

Health and Human Services Appropriations Bill House File 2782

Last Action:

Final Action

May 2, 2026

An Act relating to and making appropriations to the Department of Veterans Affairs and the Department of Health and Human Services, including aging and disability services, behavioral health, public health, and 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 flow, and nonreversions; report on nonreversion of moneys; More Options for Maternal Support Program; reimbursement rates review; mental diseases exclusion waiver; full-time equivalent dashboard; Comprehensive Family Support Program; federal Community Mental Health Services block grant; behavioral health expenditure report; Opioid Settlement Fund; emergency rules; graduate medical education; and special population nursing facilities; and including effective date and retroactive applicability provisions.

**Fiscal Services Division
Legislative Services Agency**

NOTES ON BILLS AND AMENDMENTS (NOBA)

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

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FUNDING SUMMARY

General Fund FY 2027: Appropriates a total of \$2,560.4 million from the General Fund and 4,724.0 full-time equivalent (FTE) positions to the Department of Health and Human Services (HHS), and the Department of Veterans Affairs (DVA). This is an increase of \$3.1 million and 384.1 FTE positions compared to estimated net FY 2026. Total FTE positions authorized provide an increase of 576.0 FTE positions compared to the total authorized in 2025 Iowa Acts, [House File 1049](#) (FY 2026 Health and Human Services Appropriations Act).

Other Funds FY 2027: Appropriates a total of \$447.2 million from other funds. This is a decrease of \$10.1 million compared to estimated net FY 2026.

Standing General Fund Appropriations FY 2027: In addition to the appropriations in the Bill, the attached tracking includes the following standing General Fund appropriations totaling \$3.0 million that are automatically appropriated in statute:

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

Standing Other Fund Appropriations FY 2027: In addition to the appropriations in the Bill, the attached tracking includes the following standing Other Fund appropriation estimates totaling \$137.8 million that are automatically appropriated in statute:

- \$150,000 from the Medicaid Fraud Fund to the HHS for Medical Assistance.
- \$137.6 million from the Health Care Trust Fund to the HHS for Medical Assistance.

NEW PROGRAMS, SERVICES, OR ACTIVITIES

Requires the HHS to apply to the Centers for Medicare and Medicaid Services (CMS) for a waiver of Medicaid's institution for mental diseases (IMD) exclusion no later than July 1, 2027.

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FISCAL IMPACT: The HHS estimates that applying to the CMS for a waiver of Medicaid's IMD exclusion will increase costs to the HHS by the following amounts for future fiscal years:

- FY 2027: \$595,000, of which the State cost is \$298,000 and the federal cost is \$298,000.
- FY 2028: \$278,000, of which the State cost is \$139,000 and the federal cost is \$139,000.
- FY 2029: \$679,000, of which the State cost is \$339,000 and the federal cost is \$339,000.
- FY 2030: \$679,000, of which the State cost is \$339,000 and the federal cost is \$339,000.
- FY 2031: \$679,000, of which the State cost is \$339,000 and the federal cost is \$339,000.

Requires the HHS to make certain FTE information publicly available.

Page 28, Line 27

MAJOR INCREASES/DECREASES/TRANSFERS OF EXISTING PROGRAMS

Department of Health and Human Services — Aging and Disability Services: Appropriates a total of \$19.4 million and 101.0 FTE positions from the General Fund. This is an increase of \$171,000 and 18.0 FTE positions compared to estimated net FY 2026.

Page 1, Line 33

Department of Health and Human Services — Behavioral Health: Appropriates a total of \$23.1 million from the General Fund and 70.0 FTE positions. This is a decrease of \$1.3 million and an increase of 6.0 FTE positions compared to estimated net FY 2026.

Page 3, Line 9

Department of Health and Human Services — Public Health: Appropriates a total of \$21.2 million and 348.6 FTE positions from the General Fund. This is a net decrease of \$1.3 million and an increase of 6.5 FTE positions compared to estimated net FY 2026.

Page 4, Line 27

Creates a new allocation of \$191,000 from the General Fund Public Health appropriation for a Child Vision Screening Program contract with University of Iowa Health Care (UIHC). Requires the Program to submit a report to the HHS regarding objectives, results, and the use of funds allocated to the Child Vision Screening Program.

Page 5, Line 9

Creates a new allocation of \$144,000 from the General Fund Public Health appropriation for epilepsy education and support. Requires funds to be distributed on July 1, 2026. Requires a dollar-for-dollar match of the funds above \$50,000.

Page 5, Line 21

Allocates a total of \$999,000 of the Public Health appropriation to support increased access, health system integration, and engagement. This is a decrease of \$225,000 compared to the estimated net FY 2026 allocation.

Page 5, Line 30

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Creates a new allocation of \$1.5 million from the General Fund Public Health appropriation for medical residency program grants that are not related to the practice of family medicine and not in Johnson county.

Page 6, Line 30

Department of Health and Human Services — Community Access and Eligibility: Appropriates a total of \$76.4 million and 883.9 FTE positions from the General Fund. This is an increase of \$7.8 million and an increase of 76.9 FTE positions compared to estimated net FY 2026.

Page 7, Line 13

Temporary Assistance for Needy Families (TANF) Block Grant: Appropriates \$153.7 million for various HHS programs funded through the TANF Block Grant. This is a decrease of \$5.3 million compared to estimated net FY 2026.

Page 9, Line 32

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 \$1,992.6 million from the General Fund. This is no change compared to estimated net FY 2026 and includes the following:

Page 11, Line 19

- An increase of \$151.9 million for the expected Medical Assistance shortfall in FY 2026.
- An increase of \$3.0 million for a Home- and Community-Based Services (HCBS) elderly waiver rate increase.
- An increase of \$1.2 million for an ambulatory surgical center rate increase.
- An increase of \$333,000 for a special population nursing facility (SPNF) rate adjustment.
- A decrease of \$150,000 due to allowing Medicaid to dispense a 90-day supply of a prescription.
- A decrease of \$308,000 due to shifting certain behavioral service costs from Medicaid to Medicare.
- A decrease of \$491,000 due to applying a site of service differential for telehealth service billing.
- A decrease of \$602,000 due to venipuncture and therapy rehabilitation billing code adjustments.
- A decrease of \$1.1 million due to a 30-day readmission policy requiring the use of the same diagnosis related group payment for the same condition.
- A decrease of \$1.2 million due to changes for speech therapy and rehabilitation service codes and reimbursement.
- A decrease of \$2.2 million due to requiring Medicaid to always pay the lowest available price when adjudicating claims.
- A decrease of \$5.4 million for a facility- and provider-based billing adjustment.
- A decrease of \$5.6 million for an appropriation from the Behavioral Health Fund.
- A decrease of \$6.5 million for a Managed Care Organization (MCO) premium tax payment adjustment, shifting costs to the MCOs.
- A decrease of \$132.9 million due to Health Maintenance Organization (HMO) tax revenue.

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Department of Health and Human Services — Health Program Operations: Appropriates a total of \$40.3 million and 97.0 FTE positions from the General Fund. This is an increase of \$670,000 and an increase of 15.0 FTE positions compared to estimated net FY 2026. Page 12, Line 30

Behavioral Health Fund (BHF): Appropriates \$5.6 million from the BHF to the HHS to supplement the FY 2027 General Fund Medical Assistance appropriation. This is a new appropriation for FY 2027. Page 15, Line 21

Requires the HHS to base case-mix nursing facility reimbursement rates for FY 2027 based on the rates in effect June 30, 2026. Requires the HHS to calculate each nursing facility’s case-mix index for the rate period beginning July 1, 2026, from July 1, 2025, through December 31, 2025. Requires the HHS to calculate each nursing facility’s case-mix index for the rate period beginning January 1, 2027, from January 1, 2026, through June 30, 2026. Requires the nursing facility rate adjustment to be budget neutral. Page 16, Line 10

Requires \$1.2 million to be used for FY 2027 to increase Medicaid reimbursement rates for ambulatory surgical centers. Page 16, Line 23

Requires \$3.0 million to be used for FY 2027 to increase Medicaid reimbursement rates for HCBS elderly waiver services. Page 16, Line 27

Department of Health and Human Services — Child Care Assistance: Appropriates a total of \$32.7 million from the General Fund and 53.0 FTE positions. This is a decrease of \$2.3 million and no change in FTE positions compared to estimated net FY 2026. Page 17, Line 10

Department of Health and Human Services — Early Intervention and Supports: Appropriates a total of \$36.5 million from the General Fund and 28.0 FTE positions. This is a net increase of \$1.2 million and 1.0 FTE position compared to estimated net FY 2026. Page 17, Line 31

Creates a new allocation of \$1.5 million from the Early Intervention and Supports appropriation in FY 2027 for the More Options for Maternal Supports (MOMS) Program. Page 18, Line 19

