

Rural Health and Medical Licensing Bill House File 2743

Last Action:
Senate Subcommittee
April 7, 2026

An Act creating the Iowa Rural Health Transformation Fund and making appropriations.

**Fiscal Services Division
Legislative Services Agency**

NOTES ON BILLS AND AMENDMENTS (NOBA)

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

LSA Staff Contact: Louie Hoehle (515.281.6561)

FUNDING FOR PROJECTS AND PROGRAMS

Establishes an Iowa Rural Health Transformation Fund under the control of the Department of Health and Human Services (HHS) consisting of moneys received from the federal rural health transformation program (RHTP) established by the [One Big Beautiful Bill Act \(OBBBA\)](#). Appropriates moneys in the Fund to the HHS to be used, expended, granted, or transferred as authorized by the Centers for Medicare and Medicaid Services (CMS). Allows interest or earnings on moneys in the Fund to be credited to the Fund. The Fund is repealed October 1, 2032.

Page 1, Line 1

STUDIES AND INTENT

Required Report

Requires the HHS to submit a report each fiscal quarter to the General Assembly detailing all expenditures made during the preceding fiscal quarter, including identifying where moneys have been expended in the State by city, for as long as moneys are expended from the Fund.

Page 1, Line 18

Requires the HHS to transmit RHTP financial and performance reports submitted to the CMS pursuant to the OBBBA to the General Assembly.

Page 1, Line 23

House File 2743 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section
1	1	1	New	135.107A

1 1 Section 1. NEW SECTION 135.107A IOWA RURAL HEALTH
1 2 TRANSFORMATION FUND.

1 3 1. An Iowa rural health transformation fund is created
1 4 in the state treasury under the control of the department of
1 5 health and human services. The fund shall be separate from
1 6 the general fund of the state and the balance in the fund
1 7 shall not be considered part of the balance of the general
1 8 fund of the state. The fund shall consist of moneys received
1 9 by the state from the rural health transformation program
1 10 established pursuant to the One Big Beautiful Bill Act, Pub.
1 11 L.No.119-211. Moneys in the fund are to be appropriated to
1 12 the department to be used, expended, granted, or transferred as
1 13 authorized by the centers for Medicare and Medicaid services
1 14 of the United States department of health and human services,
1 15 and are not subject to section 8.33. Notwithstanding section
1 16 12C.7, subsection 2, interest or earnings on moneys in the fund
1 17 shall be credited to the fund.

CODE: Establishes an Iowa Rural Health Transformation Fund under the control of the Department of Health and Human Services (HHS) consisting of moneys received from the federal rural health transformation program (RHTP) established by the [One Big Beautiful Bill Act \(OBBBA\)](#). Appropriates moneys in the Fund to the HHS to be used, expended, granted, or transferred as authorized by the Centers for Medicare and Medicaid Services (CMS). Allows interest or earnings on moneys in the Fund to be credited to the Fund.

DETAIL: The OBBBA established the RHTP, which sets up a fund to provide grants to states to invest in rural health care. The RHTP provides a total of \$10,000,000,000 in funding per year for five years to approved states. Fifty percent of the funds are to be distributed equally among the states, and the other 50.00% will be allocated by CMS based on need and applications. The HHS submitted its first [application](#) to CMS on November 5, 2025. On December 29, 2025, the Governor published a [press release](#) announcing that Iowa was awarded \$209,000,000 for the first year of implementation.

1 18 2. For so long as moneys are expended from the fund, the
1 19 department shall submit a report each fiscal quarter to the
1 20 general assembly detailing all expenditures made during the
1 21 preceding fiscal quarter, including identifying by city where
1 22 within the state moneys have been expended.

CODE: Requires the HHS to submit a report each fiscal quarter to the General Assembly detailing all expenditures made during the preceding fiscal quarter, including identifying where moneys have been expended in the State by city, for as long as moneys are expended from the Fund.

1 23 3. The department shall transmit a copy to the general
1 24 assembly of all rural health transformation program financial
1 25 and performance reports submitted to the centers for Medicare
1 26 and Medicaid services of the United States department of health
1 27 and human services pursuant to the One Big Beautiful Bill Act,
1 28 Pub.L.No.119-211.

CODE: Requires the HHS to transmit RHTP financial and performance reports submitted to the CMS pursuant to the OBBBA to the General Assembly.

1 29 4. This section is repealed October 1, 2032.

CODE: Repeals the Fund on October 1, 2032.