

# Health and Human Services Appropriation Bill Senate Study Bill 1237

Last Action:  
Senate Subcommittee  
April 30, 2025

**An Act relating to and making appropriations to the Department of Veterans Affairs and the Department of Health and Human Services, and related provisions and appropriations, including Aging and Disability Services; Behavioral Health, Public Health, Community Access and Eligibility; the Medical Assistance Program, State Supplementary Assistance, Hawki, and other health-related programs; Family Well-Being and Protection; State-Operated Specialty Care; Administration and Compliance; transfers, cash flows, and nonreversions; prior appropriations; the Beer and Liquor Control Fund, and the Behavioral Health Fund; report on nonreversion of moneys; emergency rules; More Options for Maternal Support Program; and a Hospital Directed Payment Program; 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](http://www.legis.iowa.gov/publications/information/appropriationBillAnalysis)

LSA Staff Contacts: Lindsey Ingraham (515.281.6764) Louie Hoehle (515.281.6561)

**FUNDING SUMMARY**

---

**General Fund FY 2026:** Appropriates a total of \$2,469.0 million from the General Fund and 4,163.0 full-time equivalent (FTE) positions to the Department of Health and Human Services (HHS), containing the Department of Veterans Affairs (DVA). This is an increase of \$255.4 million and a decrease of 263.9 FTE positions compared to estimated net FY 2025. General Fund FTE positions are now tracked through the same line items as federally funded FTE positions. Excluding federally funded FTE positions, the FTE positions appropriated in the Bill represent a decrease of 8.0 FTE positions compared to the previously authorized amount in 2024 Iowa Acts, [House File 2698](#) (FY 2025 Health and Human Services Appropriations Act).

**Other Funds FY 2026:** Appropriates a total of \$298.3 million from other funds. This is a decrease of \$170.2 million compared to estimated FY 2025.

**Standing General Fund Appropriations FY 2026:** In addition to the appropriations in the Bill, the attached tracking includes the following standing General Fund appropriations totaling \$4.2 million that are automatically appropriated in statute:

- \$1.2 million for the Psychiatry Residency and Fellowship Program.
- \$1.0 million to the HHS for the Behavioral Health Fund.
- \$990,000 for the County Commissions of Veteran Affairs Fund.
- \$425,000 to the HHS for Centers of Excellence.
- \$233,000 to the HHS for Child Abuse Prevention.
- \$224,000 to the HHS for the Center for Congenital and Inherited Disorders Central Registry.
- \$143,000 to the HHS for Nonresident Mental Illness Commitment.
- \$1,400 to the HHS for the Commission of Inquiry.
- \$1 to the HHS for the Low-Income Home Energy Assistance Program (LiHEAP) Weatherization Assistance Program.

**Standing Other Fund Appropriations FY 2026:** In addition to the appropriations in the Bill, the attached tracking includes the following standing Other Fund appropriation estimates totaling \$151.1 million that are automatically appropriated in statute:

- \$151.0 million from the Health Care Trust Fund to the HHS for Medicaid.
- \$150,000 from the Medicaid Fraud Fund to the HHS for Medicaid.

**NEW PROGRAMS, SERVICES, OR ACTIVITIES**

---

## EXECUTIVE SUMMARY

### HEALTH AND HUMAN SERVICES APPROPRIATIONS BILL

## SENATE STUDY BILL 1237

of nursing facilities under the Medicaid program that includes a base-rate payment component, a quality assurance assessment pass-through component, and a quality assurance add-on component, which includes a fixed fee payment and a quality-based payment. Provides that the reimbursement methodology proposal must include recommendations developed by the HHS, in consultation with stakeholders including the Iowa Health Care Association and LeadingAge Iowa, for specific metrics the HHS will use to determine whether a nursing facility is eligible to receive all or a portion of the quality-based payment portion of the reimbursement to the nursing facility. Prohibits the total State expenditures for reimbursement of nursing facilities under the Medicaid program using the reimbursement methodology proposed in this Section of the Bill from exceeding the amount appropriated for this purpose for the applicable fiscal year.

Requires the HHS to establish a work group to make recommendations for a forecasting formula to ensure a sufficient number of nursing facility beds are available to meet future demand.

Page 15, Line 1

Establishes a Hospital Directed Payment Program and requires the HHS to submit any authorizing documentation necessary to the Centers for Medicare and Medicaid Services (CMS) for approval of the Program for any specific fiscal year.

Page 29, Line 8

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

---

**Department of Health and Human Services — Aging and Disability Services:** Appropriates a total of \$19.2 million from the General Fund. This is an increase of \$119,000 compared to estimated net FY 2025.

Page 1, Line 33

**Department of Health and Human Services — Public Health:** Appropriates a total of \$22.4 million from the General Fund. This is a net decrease of \$118,000 compared to estimated net FY 2025.

Page 4, Line 17

**Department of Health and Human Services — Community Access and Eligibility:** Appropriates a total of \$68.5 million from the General Fund. This is an increase of \$499,000 compared to estimated net FY 2025.

Page 6, Line 5

**Department of Health and Human Services — Child Support Services:** Appropriates a total of \$15.6 million from the General Fund. This is an increase of \$210,000 compared to estimated net FY 2025.

Page 8, Line 2

**Department of Health and Human Services — Medical Assistance Program, State Supplementary Assistance (SSA), and Healthy and Well Kids in Iowa (Hawki) Program:** Appropriates a total of \$1,900.8 million from the General Fund. This is a net increase of \$249.9 million compared to estimated net FY 2025 including the following:

Page 8, Line 24

- An increase of \$211.6 million for the expected Medicaid shortfall in FY 2026.
- An increase of \$19.9 million for an expected Hawki shortfall in FY 2026.

## EXECUTIVE SUMMARY

### HEALTH AND HUMAN SERVICES APPROPRIATIONS BILL

## SENATE STUDY BILL 1237

- An increase of \$16.0 million for nursing facility provider reimbursement rate rebasing.
- An increase of \$5.0 million for intermittent community-based services.
- An increase of \$420,000 for maternal health-related provider rate adjustments.
- An increase of \$2,000 for a certified nurse midwife provider rate adjustment.
- A decrease of \$3.0 million due to an increased federal reimbursement rate for certified community behavioral health clinics.

Creates a new allocation of \$5.0 million from the Medical Assistance appropriation in FY 2026 to expand the capacity of intermittent community-based services.

Page 9, Line 22

**Department of Health and Human Services — Health Program Operations:** Appropriates a total of \$39.7 million. This is an increase of \$75,000 compared to estimated net FY 2025.

Page 10, Line 10

Creates a new allocation of \$420,000 from the Medical Assistance appropriation in FY 2026 to increase Medicaid reimbursement rates for maternal health providers.

Page 13, Line 29

**Department of Health and Human Services — Early Intervention and Supports:** Appropriates a total of \$35.3 million from the General Fund. This is an increase of \$1.0 million compared to estimated net FY 2025.

Page 16, Line 19

**Department of Health and Human Services — Child Protective Services:** Appropriates a total of \$167.3 million. This is a net increase of \$200,000 compared to estimated net FY 2025.

Page 17, Line 11

**Department of Health and Human Services — State-Operated Specialty Care:** Appropriates a total of \$102.3 million from the General Fund. This is an increase of \$2.3 million compared to estimated net FY 2025.

Page 19, Line 35

**Department of Health and Human Services — Accountability, Compliance, and Program Integrity:** Appropriates a total of \$21.9 million from the General Fund. This is a net decrease of \$452,000 compared to estimated net FY 2025.

Page 20, Line 30

Allows the HHS to utilize General Fund moneys for up to 4,148.0 FTE positions. Requires the HHS to report to the General Assembly by December 15, 2025, the distribution of FTE positions across the organizational divisions of the HHS. This is a decrease of 8.0 FTE positions compared to the previously authorized amount in 2024 Iowa Acts, [House File 2698](#) (FY 2025 Health and Human Services Appropriations Act).

Page 21, Line 13

**CHANGES TO PRIOR APPROPRIATIONS**

---

Allows any unexpended funds appropriated in 2024 Iowa Acts, [House File 2698](#) (FY 2025 Health and Human Services Appropriations Act), for FY 2025 from the General Fund for the Thrive Iowa Program to remain available for expenditure until the close of FY 2026. Page 24, Line 20

Allows any unexpended funds appropriated in 2024 Iowa Acts, [House File 2698](#) (FY 2025 Health and Human Services Appropriations Act), for FY 2025 from the General Fund for Community Access and Eligibility to remain available for expenditure until the close of FY 2026. Page 25, Line 1

Amends 2024 Iowa Acts, [House File 2698](#) (FY 2025 Health and Human Services Appropriations Act), to replace the standing appropriation under Iowa Code section [123.17\(5\)](#) for the Comprehensive Substance Use Disorder Program with the appropriation in Division III of the Act for FY 2025. Page 25, Line 21

FISCAL IMPACT: This is a decrease of \$2,000,000 to the HHS for FY 2025.

Amends 2024 Iowa Acts, [House File 2673](#) (Behavioral Health Service System Act), to decrease the standing appropriation from the General Fund to the HHS from the 7.0% of the liquor sales for the Behavioral Health Fund from \$2.0 million to \$1.0 million beginning in FY 2026. Page 25, Line 30

**STUDIES AND INTENT**

---

***Emergency Rules***

Requires the HHS or the Mental Health and Disability Services (MHDS) Commission to adopt emergency administrative rules to comply with federal requirements or to implement the Bill. The rules are required to be effective immediately upon filing or on a later effective date specified in the rules unless delayed or suspended by the Administrative Rules Review Committee (ARRC). The rules shall not take effect before being reviewed by the ARRC. Page 26, Line 32

***Intent***

It is the intent of the General Assembly to provide sufficient funding for the State Child Care Assistance (CCA) Program in FY 2026 to avoid the establishment of a waiting list. Page 16, Line 8

Prohibits a district or juvenile court from ordering any service that is a charge to the State if there are insufficient funds to pay for the service. Page 18, Line 16

## **EXECUTIVE SUMMARY**

### **HEALTH AND HUMAN SERVICES APPROPRIATIONS BILL**

## **SENATE STUDY BILL 1237**

Permits the HHS to transfer funds allocated in this Bill for purposes of continuing alignment efforts, maximizing federal support, and the implementation and administration of services. Requires the HHS to report any transfers made pursuant to this subsection of the Bill to the General Assembly.

Page 21, Line 24

#### ***Nonreversion***

Requires federal moneys received in FY 2026 because of the expenditure of State funds in a previous year to be used for child protective services. Allows any unexpended funds to remain available for expenditure through FY 2027.

Page 17, Line 35

Allows any unexpended funds appropriated for the Family Development and Self-Sufficiency (FaDSS) Program for FY 2026 to remain available for FY 2027.

Page 22, Line 30

Allows any unexpended funds appropriated from the General Fund, the Quality Assurance Trust Fund (QATF), and the Hospital Health Care Access Trust Fund (HHCAT) to the HHS in FY 2026 for the Medicaid Program to remain available for FY 2027.

Page 23, Line 4

Allows any unexpended funds appropriated from the General Fund to the HHS for State-Operated Specialty Care for FY 2026 to remain available for subsequent fiscal years.

Page 23, Line 15

Allows any unexpended funds appropriated from the General Fund to the HHS for the Iowa Commission on Volunteer Services for FY 2026 to remain available for subsequent fiscal years.

Page 23, Line 25

Allows any funds appropriated from the General Fund to the HHS in FY 2026 for rural psychiatric residencies that remain at the end of FY 2026 to be carried forward into FY 2027.

Page 23, Line 33

Allows any funds appropriated from the General Fund to the HHS in FY 2026 for adoption subsidy payments or post-adoption services that remain at the end of FY 2026 to be carried forward into FY 2027.

Page 24, Line 6

#### ***Required Reports***

Requires the Iowa Veterans Home (IVH) to submit a monthly expenditure report to the General Assembly.

Page 1, Line 22

Allows the HHS to utilize General Fund moneys for up to 4,148.0 FTE positions. Requires the HHS to report to the General Assembly by December 15, 2025, the distribution of FTE positions across the organizational divisions of the HHS.

Page 21, Line 13

## **EXECUTIVE SUMMARY**

### **HEALTH AND HUMAN SERVICES APPROPRIATIONS BILL**

## **SENATE STUDY BILL 1237**

Permits the HHS to transfer funds allocated in this Bill for purposes of continuing alignment efforts, maximizing federal support, and the implementation and administration of services. Requires the HHS to report any transfers made pursuant to this subsection of the Bill to the General Assembly.

Page 21, Line 24

Requires the HHS to report the expenditure of any moneys for which nonreversion authorization was provided for FY 2025 to the General Assembly on a quarterly basis beginning October 1, 2025.

Page 26, Line 24

Requires the HHS to report to the General Assembly and the DOM at least 30 calendar days prior to submitting administrative rules that have a fiscal impact that was not addressed in the budget process.

Page 27, Line 8

Prohibits FY 2026 moneys allocated for Medicaid from being used for sex reassignment surgery or treatment related to an individual's gender dysphoria diagnosis. Requires the HHS to adopt administrative rules to administer this Section of the Bill.

Page 12, Line 19

### **SIGNIFICANT CODE CHANGES**

---

Requires the HHS to administer the More Options for Maternal Support (MOMS) Program directly rather than allowing a program administrator to administer the Program.

Page 27, Line 20

### **EFFECTIVE DATE**

---

Specifies that Division XI of the Bill related to prior appropriations for FY 2025 takes effect upon enactment and applies retroactively to July 1, 2024.

Page 25, Line 15

Specifies that Division XII of the Bill related to the Beer and Liquor Control Fund takes effect upon enactment and applies retroactively to July 1, 2024.

Page 26, Line 18

Senate Study Bill 1237 provides for the following changes to the Code of Iowa.

<b>Page #</b>	<b>Line #</b>	<b>Bill Section</b>	<b>Action</b>	<b>Code Section</b>
27	22	34	Amend	217.41C.1.c.(2)
27	28	35	Amend	217.41C.3,5,6
29	10	36	New	249O.1
29	25	37	New	249O.2

1 1 DIVISION I  
 1 2 DEPARTMENT OF VETERANS AFFAIRS — FY 2025-2026  
 1 3 Section 1. DEPARTMENT OF VETERANS AFFAIRS. There is  
 1 4 appropriated from the general fund of the state to the  
 1 5 department of veterans affairs for the fiscal year beginning  
 1 6 July 1, 2025, and ending June 30, 2026, the following amounts,  
 1 7 or so much thereof as is necessary, to be used for the purposes  
 1 8 designated:

1 9 1. DEPARTMENT OF VETERANS AFFAIRS ADMINISTRATION  
 1 10 For salaries, support, maintenance, and miscellaneous  
 1 11 purposes, for not more than the following full-time equivalent  
 1 12 positions:  
 1 13 ..... \$ 1,369,205  
 1 14 ..... FTEs 15.00

General Fund appropriation to the Department of Veterans Affairs (DVA).

DETAIL: This is no change in funding and an increase of 4.00 full-time equivalent (FTE) positions compared to estimated net FY 2025. The increase of 4.00 FTE positions is to restore the FTE positions to the previously authorized amount in [House File 2698](#) (FY 2025 Health and Human Services Appropriations Act).