Department of Health and Human Services — Child Protective Services: Appropriates a total of \$164.5 million from the General Fund and 977.0 FTE positions. This is a net decrease of \$1.0 million and an increase of 117.8 FTE positions compared to estimated net FY 2026. Page 18, Line 23

Department of Health and Human Services — State-Operated Specialty Care: Appropriates a total of \$100.2 million from the General Fund and 1,304.5 FTE positions. This is a decrease of \$2.1 million and 25.0 FTE positions compared to estimated net FY 2026. Page 21, Line 11

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Allocates \$19.9 million from the State-Operated Specialty Care appropriation for the Cherokee Mental Health Institute (MHI). This is a decrease of \$650,000 compared to the estimated net FY 2026 allocation. Page 21, Line 28

Allocates \$23.8 million from the State-Operated Specialty Care appropriation for the Independence MHI. This is a decrease of \$1.1 million compared to the estimated net FY 2026 allocation. Page 21, Line 30

Allocates \$23.3 million from the State-Operated Specialty Care appropriation for the Civil Commitment Unit for Sexual Offenders (CCUSO). This is an increase of \$2.8 million compared to the estimated net FY 2026 allocation. Page 21, Line 32

Allocates \$12.6 million from the State-Operated Specialty Care appropriation for the Woodward Resource Center. This is a decrease of \$1.9 million compared to the estimated net FY 2026 allocation. Page 21, Line 35

Allocates \$19.8 million from the State-Operated Specialty Care appropriation for the Eldora State Training School (STS). This is a decrease of \$673,000 compared to the estimated net FY 2026 allocation. Page 22, Line 2

Allocates \$942,000 from the State-Operated Specialty Care appropriation for the Glenwood Resource Center. This is a decrease of \$648,000 compared to the estimated net FY 2026 allocation. Page 22, Line 4

Department of Health and Human Services — Accountability, Compliance, and Program Integrity: Appropriates a total of \$23.2 million from the General Fund and 382.0 FTE positions. This is a net increase of \$1.2 million and 112.0 FTE positions compared to estimated net FY 2026. Page 22, Line 11

Opioid Settlement Fund (OSF): Appropriates \$3.0 million from the OSF to the HHS for [Renewal Falls Recovery Center](#) in Cedar Falls. This is a new appropriation for FY 2027. Page 33, Line 31

Modifies 2025 Iowa Acts, [House File 972](#) (Rural Health Care Act), to transfer any unencumbered moneys remaining in the repealed accounts under Division VI of the Act to the HHS to award grants to start medical residency programs in the State that are not sponsored by the UIHC and that are not related to the practice of family medicine, rather than to fund Medicaid graduate medical education (GME) efforts. Requires \$298,000 from the Medical Residency Training Account to be used to apply for a waiver of Medicaid's IMD exclusion. Page 34, Line 26

FISCAL IMPACT: In June 2025, the HHS estimated that the repealed funds and accounts may have a total unobligated and unencumbered balance of \$9.9 million, which includes the following:

- \$1.1 million from the Health Care Workforce Shortage Fund Interest Account.
- \$7.2 million from the Medical Residency Training Account.
- \$1.1 million from the Family Medicine Obstetrics Fellowship Program Fund.

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- \$454,000 from the rural psychiatry residency and fellowship positions allocation.

Requires the HHS to set the Medicaid reimbursement rate for SPNFs at the facility's average allowable per diem cost adjusted in compliance with applicable federal laws and regulations, including upper payment limits. Provides that the reimbursement requirements also apply to new beds and services

Page 36, Line 7

FISCAL IMPACT: Adjusting SPNF reimbursement is estimated to cost approximately \$905,000 in FY 2027. Of the cost, the federal government will pay \$572,000 and the State will pay \$333,000.

CHANGES TO PRIOR APPROPRIATIONS

Allows any unencumbered or unobligated funds appropriated in 2025 Iowa Acts, [House File 1049](#) (FY 2026 Health and Human Services Appropriations Act), from the General Fund for the MOMS Program in FY 2026 to remain available for expenditure until the close of FY 2027.

Page 27, Line 4

Requires 70.0% of the funds set aside for community mental health service providers in federal fiscal year (FFY) 2026 and FFY 2027 appropriated to the HHS from the Community Mental Health Services Block Grant to be distributed to State-accredited community mental health centers under Iowa Code section [225A.3](#).

Page 32, Line 26

STUDIES AND INTENT

Emergency Rules

Requires the HHS 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.

Page 26, Line 13

Requires the HHS to notify the General Assembly and the Department of Management (DOM) if adopted emergency administrative rules will increase expenditures. The notification is required to be made at least 30 calendar days prior to the notice of the rules being submitted to the Administrative Rules Coordinator and Editor.

Page 26, Line 24

Intent

Specifies that it is the intent of the General Assembly to provide sufficient funding for the State Child Care Assistance (CCA) Program in FY 2027 to avoid the establishment of a waiting list.

Page 17, Line 21

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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 19, Line 25

Nonreversion

Requires federal moneys received in FY 2027 because of the expenditure of State funds in a previous year to be used for Child Protective Services. Allows any unencumbered or unobligated funds to remain available for expenditure through FY 2028.

Page 19, Line 9

Allows any unencumbered or unobligated funds appropriated from the General Fund for the Family Development and Self-Sufficiency (FaDSS) grant program in FY 2027 to remain available for FY 2028.

Page 24, Line 7

Allows any unencumbered or unobligated 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 2027 for the Medicaid Program to remain available for FY 2028.

Page 24, Line 18

Allows any unencumbered or unobligated funds appropriated from the General Fund to the HHS for State-Operated Specialty Care in FY 2027 to remain available for subsequent fiscal years.

Page 24, Line 29

Allows any unencumbered or unobligated funds appropriated from the General Fund to the HHS for the Iowa Commission on Volunteer Services in FY 2027 to remain available for subsequent fiscal years.

Page 25, Line 4

Allows any unencumbered or unobligated funds appropriated from the General Fund to the HHS for rural psychiatric residencies in FY 2027 to remain available for FY 2028.

Page 25, Line 12

Allows any unencumbered or unobligated funds appropriated from the General Fund to the HHS and allocated for adoption subsidy payments or post-adoption services in FY 2027 to remain available for FY 2028.

Page 25, Line 20

Allows any unencumbered or unobligated funds appropriated from the General Fund to the HHS and allocated for Child Protective Services in FY 2027 to remain available for FY 2028.

Page 25, Line 29

Required Reports

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

Page 1, Line 22

Requires the HHS to report any transfers made for continuing alignment efforts, maximizing federal support, and the implementation and administration of services to the General Assembly. Requires the HHS to report

Page 22, Line 34

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to the chairpersons of the HHS appropriations subcommittee the allocations and FTE positions for each division of the HHS for FY 2028 on or before December 1, 2026.

Requires the HHS to report the expenditure of any moneys for which nonreversion authorization was provided for FY 2026 to the General Assembly on a quarterly basis beginning October 1, 2027.

Page 26, Line 4

Requires the HHS, on or before October 1 of the immediately succeeding calendar year in which the review on shelter care and QRTP provider rates is conducted, to submit a report to the Governor and the General Assembly detailing the results of the review and recommendations for rate adjustments.

Page 27, Line 21

Requires the HHS to submit an annual report that summarizes the review of provider reimbursement rates for Medicaid services that are reimbursed by a statewide fee schedule and that are not periodically updated or rebased pursuant to federal or State law or rule to the General Assembly by January 15.

Page 28, Line 13

Requires the HHS to publish the amounts to be distributed to community mental health centers from the Community Mental Health Services Block Grant for FFY 2026 and FFY 2027 on the Department's internet site on or before October 1, 2025, and on or before October 1, 2026.

Page 32, Line 26

Requires the HHS to submit to the General Assembly a summary of the Department's expenditures for behavioral health services for adults and children for the immediately preceding fiscal year, including a summary of which appropriations or funding sources were used to fund the expenditures, no later than December 15 of each year.

Page 33, Line 21

SIGNIFICANT CODE CHANGES

Requires the HHS to biennially review shelter care and Qualified Residential Treatment Program (QRTP) provider rates upon implementation of a uniform cost report.

Page 27, Line 21

Requires the HHS to annually review provider reimbursement rates for Medicaid services that are reimbursed by a statewide fee schedule and that are not periodically updated or rebased pursuant to federal or State law or rule. Requires the HHS to compare provider reimbursement rates, other than dental services, to the federal Medicare program. Requires the HHS to compare dental provider reimbursement rates to the rates set by Medicaid programs in states contiguous to Iowa.

Page 27, Line 34

Reestablishes the Comprehensive Family Support Program (CFSP) under the HHS in Iowa Code to provide a statewide system of services and support to eligible families. Requires the CFSP to be implemented to enable a family member of an individual with a disability to identify the needed services and support. The

Page 29, Line 7

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CFSP was previously authorized under 2025 Iowa Code section [225C.47](#), but was repealed by 2024 Iowa Acts, chapter [1161](#) (Behavioral Health Service System Act).

