6 16 237.13 FOSTER FAMILY HOME INSURANCE FUND.

6 17 1. ~~For the purposes of this section, "foster home" means an~~
6 18 ~~individual, as defined in section 237.1, subsection 7, who is~~
6 19 ~~licensed to provide child foster care and shall also be known~~
6 20 ~~as a "licensed foster home".~~

6 21 ~~2.~~ The foster family home insurance fund shall be
6 22 administered by the department. The fund shall consist of all
6 23 moneys appropriated by the general assembly for deposit in the
6 24 fund. The department shall use moneys in the fund to provide
6 25 home and property coverage for foster parents to cover damages
6 26 to property resulting from the actions of a foster child
6 27 residing in a foster family home or to reimburse foster parents
6 28 for the cost of purchasing foster care liability insurance and
6 29 to perform the administrative functions necessary to carry out
6 30 this section. The department may establish limitations of
6 31 liability for individual claims as deemed reasonable by the
6 32 department.

6 33 ~~3.~~ 2. The department shall adopt rules, pursuant to chapter
6 34 17A, to carry out the provisions of this section.

6 35 Sec. 21. Section 237.15, subsection 1, paragraph a, Code
7 1 2025, is amended to read as follows:

7 2 a. The efforts to place the child with a relative or fictive
7 3 kin.

7 4 Sec. 22. Section 237.15, subsection 5, Code 2025, is amended
7 5 by striking the subsection.

7 6 Sec. 23. Section 237A.3A, subsection 1, paragraph d, Code
7 7 2025, is amended to read as follows:

7 8 d. A ~~person who holds a child foster care license~~ licensee
7 9 under chapter 237 shall register as a child development home
7 10 provider in order to provide child care.

7 11 Sec. 24. Section 237C.1, subsection 2, paragraph f, Code
7 12 2025, is amended to read as follows:

7 13 f. Care furnished by a child foster care ~~facility licensed~~
7 14 licensee under chapter 237.

CODE: Removes the definitions of "foster home" and "licensed foster home" from Iowa Code section [237.13](#) (Foster Home Insurance Fund) and makes conforming changes.

CODE: Amends the definition of "case permanency plan" under Iowa Code section [237.15](#) (Definitions) to require case permanency plans to include efforts to place a child with a relative or fictive kin.

CODE: Removes the definition of "fictive kin" from Iowa Code section 237.15.

CODE: Adopts conforming changes to Iowa Code section [237A.3A](#) (1)(d) (Child Development Homes).

CODE: Adopts conforming changes to Iowa Code section [237C.1](#)(2)(f) (Definitions).

7 15 Sec. 25. Section 237C.3, subsection 2, Code 2025, is amended
7 16 to read as follows:

7 17 2. Standards established by the department under this
7 18 chapter shall at a minimum address the basic health and
7 19 educational needs of children; protection of children from
7 20 mistreatment, abuse, and neglect; background and records checks
7 21 of persons providing care to children in facilities certified
7 22 under this chapter; the use of seclusion, restraint, or other
7 23 restrictive interventions; health; safety; emergency; and the
7 24 physical premises on which care is provided by a children's
7 25 residential facility. The background check requirements shall
7 26 be substantially equivalent to those applied under chapter 237
7 27 for a child foster care ~~facility provider~~ licensee.

CODE: Adopts conforming changes to Iowa Code section [237C.3\(2\)](#)
(Certification Standards — Consultation With Other Agencies)

7 28 Sec. 26. Section 282.19, subsection 2, Code 2025, is amended
7 29 to read as follows:

7 30 2. A child who is living in a ~~licensed individual or agency~~
7 31 child foster care facility, as defined in section 237.1, or
7 32 in an unlicensed relative foster care placement, shall remain
7 33 enrolled in and attend an accredited school in the school
7 34 district in which the child resided and is enrolled at the
7 35 time of placement, unless it is determined by the juvenile
8 1 court or the public or private agency of this state that has
8 2 responsibility for the child's placement that remaining in such
8 3 school is not in the best interests of the child. If such
8 4 a determination is made, the child may attend an accredited
8 5 school located in the school district in which the child is
8 6 living and not in the school district in which the child
8 7 resided prior to receiving foster care.