1 15 2. IOWA VETERANS HOME  
 1 16 For salaries, support, maintenance, and miscellaneous  
 1 17 purposes:  
 1 18 ..... \$ 8,145,736

General Fund appropriation to the Iowa Veterans Home (IVH).

DETAIL: This is no change in funding compared to estimated net FY 2025.

1 19 a. The Iowa veterans home billings involving the department  
 1 20 of health and human services shall be submitted to the  
 1 21 department on at least a monthly basis.

Requires the IVH to submit monthly claims relating to Medicaid to the Department of Health and Human Services (HHS).

1 22 b. The Iowa veterans home expenditure report shall be  
 1 23 submitted monthly to the general assembly.

Requires the IVH to submit a monthly expenditure report to the General Assembly.

1 24 3. HOME OWNERSHIP ASSISTANCE PROGRAM  
 1 25 For transfer to the Iowa finance authority for the  
 1 26 continuation of the home ownership assistance program for  
 1 27 persons who are or were eligible members of the armed forces  
 1 28 of the United States or eligible service members pursuant to  
 1 29 section 16.54:  
 1 30 ..... \$ 2,700,000

General Fund appropriation to the Home Ownership Assistance Program for military service members and veterans, to be transferred to the Iowa Finance Authority.

DETAIL: This is an increase of \$500,000 compared to estimated net FY 2025 to provide additional resources for the Program as the appropriated moneys have been fully allocated by March in previous years. Under the Program, a \$5,000 grant is available to a service member for down payment and closing costs toward the purchase of a

new home in the State of Iowa. The home must be a primary residence, and this is a once-in-a-lifetime grant.

1 31 DIVISION II  
1 32 AGING AND DISABILITY SERVICES — FY 2025-2026

1 33 Sec. 2. DEPARTMENT OF HEALTH AND HUMAN SERVICES — AGING  
1 34 AND DISABILITY SERVICES. There is appropriated from the

General Fund appropriation to the HHS — Aging and Disability Services for FY 2026.

1 35 general fund of the state to the department of health and human  
2 1 services for the fiscal year beginning July 1, 2025, and ending  
2 2 June 30, 2026, the following amount, or so much thereof as is  
2 3 necessary, to be used for the purposes designated:

DETAIL: This is an increase of \$119,466 compared to estimated net FY 2025 for general operating expenses. The Division of Aging and Disability Services works with Iowa's Area Agencies on Aging (AAAs) and Aging and Disability Resource Centers to provide supports and services to individuals aged 60 years old and older and individuals with disabilities through programs and initiatives that improve access to affordable, high-quality, long-term living and community supports.

2 4 For aging programs for the department of health and human  
2 5 services and area agencies on aging to provide citizens of  
2 6 Iowa who are 60 years of age and older with case management;  
2 7 for Iowa's aging and disabilities resource centers; for the  
2 8 return to community program; for the purposes of chapter 231E;  
2 9 to administer the prevention of elder abuse, neglect, and  
2 10 exploitation program pursuant to section 231.56A, in accordance  
2 11 with the requirements of the federal Older Americans Act of  
2 12 1965, 42 U.S.C. §3001 et seq., as amended; for the operation of  
2 13 the dependent adult abuse services program pursuant to chapter  
2 14 235B; and for other services which may include but are not  
2 15 limited to adult day care, respite care, chore, information  
2 16 and assistance, and material aid, for information and options  
2 17 counseling for persons with disabilities, and for salaries,  
2 18 support, administration, maintenance, and miscellaneous  
2 19 purposes:

2 20 ..... \$ 19,208,180

2 21 1. Moneys appropriated in this section may be used to  
2 22 supplement federal moneys received under federal regulations.  
2 23 To receive moneys appropriated in this section, a local area  
2 24 agency on aging shall match the moneys with moneys from other  
2 25 sources according to rules adopted by the department. Moneys  
2 26 appropriated in this section may be used for services not  
2 27 specifically enumerated in this section only if approved by the  
2 28 department as part of an area agency on aging's area plan.

Permits the use of funds appropriated in this Section to supplement federal funds for elderly services if those services are approved by the HHS as part of an AAA's area plan. Requires local AAAs to match the funds for aging programs and services.

2 29 2. Of the moneys appropriated in this section, \$949,282  
2 30 shall be used for the family support center component of the

Allocates \$949,282 to the HHS to continue the Children at Home Program. The HHS has existing statewide coordinated intake for family support services through the Division of Health Promotion and

2 31 comprehensive family support program under section 225C.47.

Chronic Disease Prevention.

DETAIL: This is no change in funding compared to the estimated net FY 2025 allocation.

2 32 3. Of the moneys appropriated in this section, \$33,632 shall  
2 33 be used to build community capacity through the coordination  
2 34 and provision of training opportunities in accordance with the  
2 35 consent decree of Conner v.Branstad, No.4-86-CV-30871 (S.D.  
3 1 Iowa, July 15, 1994).

Allocates \$33,632 to the HHS for the Conner Decree training requirements.

DETAIL: This is no change in funding compared to estimated net FY 2025. The funds are used for training purposes to comply with the [Conner v. Branstad](#) consent decree mandating placement of persons with developmental disabilities in the least restrictive setting possible.

3 2 DIVISION III  
3 3 BEHAVIORAL HEALTH — FY 2025-2026

3 4 Sec. 3. DEPARTMENT OF HEALTH AND HUMAN SERVICES —  
3 5 BEHAVIORAL HEALTH. There is appropriated from the general fund  
3 6 of the state to the department of health and human services for  
3 7 the fiscal year beginning July 1, 2025, and ending June 30,  
3 8 2026, the following amount, or so much thereof as is necessary,  
3 9 to be used for the purposes designated:  
3 10 For behavioral health prevention, treatment, and recovery  
3 11 efforts to reduce the prevalence of the use of, provide  
3 12 treatment for, and support recovery from alcohol, tobacco, and  
3 13 substance use and misuse, problem gambling, and other addictive  
3 14 behaviors. Activities shall align with accepted best practice  
3 15 guidance standards for behavioral health including those  
3 16 published by the centers for disease control and prevention of  
3 17 the United States department of health and human services, and  
3 18 the substance abuse and mental health services administration  
3 19 of the United States department of health and human services,  
3 20 for health promotion; universal, selective, and indicated  
3 21 prevention; treatment; and recovery services and supports; and  
3 22 shall include a 24-hour helpline, public information resources,  
3 23 professional training, youth prevention, program evaluation,  
3 24 and efforts at the state and local levels:  
3 25 ..... \$ 24,442,121

General Fund appropriation to the HHS — Behavioral Health for FY 2026.

DETAIL: This is an increase of \$42,007 compared to estimated net FY 2025 for general operating expenses. The Division of Behavioral Health works to provide prevention, treatment, and recovery services related to mental health and addictive disorders. 2024 Iowa Acts, [House File 2673](#) (Behavioral Health Service System Act), established a Behavioral Health Service System that will operate within the Division of Behavioral Health that goes into effect on July 1, 2025 (FY 2026).

3 26 1. Of the moneys appropriated in this section, \$300,000  
3 27 shall be used to support the work of the children’s behavioral

Allocates \$300,000 for the Children's Behavioral Health System.

3 28 health system including evidence-based behavioral health  
 3 29 prevention, treatment, and recovery services and supports for  
 3 30 children and their families pursuant to the intent specified in  
 3 31 section 225C.6B, subsection 1.

DETAIL: This is no change in funding compared to the estimated net FY 2025 allocation.

3 32 2. Of the moneys appropriated in this section, \$950,000  
 3 33 shall be used for an integrated substance use disorder managed  
 3 34 care system. The department shall maintain the level of mental  
 3 35 health and substance use disorder treatment services provided  
 4 1 by the managed care contractors, and shall take the steps  
 4 2 necessary to continue the federal waivers as needed to maintain  
 4 3 the level of services.

Allocates \$950,000 for continuation of the Managed Substance Abuse Treatment Program.

DETAIL: This is no change in funding compared to the estimated net FY 2025 allocation.

4 4 Sec. 4. DEPARTMENT OF HEALTH AND HUMAN SERVICES — SPORTS  
 4 5 WAGERING RECEIPTS FUND. There is appropriated from the  
 4 6 sports wagering receipts fund created in section 8.571, to the  
 4 7 department of health and human services for the fiscal year  
 4 8 beginning July 1, 2025, and ending June 30, 2026, the following  
 4 9 amount, or so much thereof as is necessary, to be used for  
 4 10 behavioral health prevention, treatment, and recovery efforts  
 4 11 to reduce the prevalence of the use of, provide treatment for,  
 4 12 and support recovery from alcohol, tobacco, and substance use  
 4 13 and misuse, problem gambling, and other addictive behaviors:  
 4 14 ..... \$ 1,750,000

Sports Wagering Receipts Fund (SWRF) appropriation for problem gambling and substance-related disorder prevention, treatment, and recovery services, including Your Life Iowa, professional training, youth prevention, and program evaluation.

DETAIL: This is no change in funding compared to estimated FY 2025.

4 15 DIVISION IV  
 4 16 PUBLIC HEALTH — FY 2025-2026

4 17 Sec. 5. DEPARTMENT OF HEALTH AND HUMAN SERVICES — PUBLIC  
 4 18 HEALTH. There is appropriated from the general fund of the  
 4 19 state to the department of health and human services for the  
 4 20 fiscal year beginning July 1, 2025, and ending June 30, 2026,  
 4 21 the following amount, or so much thereof as is necessary, to be  
 4 22 used for the purposes designated:  
 4 23 For programs that support health promotion, protect the  
 4 24 health and safety of the public, conduct disease surveillance  
 4 25 and investigation to reduce the incidence of morbidity and  
 4 26 mortality, serve individuals with chronic conditions including  
 4 27 but not limited to cancer, support the Iowa donor registry as  
 4 28 specified in section 142C.18, and strengthen the health care  
 4 29 delivery system and workforce to improve health outcomes for  
 4 30 all Iowans:

General Fund appropriation to the HHS — Public Health for FY 2026.

DETAIL: This is a net decrease of \$118,452 in funding compared to estimated net FY 2025. This includes:

- An increase of \$95,548 for general operating expenses.
- A decrease of \$214,000 to consolidate funding for various health care related loan repayment programs and move the funding to the Department of Education.

The Division of Public Health's responsibilities include promoting the health and safety of the public, conducting disease surveillance and investigation to reduce the incidence of morbidity and mortality, serving individuals with chronic conditions, and strengthening the health care delivery system.

4 31 ..... \$ 22,413,369

4 32 1. Of the moneys appropriated in this section, the following  
4 33 amounts are allocated to the department of health and human  
4 34 services to be used as follows to support the goals of  
4 35 increased access, health system integration, and engagement:

Allocates a total of \$1,224,000 to support increased access, health system integration, and engagement. This is no change in funding compared to the estimated net FY 2025 allocation.

5 1 a. \$600,000 for distribution to a nonprofit organization  
5 2 that established the first statewide drug donation repository  
5 3 for continuation of the pharmaceutical infrastructure for  
5 4 safety net providers established as described in 2007 Iowa  
5 5 Acts, chapter 218, section 108, and for the prescription drug  
5 6 donation repository program established in chapter 135M.  
5 7 Moneys under this paragraph shall be distributed in their  
5 8 entirety on July 1, 2025, for the purpose specified.

Distributes \$600,000 of the allocation to be used for pharmaceutical infrastructure for the SafeNetRx prescription drug donation repository program. Requires these moneys to be distributed in their entirety on July 1, 2025.

5 9 b. \$374,000 for distribution to free clinics, as defined in  
5 10 section 135.24, and a nonprofit organization that facilitates  
5 11 the initiation, operation, and collaboration of free clinics  
5 12 for necessary infrastructure, statewide coordination, provider  
5 13 recruitment, service delivery, and provision of assistance to  
5 14 patients in securing a medical home inclusive of oral health  
5 15 care. Of the moneys allocated, \$40,000 shall be used to lower  
5 16 fees associated with using an electronic prescribing system.  
5 17 Moneys under this paragraph shall be distributed in their  
5 18 entirety on July 1, 2025, for the purpose specified.

Distributes \$374,000 of the allocation to be used for free clinics and a nonprofit organization that facilitates free clinics. Of these moneys, \$40,000 will be used to lower fees associated with an electronic prescribing system.

5 19 c. \$25,000 for distribution to an organization that raises  
5 20 awareness about issues related to rural health clinics, and  
5 21 necessary infrastructure and service delivery transformation.  
5 22 Moneys under this paragraph shall be distributed in their  
5 23 entirety on July 1, 2025, for the purpose specified.

Distributes \$25,000 of the allocation to be used for an organization that raises awareness about rural health clinic issues and infrastructure and service delivery transformation. Requires these moneys to be distributed in their entirety on July 1, 2025.

5 24 d. \$225,000 for distribution to an organization that is  
5 25 the oldest continuously operating medical society in the state  
5 26 for continuation of safety net provider patients access to  
5 27 specialty care as described in 2007 Iowa Acts, chapter 218,  
5 28 section 109. Moneys under this paragraph shall be distributed  
5 29 in their entirety on July 1, 2025, for the purpose specified.

Distributes \$225,000 of the allocation to be used for an organization that is the oldest continuously operating medical society in the State to continue safety net provider patients' access to specialty care clinics. Requires these moneys to be distributed in their entirety on July 1, 2025.

5 30 2. Of the moneys appropriated in this section, \$600,000  
5 31 shall be used for rural psychiatric residencies for residents

Allocates \$600,000 for rural psychiatric residences to support the funding of psychiatric residents, selected on or before June 30, 2025,

5 32 selected on or before June 30, 2025.

to provide mental health services to underserved areas of the State.

DETAIL: This is a decrease of \$200,000 compared to the estimated net FY 2025 allocation.

5 33 3. The university of Iowa hospitals and clinics under  
5 34 the control of the state board of regents shall not receive  
5 35 indirect costs from the moneys appropriated in this section.  
6 1 The university of Iowa hospitals and clinics billings to the  
6 2 department shall be, at a minimum, on a quarterly basis.

Prohibits the University of Iowa Hospitals and Clinics (UIHC) from receiving indirect cost reimbursement from General Fund appropriations to the HHS. Requires the UIHC to submit billings to the HHS on no less than a quarterly basis.

6 3 DIVISION V  
6 4 COMMUNITY ACCESS AND ELIGIBILITY — FY 2025-2026

6 5 Sec. 6. DEPARTMENT OF HEALTH AND HUMAN SERVICES — COMMUNITY  
6 6 ACCESS AND ELIGIBILITY. There is appropriated from the  
6 7 general fund of the state to the department of health and human  
6 8 services for the fiscal year beginning July 1, 2025, and ending  
6 9 June 30, 2026, the following amount, or so much thereof as is  
6 10 necessary, to be used for the purposes designated:  
6 11 To be used for salaries, support, maintenance, and  
6 12 miscellaneous purposes and for family investment program (FIP)  
6 13 assistance in accordance with chapter 239B, and for other costs  
6 14 associated with providing needs-based benefits or assistance  
6 15 including but not limited to maternal and child health, oral  
6 16 health, obesity prevention, the promotion of independence  
6 17 and self-sufficiency through employment, job opportunities  
6 18 and the basic skills (PROMISE JOBS) program, supplemental  
6 19 nutrition assistance program (SNAP) employment and training,  
6 20 the FIP diversion program, family planning, rent reimbursement,  
6 21 and eligibility determinations for medical assistance, food  
6 22 assistance, and the children’s health insurance program:  
6 23 ..... \$ 68,542,456

General Fund appropriation to the HHS — Community Access and Eligibility for FY 2026.