EFFECTIVE DATE

Specifies that Division XIII of the Bill related to MOMS appropriation nonreversion takes effect upon enactment and applies retroactively to July 1, 2025.

Page 27, Line 15

Specifies that Division XVII of the Bill related to the CFSP takes effect upon enactment and applies retroactively to July 1, 2025.

Page 32, Line 20

House File 2782 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section
27	21	28	Add	235.2.9
27	34	29	Add	249A.4.15
29	7	32	New	231.80
33	21	37	New	225A.10
36	7	40	Add	249A.2.15
36	25	41	New	249A.38C

1 1 DIVISION I
 1 2 DEPARTMENT OF VETERANS AFFAIRS — FY 2026-2027
 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, 2026, and ending June 30, 2027, 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, and for not more than the following full-time
 1 12 equivalent 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 2026. The increase of 4.00 FTE positions is to restore the FTE positions to the previously authorized amount in 2025 Iowa Acts, [House File 1049](#) (FY 2026 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 2026.

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 \$ 2,200,000

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 no change in funding compared to estimated net FY 2026. 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 2026-2027

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 2027.

1 35 general fund of the state to the department of health and human
2 1 services for the fiscal year beginning July 1, 2026, and ending
2 2 June 30, 2027, 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 \$171,351 and 18.00 FTE positions compared to estimated net FY 2026. The funding and FTE position changes include the following:

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
2 13 of the dependent adult abuse services program pursuant to
2 14 chapter 235B; for matching funding for programs to enable
2 15 persons with severe physical or mental disabilities to function
2 16 more independently; for costs associated with centers for
2 17 independent living; and for other services which may include
2 18 but are not limited to adult day care, respite care, chore,
2 19 information and assistance, and material aid; for information
2 20 and options counseling for persons with disabilities; and
2 21 for salaries, support, administration, maintenance, and
2 22 miscellaneous purposes, and for not more than the following
2 23 full-time equivalent positions:

- An increase of \$171,351 due to moving the administration of the Statewide Independent Living Councils (SILCs) and Centers for Independent Living (CILs) from Iowa Workforce Development to the HHS.
- An increase of 5.00 FTE positions to provide the same amount of FTE positions as the total authorized in 2025 Iowa Acts, [House File 1049](#) (FY 2026 Health and Human Services Appropriations Act).
- An increase of 12.00 FTE positions to shift Long Term Care Ombudsman staff from the Accountability, Compliance, and Program Integrity appropriation.
- An increase of 1.00 FTE position to shift a community advocacy services position from the Early Intervention and Supports appropriation.

2 24	\$	19,379,531
2 25	FTEs	101.00

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 26 1. Moneys appropriated in this section may be used to
2 27 supplement federal moneys received under federal regulations.
2 28 To receive moneys appropriated in this section, a local area
2 29 agency on aging shall match the moneys with moneys from other

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

2 30 sources according to rules adopted by the department. Moneys
 2 31 appropriated in this section may be used for services not
 2 32 specifically enumerated in this section only if approved by the
 2 33 department as part of an area agency on aging's area plan.

plan. Requires local AAAs to match the funds for aging programs and services.

2 34 2. Of the moneys appropriated in this section, \$949,282
 2 35 is allocated to be used for the comprehensive family support
 3 1 program created in section 231.80 as enacted under this Act.

Allocates \$949,282 for the Comprehensive Family Support Program (CFSP), also known as the Children at Home Program, which is reestablished in Iowa Code in Division XVII of the Bill.

DETAIL: This is no change in funding compared to estimated net FY 2026.

3 2 3. Of the moneys appropriated in this section, \$33,632
 3 3 is allocated to be used to build community capacity through
 3 4 the coordination and provision of training opportunities in
 3 5 accordance with the consent decree of Conner v.Branstad, No.
 3 6 4-86-CV-30871 (S.D. 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 2026. 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 7 DIVISION III
 3 8 BEHAVIORAL HEALTH — FY 2026-2027

3 9 Sec. 3. DEPARTMENT OF HEALTH AND HUMAN SERVICES —
 3 10 BEHAVIORAL HEALTH. There is appropriated from the general fund
 3 11 of the state to the department of health and human services for
 3 12 the fiscal year beginning July 1, 2026, and ending June 30,
 3 13 2027, the following amount, or so much thereof as is necessary,
 3 14 to be used for the purposes designated:
 3 15 For behavioral health prevention, education, early
 3 16 intervention, treatment, recovery support, and crisis
 3 17 services in order to support statewide access to treatment for
 3 18 behavioral health conditions; stabilization and mitigation of
 3 19 behavioral health crises; and recovery for individuals and
 3 20 families impacted by behavioral health conditions. Activities
 3 21 shall align with accepted best practice guidance standards for
 3 22 behavioral health including those published by the centers for
 3 23 disease control and prevention of the United States department
 3 24 of health and human services, and the substance abuse and

General Fund appropriation to the HHS — Behavioral Health for FY 2027.

DETAIL: This is a decrease of \$1,315,000 and an increase of 6.00 FTE positions compared to estimated net FY 2026. Total FTE positions authorized provide a decrease of 1.00 FTE position compared to the total authorized in 2025 Iowa Acts, [House File 1049](#) (FY 2026 Health and Human Services Appropriations Act). The funding and FTE position changes include:

- A decrease of \$15,000 and 1.00 FTE position to eliminate a vacant information technology (IT) specialist position.
- A decrease of \$100,000 for the Center of Excellence for Behavioral Health.

3 25 mental health services administration of the United States
 3 26 department of health and human services, for health promotion;
 3 27 universal, selective, and indicated prevention; treatment; and
 3 28 recovery services and supports; and shall include a 24-hour
 3 29 helpline, public information resources, professional training,
 3 30 youth prevention, program evaluation, and efforts at the state
 3 31 and local levels, and for not more than the following full-time
 3 32 equivalent positions:

3 33	\$	23,127,121
3 34	FTEs	70.00

- A decrease of \$120,000 for the Iowa Students for Tobacco Education and Prevention (ISTEP) Summit.
- A decrease of \$500,000 to eliminate the National Jewish Health Quitline contract.
- A decrease of \$580,000 to eliminate certain marketing for gambling and tobacco programs to reflect changes in the public's consumption of marketing and advertising materials.

The Division of Behavioral Health works to provide prevention, treatment, and recovery services related to mental health and addictive disorders.

3 35 1. Of the moneys appropriated in this section, \$300,000
 4 1 is allocated to support the work of the children's behavioral
 4 2 health system including evidence-based behavioral health
 4 3 prevention, treatment, and recovery services and supports for
 4 4 children and their families.

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

DETAIL: This is no change in funding compared to the estimated net FY 2026 allocation.

4 5 2. Of the moneys appropriated in this section, \$950,000
 4 6 is allocated for an integrated substance use disorder managed
 4 7 care system. The department shall maintain the level of mental
 4 8 health and substance use disorder treatment services provided
 4 9 by the managed care contractors, and shall take the steps
 4 10 necessary to continue the federal waivers as needed to maintain
 4 11 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 2026 allocation.

4 12 Sec. 4. DEPARTMENT OF HEALTH AND HUMAN SERVICES — SPORTS
 4 13 WAGERING RECEIPTS FUND. There is appropriated from the
 4 14 sports wagering receipts fund created in section 8.571, to the
 4 15 department of health and human services for the fiscal year
 4 16 beginning July 1, 2026, and ending June 30, 2027, the following
 4 17 amount, or so much thereof as is necessary, to be used for
 4 18 behavioral health prevention, education, early intervention,
 4 19 treatment, recovery support, and crisis services in order to
 4 20 support statewide access to treatment for behavioral health
 4 21 conditions; stabilization and mitigation of behavioral health
 4 22 crises; and recovery for individuals and families impacted by
 4 23 behavioral health conditions:

4 24	\$	1,750,000
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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 net FY 2026.

4 25 DIVISION IV
4 26 PUBLIC HEALTH — FY 2026-2027

4 27 Sec. 5. DEPARTMENT OF HEALTH AND HUMAN SERVICES — PUBLIC
4 28 HEALTH. There is appropriated from the general fund of the
4 29 state to the department of health and human services for the
4 30 fiscal year beginning July 1, 2026, and ending June 30, 2027,
4 31 the following amount, or so much thereof as is necessary, to be
4 32 used for the purposes designated:

4 33 For programs that support health promotion, protect the
4 34 health and safety of the public, conduct disease surveillance
4 35 and investigation to reduce the incidence of morbidity and
5 1 mortality, serve individuals with chronic conditions including
5 2 but not limited to cancer, support the Iowa donor registry as
5 3 specified in section 142C.18, and strengthen the health care
5 4 delivery system and workforce to improve health outcomes for
5 5 all Iowans, and for not more than the following full-time
5 6 equivalent positions:
5 7 \$ 21,168,369
5 8 FTEs 348.60

General Fund appropriation to the HHS — Public Health for FY 2027.