CODE: Adopts conforming changes to Iowa Code section [282.19\(2\)](#)
(Child Living In Substance Use Disorder or Foster Care Placement).

8 8 Sec. 27. Section 335.25, subsection 2, paragraph c, Code
8 9 2025, is amended to read as follows:

8 10 c. "Family home" means a community-based residential home
8 11 which is licensed as a residential care facility under chapter
8 12 135C or as a child foster care facility under chapter 237 to
8 13 provide room and board, personal care, habilitation services,
8 14 and supervision in a family environment exclusively for not
8 15 more than eight persons with a developmental disability or
8 16 brain injury and any necessary support personnel. However,
8 17 family home does not mean ~~an individual~~ a foster family home
8 18 ~~licensed~~ under chapter 237.

CODE: Adopts conforming changes to Iowa Code section [335.25\(2\)\(c\)](#)
(Zoning for Family Homes).

<p>8 19 Sec. 28. Section 414.22, subsection 2, paragraph c, Code 8 20 2025, is amended to read as follows: 8 21 c. "Family home" means a community-based residential home 8 22 which is licensed as a residential care facility under chapter 8 23 135C or as a child foster care facility under chapter 237 to 8 24 provide room and board, personal care, habilitation services, 8 25 and supervision in a family environment exclusively for not 8 26 more than eight persons with a developmental disability or 8 27 brain injury and any necessary support personnel. However, 8 28 family home does not mean an individual a foster care family 8 29 home licensed under chapter 237.</p>	<p>CODE: Adopts conforming changes to Iowa Code section 414.22(2)(c) (Zoning for Family Homes).</p>
<p>8 30 Sec. 29. Section 423.3, subsection 18, paragraph b, Code 8 31 2025, is amended to read as follows: 8 32 b. Residential facilities licensed by the department of 8 33 health and human services pursuant to chapter 237, other than 8 34 those maintained by individuals <u>an individual</u> as defined in 8 35 section 237.1, subsection 7.</p>	<p>CODE: Adopts conforming changes to Iowa Code section 423.3(18)(b) (Exemptions).</p>
<p>9 1 Sec. 30. Section 709.16, subsection 2, paragraph b, 9 2 subparagraph (1), Code 2025, is amended to read as follows: 9 3 (1) A child foster care facility licensed under section 9 4 237.4 <u>chapter 237</u>.</p>	<p>CODE: Adopts conforming changes to Iowa Code section 709.16 (2)(b)(1) (Sexual Misconduct With Offenders and Juveniles).</p>
<p>9 5 Sec. 31. RULES. The department of health and human services 9 6 shall adopt rules pursuant to chapter 17A to administer this 9 7 division of this Act, including rules for the approval of 9 8 relatives or fictive kin to provide child foster care.</p>	<p>Requires the HHS to adopt administrative rules pursuant to Iowa Code chapter 17A to administer Division II of the Bill. The administrative rules must include rules for the approval of relatives or fictive kin to provide child foster care.</p>
<p>9 9 DIVISION III 9 10 CHILD AND DEPENDENT ADULT ABUSE</p>	
<p>9 11 Sec. 32. Section 235A.1, subsection 1, paragraph b, Code 9 12 2025, is amended to read as follows: 9 13 b. Funds for the programs or projects shall be applied 9 14 for and received by a community-based volunteer coalition or 9 15 council <u>entity</u>.</p>	<p>CODE: Allows any community-based entity to apply for and receive funds appropriated to the HHS for child abuse prevention.</p>
<p>9 16 Sec. 33. Section 235A.15, subsection 1, Code 2025, is 9 17 amended to read as follows: 9 18 1. Notwithstanding chapter 22, the <u>Child abuse information</u></p>	<p>CODE: Updates language classifying child abuse information as confidential.</p>

9 19 shall be confidential and shall not be a public record under
 9 20 chapter 22. The confidentiality of all child abuse information
 9 21 shall be maintained, except as specifically provided by this
 9 22 section.