DETAIL: This is an increase of \$498,512 compared to estimated net FY 2025 for general operating expenses. The Division of Community Access and Eligibility is the entity responsible for the determination of eligibility for needs-based benefits and assistance programs under the authority of the HHS.

6 24 1. Of the child support collections assigned under FIP,  
6 25 the federal share of the child support collections shall be  
6 26 credited to the child support services appropriation made in  
6 27 this division of this Act. Of the remainder of the child  
6 28 support collections assigned under FIP, a portion shall be  
6 29 credited to community access and eligibility, and the remaining  
6 30 moneys may be used to increase recoveries, to sustain cash flow  
6 31 in the collection services center refund account as provided in

Requires the federal share of child support collections recovered by the State to be credited to Child Support Services. Of the remainder of support collected, a portion is credited to community access and eligibility, and the HHS is permitted to use the remaining funds to increase recoveries, to sustain cash flow, or for technology needs for the Child Support Payments Account.

6 32 section 252B.13A, or for technology needs. If child support  
 6 33 collections assigned under FIP are greater than estimated or  
 6 34 are otherwise determined not to be required for maintenance of  
 6 35 efforts, the state share of either amount is appropriated to  
 7 1 the department for child support services as described in this  
 7 2 Act, or may be transferred to or retained in the collection  
 7 3 services center refund account.

7 4 2. Of the moneys appropriated in this section, \$3,075,000  
 7 5 shall be used for continuation of the department's initiative  
 7 6 to provide for adequate developmental surveillance and  
 7 7 screening during a child's first five years. The moneys shall  
 7 8 be used first to fully fund the current participating counties  
 7 9 to ensure that those counties are fully operational, with  
 7 10 the remaining moneys to be used for expanding participation  
 7 11 to additional counties. Full implementation and expansion  
 7 12 shall include enhancing the scope of the initiative through  
 7 13 collaboration with child health specialty clinics to promote  
 7 14 the use of developmental surveillance and screening to  
 7 15 support healthy child development through early identification  
 7 16 and response to both biomedical and social determinants of  
 7 17 healthy development by providing practitioner consultation  
 7 18 and continuous improvement through training and education,  
 7 19 particularly for children with behavioral conditions and  
 7 20 needs. The department shall also collaborate with the Medicaid  
 7 21 program and child health specialty clinics to assist in  
 7 22 coordinating the activities of the first five initiative into  
 7 23 the establishment of patient-centered medical homes developed  
 7 24 to improve health quality and population health while reducing  
 7 25 health care costs. To the maximum extent possible, moneys  
 7 26 allocated in this subsection shall be utilized as matching  
 7 27 moneys for Medicaid program reimbursement.

7 28 3. Of the moneys appropriated in this section, \$1,145,102  
 7 29 is allocated to the Iowa commission on volunteer service for  
 7 30 programs and grants.

7 31 4. The university of Iowa hospitals and clinics under  
 7 32 the control of the state board of regents shall not receive

Allocates \$3,075,000 for the Iowa First Five Healthy Mental Development Initiative programs.

DETAIL: This is no change in funding compared to the estimated net FY 2025 allocation. This is a public-private mental development initiative that partners primary care and public health services in Iowa to enhance high-quality well-child care. The First Five Model supports health providers in the early detection of socioemotional delays, developmental delays, and family risk-related factors in children from birth to age five. The Initiative then coordinates referrals, interventions, and follow-ups.

Allocates \$1,145,102 to the Iowa Commission on Volunteer Service in the HHS for programs and grants.

DETAIL: This is no change in funding compared to the estimated net FY 2025 allocation.

Prohibits the UIHC from receiving indirect cost reimbursement from General Fund appropriations to the HHS. Requires the UIHC to submit billings to the HHS on a quarterly basis.

7 33 indirect costs from the moneys appropriated in this section.  
 7 34 The university of Iowa hospitals and clinics billings to the  
 7 35 department shall be, at a minimum, on a quarterly basis.

8 1 CHILD SUPPORT SERVICES

8 2 Sec. 7. CHILD SUPPORT SERVICES. There is appropriated from  
 8 3 the general fund of the state to the department of health and  
 8 4 human services for the fiscal year beginning July 1, 2025, and  
 8 5 ending June 30, 2026, the following amount, or so much thereof  
 8 6 as is necessary, to be used for the purposes designated:  
 8 7 For child support services, including salaries, support,  
 8 8 maintenance, and miscellaneous purposes:  
 8 9 ..... \$ 15,644,114

General Fund appropriation to the HHS — Child Support Services for FY 2026.

DETAIL: This is an increase of \$209,832 compared to estimated net FY 2025 for general operating expenses.

8 10 1. Federal access and visitation grant moneys shall be used  
 8 11 for services designed to increase compliance with the child  
 8 12 access provisions of court orders, including but not limited to  
 8 13 neutral visitation sites and mediation services.

Specifies the process for utilization of receipts from federal Access and Visitation Grants.

8 14 2. The appropriation made to the department for child  
 8 15 support services may be used throughout the fiscal year in the  
 8 16 manner necessary for purposes of cash flow management, and for  
 8 17 cash flow management purposes the department may temporarily  
 8 18 draw more than the amount appropriated provided the amount  
 8 19 appropriated is not exceeded at the close of the fiscal year.

Permits the HHS to use the appropriation for child support recovery as necessary and draw more than appropriated if needed to solve any cash flow problems, provided the amount appropriated is not exceeded at the end of the fiscal year.

8 20 DIVISION VI  
 8 21 MEDICAL ASSISTANCE PROGRAM — STATE SUPPLEMENTARY ASSISTANCE  
 8 22 HEALTHY AND WELL KIDS IN IOWA PROGRAM AND OTHER HEALTH-RELATED  
 8 23 PROGRAMS — FY 2025-2026

8 24 Sec. 8. MEDICAL ASSISTANCE PROGRAM, STATE SUPPLEMENTARY  
 8 25 ASSISTANCE, AND HEALTHY AND WELL KIDS IN IOWA PROGRAM. There  
 8 26 is appropriated from the general fund of the state to the  
 8 27 department of health and human services for the fiscal year  
 8 28 beginning July 1, 2025, and ending June 30, 2026, the following  
 8 29 amount, or so much thereof as is necessary, to be used for the  
 8 30 purposes designated:  
 8 31 For medical assistance program reimbursement and associated  
 8 32 costs as specifically provided in the reimbursement  
 8 33 methodologies in effect on June 30, 2025, except as otherwise

General Fund appropriation to the HHS for the Medical Assistance (Medicaid), State Supplementary Assistance (SSA), and the Healthy and Well Kids in Iowa (Hawki) Program for FY 2026.

DETAIL: This is a net increase of \$249,938,141 compared to estimated net FY 2025. The changes include:

- An increase of \$211,635,041 for the expected Medicaid shortfall in FY 2026.
- An increase of \$19,881,100 for an expected Hawki shortfall in FY 2026.

8 34 expressly authorized by law, consistent with federal law and  
 8 35 regulations, and contingent upon receipt of approval from the  
 9 1 office of the governor of reimbursement for each abortion  
 9 2 performed under the medical assistance program; for the state  
 9 3 supplementary assistance program; for the health insurance  
 9 4 premium payment program; and for maintenance of the healthy and  
 9 5 well kids in Iowa (Hawki) program pursuant to chapter 514I,  
 9 6 including supplemental dental services, for receipt of federal  
 9 7 financial participation under Tit.XXI of the federal Social  
 9 8 Security Act, which creates the children's health insurance  
 9 9 program; and for other specified health-related programs:  
 9 10 ..... \$1,900,804,677

- An increase of \$16,000,000 for nursing facility provider reimbursement rate rebasing.
- An increase of \$5,000,000 for intermittent community-based services.
- An increase of \$420,000 for maternal health-related provider rate adjustments.
- An increase of \$2,000 for a certified nurse midwife provider rate adjustment.
- A decrease of \$3,000,000 due to an increased federal reimbursement rate for certified community behavioral health clinics.

9 11 1. Of the moneys appropriated in this section,  
 9 12 \$1,808,383,124 is allocated for medical assistance program  
 9 13 reimbursement and associated costs.

Allocates \$1,808,383,124 for the Medicaid Program.

DETAIL: This is an increase of \$203,319,320 compared to estimated net FY 2025.

9 14 a. Of the moneys allocated in this subsection, \$800,000  
 9 15 shall be used for the renovation and construction of certain  
 9 16 nursing facilities, consistent with chapter 249K.

Allocates \$800,000 of the funds appropriated for Medicaid to provide assistance to nursing homes for facility improvements.

DETAIL: This is no change in funding compared to the estimated net FY 2025 allocation. Prior to FY 2022, the Program was funded through the Rebuild Iowa Infrastructure Fund. The Nursing Home Financial Assistance Program in Iowa Code chapter [249K](#) was established in 2007 Iowa Acts, chapter [219](#) (FY 2008 Infrastructure Appropriations Act), to support an appropriate number of nursing facility beds for the State's citizens and financially assist nursing facilities to remain compliant with applicable health and safety regulations.

9 17 b. Of the moneys allocated in this subsection, \$3,383,880  
 9 18 shall be used for program administration, outreach, and  
 9 19 enrollment activities of the state family planning services  
 9 20 program pursuant to section 217.41B, and of this amount, the  
 9 21 department may use \$200,000 for administrative expenses.

Allocates \$3,383,880 of the funds appropriated for Medicaid to administer the State Family Planning Services Program. Permits \$200,000 to be used for administrative expenses.

DETAIL: This is no change in funding compared to the estimated net FY 2025 allocation.

9 22 c. Of the moneys allocated in this subsection, \$5,000,000  
 9 23 shall be used to expand the capacity of intermittent  
 9 24 community-based services that allow an individual to remain  
 9 25 in the community and that provide support to the individual,

Allocates \$5,000,000 of the funds appropriated for Medicaid to expand the capacity of intermittent community-based services.

DETAIL: This is a new allocation for FY 2026.

9 26 including employment services, hourly supported community  
9 27 living services, respite services, and day habilitation  
9 28 services.

9 29 2. Iowans support reducing the number of abortions  
9 30 performed in our state. Moneys appropriated under this section  
9 31 shall not be used for abortions, unless otherwise authorized  
9 32 under this section.

Prohibits moneys appropriated for Medical Assistance from being used for abortions, unless otherwise authorized under this Section.

9 33 3. The provisions of this section relating to abortions  
9 34 shall also apply to the Iowa health and wellness plan created  
9 35 pursuant to chapter 249N.

Specifies that the policy on abortion also applies to the Iowa Health and Wellness Plan.

10 1 4. Of the moneys appropriated in this section, \$4,479,762 is  
10 2 allocated for the state supplementary assistance program.

Allocates \$4,479,762 of the funds appropriated for Medicaid for the SSA Program.

DETAIL: This is no change in funding compared to the estimated net FY 2025 allocation.

10 3 5. Of the moneys appropriated in this section, \$60,521,998  
10 4 is allocated for maintenance of the Hawki program pursuant  
10 5 to chapter 514I, including supplemental dental services, for  
10 6 receipt of federal financial participation under Tit.XXI of  
10 7 the federal Social Security Act, which creates the children's  
10 8 health insurance program.

Allocates \$60,521,998 of the funds appropriated for Medicaid for the Children's Health Insurance Program (CHIP), also known as the Hawki Program.

DETAIL: This is an increase of \$19,199,028 compared to the estimated net FY 2025 allocation due to an expected shortfall in FY 2026.

10 9 HEALTH PROGRAM OPERATIONS

10 10 Sec. 9. HEALTH PROGRAM OPERATIONS. There is appropriated  
10 11 from the general fund of the state to the department of health  
10 12 and human services for the fiscal year beginning July 1,  
10 13 2025, and ending June 30, 2026, the following amount, or so  
10 14 much thereof as is necessary, to be used for the purposes  
10 15 designated:

General Fund appropriation to the HHS — Health Program Operations for FY 2026.

10 16 For health program operations, and the autism support  
10 17 program under section 225D.2:  
10 18 ..... \$ 39,672,433

DETAIL: This is an increase of \$75,202 in funding compared to estimated net FY 2025 for general operating expenses.

10 19 1. The department of inspections, appeals, and licensing  
10 20 shall provide all state matching moneys for survey and  
10 21 certification activities performed by the department of

Requires the Department of Inspections, Appeals, and Licensing (DIAL) to provide the State matching funds for survey and certification activities and requires the HHS to distribute the federal matching

10 22 inspections, appeals, and licensing. The department of health  
 10 23 and human services shall be solely responsible for distributing  
 10 24 the federal matching moneys for such activities.

funds.

10 25 2. Of the moneys appropriated in this section, a sufficient  
 10 26 amount shall be used for the administration of the health  
 10 27 insurance premium payment program, including salaries, support,  
 10 28 maintenance, and miscellaneous purposes.

Specifies that a sufficient amount must be used for the administration of the Health Insurance Premium Payment Program.

10 29 3. Of the moneys appropriated in this section, \$750,000  
 10 30 shall be used for a nonprofit organization that provides access  
 10 31 to emergency poison information and treatment. Pursuant to  
 10 32 the directive under 2014 Iowa Acts, chapter 1140, section  
 10 33 102, the federal matching moneys available to the nonprofit  
 10 34 organization from the department under the federal Children's  
 10 35 Health Insurance Program Reauthorization Act of 2009 shall be  
 11 1 subject to the federal administrative cap rule of 10 percent  
 11 2 applicable to moneys provided under Tit.XXI of the federal  
 11 3 Social Security Act and shall be included in the department's  
 11 4 calculations of the cap.

Allocates \$750,000 for the State Poison Control Center.

DETAIL: This is no change in funding compared to the estimated net FY 2025 allocation. Requires the moneys to be used by a nonprofit organization to provide access to emergency room poison information and treatment. Requires the federal matching moneys to be subject to the cap rule of 10.00% of applicable moneys to the federal Social Security cap and will be included in the HHS calculations of the cap.

11 5 4. Unless otherwise provided by law, if a contract for  
 11 6 services provided under this section initially entered into  
 11 7 during the fiscal year beginning July 1, 2025, and ending  
 11 8 June 30, 2026, provides for an annual increase of the cost of  
 11 9 services provided under the contract, the annual increase shall  
 11 10 not exceed the amount by which the consumer price index for  
 11 11 all urban consumers increased during the immediately preceding  
 11 12 calendar year. This subsection shall not affect a contract  
 11 13 entered into on or before June 30, 2025, that is for a term of  
 11 14 more than one year.

Specifies that annual increases for services provided through contracts must not exceed the increase in the Consumer Price Index for All Urban Consumers for the most recently ended calendar year.

DETAIL: The Consumer Price Index for all urban consumers rose 2.89% in calendar year 2024.