DETAIL: This is a decrease of \$1,265,000 and an increase of 6.45 FTE positions compared to estimated net FY 2026. Total FTE positions authorized provide the same as the total authorized in 2025 Iowa Acts, [House File 1049](#) (FY 2026 Health and Human Services Appropriations Act). The funding changes include the following:

- A decrease of \$40,000 to eliminate a contract for the survey of children who experience adverse childhood experiences.
- A decrease of \$225,000 to eliminate a contract with the Polk County Medical Society for the safety net provider patients access to specialty health care clinics initiative.
- A decrease of \$1,000,000 for a Medicaid graduate medical education reduction.

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.

5 9 1. Of the moneys appropriated in this section, \$191,000
5 10 is allocated to the university of Iowa hospitals and clinics
5 11 to administer a child vision screening program through
5 12 continuation of an existing contract. The program shall submit
5 13 a report to the department regarding the use of funds allocated
5 14 under this subsection. The report shall include the objectives
5 15 and results for the program year including the target
5 16 population and how the funds allocated assisted the program in
5 17 meeting the objectives; the number, age, and location within
5 18 the state of individuals served; the type of services provided
5 19 to the individuals served; the distribution of moneys based on

Allocates \$191,000 for the Child Vision Screening Program contract with University of Iowa Health Care (UIHC). Requires the Program to submit a report to the HHS regarding objectives, results, and the use of funds allocated to the Child Vision Screening Program.

DETAIL: This is a new allocation for FY 2027. The allocation previously existed in 2023 Iowa Acts, chapter [112](#) (FY 2024 Health and Human Services Appropriations Act).

5 20 the services provided; and the continuing needs of the program.

5 21 2. Of the moneys appropriated in this section, \$144,000 is
 5 22 allocated for the public purpose of allowing the department
 5 23 to continue an existing contract with an existing affiliated
 5 24 organization to provide education, client-centered programs,
 5 25 and client and family support, for people living with epilepsy
 5 26 and their families. The moneys allocated in excess of \$50,000
 5 27 shall be matched dollar for dollar by the existing affiliated
 5 28 organization. Moneys under this section shall be distributed
 5 29 in their entirety on July 1, 2026, for the purpose specified.

Allocates \$144,000 for epilepsy education and support. Funds allocated are required to be distributed on July 1, 2026. The allocation requires a dollar-for-dollar match of the funds above \$50,000.

DETAIL: This is a new allocation for FY 2027. The allocation previously existed in 2023 Iowa Acts, chapter [112](#) (FY 2024 Health and Human Services Appropriations Act). Funding provides for education, client-centered programs, and client and family support for people and families of people living with epilepsy.

5 30 3. Of the moneys appropriated in this section, the following
 5 31 amounts are allocated to the department of health and human
 5 32 services to be used as follows to support the goals of
 5 33 increased access, health system integration, and engagement:

Allocates a total of \$999,000 of the Public Health appropriation to support increased access, health system integration, and engagement.

DETAIL: This is a decrease of \$225,000 compared to the estimated net FY 2026 allocation to eliminate a contract with the Polk County Medical Society for the safety net provider patients access to specialty health care clinics initiative.

5 34 a. \$600,000 for distribution to a nonprofit organization
 5 35 that established the first statewide drug donation repository
 6 1 for continuation of the pharmaceutical infrastructure for
 6 2 safety net providers established as described in 2007 Iowa
 6 3 Acts, chapter 218, section 108, and for the prescription drug
 6 4 donation repository program established in chapter 135M.
 6 5 Moneys under this paragraph shall be distributed in their
 6 6 entirety on July 1, 2026, 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, 2026.

6 7 b. \$374,000 for distribution to free clinics, as defined in
 6 8 section 135.24, and a nonprofit organization that facilitates
 6 9 the initiation, operation, and collaboration of free clinics
 6 10 for necessary infrastructure, statewide coordination, provider
 6 11 recruitment, service delivery, and provision of assistance to
 6 12 patients in securing a medical home inclusive of oral health
 6 13 care. Of the moneys allocated, \$40,000 shall be used to lower
 6 14 fees associated with using an electronic prescribing system.
 6 15 Moneys under this paragraph shall be distributed in their

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. Requires these moneys to be distributed in their entirety on July 1, 2026.

6 16 entirety on July 1, 2026, for the purpose specified.

6 17 c. \$25,000 for distribution to an organization that raises
6 18 awareness about issues related to rural health clinics for
6 19 necessary infrastructure and service delivery transformation.
6 20 Moneys under this paragraph shall be distributed in their
6 21 entirety on July 1, 2026, 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, 2026.

6 22 4. Of the moneys appropriated in this section, \$400,000
6 23 is allocated for rural psychiatric residencies for residents
6 24 selected on or before June 30, 2026.

Allocates \$400,000 of the Public Health appropriation for rural psychiatric residencies to support the funding of psychiatric residents, selected on or before June 30, 2026.

DETAIL: This is a decrease of \$200,000 compared to the estimated net FY 2026 allocation.

6 25 5. Of the moneys appropriated in this section, \$20,000 is
6 26 allocated to make radon test kits available, free of charge,
6 27 to homeowners and renters in the state. The department shall
6 28 provide a link on the department's internet site for homeowners
6 29 and renters in the state to order radon test kits.

Allocates \$20,000 of the Public Health appropriation to make radon test kits available, free of charge, to homeowners and renters in Iowa. Requires the HHS to provide a link on the HHS's website for homeowners and renters to order radon test kits.

DETAIL: This is no change in funding compared to the estimated net FY 2026 allocation.

6 30 6. Of the moneys appropriated in this section, \$1,500,000 is
6 31 allocated for awarding grants for medical residency programs in
6 32 the state that meet the following criteria:

Allocates \$1,500,000 for medical residency program grants that are not related to the practice of family medicine and not located in Johnson county.

6 33 a. The medical residency program is not related to the
6 34 practice of family medicine.

DETAIL: This is a new allocation for FY 2027.

6 35 b. The medical residency program is not located in a county
7 1 that has a population of one hundred fifty thousand or more
7 2 based on the most recent federal decennial census, and in which
7 3 the main campus of an institution of higher learning governed
7 4 by the state board of regents is located.

7 5 7. The university of Iowa hospitals and clinics under
7 6 the control of the state board of regents shall not receive
7 7 indirect costs from the moneys appropriated in this section.
7 8 The university of Iowa hospitals and clinics billings to the
7 9 department shall be, at a minimum, on a quarterly basis.

Prohibits the UIHC from receiving indirect costs from the General Fund Public Health appropriation to the HHS. Requires the UIHC to submit billings to the HHS on no less than a quarterly basis.

7 10 DIVISION V
 7 11 COMMUNITY ACCESS AND ELIGIBILITY — CHILD SUPPORT SERVICES —
 7 12 TANF — FY 2026-2027

7 13 Sec. 6. DEPARTMENT OF HEALTH AND HUMAN SERVICES — COMMUNITY
 7 14 ACCESS AND ELIGIBILITY. There is appropriated from the
 7 15 general fund of the state to the department of health and human
 7 16 services for the fiscal year beginning July 1, 2026, and ending
 7 17 June 30, 2027, the following amount, or so much thereof as is
 7 18 necessary, to be used for the purposes designated:
 7 19 To be used for salaries, support, maintenance, and
 7 20 miscellaneous purposes and for family investment program (FIP)
 7 21 assistance in accordance with chapter 239B, and for other costs
 7 22 associated with providing needs-based benefits or assistance
 7 23 including but not limited to maternal and child health, oral
 7 24 health, obesity prevention, the promoting independence and
 7 25 self-sufficiency through employment, job opportunities and the
 7 26 basic skills (PROMISE JOBS) program, supplemental nutrition
 7 27 assistance program (SNAP) employment and training, the FIP
 7 28 diversion program, family planning, rent reimbursement,
 7 29 and eligibility determinations for medical assistance, food
 7 30 assistance, and the children’s health insurance program, and
 7 31 for not more than the following full-time equivalent positions:
 7 32 \$ 76,371,516
 7 33 FTEs 883.90

General Fund appropriation to the HHS — Community Access and Eligibility for FY 2027.