9 23 Sec. 34. Section 235B.2, subsection 5, paragraph a,
 9 24 subparagraph (1), subparagraph division (c), Code 2025, is
 9 25 amended to read as follows:

9 26 (c) Exploitation of a dependent adult which means the act or
 9 27 process of taking unfair advantage an individual, including a
 9 28 caregiver or fiduciary, that uses the resources of a dependent
 9 29 adult or the adult's physical or financial resources, without
 9 30 the informed consent of the dependent adult, including theft,
 9 31 by the use of undue influence, harassment, duress, deception,
 9 32 false representation, or false pretenses for monetary or
 9 33 personal benefit, profit, or gain, or that results in depriving
 9 34 a dependent adult of rightful access to, or use of, benefits,
 9 35 resources, belongings, or assets.

CODE: Amends the definition of "exploitation of a dependent adult" under the definition of "dependent adult abuse" under Iowa Code chapter [235B](#) (Dependent Adult Abuse Services — Information Registry) to mean the act or process of an individual, including a caregiver or fiduciary, that uses resources of a dependent adult for monetary or personal benefit, profit, or gain, or that results in depriving a dependent adult of rightful access to, or use of, benefits, resources, belonging, or assets.

DETAIL: Under current law, "exploitation of a dependent adult" means the act or process of taking unfair advantage of a dependent adult or the adult's physical or financial resources, without the informed consent of the dependent adult, including theft, by the use of undue influence, harassment, duress, deception, false representation, or false pretenses.

10 1 Sec. 35. Section 235B.3, subsection 7, Code 2025, is amended
 10 2 to read as follows:

10 3 7. a. Upon a showing of probable cause that a dependent
 10 4 adult has been abused, a court may authorize a person, also
 10 5 authorized by the department, to make an evaluation, to enter
 10 6 the residence of, and to examine the dependent adult.

10 7 b. Upon a showing of probable cause that there has been
 10 8 exploitation of a dependent adult has been financially
 10 9 exploited, a court may authorize a person, also authorized by
 10 10 the department, to make an evaluation, and to gain access to
 10 11 the financial records that the department reasonably believes
 10 12 are related to the resources of the dependent adult.

CODE: Specifies that the financial records that an authorized person making an evaluation for dependent adult abuse may gain access to are financial records that the HHS reasonably believes are related to the resources of the dependent adult.

10 13 Sec. 36. Section 235B.6, subsection 1, Code 2025, is amended
 10 14 to read as follows:

10 15 1. ~~Notwithstanding chapter 22, the~~ Dependent adult abuse
 10 16 information shall be confidential and shall not be a public
 10 17 record under chapter 22. The confidentiality of all dependent
 10 18 adult abuse information shall be maintained, except as
 10 19 specifically provided by subsections 2 and 3.

CODE: Updates language classifying dependent adult abuse information as confidential.