#### 11 15 HEALTH CARE ACCOUNTS AND FUNDS

11 16 Sec. 10. PHARMACEUTICAL SETTLEMENT ACCOUNT — DEPARTMENT  
 11 17 OF HEALTH AND HUMAN SERVICES. There is appropriated from the  
 11 18 pharmaceutical settlement account created in section 249A.33 to  
 11 19 the department of health and human services for the fiscal year  
 11 20 beginning July 1, 2025, and ending June 30, 2026, the following  
 11 21 amount, or so much thereof as is necessary, to be used for the  
 11 22 purposes designated:  
 11 23 Notwithstanding any provision of law to the contrary, to

Pharmaceutical Settlement Account (PSA) appropriation to the HHS to supplement Health Program Operations under the Medicaid Program.

DETAIL: This is no change in funding compared to estimated FY 2025.

11 24 supplement the appropriation made in this Act from the general  
 11 25 fund of the state for health program operations under the  
 11 26 medical assistance program for the same fiscal year:  
 11 27 ..... \$ 234,193

11 28 Sec. 11. QUALITY ASSURANCE TRUST FUND — DEPARTMENT OF  
 11 29 HEALTH AND HUMAN SERVICES. Notwithstanding any provision of  
 11 30 law to the contrary and subject to the availability of moneys,  
 11 31 there is appropriated from the quality assurance trust fund  
 11 32 created in section 249L.4 to the department of health and human  
 11 33 services for the fiscal year beginning July 1, 2025, and ending  
 11 34 June 30, 2026, the following amount, or so much thereof as is  
 11 35 necessary, for the purposes designated:  
 12 1 To supplement the appropriation made in this Act from the  
 12 2 general fund of the state to the department of health and human  
 12 3 services for medical assistance for the same fiscal year:  
 12 4 ..... \$ 111,216,205

12 5 Sec. 12. HOSPITAL HEALTH CARE ACCESS TRUST FUND —  
 12 6 DEPARTMENT OF HEALTH AND HUMAN SERVICES. Notwithstanding  
 12 7 any provision of law to the contrary and subject to the  
 12 8 availability of moneys, there is appropriated from the hospital  
 12 9 health care access trust fund created in section 249M.4 to the  
 12 10 department of health and human services for the fiscal year  
 12 11 beginning July 1, 2025, and ending June 30, 2026, the following  
 12 12 amount, or so much thereof as is necessary, for the purposes  
 12 13 designated:  
 12 14 To supplement the appropriation made in this Act from the  
 12 15 general fund of the state to the department of health and human  
 12 16 services for medical assistance for the same fiscal year:  
 12 17 ..... \$ 33,920,554

12 18 SEX REASSIGNMENT SURGERY OR TREATMENT

12 19 Sec. 13. MEDICAL ASSISTANCE PROGRAM — SEX REASSIGNMENT  
 12 20 SURGERY OR TREATMENT. Moneys appropriated in this Act from  
 12 21 the general fund of the state to the department of health and  
 12 22 human services for the fiscal year beginning July 1, 2025, and  
 12 23 ending June 30, 2026, and allocated for the medical assistance  
 12 24 program, shall not be used for sex reassignment surgery  
 12 25 or treatment related to an individual's gender dysphoria  
 12 26 diagnosis. The department of health and human services shall

Quality Assurance Trust Fund (QATF) appropriation to the HHS to supplement nursing facilities under the Medicaid Program.

DETAIL: This is no change in funding compared to estimated FY 2025.

Hospital Health Care Access Trust Fund (HHCAT) appropriation to the HHS for the Medicaid Program.

DETAIL: This is no change in funding compared to estimated FY 2025.

Prohibits FY 2026 moneys allocated for Medicaid from being used for sex reassignment surgery or treatment related to an individual's gender dysphoria diagnosis. Requires the HHS to adopt administrative rules to administer this Section of the Bill.

12 27 adopt rules pursuant to chapter 17A to administer this section.

12 28 Sec. 14. REIMBURSEMENT RATES.

12 29 1. Reimbursement for medical assistance, state  
 12 30 supplementary assistance, and social service providers and  
 12 31 services reimbursed under the purview of the department  
 12 32 of health and human services shall remain at the current  
 12 33 reimbursement rate, or shall be determined pursuant to the  
 12 34 reimbursement methodology in effect on June 30, 2025, with the  
 12 35 following exceptions:

13 1 a. If reimbursement is otherwise negotiated by contract or  
 13 2 pursuant to an updated fee schedule.

13 3 b. As otherwise provided in this division.

13 4 2. Of the moneys appropriated for medical assistance  
 13 5 program reimbursement and associated costs as specifically  
 13 6 provided in the reimbursement methodologies in effect June  
 13 7 30, 2025, the following amounts, or so much thereof as is  
 13 8 necessary, are allocated to the department of health and human  
 13 9 services to be used for the following purposes:

13 10 a. (1) Notwithstanding any provision of law to the  
 13 11 contrary, for the fiscal year beginning July 1, 2025, and  
 13 12 ending June 30, 2026, the department of health and human  
 13 13 services shall rebase case-mix nursing facility rates beginning  
 13 14 July 1, 2025, using the Medicaid cost reports on file for  
 13 15 the period ending December 31, 2024, to the extent possible  
 13 16 within state funding, including no more than \$16,000,000  
 13 17 from the allocation provided for medical assistance program  
 13 18 reimbursement and associated costs.

13 19 (2) The department of health and human services shall  
 13 20 calculate each nursing facility's case-mix index for the period  
 13 21 beginning July 1, 2024, using weighting based on the current  
 13 22 patient-driven payment model schedule. Rosters shall be  
 13 23 made to show a separate calculation to determine the average  
 13 24 case-mix index for a nursing-facility-wide case-mix index, and  
 13 25 a case-mix index for the residents of a nursing facility who  
 13 26 are Medicaid recipients using all minimum data set reports by  
 13 27 the nursing facility for the previous semiannual period using a  
 13 28 day weighted calculation.

13 29 b. For the fiscal year beginning July 1, 2025, \$420,000  
 13 30 shall be used to increase to the extent possible reimbursement

Requires that reimbursement for Medical Assistance, SSA, and social service providers and services must remain at the reimbursement rate or be determined pursuant to the reimbursement methodology in effect on June 30, 2025, unless otherwise negotiated by contract or provided in this Section.

Requires the HHS to reimburse case-mix nursing facility reimbursement rates for FY 2026 using the Medicaid cost reports on file for the period ending December 31, 2024, within State funding, including no more than \$16,000,000 from the allocation provided nursing facility Medicaid reimbursement and associated costs. The HHS is required to calculate each nursing facility's case-mix index for FY 2025 using weighting based on the current patient-driven payment model schedule.

Allocates \$420,000 from the Medical Assistance appropriation in FY 2026 to increase Medicaid reimbursement rates for maternal health

13 31 rates for maternal health providers compared to the rates in  
13 32 effect on June 30, 2025.

providers.

DETAIL: This is a new allocation for FY 2026.

13 33 c. For the fiscal year beginning July 1, 2025, \$2,000 shall  
13 34 be used to increase to the extent possible reimbursement rates  
13 35 for certified nurse midwives compared to the rates in effect  
14 1 on June 30, 2025.

Allocates \$2,000 from the Medical Assistance appropriation in FY 2026 to increase Medicaid reimbursement rates for certified nurse midwives.

DETAIL: This is a new allocation for FY 2026.

14 2 d. For the fiscal year beginning July 1, 2025, reimbursement  
14 3 rates for home health agencies shall continue to be based  
14 4 on the Medicare low utilization payment adjustment (LUPA)  
14 5 methodology with state geographic wage adjustments and shall be  
14 6 adjusted to increase the rates to the extent possible.

Beginning July 1, 2025, requires reimbursement rates for home health agencies to continue to be based on the Medicare Low Utilization Payment Adjustment (LUPA) methodology with State geographic wage adjustments and to be adjusted to increase the reimbursement rates to the extent possible.

14 7 e. For the fiscal year beginning July 1, 2026, and for  
14 8 each fiscal year thereafter, the department shall review the  
14 9 reimbursement rates for home health agencies and pharmacy  
14 10 dispensing fees.

Beginning July 1, 2026, and for each year thereafter, the HHS will review reimbursement rates for home health agencies and pharmacy dispensing fees.

#### 14 11 NURSING FACILITIES — REIMBURSEMENT METHODOLOGY PROPOSAL

##### 14 12 Sec. 15. NURSING FACILITIES — MEDICAID REIMBURSEMENT 14 13 METHODOLOGY PROPOSAL.

14 14 1. By April 1, 2026, the department of health and human  
14 15 services shall develop a reimbursement methodology proposal for  
14 16 reimbursement of nursing facilities under the Medicaid program  
14 17 that includes all of the following:

- 14 18 a. A base-rate payment component.
- 14 19 b. A quality assurance assessment pass-through component.
- 14 20 c. A quality assurance add-on component, which includes a  
14 21 fixed fee payment and a quality-based payment.

14 22 2. The reimbursement methodology proposal shall include  
14 23 recommendations developed by the department of health and human  
14 24 services, in consultation with stakeholders including the Iowa  
14 25 health care association and leadingage Iowa, for specific  
14 26 metrics the department of health and human services will use  
14 27 to determine whether a nursing facility is eligible to receive  
14 28 all or a portion of the quality-based payment portion of the  
14 29 reimbursement to the nursing facility.

Requires the HHS, by April 1, 2026, to develop a reimbursement methodology proposal for reimbursement of nursing facilities under the Medicaid program that includes a base-rate payment component, a quality assurance assessment pass-through component, and a quality assurance add-on component, which includes a fixed fee payment and a quality-based payment. Provides that the reimbursement methodology proposal must include recommendations developed by the HHS, in consultation with stakeholders including the Iowa Health Care Association and LeadingAge Iowa, for specific metrics the HHS will use to determine whether a nursing facility is eligible to receive all or a portion of the quality-based payment portion of the reimbursement to the nursing facility. Prohibits the total State expenditures for reimbursement of nursing facilities under the Medicaid program using the reimbursement methodology proposed in this Section of the Bill from exceeding the amount appropriated for this purpose for the applicable fiscal year.

14 30 3. The total state expenditures for reimbursement of  
 14 31 nursing facilities under the Medicaid program using the  
 14 32 reimbursement methodology proposed in this section shall  
 14 33 not exceed the amount appropriated for this purpose for the  
 14 34 applicable fiscal year.

14 35 NURSING FACILITY FORECASTING FORMULA

15 1 Sec. 16. NURSING FACILITY BED FORECASTING FORMULA — WORK  
 15 2 GROUP.

15 3 1. The department of health and human services shall  
 15 4 establish a work group to make recommendations for a  
 15 5 forecasting formula to ensure a sufficient number of nursing  
 15 6 facility beds are available to meet the future demand for  
 15 7 nursing facility beds.

15 8 2. The work group shall include all of the following  
 15 9 members:

15 10 a. The director of health and human services, or the  
 15 11 director's designee.

15 12 b. The director of the department of inspections, appeals,  
 15 13 and licensing, or the director's designee.

15 14 c. Multiple representatives of nursing facilities located  
 15 15 in this state.

15 16 d. A representative from each managed care organization  
 15 17 acting pursuant to a contract with the department of health and  
 15 18 human services to administer the medical assistance program  
 15 19 under chapter 249A.

15 20 e. A representative of appropriate stakeholders as  
 15 21 determined by the director of health and human services.

15 22 3. On or before July 1, 2026, the department of health and  
 15 23 human services shall use the recommendations from the work  
 15 24 group to develop and implement a forecasting formula to ensure  
 15 25 a sufficient number of nursing facility beds are available to  
 15 26 meet the future demand for nursing facility beds.

15 27 4. The department of health and human services shall  
 15 28 consider the forecasting formula developed and implemented  
 15 29 under subsection 3 to complete the formal review of an  
 15 30 application for a certificate of need under section 10A.719.

Requires the HHS to establish a work group to make recommendations for a forecasting formula to ensure a sufficient number of nursing facility beds are available to meet future demand.

Requires the work group to include the following members:

- The Director of the HHS, or the Director's designee.
- The Director of the DIAL, or the Director's designee.
- Multiple representatives of nursing facilities located in Iowa.
- A representative from each Managed Care Organization (MCO).
- A representative of appropriate stakeholders as determined by the Director of the HHS.

Requires the HHS, on or before July 1, 2026, to use the recommendations from the work group to develop and implement a forecasting formula to ensure a sufficient number of nursing facility beds are available to meet the future demand.

Requires the HHS to consider the forecasting formula to complete the formal review of an application for a certificate of need.

15 31 DIVISION VII  
15 32 FAMILY WELL-BEING AND PROTECTION — FY 2025-2026

15 33 STATE CHILD CARE ASSISTANCE

15 34 Sec. 17. STATE CHILD CARE ASSISTANCE. There is appropriated  
15 35 from the general fund of the state to the department of health  
16 1 and human services for the fiscal year beginning July 1,  
16 2 2025, and ending June 30, 2026, the following amount, or so  
16 3 much thereof as is necessary, to be used for the purposes  
16 4 designated:  
16 5 For state child care assistance in accordance with sections  
16 6 237A.13 and 237A.14:  
16 7 ..... \$ 34,983,000

General Fund appropriation to the HHS for Child Care Assistance (CCA).

DETAIL: This is an increase of \$16,069 in funding compared to estimated net FY 2025 for general operating expenses.

16 8 1. If the appropriation made for purposes of the state child  
16 9 care assistance program for the fiscal year are determined to  
16 10 be insufficient, it is the intent of the general assembly to  
16 11 appropriate sufficient moneys for the fiscal year to avoid  
16 12 application of waiting list requirements.

It is the intent of the General Assembly to provide sufficient funding for the State CCA Program in FY 2026 to avoid the establishment of a waiting list.

16 13 2. A portion of the state match for the federal child care  
16 14 and development block grant shall be provided as necessary to  
16 15 meet federal matching moneys requirements through the state  
16 16 general fund appropriation made for child development grants  
16 17 and other programs for at-risk children in section 279.51.

Requires a portion of the State match for the federal Child Care and Development Block Grant to be provided from the State appropriation for child development grants and other programs for at-risk children as necessary to meet federal matching requirements.

16 18 EARLY INTERVENTION AND SUPPORTS

16 19 Sec. 18. EARLY INTERVENTION AND SUPPORTS. There is  
16 20 appropriated from the general fund of the state to the  
16 21 department of health and human services for the fiscal year  
16 22 beginning July 1, 2025, and ending June 30, 2026, the following  
16 23 amount, or so much thereof as is necessary, to be used for the  
16 24 purposes designated:  
16 25 For promoting optimum health status for children and  
16 26 adolescents from birth through 21 years of age, and for  
16 27 families:  
16 28 ..... \$ 36,301,904

General Fund appropriation to the HHS — Early Intervention and Supports for FY 2026.

DETAIL: This is an increase of \$1,024,165 compared to estimated net FY 2025. This includes:

- An increase of \$1,000,000 to move funding for the More Options for Maternal Support (MOMS) Program from the Child Protective Services appropriation.
- An increase of \$24,165 for general operating expenses.

16 29 1. Of the moneys appropriated in this section, not more  
16 30 than \$734,000 shall be used for the healthy opportunities for

Limits the General Fund amount used to fund the Healthy Opportunities for Parents to Experience Success – Healthy Families

16 31 parents to experience success (HOPES)-healthy families Iowa  
 16 32 (HFI) program established pursuant to section 135.106.

Iowa (HOPES-HFI) Program to \$734,000.

DETAIL: This is no change in funding compared to the estimated net FY 2025 allocation. This Program provides support for families through home visits that begin during pregnancy or at the birth of a child and can continue through age four.