DETAIL: This is a net increase of \$7,829,060 and 76.90 FTE positions compared to estimated net FY 2026. The funding and FTE position changes include the following:

- An increase of \$8,738,907 for the increase to the State share of Supplemental Nutrition Assistance Program (SNAP) administrative costs beginning in federal fiscal year (FFY) 2027 due to requirements of the federal [One Big Beautiful Bill Act \(OBBBA\)](#).
- An increase of \$1,171,999 for the State share of administrative costs for the Summer Electronic Benefits Transfer (EBT) program.
- An increase of \$859,280 and 23.00 FTE positions for Medicaid eligibility services related to requirements of the federal OBBBA.
- An increase of \$58,874 for Medicaid waiver cost neutrality analysis.
- A decrease of \$3,000,000 to move Family Investment Program (FIP) expenditures to the Temporary Assistance for Needy Families (TANF) block grant to address excess maintenance of effort (MOE) spending.
- An increase of 63.40 FTE positions to provide the same amount of FTE positions as the total authorized in 2025 Iowa Acts, [House File 1049](#) (FY 2026 Health and Human Services Appropriations Act).
- A decrease of 9.50 FTE positions due to the reorganization of refugee services.

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.

7 34 1. Of the child support collections assigned under FIP,
7 35 the federal share of the child support collections shall be
8 1 credited to the child support services appropriation made in
8 2 this division of this Act. Of the remainder of the child
8 3 support collections assigned under FIP, a portion shall be
8 4 credited to community access and eligibility, and the remaining
8 5 moneys may be used to increase recoveries, to sustain cash flow
8 6 in the collection services center refund account as provided in
8 7 section 252B.13A, or for technology needs. If child support
8 8 collections assigned under FIP are greater than estimated or
8 9 are otherwise determined not to be required for maintenance of
8 10 efforts, the state share of either amount is appropriated to
8 11 the department for child support services as described in this
8 12 division of this Act, or may be transferred to or retained in
8 13 the collection services center refund account.

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.

8 14 2. Of the moneys appropriated in this section, \$3,075,000 is
8 15 allocated for continuation of the department's initiative to
8 16 provide for adequate developmental surveillance and screening
8 17 during a child's first five years. The moneys shall first be
8 18 used to fully fund the current participating counties to ensure
8 19 that those counties are fully operational, with the remaining
8 20 moneys to be used for expanding participation to additional
8 21 counties. Full implementation and expansion shall include
8 22 enhancing the scope of the initiative through collaboration
8 23 with child health specialty clinics to promote the use of
8 24 developmental surveillance and screening to support healthy
8 25 child development through early identification and response to
8 26 biomedical and social determinants of healthy development by
8 27 providing practitioner consultation and continuous improvement
8 28 through training and education, particularly for children
8 29 with behavioral conditions and needs. The department shall
8 30 also collaborate with the Medicaid program and child health
8 31 specialty clinics to assist in coordinating the activities
8 32 of the first five initiative into the establishment of
8 33 patient-centered medical homes developed to improve health
8 34 quality and population health while reducing health care costs.
8 35 To the maximum extent possible, moneys allocated in this
9 1 subsection shall be utilized as matching moneys for Medicaid
9 2 program reimbursement.

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 2026 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.

9 3 3. Of the moneys appropriated in this section, \$1,145,102 is
 9 4 allocated to the Iowa Commission on volunteer service created
 9 5 in section 15H.2 for programs and grants.

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 2026 allocation.

9 6 4. The university of Iowa hospitals and clinics under
 9 7 the control of the state board of regents shall not receive
 9 8 indirect costs from the moneys appropriated in this section.
 9 9 The university of Iowa hospitals and clinics billings to the
 9 10 department shall be, at a minimum, on a quarterly basis.

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.

9 11 Sec. 7. DEPARTMENT OF HEALTH AND HUMAN SERVICES — CHILD
 9 12 SUPPORT SERVICES. There is appropriated from the general fund
 9 13 of the state to the department of health and human services for
 9 14 the fiscal year beginning July 1, 2026, and ending June 30,
 9 15 2027, the following amount, or so much thereof as is necessary,
 9 16 to be used for the purposes designated:

General Fund appropriation to the HHS — Child Support Services for FY 2027.

9 17 For child support services, including salaries, support,
 9 18 maintenance, and miscellaneous purposes, and for not more than
 9 19 the following full-time equivalent positions:

DETAIL: This is no change in funding and an increase of 52.00 FTE positions compared to estimated net FY 2026. Total FTE positions authorized provide the same amount as the total authorized in 2025 Iowa Acts, [House File 1049](#) (FY 2026 Health and Human Services Appropriations Act).

9 20	\$	15,644,114
9 21	FTEs	464.00

9 22 1. Federal access and visitation grant moneys shall be used
 9 23 for services designed to increase compliance with the child
 9 24 access provisions of court orders, including but not limited to
 9 25 neutral visitation sites and mediation services.

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

9 26 2. Moneys appropriated in this section may be used
 9 27 throughout the fiscal year in the manner necessary for
 9 28 cash flow management. For cash flow management under this
 9 29 subsection, the department may temporarily draw more than the
 9 30 amount appropriated provided the amount appropriated is not
 9 31 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.

9 32 Sec. 8. DEPARTMENT OF HEALTH AND HUMAN SERVICES —
 9 33 TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT. There is
 9 34 appropriated from the special fund created in section 8.41 to
 9 35 the department of health and human services for the fiscal year
 10 1 beginning July 1, 2026, and ending June 30, 2027, from moneys

Appropriates a total of \$153,673,068 from the TANF Federal Block Grant Fund appropriation for FY 2027.

DETAIL: This is a decrease of \$5,307,315 compared to estimated net FY 2026. The federal government implemented

10 2 received under the federal temporary assistance for needy
 10 3 families (TANF) block grant pursuant to the federal Personal
 10 4 Responsibility and Work Opportunity Reconciliation Act of 1996,
 10 5 Pub.L. No.104-193, and successor legislation, including TANF
 10 6 block grant moneys received in any prior fiscal year that
 10 7 were deposited in the special fund and remain unencumbered
 10 8 or unobligated on June 30, 2026, the following amounts, or
 10 9 so much thereof as is necessary, to be used for the purposes
 10 10 designated:

Federal Welfare Reform on August 22, 1996. Reform eliminated Aid to Families with Dependent Children (AFDC), ending federal entitlement and creating a flexible funding source for states to use in helping needy families achieve self-sufficiency. Iowa's annual TANF award is \$131,524,959; however, federal law reduces the annual award by \$434,032 and reserves those funds for research and evaluation projects. In addition, \$582,859 is allocated to Native American tribes.

10 11 1. For community access and eligibility:
 10 12 \$ 12,566,312

Appropriates funds from the TANF Block Grant for community access and eligibility.

DETAIL: This is a decrease of \$422,315 compared to estimated net FY 2026 to reflect expected decreased technology expenditures for FY 2027.

10 13 2. For community access and eligibility to provide
 10 14 pregnancy prevention grants on the condition that family
 10 15 planning services are funded:
 10 16 \$ 1,913,203

Appropriates funds from the TANF Block Grant for pregnancy prevention grants on the condition that family planning services are funded.

DETAIL: This is no change in funding compared to estimated net FY 2026.

10 17 Pregnancy prevention grants shall be awarded to programs
 10 18 in existence on or before July 1, 2026, if the programs have
 10 19 demonstrated positive outcomes. Grants shall be awarded
 10 20 to pregnancy prevention programs developed after July 1,
 10 21 2026, if the programs are based on existing models that have
 10 22 demonstrated positive outcomes. Grants must comply with the
 10 23 requirements provided in 1997 Iowa Acts, chapter 208, section
 10 24 14, subsections 1 and 2, including the requirement that a
 10 25 program awarded a grant must emphasize sexual abstinence.
 10 26 Priority in awarding grants shall be given to programs
 10 27 that serve areas of the state which demonstrate the highest
 10 28 percentage of unplanned pregnancies of females of childbearing
 10 29 age within the geographic area to be served by the grant.

Requires the HHS to award pregnancy prevention grants only to programs that are based on existing models and have demonstrated positive outcomes. Requires pregnancy prevention grants from the TANF to include the requirement that sexual abstinence be emphasized. Specifies that priority in awarding the grants is to be given to programs in areas of Iowa that have the highest percentage of unplanned adolescent pregnancies within the geographic area served by the grant.

10 30 3. To meet one of the four purposes of TANF as specified
 10 31 in 45 C.F.R. §260.20, including by modernizing the program
 10 32 to promote economic mobility and self-sufficiency, ensuring

Appropriates funds from the TANF Block Grant to promote economic mobility and self-sufficiency, ensure that families are able to overcome benefit cliffs, encourage healthy

10 33 that families are able to overcome benefit cliffs, encouraging
 10 34 healthy families, and streamlining service delivery to reduce
 10 35 duplication:
 11 1 \$ 25,000,000

families, and streamline service delivery.

DETAIL: This is no change in funding compared to estimated net FY 2026.

11 2 4. For early intervention and supports for child abuse
 11 3 prevention and the family development and self-sufficiency
 11 4 (FaDSS) grant program in accordance with section 216A.107:
 11 5 \$ 3,013,980

Appropriates funds from the TANF Block Grant for early intervention and supports for child abuse prevention grants and the Family Development and Self-Sufficiency (FaDSS) Grant Program.