<p>10 20 Sec. 37. Section 235B.6, subsection 2, paragraph e, 10 21 subparagraph (2), Code 2025, is amended to read as follows: 10 22 (2) Registry or department personnel when necessary to 10 23 the performance of their official duties, or a person, <u>an</u> 10 24 instrumentality of the state, or <u>an</u> agency under contract with 10 25 the department to carry out official duties and functions of 10 26 the registry.</p>	<p>CODE: Expands Iowa Code section 235B.6(2)(e)(2) (Authorized Access) to include an instrumentality of the State in the list of entities that have authorized access to dependent adult abuse information, other than unfounded dependent adult abuse information, when necessary to carry out official duties.</p>
<p>10 27 Sec. 38. Section 249A.4, Code 2025, is amended by adding the 10 28 following new subsection: 10 29 NEW SUBSECTION 16. Require providers to share information 10 30 with the department as necessary to identify, prevent, or 10 31 respond to child abuse as defined in section 232.68, and 10 32 dependent adult abuse as defined in section 235B.2.</p>	<p>CODE: Requires the Director of the HHS to require medical assistance providers to share information with the HHS as necessary to identify, prevent, or respond to child abuse and dependent adult abuse.</p>
<p>10 33 DIVISION IV 10 34 DEPARTMENT OF HEALTH AND HUMAN SERVICES — CONFIDENTIALITY OF 10 35 INTERNAL AUDIT AND EXAMINATION INFORMATION</p>	
<p>11 1 Sec. 39. Section 11.41, subsection 4, paragraph a, Code 11 2 2025, is amended by adding the following new subparagraph: 11 3 NEW SUBPARAGRAPH (10) Information created or received by 11 4 the department of health and human services in the course of 11 5 an internal audit or examination, including any allegations 11 6 of misconduct or noncompliance and all audit or examination 11 7 workpapers, as specified in section 217.31A.</p>	<p>CODE: Expands the list of information to which the Auditor of the State does not have access to include information created or received by the HHS in the course of an internal audit or examination, including any allegations of misconduct or noncompliance and all audit or examination workpapers, except as required to comply with the standards for engagement described in Iowa Code section 11.3 (When Audits and Examinations Begin), to comply with any other State or federal regulation, or in the case of alleged or suspected embezzlement or theft.</p>
<p>11 8 Sec. 40. NEW SECTION 217.31A INTERNAL AUDITS AND 11 9 EXAMINATIONS — CONFIDENTIALITY. 11 10 1. Information created or received by the department in 11 11 the course of an internal audit or examination, including any 11 12 allegations of misconduct or noncompliance, and all audit or 11 13 examination workpapers, shall be maintained as confidential.</p>	<p>CODE: Establishes that information created or received by the HHS in the course of an internal audit or examination shall be maintained as confidential.</p>
<p>11 14 2. Information maintained as confidential under subsection 11 15 1 may be disclosed for any of the following reasons: 11 16 a. As necessary to complete the audit or examination. 11 17 b. To the extent the department's auditor is required by law 11 18 to report the same or to testify in court.</p>	<p>CODE: Establishes that information maintained as confidential may be disclosed as necessary to complete an audit or examination or may be disclosed to the extent the HHS's auditor is required by law to report the same or to testify in court.</p>

11 19 DIVISION V	
11 20 REGION INCENTIVE FUND — DISTRIBUTIONS AND TRANSFERS	
11 21 Sec. 41. DEPARTMENT OF HEALTH AND HUMAN SERVICES — 11 22 BEHAVIORAL HEALTH SERVICES SYSTEM — REGION INCENTIVE FUND.	Establishes definitions for the following terms: "Administrative Services Organization (ASO)," "Behavioral Health Fund," "Behavioral Health Services System," and "Mental Health and Disability Services System (MHDS System)."
11 23 1. For purposes of this section:	
11 24 a. "Administrative services organization" means the same as 11 25 defined in 2024 Iowa Acts, chapter 1161, section 1.	
11 26 b. "Behavioral health fund" means the behavioral health 11 27 fund established in 2024 Iowa Acts, chapter 1161, section 7, 11 28 subsection 2.	
11 29 c. "Behavioral health services system" means the behavioral 11 30 health services system established in 2024 Iowa Acts, chapter 11 31 1161, section 3, subsection 1.	
11 32 d. "Mental health and disability services system" means 11 33 the mental health and disability services system described in 11 34 section 225C.6B.	
11 35 2. Notwithstanding any provision of law to the contrary, 12 1 there is appropriated from the region incentive fund created 12 2 in section 225C.7A, subsection 8, to the department of health 12 3 and human services for the fiscal year beginning July 1, 2024, 12 4 and ending June 30, 2025, an amount necessary to ensure the 12 5 continuity of care for persons transferring from the mental 12 6 health and disability services system to the behavioral 12 7 health services system, and for distribution to administrative 12 8 services organizations to be used for expenses related to the 12 9 duties of the administrative services organizations under the 12 10 behavioral health services system.	Creates a supplemental appropriation for FY 2025 from the Region Incentive Fund to the HHS of an amount necessary to ensure the continuity of care for persons transferring from the MHDS System to the Behavioral Health Services System, and for distribution to ASOs to be used for expenses related to the Behavioral Health Services System. DETAIL: As of April 16, 2025, the balance in the Region Incentive Fund was \$30,700,958.
12 11 3. Moneys distributed to and used by an administrative 12 12 services organization pursuant to subsection 1, shall 12 13 not be considered in the computation of any limit on the 12 14 administrative costs of an administrative services organization 12 15 including those prescribed in 2024 Iowa Acts, chapter 1161, 12 16 section 7, subsection 5.	Exempts moneys distributed from the Region Incentive Fund to the ASOs in the Bill from being considered in the computation of any limit on the administrative costs of an ASO.
12 17 4. Moneys in the mental health and disability services 12 18 regional service fund established in section 225C.7A, 12 19 subsection 1, that remain unencumbered or unobligated on June 12 20 30, 2025, shall be transferred to the behavioral health fund.	Requires any unencumbered or unobligated moneys in the MHDS Regional Service Fund at the close of FY 2025 to be transferred to the Behavioral Health Fund.