16 33 2. Of the moneys appropriated in this section, \$4,313,854  
 16 34 is allocated for the FaDSS grant program, and not more than 5  
 16 35 percent of the moneys shall be used for administration of the  
 17 1 grant program.

Allocates \$4,313,854 for the Family Development and Self-Sufficiency (FaDSS) Grant Program. Requires that a maximum of 5.00% (\$215,693) of the allocation be spent on administration of the Program.

DETAIL: This is no change in funding compared to the estimated net FY 2025 allocation.

17 2 3. Of the moneys appropriated in this section, \$29,256,799  
 17 3 shall be deposited in the early childhood Iowa fund created in  
 17 4 section 256I.11.

Allocates \$29,256,799 for the Early Childhood Iowa (ECI) Fund.

DETAIL: This is no change in funding compared to the estimated net FY 2025 allocation. The funds are distributed to local ECI Area Boards in addition to the following five allocations:

- Funding for technical assistance through the ECI Office within the Department of Management (DOM) and to provide skill development and support for training the ECI State Board.
- Funding to local ECI Area Boards to improve the quality of early care, health, and education programs.
- Funding to support professional development and training activities for persons working in early care, health, and education.
- Funding for the State's early childhood database system.
- Funding for community-based early childhood programs.

17 5 4. Of the moneys appropriated in this section, \$1,000,000  
 17 6 shall be used for the purposes of program administration and  
 17 7 provision of pregnancy support services through the more  
 17 8 options for maternal support program in accordance with section  
 17 9 217.41C.

Allocates \$1,000,000 to be used for administration and pregnancy support services through the MOMS Program.

DETAIL: This is no change in funding compared to the estimated net FY 2025 allocation.

17 10 CHILD PROTECTIVE SERVICES

17 11 Sec. 19. CHILD PROTECTIVE SERVICES. There is appropriated  
 17 12 from the general fund of the state to the department of health

General Fund appropriation to the HHS — Child Protective Services for FY 2026.

17 13 and human services for the fiscal year beginning July 1,  
 17 14 2025, and ending June 30, 2026, the following amount, or so  
 17 15 much thereof as is necessary, to be used for the purposes  
 17 16 designated:  
 17 17 For child, family, and adoption services, and for salaries,  
 17 18 support, maintenance, and miscellaneous purposes:  
 17 19 ..... \$ 166,308,818

DETAIL: This is a net increase of \$207,784 compared to estimated net FY 2025. This includes:

- An increase of \$1,207,784 for general operating expenses.
- A decrease of \$1,000,000 to move funding for the MOMS Program to the Early Intervention and Supports appropriation.

17 20 1. Of the moneys appropriated in this section, \$1,717,000  
 17 21 is allocated specifically for expenditure for the fiscal  
 17 22 year beginning July 1, 2025, through the decategorization  
 17 23 services funding pools and decategorization governance boards  
 17 24 established pursuant to section 232.188.

Allocates \$1,717,000 for decategorization services funding pools and governance boards.

DETAIL: This is no change in funding compared to the estimated net FY 2025 allocation.

17 25 2. A portion of the moneys appropriated in this section  
 17 26 may be used to provide other resources based on client need  
 17 27 required to support family preservation, emergency client need,  
 17 28 or family reunification efforts.

Permits funds to be used for emergency family assistance under certain conditions.

17 29 3. Of the moneys appropriated in this section, a sufficient  
 17 30 amount is allocated for foster family care, group foster care  
 17 31 maintenance and services, shelter care, child welfare emergency  
 17 32 services, qualified residential treatment programs, supervised  
 17 33 apartment living contracts, and for medical assistance program  
 17 34 reimbursement and associated costs.

Allocates a sufficient amount to group foster care.

DETAIL: In FY 2024, \$40,500,000 was allocated for group foster care.

17 35 4. Federal moneys received by the state during the fiscal  
 18 1 year beginning July 1, 2025, as the result of the expenditure  
 18 2 of state moneys appropriated during a previous state fiscal  
 18 3 year for a service or activity funded under this section, are  
 18 4 appropriated to the department to be used as additional moneys  
 18 5 for services and purposes provided for under this section.  
 18 6 Notwithstanding section 8.33, moneys appropriated under this  
 18 7 subsection that remain unencumbered or unobligated at the close  
 18 8 of the fiscal year shall not revert but shall remain available  
 18 9 for the purposes designated until the close of the succeeding  
 18 10 fiscal year.

Requires federal moneys received in FY 2026 because of the expenditure of State funds in a previous year to be used for Child Protective Services. Allows any unexpended funds to remain available for expenditure through FY 2027.

18 11 5. a. Of the moneys appropriated in this section, \$748,000  
 18 12 is allocated for the payment of the expenses of court-ordered  
 18 13 services provided to children who are under the supervision

Allocates \$748,000 for court-ordered services provided to children who are under the supervision of the HHS.

18 14 of the department, which expenses are a charge upon the state  
18 15 pursuant to section 232.141, subsection 4.

DETAIL: This is no change in funding compared to the estimated net FY 2025 allocation.

18 16 b. Notwithstanding chapter 232 or any other provision of  
18 17 law to the contrary, a district or juvenile court shall not  
18 18 order any service which is a charge upon the state pursuant to  
18 19 section 232.141, subsection 4, if the court-ordered services  
18 20 distribution amount is insufficient to pay for the service.

Prohibits a district or juvenile court from ordering any service that is a charge to the State if there are insufficient funds to pay for the service.

18 21 6. Of the moneys appropriated in this section, \$1,658,000  
18 22 shall be used for child protection centers located in Iowa  
18 23 pursuant to the child protection center grant program under  
18 24 section 135.118. The grant amounts under the program shall be  
18 25 equalized so that each center receives a uniform base amount  
18 26 of \$245,000, and the remaining moneys are awarded through a  
18 27 funding formula based upon the volume of children served by a  
18 28 center. To increase access to child protection center services  
18 29 for children in rural areas, the funding formula for awarding  
18 30 the remaining moneys shall provide for awarding an enhanced  
18 31 amount to eligible grantees to develop and maintain satellite  
18 32 centers in underserved regions of the state.

Requires \$1,658,000 to be used for the Child Protection Center (CPC) Grant Program. Each CPC will receive \$245,000, and the remaining funds will be distributed through a funding formula based on the volume of children served. Requires the funding formula to provide for the awarding of an enhanced amount to eligible grantees to develop and maintain satellite centers in underserved regions of the State.

DETAIL: This is no change in funding compared to the estimated net FY 2025 allocation.

18 33 7. Of the moneys appropriated in this section, \$4,359,500  
18 34 is allocated for the preparation for adult living program  
18 35 established pursuant to section 234.46.

Allocates \$4,359,500 to the Preparation for Adult Living (PAL) Program.

DETAIL: This is no change in funding compared to the estimated net FY 2025 allocation.

19 1 8. Of the moneys appropriated in this section, up to  
19 2 \$227,000 shall be used for the public purpose of continuing a  
19 3 grant to a nonprofit human services organization that provides  
19 4 services to individuals and families in multiple locations in  
19 5 southwest Iowa and Nebraska, for support of a project providing  
19 6 immediate, sensitive support and forensic interviews, medical  
19 7 exams, needs assessments, and referrals for victims of child  
19 8 abuse and their nonoffending family members.

Allocates \$227,000 to Project Harmony for support of victims of child abuse and their nonoffending family members.

DETAIL: This is no change in funding compared to the estimated net FY 2025 allocation.

19 9 9. Of the moneys appropriated in this section, a portion may  
19 10 be used for family-centered services for purposes of complying  
19 11 with the federal Family First Prevention Services Act of 2018,  
19 12 Pub.L. No.115-123, and successor legislation.

Allows the HHS to use a portion of the funds allocated in this Section for family-centered services to comply with the federal [Family First Prevention Services Act](#).

<p>19 13 10. a. Of the moneys appropriated in this section, a  19 14 sufficient amount is allocated for adoption subsidy payments  19 15 and related costs.</p>	<p>Specifies that a sufficient amount is allocated to the Adoption Subsidy Program.</p> <p>DETAIL: This allocation was previously an appropriation of \$40,883,507 for the Adoption Subsidy Program in FY 2024.</p>
<p>19 16 b. Any moneys remaining after the allocation under  19 17 paragraph "a" are designated and allocated as state savings  19 18 resulting from implementation of the federal Fostering  19 19 Connections to Success and Increasing Adoptions Act of 2008,  19 20 Pub.L. No.110-351, and successor legislation, as determined  19 21 in accordance with 42 U.S.C. §673(a)(8), and shall be used for  19 22 post-adoption services and for other purposes allowed under  19 23 those federal laws, Tit.IV-B or Tit.IV-E of the federal  19 24 Social Security Act.</p>	<p>CODE: Directs the HHS to use the funds appropriated to the Adoption Subsidy Program for adoption subsidy payments and post-adoption services as allowed under Title IV-B and Title IV-E of the federal Social Security Act, due to the federal <a href="#">Fostering Connections to Success and Increasing Adoptions Act of 2008</a>.</p>
<p>19 25 11. Of the moneys appropriated in this section, a sufficient  19 26 amount is allocated to support training needs for child welfare  19 27 providers and to address disproportionality within the child  19 28 welfare system.</p>	<p>Allocates a sufficient amount of moneys appropriated for Child Protective Services to support training and to address disproportionality within the child welfare system.</p>
<p>19 29 12. If a separate funding source is identified that reduces  19 30 the need for state moneys within an allocation under this  19 31 section, the allocated state moneys may be redistributed to  19 32 other allocations under this section for the same fiscal year.</p>	<p>Specifies that if other funding is available, the allocations of State funds in this Section may be redistributed to other allocations for FY 2026.</p> <p>DETAIL: Other funding sources for Child and Family Services include Title IV-B and IV-E of the Social Security Act, the Temporary Assistance for Needy Families (TANF) Block Grant, and the Social Services Block Grant.</p>
<p>19 33 DIVISION VIII  19 34 STATE-OPERATED SPECIALTY CARE — FY 2025-2026</p>	<p>General Fund appropriation to the HHS — State-Operated Specialty Care for FY 2026.</p>
<p>19 35 Sec. 20. STATE-OPERATED SPECIALTY CARE. There is  20 1 appropriated from the general fund of the state to the  20 2 department of health and human services for the fiscal year  20 3 beginning July 1, 2025, and ending June 30, 2026, the following  20 4 amount, or so much thereof as is necessary, to be used for the  20 5 purposes designated:  20 6 For salaries, support, maintenance, and miscellaneous  20 7 purposes at institutions under the jurisdiction of the</p>	<p>DETAIL: This is an increase of \$2,331,002 compared to estimated net FY 2025. This includes:</p> <ul style="list-style-type: none"> <li>• An increase of \$1,185,585 for general operating expenses.</li> <li>• An increase of \$1,145,417 to annualize staffing at the mental health institutes (MHIs) and the Civil Commitment Unit for</li> </ul>

20 8 department of health and human services:  
 20 9 ..... \$ 102,337,130

Sexual Offenders (CCUSO).

20 10 1. The department shall utilize the moneys appropriated in  
 20 11 this section as necessary to maximize bed capacity and to most  
 20 12 effectively meet the needs of the individuals served.

Requires the HHS to utilize funds as necessary to maximize bed capacity and meet the needs of the individuals served.

20 13 2. Of the moneys appropriated in this section, the following  
 20 14 amounts are allocated to each institution as follows:

20 15 a. For the state mental health institute at Cherokee:  
 20 16 ..... \$ 19,694,904

Allocates \$19,694,904 for the MHI at Cherokee.

DETAIL: This is an increase of \$255,818 compared to estimated net FY 2025. Of this, \$3,830 is to annualize staffing and \$251,988 is for general operating expenses.

20 17 b. For the state mental health institute at Independence:  
 20 18 ..... \$ 24,378,189

Allocates \$24,378,189 for the MHI at Independence.

DETAIL: This is an increase of \$461,910 compared to estimated net FY 2025. Of this, \$197,328 is to annualize staffing and \$264,582 is for general operating expenses.

20 19 c. For the civil commitment unit for sexual offenders at  
 20 20 Cherokee:  
 20 21 ..... \$ 18,941,250

Allocates \$18,941,250 for the CCUSO at Cherokee.

DETAIL: This is an increase of \$1,185,853 compared to estimated net FY 2025. Of this, \$944,259 is to annualize staffing and \$241,594 is for general operating expenses.

20 22 d. For the state resource center at Woodward:  
 20 23 ..... \$ 14,164,449

Allocates \$14,164,449 for the State Resource Center at Woodward.

DETAIL: This is an increase of \$145,732 compared to estimated net FY 2025 for general operating expenses.

20 24 e. For the state resource center at Glenwood:  
 20 25 ..... \$ 5,296,062

Allocates \$5,296,062 for the State Resource Center at Glenwood.

DETAIL: This is an increase of \$40,930 compared to estimated net FY 2025 for general operating expenses. The State announced the closure of the Glenwood Resource Center in 2022, which was completed by the close of FY 2024. Appropriated moneys are used to maintain the facilities at Glenwood.

20 26 f. For the state training school at Eldora:  
 20 27 ..... \$ 19,862,275

Allocates \$19,862,275 for the State Training School at Eldora.

DETAIL: This is an increase of \$240,758 compared to estimated net FY 2025 for general operating expenses.

20 28 DIVISION IX  
 20 29 ADMINISTRATION AND COMPLIANCE — FY 2025-2026

20 30 Sec. 21. ACCOUNTABILITY, COMPLIANCE, PROGRAM INTEGRITY, AND  
 20 31 FULL-TIME EQUIVALENT POSITIONS. There is appropriated from the  
 20 32 general fund of the state to the department of health and human  
 20 33 services for the fiscal year beginning July 1, 2025, and ending  
 20 34 June 30, 2026, the following amount, or so much thereof as is  
 20 35 necessary, to be used for the purposes designated:  
 21 1 For accountability, compliance, and program integrity,  
 21 2 including salaries, support, maintenance, and miscellaneous  
 21 3 purposes:  
 21 4 ..... \$ 21,904,214

General Fund appropriation to the HHS — Accountability, Compliance, and Program Integrity for FY 2026.

DETAIL: This is net decrease of \$452,384 compared to estimated net FY 2025. This includes a decrease of \$874,059 to align the Criminal Justice Planning research staff from the HHS Accountability, Compliance, and Program Integrity appropriation line item under the DOM Department Operations appropriation and an increase of \$421,675 for general operating expenses.

21 5 1. Of the moneys appropriated in this section, \$2,602,312  
 21 6 shall be used for foster care review and the court appointed  
 21 7 special advocate program, including for salaries, support,  
 21 8 maintenance, and miscellaneous purposes.

Allocates \$2,602,312 for foster care review and the Court Appointed Special Advocate (CASA) Program.

DETAIL: This is no change in funding compared to the estimated net FY 2025 allocation. The State's Local Foster Care Review Boards and the CASA Program work to recruit, train, and support community volunteers through the State to represent the interests of abused and neglected children.

21 9 2. Of the moneys appropriated in this section, \$1,148,959  
 21 10 shall be used for the office of long-term care ombudsman  
 21 11 for salaries, support, administration, maintenance, and  
 21 12 miscellaneous purposes.

Allocates \$1,148,959 to the Office of Long-Term Care Ombudsman.