DETAIL: This is no change in funding compared to estimated net FY 2026.

11 6 5. For accountability, compliance, program integrity,
 11 7 technology needs, and other resources necessary to meet
 11 8 federal and state reporting, tracking, and case management
 11 9 requirements, and other departmental needs:
 11 10 \$ 3,533,647

Appropriates funds from the TANF Block Grant for administration and compliance for federal and State reporting, tracking, and case management technology and resource needs.

DETAIL: This is no change in funding compared to estimated net FY 2026.

11 11 6. For state child care assistance:
 11 12 \$ 42,281,826

Appropriates funds from the TANF Block Grant to Child Care Assistance (CCA).

DETAIL: This is a decrease of \$4,885,000 compared to estimated net FY 2026 to reflect the estimated CCA budget for FY 2027.

11 13 7. For child protective services:
 11 14 \$ 65,364,100

Appropriates funds from the TANF Block Grant to Child Protective Services.

DETAIL: This is no change in funding compared to estimated net FY 2026.

11 15 DIVISION VI
 11 16 MEDICAL ASSISTANCE PROGRAM — STATE SUPPLEMENTARY ASSISTANCE —
 11 17 HEALTHY AND WELL KIDS IN IOWA PROGRAM AND OTHER HEALTH-RELATED
 11 18 PROGRAMS — FY 2026-2027

11 19 Sec. 9. DEPARTMENT OF HEALTH AND HUMAN SERVICES — MEDICAL
 11 20 ASSISTANCE PROGRAM, STATE SUPPLEMENTARY ASSISTANCE, AND HEALTHY
 11 21 AND WELL KIDS IN IOWA PROGRAM. There is appropriated from the
 11 22 general fund of the state to the department of health and human
 11 23 services for the fiscal year beginning July 1, 2026, and ending
 11 24 June 30, 2027, the following amount, or so much thereof as is
 11 25 necessary, to be used for the purposes designated:
 11 26 For medical assistance program reimbursement and associated
 11 27 costs as specifically provided in the reimbursement
 11 28 methodologies in effect on June 30, 2026, except as otherwise
 11 29 expressly authorized by law, consistent with options under
 11 30 federal law and regulations, and contingent upon receipt of
 11 31 approval from the office of the governor of reimbursement for
 11 32 each abortion performed under the medical assistance program;
 11 33 for the state supplementary assistance program; for the health
 11 34 insurance premium payment program; and for maintenance of
 11 35 the healthy and well kids in Iowa (Hawki) program pursuant
 12 1 to chapter 514I, including supplemental dental services,
 12 2 for receipt of federal financial participation under Tit.
 12 3 XXI of the federal Social Security Act, which creates the
 12 4 children’s health insurance program; and for other specified
 12 5 health-related programs:
 12 6 \$ 1,992,550,706

General Fund appropriation to the HHS for the Medical Assistance (Medicaid) Program, State Supplementary Assistance (SSA), and the Healthy and Well Kids in Iowa (Hawki) Program for FY 2027.

DETAIL: This is no change in funding compared to estimated net FY 2026. The changes include:

- An increase of \$151,896,005 for the expected Medical Assistance shortfall in FY 2026.
- An increase of \$3,000,000 for a Home- and Community-Based Services (HCBS) elderly waiver rate increase.
- An increase of \$1,167,867 for an ambulatory surgical center rate increase.
- An increase of \$333,000 for a special population nursing facility (SPNF) rate adjustment.
- A decrease of \$150,000 due to allowing Medicaid to dispense a 90-day supply of a prescription.
- A decrease of \$307,500 due to shifting certain behavioral service costs from Medicaid to Medicare.
- A decrease of \$491,250 due to applying a site of service differential for telehealth service billing.
- A decrease of \$601,593 due to venipuncture and therapy rehabilitation billing code adjustments.
- A decrease of \$1,136,250 due to a 30-day readmission policy requiring the use of the same diagnosis related group payment for the same condition.
- A decrease of \$1,166,667 million due to changes for speech therapy and rehabilitation service codes and reimbursement.
- A decrease of \$2,169,875 due to requiring Medicaid to always pay the lowest available price when adjudicating claims.
- A decrease of \$5,400,000 for a facility- and provider-based billing adjustment.
- A decrease of \$5,580,938 for an appropriation from the Behavioral Health Fund.
- A decrease of \$6,465,833 for a Managed Care Organization (MCO) premium tax payment adjustment, shifting costs to the MCOs.

PG LN	GA:91 HF2782	Explanation
		<ul style="list-style-type: none"> • A decrease of \$132,926,966 due to Health Maintenance Organization (HMO) tax revenue.
12 7 12 8 12 9 12 10 12 11 12 12 12 13 12 14	<p>1. Of the moneys appropriated in this section, \$1,919,596,113 is allocated for medical assistance program reimbursement and associated costs. Of the moneys allocated in this subsection, \$3,383,880 shall be used for program administration, outreach, and enrollment activities of the state family planning services program pursuant to section 217.41B, and of this amount, the department may use \$200,000 for administrative expenses.</p>	<p>Allocates \$1,919,596,113 for the Medicaid Program. Requires \$3,383,880 of the allocation to be used for the State Family Planning Services Program and allows \$200,000 to be used for administrative expenses.</p> <p>DETAIL: This is an increase of \$81,792,040 compared to estimated net FY 2026. This is no change in funding for the State Family Planning Services Program compared to the estimated net FY 2026 allocation.</p>
12 15 12 16 12 17 12 18	<p>2. Iowans support reducing the number of abortions performed in our state. Moneys appropriated under this section shall not be used for abortions, unless otherwise authorized under this section.</p>	<p>Prohibits moneys appropriated for Medical Assistance from being used for abortions, unless otherwise authorized under this section.</p>
12 19 12 20 12 21	<p>3. The provisions of this section relating to abortions shall also apply to the Iowa health and wellness plan created pursuant to chapter 249N.</p>	<p>Specifies that the policy on abortion also applies to the Iowa Health and Wellness Plan.</p>
12 22 12 23	<p>4. Of the moneys appropriated in this section, \$4,479,762 is allocated for the state supplementary assistance program.</p>	<p>Allocates \$4,479,762 of the funds appropriated for Medicaid for the SSA Program.</p> <p>DETAIL: This is no change in funding compared to the estimated net FY 2026 allocation.</p>
12 24 12 25 12 26 12 27 12 28 12 29	<p>5. Of the moneys appropriated in this section, \$68,474,831 is allocated for maintenance of the Hawki program pursuant to chapter 514I, including supplemental dental services, for receipt of federal financial participation under Tit.XXI of the federal Social Security Act, which creates the children's health insurance program.</p>	<p>Allocates \$68,474,831 of the funds appropriated for Medicaid for the Children's Health Insurance Program (CHIP), also known as the Hawki Program.</p> <p>DETAIL: This is an increase of \$7,207,960 compared to estimated net FY 2026.</p>
12 30 12 31 12 32 12 33 12 34	<p>Sec. 10. DEPARTMENT OF HEALTH AND HUMAN SERVICES — HEALTH PROGRAM OPERATIONS. There is appropriated from the general fund of the state to the department of health and human services for the fiscal year beginning July 1, 2026, and ending June 30, 2027, the following amount, or so much thereof as is</p>	<p>General Fund appropriation to the HHS — Health Program Operations for FY 2027.</p>

12 35 necessary, to be used for the purposes designated:
 13 1 For health program operations and the autism support program
 13 2 under section 225D.2, and for not more than the following
 13 3 full-time equivalent positions:
 13 4 \$ 40,342,766
 13 5 FTEs 97.00

DETAIL: This is an increase of \$670,333 and 15.00 FTE positions compared to estimated net FY 2026. The funding and FTE position changes include the following:

- An increase of \$670,333 for costs associated with 2026 Iowa Acts, [Senate File 2422](#) (Public Assistance, Verification and Eligibility Bill).
- An increase of 15.00 FTE positions to shift Medicaid staffing from the Accountability, Compliance, and Program Integrity appropriation.

13 6 1. The department of inspections, appeals, and licensing
 13 7 shall provide all state matching moneys for survey and
 13 8 certification activities performed by the department of
 13 9 inspections, appeals, and licensing. The department of health
 13 10 and human services shall be solely responsible for distributing
 13 11 the federal matching moneys for such activities.

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 funds.

13 12 2. Of the moneys appropriated in this section, a sufficient
 13 13 amount is allocated for the administration of the health
 13 14 insurance premium payment program, including salaries, support,
 13 15 maintenance, and miscellaneous purposes.

Requires a sufficient portion of the allocation to be used for the administration of the Health Insurance Premium Payment Program.