12 21 Sec. 42. EFFECTIVE DATE. This division of this Act, being 12 22 deemed of immediate importance, takes effect upon enactment.	Specifies that Division V of the Bill related to the Region Incentive Fund takes effect upon enactment.
12 23 Sec. 43. RETROACTIVE APPLICABILITY. This division of this 12 24 Act applies retroactively to July 1, 2024.	Specifies that Division V of the Bill related to the Region Incentive Fund applies retroactively to July 1, 2024.
12 25 DIVISION VI 12 26 HEALTH MAINTENANCE ORGANIZATION — APPLICABLE PERCENTAGE FOR 12 27 PREMIUM TAX	
12 28 Sec. 44. Section 432.1, subsection 2, unnumbered paragraph 12 29 1, Code 2025, is amended to read as follows: 12 30 The “applicable percent” for purposes of subsection 1 of this 12 31 section, <u>section 432.1B</u> , and section 432.2 is the following:	CODE: Amends Iowa Code section 432.1 (Tax on Gross Premiums — Exclusions) to include Iowa Code section 432.1B (Health Maintenance Organization — Medical Assistance Program — Premium Tax) in the list of Iowa Code sections where the applicable percentage applies.
12 32 Sec. 45. Section 432.1B, subsection 1, Code 2025, is amended 12 33 to read as follows: 12 34 1. Pursuant to section 514B.31, subsection 3, a health 12 35 maintenance organization contracting with the department of 13 1 health and human services to administer the medical assistance 13 2 program under chapter 249A, shall pay as taxes to the director 13 3 of the department of revenue for deposit in the Medicaid 13 4 managed care organization premiums fund created in section 13 5 249A.13, an amount equal to two and one-half <u>the applicable</u> 13 6 percent of the premiums received and taxable under section 13 7 514B.31, subsection 3.	CODE: Amends the reference to the percentage of the premiums received and taxable that a health maintenance organization contracting with the HHS to administer the medical assistance program must pay to the Director of the Department of Revenue for deposit in the Medicaid Managed Care Organizations Premiums Fund to be the applicable percentage established in Iowa Code section 432.1 rather than 2.50%. DETAIL: Under current law, the amount that a health maintenance organization contracting with the HHS to administer the medical assistance program must pay to the Director of the Department of Revenue for deposit in the Medicaid Managed Care Organizations Premiums Fund is 2.50% of the premiums received and taxable. The applicable percentage, as defined in Iowa Code section 432.1, is 0.95% for calendar year (CY) 2025, 0.925% for CY 2026, and 0.90% for CY 2027 and all subsequent calendar years.
13 8 Sec. 46. EFFECTIVE DATE. This division of this Act, being 13 9 deemed of immediate importance, takes effect upon enactment.	Specifies that Division VI of the Bill related to the applicable percentage of premiums takes effect upon enactment.
13 10 Sec. 47. RETROACTIVE APPLICABILITY. This division of this 13 11 Act applies retroactively to January 1, 2024.	Specifies that Division VI of the Bill related to the applicable percentage of premiums applies retroactively to January 1, 2024.

Health and Human Services

Other Funds

	Supp-House Appr FY 2025 (1)	House Approp FY 2026 (2)	Page and Line # (3)
<u>Health and Human Services, Department of</u>			
Health and Human Services			
Behavioral Health Service System - RIF*	\$ 500,000	\$ 0	PG 11 LN 35
Total Health and Human Services, Department of	\$ 500,000	\$ 0	
Total Health and Human Services	\$ 500,000	\$ 0	

*The amount for this appropriation is not specified in the Bill, and the HHS has not identified an amount. The amount of \$500,000 reflected in this tracking is subject to change.