DETAIL: This is no change in funding compared to the estimated FY 2025 allocation.

21 13 3. For the fiscal year beginning July 1, 2025, and ending  
 21 14 June 30, 2026, the department of health and human services may  
 21 15 utilize moneys appropriated in this Act from the general fund  
 21 16 of the state to the department for up to 4,148.00 full-time  
 21 17 equivalent positions. The department shall report to the  
 21 18 general assembly by December 15, 2025, the distribution of the  
 21 19 approved number of full-time equivalent positions across the  
 21 20 organizational divisions of the department.

Allows the HHS to utilize FY 2026 General Fund moneys for up to 4,148.00 FTE positions. Requires the HHS to report to the General Assembly by December 15, 2025, the distribution of FTE positions across the organizational divisions of the HHS.

DETAIL: General Fund FTE positions are now tracked through the same line items as federally funded FTE positions. Excluding federally funded FTE positions, this is a decrease of 8.00 FTE positions compared to the previously authorized amount in 2024 Iowa Acts,

<p>21 21 DIVISION X  21 22 DEPARTMENT OF HEALTH AND HUMAN SERVICES TRANSFERS, CASH FLOW,  21 23 AND NONREVERSIONS — FY 2025-2026</p>	<p><a href="#">House File 2698</a> (FY 2025 Health and Human Services Appropriations Act), to align the Criminal Justice Planning research staff from the HHS Accountability, Compliance, and Program Integrity appropriation line item under the Iowa Department of Management (DOM) Department Operations appropriation.</p>
<p>21 24 Sec. 22. DEPARTMENT OF HEALTH AND HUMAN SERVICES TRANSFERS  21 25 AND CASH FLOW.  21 26 1. Notwithstanding any provision of law to the contrary,  21 27 the department of health and human services may transfer moneys  21 28 appropriated in this Act to support continuing alignment  21 29 efforts, to maximize federal support in accordance with the  21 30 department's federal costs allocation plan, and for resources  21 31 necessary to implement and administer the services for which  21 32 moneys are appropriated. The department shall report any  21 33 transfers made pursuant to this subsection to the general  21 34 assembly.</p>	<p>Permits the HHS to transfer funds allocated in this Bill for purposes of continuing alignment efforts, maximizing federal support, and the implementation and administration of services. Requires the HHS to report any transfers made pursuant to this subsection to the General Assembly.</p>
<p>21 35 2. If, due to ongoing cost management efforts, the  22 1 appropriations under this Act for the Medicaid program  22 2 exceed the associated costs for the Medicaid program for the  22 3 fiscal year, the department may transfer any savings to the  22 4 appropriations made in this Act for health program operations,  22 5 or for accountability, compliance, and program integrity,  22 6 to defray the costs associated with ongoing cost management  22 7 efforts.</p>	<p>Specifies that if savings to the Medicaid Program for cost management efforts during FY 2026 exceed costs, the HHS may transfer any savings to the appropriations in this Bill to Health Program Operations or to defray the costs associated with implementation of cost management efforts.</p>
<p>22 8 3. Notwithstanding any provision of law to the contrary,  22 9 the department may transfer moneys appropriated under this Act  22 10 for child protective services to pay the nonfederal share costs  22 11 of services reimbursed under the medical assistance program,  22 12 state child care assistance program, or the family investment  22 13 program which are provided to children who would otherwise  22 14 receive services paid by the appropriation for child protective  22 15 services.</p>	<p>Permits the HHS to transfer funds appropriated to Child Protective Services to pay the nonfederal share of services reimbursed under Medicaid, the State CCA Program, or the Family Investment Program (FIP) for children who would otherwise receive services paid under the appropriation for Child Protective Services.</p>
<p>22 16 4. The department may transfer moneys from the temporary  22 17 assistance for needy families block grant to the federal social</p>	<p>Permits the HHS to transfer funds from the TANF Block Grant to the Federal Social Services Block Grant appropriation and the Child Care</p>

<p>22 18 services block grant appropriation, and to the child care and  22 19 development block grant appropriation, in accordance with  22 20 federal law.</p>	<p>and Development Block Grant appropriation in accordance with federal law.</p>
<p>22 21 5. To the extent the department determines that moneys  22 22 appropriated under this Act, or allocated for a specific  22 23 purpose under this Act, will remain unencumbered or unobligated  22 24 at the close of the fiscal year, such unencumbered or  22 25 unobligated moneys may be used in the same fiscal year for any  22 26 other purpose for which the appropriated moneys may be used, or  22 27 for any other allocation within the same appropriation.</p>	<p>Allows the HHS to use unencumbered and unobligated moneys for any other purpose for which the moneys appropriated may be used or for any other allocation within the same appropriation.</p>
<p>22 28 Sec. 23. DEPARTMENT OF HEALTH AND HUMAN SERVICES  22 29 NONREVERSIONS.</p>	
<p>22 30 1. Notwithstanding section 8.33, moneys appropriated under  22 31 this Act from the general fund of the state and the temporary  22 32 assistance for needy families block grant to the department of  22 33 health and human services for the fiscal year beginning July 1,  22 34 2025, and ending June 30, 2026, for the purposes of the FaDSS  22 35 grant program that remain unencumbered or unobligated at the  23 1 close of the fiscal year shall not revert, but shall remain  23 2 available for expenditure for the purposes designated until the  23 3 close of the succeeding fiscal year.</p>	<p>CODE: Allows any unexpended funds appropriated for the FaDSS Grant Program for FY 2026 to remain available for FY 2027.</p>
<p>23 4 2. Notwithstanding section 8.33, of the moneys appropriated  23 5 under this Act from the general fund of the state, the quality  23 6 assurance trust fund, and the hospital health care access trust  23 7 fund to the department of health and human services for the  23 8 fiscal year beginning July 1, 2025, and ending June 30, 2026,  23 9 for the purposes of the medical assistance program, the amount  23 10 in excess of actual expenditures for the medical assistance  23 11 program that remains unencumbered or unobligated at the close  23 12 of the fiscal year shall not revert, but shall remain available  23 13 for expenditure for the medical assistance program until the  23 14 close of the succeeding fiscal year.</p>	<p>CODE: Allows any unexpended funds appropriated from the General Fund, the QATF, and the HHCAT to the HHS in FY 2026 for the Medicaid Program to remain available for FY 2027.</p>
<p>23 15 3. Notwithstanding section 8.33, and notwithstanding the  23 16 nonreversion amount limitation specified for state resource  23 17 centers in section 222.92, subsection 4, moneys appropriated  23 18 under this Act from the general fund of the state to the  23 19 department of health and human services for the fiscal</p>	<p>CODE: Allows any unexpended funds appropriated from the General Fund to the HHS for State-Operated Specialty Care for FY 2026 to remain available for subsequent fiscal years.</p>

23 20 year beginning July 1, 2025, and ending June 30, 2026, for  
 23 21 the purposes of state-operated specialty care that remain  
 23 22 unencumbered or unobligated at the close of the fiscal year  
 23 23 shall not revert, but shall remain available for expenditure  
 23 24 for the purposes designated for subsequent fiscal years.

23 25 4. Notwithstanding section 8.33, moneys appropriated in  
 23 26 this Act from the general fund of the state to the department  
 23 27 of health and human services for the fiscal year beginning July  
 23 28 1, 2025, and ending June 30, 2026, for the Iowa commission  
 23 29 on volunteer service for programs and grants that remain  
 23 30 unencumbered or unobligated at the close of the fiscal year  
 23 31 shall not revert, but shall remain available for expenditure  
 23 32 for the purposes designated for subsequent fiscal years.

CODE: Allows any unexpended funds appropriated from the General Fund to the HHS for the Iowa Commission on Volunteer Services for FY 2026 to remain available for subsequent fiscal years.

23 33 5. Notwithstanding section 8.33, moneys appropriated under  
 23 34 this Act from the general fund of the state to the department  
 23 35 of health and human services for the fiscal year beginning July  
 24 1 1, 2025, and ending June 30, 2026, and allocated for rural  
 24 2 psychiatric residencies that remain unencumbered or unobligated  
 24 3 at the close of the fiscal year shall not revert, but shall  
 24 4 remain available for expenditure for the purposes designated  
 24 5 until the close of the succeeding fiscal year.

CODE: Specifies that any funds appropriated from the General Fund to the HHS in FY 2026 for rural psychiatric residencies that remain at the end of FY 2026 are permitted to remain available for FY 2027.

24 6 6. Notwithstanding section 8.33, moneys appropriated  
 24 7 under this Act from the general fund of the state to the  
 24 8 department of health and human services for the fiscal  
 24 9 year beginning July 1, 2025, and ending June 30, 2026, and  
 24 10 allocated for adoption subsidy payments and related costs, or  
 24 11 for post-adoption services and related allowable purposes,  
 24 12 that remain unencumbered or unobligated at the close of the  
 24 13 fiscal year shall not revert, but shall remain available for  
 24 14 expenditure for the purposes designated until the close of the  
 24 15 succeeding fiscal year.

CODE: Specifies that any funds appropriated from the General Fund to the HHS in FY 2026 for adoption subsidy payments or post-adoption services that remain at the end of FY 2026 are permitted to remain available for FY 2027.

24 16 DIVISION XI  
 24 17 DEPARTMENT OF HEALTH AND HUMAN SERVICES PRIOR APPROPRIATIONS  
 24 18 AND OTHER PROVISIONS

24 19 THRIVE IOWA PROGRAM CLOSED-LOOP REFERRAL SYSTEM

24 20 Sec. 24. 2024 Iowa Acts, chapter 1157, section 21,

CODE: Allows any unexpended funds appropriated in 2024 Iowa Acts,

24 21 subsection 6, is amended to read as follows:  
 24 22 6. To the extent the department determines that moneys  
 24 23 appropriated under this Act will remain unencumbered or  
 24 24 unobligated at the close of the fiscal year or that services  
 24 25 will not be impacted, the department may utilize up to  
 24 26 \$3,000,000 of such unencumbered or unobligated moneys  
 24 27 appropriated to develop and support the thrive Iowa program,  
 24 28 a closed-loop referral system utilizing a navigator model,  
 24 29 that acts as the connection point to link lowans on an  
 24 30 individualized path to prosperity and self-sufficiency  
 24 31 to available resources in all sectors of the community.  
 24 32 Notwithstanding section 8.33, any moneys utilized for this  
 24 33 purpose shall not revert but shall remain available for  
 24 34 expenditure for the purposes designated.

[House File 2698](#) (FY 2025 Health and Human Services Appropriations Act), for FY 2025 from the General Fund for the Thrive Iowa Program to remain available for expenditure until the close of FY 2026.

24 35 COMMUNITY ACCESS AND ELIGIBILITY

25 1 Sec. 25. 2024 Iowa Acts, chapter 1157, section 22, is  
 25 2 amended by adding the following new subsection:  
 25 3 NEW SUBSECTION 7. Notwithstanding section 8.33, moneys  
 25 4 appropriated under this Act from the general fund of the state  
 25 5 to the department of health and human services for the fiscal  
 25 6 year beginning July 1, 2024, and ending June 30, 2025, and  
 25 7 allocated for community access and eligibility that remain  
 25 8 unencumbered or unobligated at the close of the fiscal year  
 25 9 shall not revert but shall remain available for expenditure for  
 25 10 the purposes designated, or are appropriated to the department  
 25 11 for any purpose described in this division of this Act or to be  
 25 12 used as necessary to enhance the department's accountability,  
 25 13 compliance, program integrity, and efficiency, until the close  
 25 14 of the succeeding fiscal year.

CODE: Allows any unexpended funds appropriated in 2024 Iowa Acts, [House File 2698](#) (FY 2025 Health and Human Services Appropriations Act), for FY 2025 from the General Fund for Community Access and Eligibility to remain available for expenditure until the close of FY 2026.

25 15 Sec. 26. EFFECTIVE DATE. This division of this Act, being  
 25 16 deemed of immediate importance, takes effect upon enactment.

Specifies that Division XI of the Bill related to prior appropriations for FY 2025 takes effect upon enactment.

25 17 Sec. 27. RETROACTIVE APPLICABILITY. This division of this  
 25 18 Act applies retroactively to July 1, 2024.

Specifies that Division XI of the Bill related to prior appropriations for FY 2025 applies retroactively to July 1, 2024.

25 19 DIVISION XII  
 25 20 BEER AND LIQUOR CONTROL FUND — BEHAVIORAL HEALTH FUND

25 21 Sec. 28. 2024 Iowa Acts, chapter 1157, is amended by adding  
 25 22 the following new section:  
 25 23 NEW SECTION SEC. 4A. IN LIEU OF STANDING  
 25 24 APPROPRIATION. The moneys appropriated and allocated in this  
 25 25 division of this Act for purposes of treatment and prevention  
 25 26 of substance use and misuse and addictive behaviors are in lieu  
 25 27 of the standing appropriation to the department of health and  
 25 28 human services pursuant to section 123.17, subsection 5, for  
 25 29 the fiscal year beginning July 1, 2024.

CODE: Amends 2024 Iowa Acts, [House File 2698](#) (FY 2025 Health and Human Services Appropriations Act), to replace the standing appropriation under Iowa Code section [123.17\(5\)](#) for the Comprehensive Substance Use Disorder Program with the appropriation in Division III of the Act for FY 2025.

FISCAL IMPACT: This is a decrease of \$2,000,000 to the HHS for FY 2025.

25 30 Sec. 29. 2024 Iowa Acts, chapter 1161, section 14, is  
 25 31 amended by striking the section and inserting in lieu thereof  
 25 32 the following:  
 25 33 SEC. 14. Section 123.17, subsection 5, Code 2024, is amended  
 25 34 to read as follows:

CODE: Amends 2024 Iowa Acts, [House File 2673](#) (Behavioral Health Service System Act), to decrease the standing appropriation from the General Fund to the HHS from the 7.00% of the liquor sales for the Behavioral Health Fund from \$2,000,000 to \$1,000,000 beginning in FY 2026.

25 35 5. After any transfer provided for in subsection 3 is  
 26 1 made, the department shall transfer into a special revenue  
 26 2 account in the general fund of the state, a sum of money at  
 26 3 least equal to seven percent of the gross amount of sales made  
 26 4 by the department from the beer and liquor control fund on a  
 26 5 monthly basis but not less than nine million dollars annually.  
 26 6 Of the amounts transferred, ~~two one~~ million dollars, ~~plus an~~  
 26 7 ~~additional amount determined by the general assembly, shall be~~  
 26 8 ~~appropriated to the department of health and human services for~~  
 26 9 ~~use by the staff who administer the comprehensive substance use~~  
 26 10 ~~disorder program under chapter 125 for substance use disorder~~  
 26 11 ~~treatment and prevention programs shall be transferred to the~~  
 26 12 ~~behavioral health fund established under section 225A.7. Any~~  
 26 13 ~~amounts received in excess of the amounts appropriated to the~~  
 26 14 ~~department of health and human services for use by the staff~~  
 26 15 ~~who administer the comprehensive substance use disorder program~~  
 26 16 ~~under chapter 125 transferred to the behavioral health fund~~  
 26 17 shall be considered part of the general fund balance.

DETAIL: 2024 Iowa Acts, [House File 2673](#) (Behavioral Health Service System Act), increased this same standing appropriation to \$3,000,000; therefore, this change results in a decrease of \$2,000,000 to the Behavioral Health Fund beginning in FY 2026, and a corresponding increase of \$2,000,000 to the General Fund compared to current law.