13 16 3. Of the moneys appropriated in this section, \$750,000 is
 13 17 allocated for a nonprofit organization that provides access
 13 18 to emergency poison information and treatment. Pursuant to
 13 19 the directive under 2014 Iowa Acts, chapter 1140, section
 13 20 102, the federal matching moneys available to the nonprofit
 13 21 organization from the department under the federal Children's
 13 22 Health Insurance Program Reauthorization Act of 2009 shall be
 13 23 subject to the federal administrative cap rule of 10 percent
 13 24 applicable to moneys provided under Tit.XXI of the federal
 13 25 Social Security Act, and shall be included in the department's
 13 26 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 2026 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 to be included in the HHS calculations of the cap.

13 27 4. Unless otherwise provided by law, if a contract for
 13 28 services provided under this section initially entered into
 13 29 during the fiscal year beginning July 1, 2026, and ending
 13 30 June 30, 2027, provides for an annual increase of the cost of
 13 31 services provided under the contract, the annual increase shall
 13 32 not exceed the amount by which the consumer price index for
 13 33 all urban consumers increased during the immediately preceding

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 was 2.70% in calendar year 2025.

13 34 calendar year. This subsection does not affect a contract
13 35 entered into on or before June 30, 2026, that is for a term of
14 1 more than one year.

14 2 Sec. 11. DEPARTMENT OF HEALTH AND HUMAN SERVICES —
14 3 PHARMACEUTICAL SETTLEMENT ACCOUNT. There is appropriated
14 4 from the pharmaceutical settlement account created in section
14 5 249A.33 to the department of health and human services for the
14 6 fiscal year beginning July 1, 2026, and ending June 30, 2027,
14 7 the following amount, or so much thereof as is necessary, to be
14 8 used for the purposes designated:

14 9 Notwithstanding any provision of law to the contrary, to
14 10 supplement the appropriation made in this Act from the general
14 11 fund of the state for health program operations under the
14 12 medical assistance program for the same fiscal year:
14 13 \$ 234,193

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 net FY 2026.

14 14 Sec. 12. DEPARTMENT OF HEALTH AND HUMAN SERVICES — QUALITY
14 15 ASSURANCE TRUST FUND.

14 16 1. Notwithstanding any provision of law to the contrary, and
14 17 subject to the availability of moneys, there is appropriated
14 18 from the quality assurance trust fund created in section 249L.4
14 19 to the department of health and human services for the fiscal
14 20 year beginning July 1, 2026, and ending June 30, 2027, the
14 21 following amount, or so much thereof as is necessary, for the
14 22 purposes designated:

14 23 To supplement the appropriation made in this Act from the
14 24 general fund of the state to the department of health and human
14 25 services for medical assistance for the same fiscal year:
14 26 \$ 111,216,205

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 net FY 2026.

14 27 2. Notwithstanding section 249L.4, subsection 2, after the
14 28 appropriation in subsection 1, any moneys remaining in the
14 29 quality assurance trust fund for the fiscal year beginning
14 30 July 1, 2026, and ending June 30, 2027, are appropriated to
14 31 the department of health and human services to supplement the
14 32 appropriation made in this Act from the general fund of the
14 33 state for the medical assistance program for the same fiscal
14 34 year.

CODE: Appropriates any moneys remaining in the QATF to the HHS for Medical Assistance in FY 2027.

14 35 Sec. 13. DEPARTMENT OF HEALTH AND HUMAN SERVICES — HOSPITAL
15 1 HEALTH CARE ACCESS TRUST FUND.

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

15 2 1. Notwithstanding any provision of law to the contrary, and
 15 3 subject to the availability of moneys, there is appropriated
 15 4 from the hospital health care access trust fund created in
 15 5 section 249M.4, to the department of health and human services
 15 6 for the fiscal year beginning July 1, 2026, and ending June 30,
 15 7 2027, the following amount, or so much thereof as is necessary,
 15 8 for the purposes designated:
 15 9 To supplement the appropriation made in this Act from the
 15 10 general fund of the state to the department of health and human
 15 11 services for medical assistance for the same fiscal year:
 15 12 \$ 33,920,554

DETAIL: This is no change in funding compared to estimated net FY 2026.

15 13 2. Notwithstanding section 249M.4, subsection 2, after
 15 14 the appropriation in subsection 1, any moneys remaining in
 15 15 the hospital health care access trust fund for the fiscal
 15 16 year beginning July 1, 2026, and ending June 30, 2027, are
 15 17 appropriated to the department of health and human services to
 15 18 supplement the appropriation made in this Act from the general
 15 19 fund of the state for the medical assistance program for the
 15 20 same fiscal year.

CODE: Appropriates any moneys remaining in the HHCAT to the HHS for Medical Assistance in FY 2027.

15 21 Sec. 14. DEPARTMENT OF HEALTH AND HUMAN SERVICES —
 15 22 BEHAVIORAL HEALTH FUND. Notwithstanding section 225A.7,
 15 23 subsection 2, and subject to the availability of moneys, there
 15 24 is appropriated from the behavioral health fund established in
 15 25 section 225A.7, to the department of health and human services
 15 26 for the fiscal year beginning July 1, 2026, and ending June 30,
 15 27 2027, the following amount, or so much thereof as is necessary,
 15 28 for the purposes designated:
 15 29 To supplement the appropriation made in this Act from the
 15 30 general fund of the state to the department of health and human
 15 31 services for medical assistance for the fiscal year beginning
 15 32 July 1, 2026, and ending June 30, 2027:
 15 33 \$ 5,580,938

Behavioral Health Fund (BHF) appropriation to the HHS to supplement the FY 2027 General Fund Medical Assistance appropriation.

DETAIL: This is a new appropriation for FY 2027.

15 34 Sec. 15. REIMBURSEMENT RATES.
 15 35 1. Reimbursement for medical assistance, state
 16 1 supplementary assistance, and social service providers and
 16 2 services reimbursed under the purview of the department of
 16 3 health and human services shall remain at the reimbursement
 16 4 rate in effect on June 30, 2026, or shall be determined
 16 5 pursuant to the reimbursement methodology in effect on June 30,

Requires that reimbursement for Medical Assistance, SSA, and social service providers and services remain at the reimbursement rate in effect of June 30, 2026, or be determined pursuant to the reimbursement methodology in effect on June 30, 2026, unless otherwise negotiated by contract or provided in this section.

<p>16 6 2026, with the exception of the following: 16 7 a. If reimbursement is otherwise negotiated by contract or 16 8 pursuant to an updated fee schedule. 16 9 b. As otherwise provided in this section.</p>	
<p>16 10 2. a. (1) Notwithstanding any provision of law to the 16 11 contrary, for the fiscal year beginning July 1, 2026, and 16 12 ending June 30, 2027, the department of health and human 16 13 services shall reimburse case-mix nursing facility rates based 16 14 on the methodology in effect on June 30, 2026.</p>	<p>Requires the HHS to base case-mix nursing facility reimbursement rates for FY 2027 based on the rates in effect June 30, 2026.</p>
<p>16 15 (2) July 1, 2025, through December 31, 2025, the department 16 16 of health and human services shall calculate each nursing 16 17 facility's case-mix index for rates effective July 1, 2026.</p>	<p>Requires the HHS to calculate each nursing facility's case-mix index for the rate period beginning July 1, 2026, from July 1, 2025, through December 31, 2025.</p>
<p>16 18 (3) January 1, 2026, through June 30, 2026, the department 16 19 of health and human services shall calculate each nursing 16 20 facility's case-mix index for rates effective January 1, 2027.</p>	<p>Requires the HHS to calculate each nursing facility's case-mix index for the rate period beginning January 1, 2027, from January 1, 2026, through June 30, 2026.</p>
<p>16 21 (4) All nursing facility rate adjustments under this 16 22 paragraph shall be budget neutral.</p>	<p>Requires the nursing facility rate adjustment to be budget neutral.</p>
<p>16 23 b. For the fiscal year beginning July 1, 2026, \$1,167,867 16 24 shall be used to increase to the extent possible reimbursement 16 25 rates for ambulatory surgical centers compared to rates in 16 26 effect on June 30, 2026.</p>	<p>Requires \$1,167,867 to be used for FY 2027 to increase Medicaid reimbursement rates for ambulatory surgical centers compared to rates in effect on June 30, 2026.</p>
<p>16 27 c. For the fiscal year beginning July 1, 2026, \$3,000,000 16 28 shall be used to increase to the extent possible, compared 16 29 with rates in effect on June 30, 2026, reimbursement rates for 16 30 providers of Medicaid home and community-based services waiver 16 31 services used most frequently by elderly waiver recipients 16 32 including attendant care, homemaker, and assisted living 16 33 services.</p>	<p>Requires \$3,000,000 to be used for FY 2027 to increase Medicaid reimbursement rates for HCBS elderly waiver services compared to the rates in effect on June 30, 2026.</p> <p>DETAIL: Medicaid reimbursement expenditures are paid for by the Medical Assistance appropriation.</p>
<p>16 34 d. (1) Adjustments to Medicaid reimbursement rates 16 35 developed using cost reports shall be applied starting on the 17 1 effective date specified in the applicable rate letter issued</p>	<p>Requires adjustments to Medicaid reimbursement rates developed using cost reports to be applied starting on the</p>

17 2 to a provider.

effective date specified in the applicable rate letter issued to a provider.