26 18 Sec. 30. EFFECTIVE DATE. This division of this Act, being  
 26 19 deemed of immediate importance, takes effect upon enactment.

Specifies that Division XII of the Bill related to the Beer and Liquor Control Fund takes effect upon enactment.

26 20 Sec. 31. RETROACTIVE APPLICABILITY. This division of this  
 26 21 Act applies retroactively to July 1, 2024.

Specifies that Division XII of the Bill related to the Beer and Liquor Control Fund applies retroactively to July 1, 2024.

26 22 DIVISION XIII

## 26 23 REPORT ON NONREVERSION OF MONEYS

26 24 Sec. 32. REPORT ON NONREVERSION OF MONEYS. The department  
 26 25 of health and human services shall report the expenditure of  
 26 26 any moneys for which nonreversion authorization was provided  
 26 27 for the fiscal year beginning July 1, 2024, and ending June 30,  
 26 28 2025, to the general assembly on a quarterly basis beginning  
 26 29 October 1, 2025.

Requires the HHS to report the expenditure of any moneys for which nonreversion authorization was provided for FY 2025 to the General Assembly on a quarterly basis beginning October 1, 2025.

26 30 DIVISION XIV  
 26 31 EMERGENCY RULES

## 26 32 Sec. 33. EMERGENCY RULES.

26 33 1. If necessary to comply with federal requirements,  
 26 34 including time frames, the department of health and human  
 26 35 services or the mental health and disability services  
 27 1 commission shall adopt administrative rules under section  
 27 2 17A.4, subsection 3, and section 17A.5, subsection 2, paragraph  
 27 3 "b", to implement the applicable provisions of this Act. The  
 27 4 rules shall be effective immediately upon filing unless a  
 27 5 later date is specified in the rules. Any rules adopted in  
 27 6 accordance with this section shall also be published as a  
 27 7 notice of intended action as provided in section 17A.4.

Requires the HHS or the Mental Health and Disability Services (MHDS) Commission to adopt emergency administrative rules to comply with federal requirements or to implement the Bill. The rules are required to be effective immediately upon filing or on a later effective date specified in the rules unless delayed or suspended by the Administrative Rules Review Committee (ARRC). The rules shall not take effect before being reviewed by the ARRC.

27 8 2. If the department of health and human services adopts  
 27 9 emergency rules in accordance with this section, or as  
 27 10 otherwise directed or authorized by state law, and the rules  
 27 11 will result in an increase in expenditures beyond the amount  
 27 12 anticipated in the budget for the fiscal year, or if the  
 27 13 expenditures were not addressed in the budget for the fiscal  
 27 14 year, the department shall notify the general assembly and the  
 27 15 department of management concerning the rules and the increase  
 27 16 in expenditures. The notification shall be provided at least  
 27 17 thirty calendar days prior to the date notice of the rules  
 27 18 is submitted to the administrative rules coordinator and the  
 27 19 administrative code editor.

Requires the HHS to report to the General Assembly and the DOM at least 30 calendar days prior to submitting administrative rules that have a fiscal impact that was not addressed in the budget process.

27 20 DIVISION XV  
 27 21 MORE OPTIONS FOR MATERNAL SUPPORT PROGRAM

27 22 Sec. 34. Section 217.41C, subsection 1, paragraph c,  
 27 23 subparagraph (2), Code 2025, is amended to read as follows:

CODE: Defines a "provider of pregnancy support services" as a nonprofit organization that provides pregnancy support services under

27 24 (2) “Provider of pregnancy support services” or “provider”  
 27 25 means a nonprofit organization that provides pregnancy support  
 27 26 services under contract with the ~~program administrator or the~~  
 27 27 department.

contract with the HHS, and no longer the program administrator.

27 28 Sec. 35. Section 217.41C, subsections 3, 5, and 6, Code  
 27 29 2025, are amended to read as follows:  
 27 30 3. The department ~~may~~ shall administer the program directly  
 27 31 through providers of pregnancy support services or may issue  
 27 32 a request for proposals to select a program administrator for  
 27 33 the program. If the department issues a request for proposals  
 27 34 and selects a program administrator, the program administrator  
 27 35 shall meet all of the following requirements:  
 28 1 ~~a. Be a nonprofit entity incorporated in this state with a~~  
 28 2 ~~tax-exempt status pursuant to section 501(c)(3) of the Internat~~  
 28 3 ~~Revenue Code.~~  
 28 4 ~~b. Create and maintain, and have systems and processes in~~  
 28 5 ~~place to successfully manage, a statewide network of providers~~  
 28 6 ~~of pregnancy support services.~~  
 28 7 ~~c. Have a commitment to promoting healthy pregnancies and~~  
 28 8 ~~childbirth instead of abortion as a fundamental part of the~~  
 28 9 ~~program administrator’s mission.~~  
 28 10 ~~d. Maintain records for each provider of pregnancy support~~  
 28 11 ~~services.~~  
 28 12 ~~e. Monitor compliance with the terms and conditions of a~~  
 28 13 ~~contract with a provider of pregnancy support services.~~

CODE: Repeals language in Iowa Code section [217.41C](#) (More Options for Maternal Support Program) permitting the HHS to outsource the administration of the MOMS Program to a program administrator and requires the HHS to administer the Program.

28 14 5. The department shall adopt rules pursuant to chapter  
 28 15 17A to administer the program. ~~If the department selects a~~  
 28 16 ~~program administrator through a request for proposals process,~~  
 28 17 ~~the Notwithstanding chapter 8A, subchapter III, the department~~  
 28 18 ~~shall use an application process to approve and contract with~~  
 28 19 ~~each provider upon verification that the provider meets the~~  
 28 20 ~~requirements under subsection 4. The department shall provide~~  
 28 21 ~~technical assistance to the program administrator, monitor~~  
 28 22 ~~the program administrator for adherence to state and federal~~  
 28 23 ~~requirements, and collect and maintain program data prospective~~  
 28 24 ~~providers to facilitate and expedite provider participation in~~  
 28 25 ~~the program.~~

CODE: Requires the HHS to use an application process to approve and contract with each MOMS Program provider upon verification that the provider meets the requirements under Iowa Code section [217.41C](#)(4). Repeals language regarding the program administrator to conform with the provisions of this Bill and requires the HHS to provide technical assistance to prospective providers to facilitate and expedite provider participation in the Program.

28 26 6. ~~Beginning October 1, 2024, and on~~ Annually, on or before  
 28 27 October 1 ~~annually thereafter,~~ the department shall submit to

CODE: Requires the HHS to annually, on or before October 1, publish Program information for the immediately preceding fiscal year on the

28 28 ~~the general assembly~~ publish on the department's internet site,  
 28 29 pursuant to section 217.22, the following program information  
 28 30 relative to the ~~prior~~ immediately preceding fiscal year:  
 28 31 a. The total number of providers of pregnancy support  
 28 32 services by geographical region and the total number of  
 28 33 unduplicated clients served by each provider by gender and age.  
 28 34 b. A description of outreach efforts by ~~an administrator,~~  
 28 35 providers of pregnancy support services, and the department.  
 29 1 c. Total program expenditures.  
 29 2 d. The amounts attributable to ~~any program administrator~~  
 29 3 ~~contract administration~~ and to each contract with a provider  
 29 4 of pregnancy support services.  
 29 5 e. The outcomes based on outcome measures included in the  
 29 6 contracts with ~~any program administrator~~ and each provider of  
 29 7 pregnancy support services.

HHS website, instead of to the General Assembly and makes conforming changes.

29 8 DIVISION XVI  
 29 9 HOSPITAL DIRECTED PAYMENT PROGRAM

29 10 Sec. 36. NEW SECTION 2490.1 DEFINITIONS.  
 29 11 As used in this chapter, unless the context otherwise  
 29 12 requires:  
 29 13 1. "Centers for Medicare and Medicaid services" means the  
 29 14 centers for Medicare and Medicaid services of the United States  
 29 15 department of health and human services.  
 29 16 2. "Department" means the department of health and human  
 29 17 services.  
 29 18 3. "Hospital" means a non-state-owned hospital licensed by  
 29 19 the state.  
 29 20 4. "Hospital directed payment program" means a program that  
 29 21 provides a state directed payment to a hospital for inpatient  
 29 22 and outpatient hospital services.  
 29 23 5. "State directed payment" means the same as defined in 42  
 29 24 C.F.R. §438.2.

CODE: Establishes definitions for Iowa Code chapter 2490 (Hospital Directed Payment Program), which is created by the Bill.

29 25 Sec. 37. NEW SECTION 2490.2 HOSPITAL DIRECTED PAYMENT  
 29 26 PROGRAM.  
 29 27 1. Prior to the department administering a hospital  
 29 28 directed payment program under this chapter for any specific  
 29 29 fiscal year, the department shall submit any authorizing  
 29 30 documentation necessary to the centers for Medicare and  
 29 31 Medicaid services for approval. Upon receipt of approval from

CODE: Requires the HHS to submit any authorizing documentation necessary to the Centers for Medicare and Medicaid Services (CMS) for approval prior to administering a Hospital Directed Payment Program for any specific fiscal year.

29 32 the centers for Medicare and Medicaid services, the department  
29 33 shall administer the hospital directed payment program during  
29 34 the specified fiscal year.

29 35 2. a. For the sole purpose of the hospital directed payment  
30 1 program, the department may impose an assessment on a hospital.  
30 2 The total amount of assessments collected by the department  
30 3 shall not exceed the amount necessary to fully fund the  
30 4 nonfederal share of the maximum state directed payment allowed  
30 5 under federal regulations.

30 6 b. The department shall establish requirements for timely  
30 7 payment of an assessment, and any penalties for late payment  
30 8 or nonpayment of an assessment. Any assessment imposed under  
30 9 this section shall constitute a debt due the state and may be  
30 10 collected by civil action under any method provided by law.

30 11 c. The department and a third-party administrator contracted  
30 12 with the department may collectively assess and collect an  
30 13 administrative fee of no more than four percent of the amount  
30 14 of each assessment imposed.

30 15 3. Any assessments and penalties collected under this  
30 16 section shall be used for the purposes of the hospital directed  
30 17 payment program.

30 18 4. a. The hospital directed payment program shall not  
30 19 be administered, an assessment shall not be imposed, and a  
30 20 hospital shall not be required to pay an assessment if federal  
30 21 financial participation is not available, or if the hospital  
30 22 directed payment program and imposition of an assessment are  
30 23 not approved by the centers for Medicare and Medicaid services.

30 24 b. If federal law or policy significantly impacts the  
30 25 hospital directed payment program as determined by the  
30 26 department, the department, in collaboration with stakeholders,  
30 27 may terminate the hospital directed payment program.

30 28 5. The department shall adopt rules pursuant to chapter 17A  
30 29 as necessary to administer this chapter.

CODE: Permits the HHS to impose an assessment on a hospital for the sole purpose of the Hospital Directed Payment Program. Prohibits the total amount of assessments collected by the HHS from exceeding the amount necessary to fund the nonfederal share of the maximum State directed payment allowed under federal regulations.

CODE: Requires the HHS to establish requirements for timely payment of an assessment, and any penalties for late payment or nonpayment of an assessment. Provides that any assessment imposed under this Section must constitute a debt due to the State and may be collected by civil action under any method provided by law.

CODE: Allows the HHS and a third-party administrator contracted with the HHS to collectively assess and collect an administrative fee of no more than 4.00% of the amount of each assessment imposed.

CODE: Requires any assessments and penalties collected under this Section to be used for the Hospital Directed Payment Program.

CODE: Prohibits the Hospital Directed Payment Program from being administered, an assessment from being imposed, and a hospital from being required to pay an assessment if federal financial participation is not available or if the Program and imposition of an assessment are not approved by the CMS.

CODE: Allows the HHS, in collaboration with stakeholders, to terminate the Hospital Directed Payment Program if federal law or policy significantly impacts the Program, as determined by the HHS.

CODE: Requires the HHS to adopt administrative rules to administer Iowa Code chapter 2490, as created by this Bill.

# Health and Human Services

## General Fund

	Actual FY 2024 (1)	Estimated FY 2025 (2)	Supp-Senate Subcom FY 2025 (3)	Estimated Net FY 2025 (4)	Senate Subcom FY 2026 (5)	Sen Subcom FY26 vs Est Net FY25 (6)	Page and Line # (7)
<b><u>Veterans Affairs, Department of</u></b>							
<b>Veterans Affairs, Dept. of</b>							
General Administration	\$ 1,033,289	\$ 1,369,205	\$ 0	\$ 1,369,205	\$ 1,369,205	\$ 0	PG 1 LN 9
Home Ownership Assistance Program	2,200,000	2,200,000	0	2,200,000	2,700,000	500,000	PG 1 LN 24
Veterans County Grants – Standing	990,000	990,000	0	990,000	990,000	0	STANDING
<b>Veterans Affairs, Dept. of</b>	<b>\$ 4,223,289</b>	<b>\$ 4,559,205</b>	<b>\$ 0</b>	<b>\$ 4,559,205</b>	<b>\$ 5,059,205</b>	<b>\$ 500,000</b>	
<b>Veterans Affairs, Dept. of</b>							
Iowa Veterans Home	\$ 7,115,335	\$ 8,145,736	\$ 0	\$ 8,145,736	\$ 8,145,736	\$ 0	PG 1 LN 15
<b>Total Veterans Affairs, Department of</b>	<b>\$ 11,338,624</b>	<b>\$ 12,704,941</b>	<b>\$ 0</b>	<b>\$ 12,704,941</b>	<b>\$ 13,204,941</b>	<b>\$ 500,000</b>	
<b><u>Health and Human Services, Department of</u></b>							
<b>HHS - Assistance Payment</b>							
Family Investment Program/PROMISE JOBS	\$ 41,003,575	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Medical Assistance	1,543,626,779	0	0	0	0	0	
Health Program Operations	17,446,067	0	0	0	0	0	
State Supplementary Assistance	7,349,002	0	0	0	0	0	
State Children's Health Insurance	38,661,688	0	0	0	0	0	
Child Care Assistance	64,223,730	0	0	0	0	0	
Child and Family Services	79,027,794	0	0	0	0	0	
Adoption Subsidy	40,883,507	0	0	0	0	0	
Family Support Subsidy	949,282	0	0	0	0	0	
Conner Training	33,632	0	0	0	0	0	
Volunteers	84,686	0	0	0	0	0	
Child Abuse Prevention – Standing	210,570	0	0	0	0	0	
<b>HHS - Assistance Payment</b>	<b>\$ 1,833,500,312</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	
<b>HHS - Eldora State Training School</b>							
Eldora Training School	\$ 17,568,511	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
<b>HHS - Cherokee Mental Health Institution</b>							
Cherokee MHI	\$ 15,923,252	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
<b>HHS - Independence Mental Health Institution</b>							
Independence MHI	\$ 19,811,470	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
<b>HHS - Glenwood Resource Center</b>							
Glenwood Resource Center	\$ 16,255,132	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
<b>HHS - Woodward Resource Center</b>							
Woodward Resource Center	\$ 13,389,577	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
<b>HHS - Civil Commitment Unit / Sexual Offenders</b>							
Civil Commitment Unit for Sexual Offenders	\$ 14,865,337	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	

# Health and Human Services

## General Fund

	Actual FY 2024 (1)	Estimated FY 2025 (2)	Supp-Senate Subcom FY 2025 (3)	Estimated Net FY 2025 (4)	Senate Subcom FY 2026 (5)	Sen Subcom FY26 vs Est Net FY25 (6)	Page and Line # (7)
<b>HHS - Community Services</b>							
Child Support Services	\$ 15,914,329	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Field Operations	72,056,945	0	0	0	0	0	
<b>HHS - Community Services</b>	<b>\$ 87,971,274</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	
<b>HHS - Human Services</b>							
General Administration	\$ 18,913,662	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
HHS Facilities	2,157,590	0	0	0	0	0	
Nonresident Mental Illness Commitment	8,032	0	0	0	0	0	
<b>HHS - Human Services</b>	<b>\$ 21,079,284</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	
<b>HHS - Aging</b>							
Aging Programs	\$ 11,799,361	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Office of LTC Ombudsman	1,148,959	0	0	0	0	0	
<b>HHS - Aging</b>	<b>\$ 12,948,320</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	
<b>HHS - Human Rights</b>							
LiHEAP Weatherization Assistance Program – Standing	\$ 8,142	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Central Administration	186,913	0	0	0	0	0	
Community Advocacy and Services	956,894	0	0	0	0	0	
Criminal & Juvenile Justice	1,318,547	0	0	0	0	0	
Single Grant Program	140,000	0	0	0	0	0	
<b>HHS - Human Rights</b>	<b>\$ 2,610,496</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	
<b>Health and Human Services</b>							
Child Abuse Prevention – Standing	\$ 0	\$ 232,570	\$ 0	\$ 232,570	\$ 232,570	\$ 0	STANDING
Congenital & Inherited Disorders Registry – Standing	0	223,521	0	223,521	223,521	0	STANDING
Psychiatry Residency & Fellowship Program – Standing	0	1,200,000	0	1,200,000	1,200,000	0	STANDING
Centers of Excellence – Standing	0	425,000	0	425,000	425,000	0	STANDING
LiHEAP Weatherization Assistance Program – Standing	0	1	0	1	1	0	STANDING
Commission of Inquiry – Standing	0	1,394	0	1,394	1,394	0	STANDING
Nonresident Mental Illness Commitment – Standing	0	142,802	0	142,802	142,802	0	STANDING
Aging and Disability Services	0	19,088,714	0	19,088,714	19,208,180	119,466	PG 1 LN 33
Behavioral Health	0	24,400,114	0	24,400,114	24,442,121	42,007	PG 3 LN 4
Public Health	0	22,531,821	0	22,531,821	22,413,369	-118,452	PG 4 LN 17
Community Access and Eligibility	0	68,043,944	0	68,043,944	68,542,456	498,512	PG 6 LN 5
Child Support Services	0	15,434,282	0	15,434,282	15,644,114	209,832	PG 8 LN 2
Medical Assistance	0	1,650,866,536	0	1,650,866,536	1,900,804,677	249,938,141	PG 8 LN 24
Health Program Operations	0	39,597,231	0	39,597,231	39,672,433	75,202	PG 10 LN 10
Child Care Assistance	0	34,966,931	0	34,966,931	34,983,000	16,069	PG 15 LN 34
Early Intervention and Supports	0	35,277,739	0	35,277,739	36,301,904	1,024,165	PG 16 LN 19
Child Protective Services	0	166,101,034	0	166,101,034	166,308,818	207,784	PG 17 LN 11
State Specialty Care	0	100,006,128	0	100,006,128	102,337,130	2,331,002	PG 19 LN 35
Accountability, Compliance, and Program Integrity	0	22,356,598	0	22,356,598	21,904,214	-452,384	PG 20 LN 30
Substance Use Disorder Program - Standing	0	2,000,000	-2,000,000	0	0	0	PG 25 LN 21
Behavioral Health Fund - Standing	0	0	0	0	1,000,000	1,000,000	PG 25 LN 30

## Health and Human Services General Fund

	Actual FY 2024 (1)	Estimated FY 2025 (2)	Supp-Senate Subcom FY 2025 (3)	Estimated Net FY 2025 (4)	Senate Subcom FY 2026 (5)	Sen Subcom FY26 vs Est Net FY25 (6)	Page and Line # (7)
<b>Health and Human Services</b>	\$ 0	\$ 2,202,896,360	\$ -2,000,000	\$ 2,200,896,360	\$ 2,455,787,704	\$ 254,891,344	
<b>HHS - Public Health</b>							
Congenital & Inherited Disorders Registry – Standing	\$ 210,570	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Addictive Disorders	23,656,992	0	0	0	0	0	
Healthy Children and Families	5,815,491	0	0	0	0	0	
Chronic Conditions	4,256,595	0	0	0	0	0	
Community Capacity	7,435,682	0	0	0	0	0	
Essential Public Health Services	7,662,464	0	0	0	0	0	
Infectious Diseases	1,795,902	0	0	0	0	0	
Public Protection	4,581,792	0	0	0	0	0	
Resource Management	933,543	0	0	0	0	0	
<b>HHS - Public Health</b>	<b>\$ 56,349,031</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	
<b>Total Health and Human Services, Department of</b>	<b>\$ 2,112,271,996</b>	<b>\$ 2,202,896,360</b>	<b>\$ -2,000,000</b>	<b>\$ 2,200,896,360</b>	<b>\$ 2,455,787,704</b>	<b>\$ 254,891,344</b>	
<b>Total Health and Human Services</b>	<b>\$ 2,123,610,620</b>	<b>\$ 2,215,601,301</b>	<b>\$ -2,000,000</b>	<b>\$ 2,213,601,301</b>	<b>\$ 2,468,992,645</b>	<b>\$ 255,391,344</b>	

# Health and Human Services

## Other Funds

	Actual FY 2024 (1)	Estimated FY 2025 (2)	Senate Subcom FY 2026 (3)	Sen Sub FY26 vs Est FY 2025 (4)	Page and Line # (5)
<b>Health and Human Services, Department of</b>					
<b>HHS - Human Services</b>					
FIP - TANF	\$ 2,252,945	\$ 0	\$ 0	\$ 0	
PROMISE JOBS - TANF	3,924,087	0	0	0	
Field Operations - TANF	31,296,232	0	0	0	
General Administration - TANF	3,744,000	0	0	0	
Child & Family Services - TANF	35,161,880	0	0	0	
Training & Technology - TANF	387,517	0	0	0	
General Transfer - TANF	0	12,988,627	0	-12,988,627	
Community Access and Eligibility - TANF	0	5,000,000	0	-5,000,000	
ICAR System - TANF	0	5,000,000	0	-5,000,000	
FaDSS - TANF	3,094,816	2,888,980	0	-2,888,980	
Child Abuse Prevention - TANF	0	125,000	0	-125,000	
Administration and Compliance - TANF	0	3,533,647	0	-3,533,647	
Child Care Assistance - TANF	26,205,412	47,166,826	0	-47,166,826	
Child Protective Service - TANF	0	62,364,100	0	-62,364,100	
Kinship Stipend - TANF	0	3,000,000	0	-3,000,000	
<b>HHS - Human Services</b>	<b>\$ 106,066,889</b>	<b>\$ 142,067,180</b>	<b>\$ 0</b>	<b>\$ -142,067,180</b>	
<b>HHS - Assistance Payment</b>					
Pregnancy Prevention - TANF	\$ 1,430,257	\$ 1,913,203	\$ 0	\$ -1,913,203	
Categorical Eligibility SNAP - TANF	7,150	0	0	0	
Medical Assistance - HCTF	189,860,000	0	0	0	
Medicaid Supplemental - MFF	150,000	0	0	0	
Health Program Operations - PSA	234,193	0	0	0	
Medical Assistance - QATF	111,216,205	0	0	0	
Medical Assistance - HHCAT	33,920,554	0	0	0	
<b>HHS - Assistance Payment</b>	<b>\$ 336,818,359</b>	<b>\$ 1,913,203</b>	<b>\$ 0</b>	<b>\$ -1,913,203</b>	
<b>HHS - Public Health</b>					
Gambling Treatment Program - SWRF	\$ 1,750,000	\$ 0	\$ 0	\$ 0	
<b>Health and Human Services</b>					
Behavioral Analysis Treatment – ASF	\$ 0	\$ 750,000	\$ 0	\$ -750,000	
Gambling Treatment Program – SWRF	0	1,750,000	1,750,000	0	PG 4 LN 4
Medical Assistance - MFF	0	150,000	150,000	0	STANDING
Health Program Operations – PSA	0	234,193	234,193	0	PG 11 LN 16
Medical Assistance – QATF	0	111,216,205	111,216,205	0	PG 11 LN 28
Medical Assistance – HHCAT	0	33,920,554	33,920,554	0	PG 12 LN 5
Medical Assistance - HCTF	0	176,470,000	150,997,000	-25,473,000	STANDING
<b>Health and Human Services</b>	<b>\$ 0</b>	<b>\$ 324,490,952</b>	<b>\$ 298,267,952</b>	<b>\$ -26,223,000</b>	
<b>Total Health and Human Services, Department of</b>	<b>\$ 444,635,248</b>	<b>\$ 468,471,335</b>	<b>\$ 298,267,952</b>	<b>\$ -170,203,383</b>	

# Health and Human Services

## Other Funds

	<u>Actual FY 2024 (1)</u>	<u>Estimated FY 2025 (2)</u>	<u>Senate Subcom FY 2026 (3)</u>	<u>Sen Sub FY26 vs Est FY 2025 (4)</u>	<u>Page and Line # (5)</u>
<b>Total Health and Human Services</b>	<u>\$ 444,635,248</u>	<u>\$ 468,471,335</u>	<u>\$ 298,267,952</u>	<u>\$ -170,203,383</u>	

# Health and Human Services

## FTE Positions

	Actual FY 2024 (1)	Estimated FY 2025 (2)	Senate Subcom FY 2026 (3)	Sen Sub FY26 vs Est FY 2025 (4)	Page and Line # (5)
<b><u>Health and Human Services, Department of</u></b>					
<b>HHS - Assistance Payment</b>					
Family Investment Program/PROMISE JOBS	23.40	2.00	0.00	-2.00	
Medical Assistance	9.58	0.00	0.00	0.00	
Health Program Operations	3.79	0.00	0.00	0.00	
Child Care Assistance	4.58	3.00	0.00	-3.00	
Child and Family Services	7.27	7.50	0.00	-7.50	
Volunteers	0.98	0.00	0.00	0.00	
<b>HHS - Assistance Payment</b>	<b>49.60</b>	<b>12.50</b>	<b>0.00</b>	<b>-12.50</b>	
<b>HHS - Eldora State Training School</b>					
Eldora Training School	171.65	0.00	0.00	0.00	
<b>HHS - Cherokee Mental Health Institution</b>					
Cherokee MHI	156.10	0.00	0.00	0.00	
<b>HHS - Independence Mental Health Institution</b>					
Independence MHI	164.04	0.00	0.00	0.00	
<b>HHS - Glenwood Resource Center</b>					
Glenwood Resource Center	326.97	0.00	0.00	0.00	
<b>HHS - Woodward Resource Center</b>					
Woodward Resource Center	483.47	0.00	0.00	0.00	
<b>HHS - Civil Commitment Unit / Sexual Offenders</b>					
Civil Commitment Unit for Sexual Offenders	137.06	0.00	0.00	0.00	
<b>HHS - Community Services</b>					
Child Support Services	417.21	0.00	0.00	0.00	
Field Operations	1,563.10	0.00	0.00	0.00	
<b>HHS - Community Services</b>	<b>1,980.31</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
<b>HHS - Human Services</b>					
General Administration	323.25	0.00	0.00	0.00	
HHS Administration	0.00	0.00	4,148.00	4,148.00	
<b>HHS - Human Services</b>	<b>323.25</b>	<b>0.00</b>	<b>4,148.00</b>	<b>4,148.00</b>	
<b>HHS - Aging</b>					
Aging Programs	29.68	0.00	0.00	0.00	
Office of LTC Ombudsman	11.73	0.00	0.00	0.00	
<b>HHS - Aging</b>	<b>41.41</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
<b>HHS - Human Rights</b>					
Central Administration	5.60	0.00	0.00	0.00	
Community Advocacy and Services	7.42	0.00	0.00	0.00	
Criminal & Juvenile Justice	8.36	0.00	0.00	0.00	

PG 21 LN 13

# Health and Human Services

## FTE Positions

	Actual FY 2024 (1)	Estimated FY 2025 (2)	Senate Subcom FY 2026 (3)	Sen Sub FY26 vs Est FY 2025 (4)	Page and Line # (5)
<b>HHS - Human Rights</b>	21.38	0.00	0.00	0.00	
<b>Health and Human Services</b>					
Aging and Disability Services	0.00	75.00	0.00	-75.00	PG 1 LN 33
Behavioral Health	0.00	64.00	0.00	-64.00	PG 3 LN 4
Public Health	0.00	263.05	0.00	-263.05	PG 4 LN 17
Community Access and Eligibility	0.00	830.65	0.00	-830.65	PG 6 LN 5
Child Support Services	0.00	408.00	0.00	-408.00	PG 8 LN 2
Health Program Operations	0.00	96.00	0.00	-96.00	PG 10 LN 10
Child Care Assistance	0.00	35.00	0.00	-35.00	PG 15 LN 34
Early Intervention and Supports	0.00	22.40	0.00	-22.40	PG 16 LN 19
Child Protective Services	0.00	829.00	0.00	-829.00	PG 17 LN 11
State Specialty Care	0.02	1,368.33	0.00	-1,368.33	PG 19 LN 35
Accountability, Compliance, and Program Integrity	0.00	411.95	0.00	-411.95	PG 20 LN 30
<b>Health and Human Services</b>	<u>0.02</u>	<u>4,403.38</u>	<u>0.00</u>	<u>-4,403.38</u>	
<b>HHS - Public Health</b>					
Addictive Disorders	11.22	0.00	0.00	0.00	
Healthy Children and Families	10.54	0.00	0.00	0.00	
Chronic Conditions	10.80	0.00	0.00	0.00	
Community Capacity	5.21	0.00	0.00	0.00	
Infectious Diseases	4.93	0.00	0.00	0.00	
Public Protection	54.40	0.00	0.00	0.00	
Resource Management	3.02	0.00	0.00	0.00	
<b>HHS - Public Health</b>	<u>100.12</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	
<b>Total Health and Human Services, Department of</b>	<u>3,955.37</u>	<u>4,415.88</u>	<u>4,148.00</u>	<u>-267.88</u>	

# Health and Human Services

## FTE Positions

	Actual FY 2024 (1)	Estimated FY 2025 (2)	Senate Subcom FY 2026 (3)	Sen Sub FY26 vs Est FY 2025 (4)	Page and Line # (5)
<b><u>Veterans Affairs, Department of</u></b>					
Veterans Affairs, Dept. of General Administration	10.79	11.00	15.00	4.00	PG 1 LN 9
<b>Total Veterans Affairs, Department of</b>	<u>10.79</u>	<u>11.00</u>	<u>15.00</u>	<u>4.00</u>	
<b>Total Health and Human Services</b>	<u><u>3,966.16</u></u>	<u><u>4,426.88</u></u>	<u><u>4,163.00</u></u>	<u><u>-263.88</u></u>	