17 3 (2) Minimum Medicaid reimbursement rates for all provider
17 4 and service types shall be no lower than the reimbursement
17 5 rates established in the department's minimum fee schedule.

Prohibits minimum Medicaid reimbursement rates from being lower than the rates established in the HHS's minimum fee schedule.

17 6 (3) Any increase in a Medicaid reimbursement rate specified
17 7 under this section shall be effective October 1, 2026.

Provides that any increase in a Medicaid reimbursement rate is effective October 1, 2026.

17 8 DIVISION VII
17 9 FAMILY WELL-BEING AND PROTECTION — FY 2026-2027

17 10 Sec. 16. DEPARTMENT OF HEALTH AND HUMAN SERVICES — STATE
17 11 CHILD CARE ASSISTANCE. There is appropriated from the general
17 12 fund of the state to the department of health and human
17 13 services for the fiscal year beginning July 1, 2026, and ending
17 14 June 30, 2027, the following amount, or so much thereof as is
17 15 necessary, to be used for the purposes designated:

General Fund appropriation to the HHS for CCA for FY 2027.

17 16 For state child care assistance in accordance with sections
17 17 237A.13 and 237A.14, and for not more than the following
17 18 full-time equivalent positions:
17 19 \$ 32,723,000
17 20 FTEs 53.00

DETAIL: This is a decrease of \$2,260,000 and no change in FTE positions compared to estimated net FY 2026. Total FTE positions authorized provide the same amount as the total authorized in 2025 Iowa Acts, [House File 1049](#) (FY 2026 Health and Human Services Appropriations Act). The decrease in funding is to move funding to the federal Child Care Development Block Grant and the federal TANF Block Grant.

17 21 1. If the appropriation made for purposes of the state child
17 22 care assistance program for the fiscal year is determined to
17 23 be insufficient, it is the intent of the general assembly to
17 24 appropriate sufficient moneys for the fiscal year to avoid
17 25 application of waiting list requirements.

Specifies that it is the intent of the General Assembly to provide sufficient funding for the State CCA Program in FY 2027 to avoid the establishment of a waiting list.

17 26 2. A portion of the state match for the federal child care
17 27 and development block grant shall be provided as necessary to
17 28 meet federal matching moneys requirements through the state
17 29 general fund appropriation made for child development grants
17 30 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.

17 31 Sec. 17. DEPARTMENT OF HEALTH AND HUMAN SERVICES — EARLY
17 32 INTERVENTION AND SUPPORTS. There is appropriated from the
17 33 general fund of the state to the department of health and human

General Fund appropriation to the HHS — Early Intervention and Supports for FY 2027.

17 34 services for the fiscal year beginning July 1, 2026, and ending
 17 35 June 30, 2027, the following amount, or so much thereof as is
 18 1 necessary, to be used for the purposes designated:
 18 2 For promotion of optimum health status for children and
 18 3 adolescents from birth through 21 years of age, and for
 18 4 families, and for not more than the following full-time
 18 5 equivalent positions:
 18 6 \$ 36,495,203
 18 7 FTEs 28.00

DETAIL: This is a net increase of \$1,193,299 and an increase of 1.00 FTE position compared to estimated net FY 2026. Total FTE positions authorized provide a decrease of 1.00 FTE position compared to the total authorized in 2025 Iowa Acts, [House File 1049](#) (FY 2026 Health and Human Services Appropriations Act). This changes in funding and FTE positions include the following:

- An increase of \$1,493,299 to meet increased program expenditure needs for the More Options for Maternal Support (MOMS) Program
- A decrease of \$300,000 to eliminate funding for a contracted Child Abuse Prevention administrator that the HHS had deemed duplicative.
- A decrease of 1.00 FTE position to move a program manager from the Family Well-Being and Protection division to the Aging and Disability Services division.

18 8 1. Of the moneys appropriated in this section, not more than
 18 9 \$734,000 is allocated for the healthy opportunities for parents
 18 10 to experience success (HOPES) – healthy families Iowa (HFI)
 18 11 program established pursuant to section 135.106.

Limits the General Fund allocation used to fund the Healthy Opportunities for Parents to Experience Success – Healthy Families Iowa (HOPES-HFI) Program to \$734,000.

DETAIL: This is no change in funding compared to the estimated net FY 2026 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.

18 12 2. Of the moneys appropriated in this section, \$4,313,854
 18 13 is allocated for the FaDSS grant program, and not more
 18 14 than 5 percent of the allocated moneys shall be used for
 18 15 administration of the grant program.

Allocates \$4,313,854 for the 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 2026 allocation.

18 16 3. Of the moneys appropriated in this section, \$29,256,799
 18 17 shall be deposited in the early childhood Iowa fund created in
 18 18 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 2026 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.

18 19 4. Of the moneys appropriated in this section, \$1,493,299 is
 18 20 allocated for program administration and provision of pregnancy
 18 21 support services through the more options for maternal support
 18 22 program pursuant to section 217.41C.

Allocates \$1,493,299 for the MOMS Program.

DETAIL: This is a new allocation for FY 2027.

18 23 Sec. 18. DEPARTMENT OF HEALTH AND HUMAN SERVICES — CHILD
 18 24 PROTECTIVE SERVICES. There is appropriated from the general
 18 25 fund of the state to the department of health and human
 18 26 services for the fiscal year beginning July 1, 2026, and ending
 18 27 June 30, 2027, the following amount, or so much thereof as is
 18 28 necessary, to be used for the purposes designated:
 18 29 For child, family, and adoption services, and for salaries,
 18 30 support, maintenance, and miscellaneous purposes, and for not
 18 31 more than the following full-time equivalent positions:
 18 32 \$ 164,527,690
 18 33 FTEs 977.00

General Fund appropriation to the HHS — Child Protective Services for FY 2027.

DETAIL: This is a net decrease of \$1,030,341 and an increase of 117.80 FTE positions compared to estimated net FY 2026. Total FTE positions authorized provide the same amount as the total authorized in 2025 Iowa Acts, [House File 1049](#) (FY 2026 Health and Human Services Appropriations Act). The changes in funding in include:

- An increase of \$3,245,594 for a Qualified Residential Treatment Program (QRTP) rate increase.
- An increase of \$1,590,842 for shelter rate increases.
- A decrease of \$110,000 to end auto-dissemination of printed Child Protective Services reports.
- A decrease of \$243,000 to charge the Juvenile Court Services (JCS) for certain activities conducted by the Child Protective Services team.
- A decrease of \$1,004,000 for personnel salary costs due to the establishment of a central consulting model that is expected to decrease overtime hours for social workers.
- A decrease of \$1,400,000 to end contracts for the Treatment Outcome Package (TOPs) protocol in order to utilize an existing lower-cost tool.

PG LN	GA:91 HF2782	Explanation
		<ul style="list-style-type: none"> • A decrease of \$1,409,777 for the adoption subsidy program to utilize existing surplus in the program. • A decrease of \$1,700,000 to end the Child Protective Services Decategorization Program.
18 34 18 35 19 1 19 2	1. Based on client need, a portion of the moneys appropriated in this section may be used to provide other resources required to support family preservation, emergency client need, or family reunification efforts.	Permits funds to be used for emergency family assistance under certain conditions.
19 3 19 4 19 5 19 6 19 7 19 8	2. Of the moneys appropriated in this section, a sufficient amount is allocated for foster family care, group foster care maintenance and services, shelter care, child welfare emergency services, qualified residential treatment programs, supervised apartment living contracts, and for medical assistance program reimbursement and associated costs.	<p>Allocates a sufficient amount of the Child Protective Services appropriation to group foster care.</p> <p>DETAIL: In FY 2024, \$40,500,000 was allocated for group foster care.</p>
19 9 19 10 19 11 19 12 19 13 19 14 19 15 19 16 19 17 19 18 19 19	3. Federal moneys received by the state during the fiscal year beginning July 1, 2026, as the result of the expenditure of state moneys appropriated during a previous state fiscal year for a service or activity funded under this section, are appropriated to the department to be used as additional moneys for services and purposes provided under this section. Notwithstanding section 8.33, moneys appropriated under this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for the purposes designated until the close of the succeeding fiscal year.	Requires federal moneys received in FY 2027 because of the expenditure of State funds in a previous year to be used for Child Protective Services. Allows any unencumbered or unobligated funds to remain available for expenditure through FY 2028.
19 20 19 21 19 22 19 23 19 24	4. a. Of the moneys appropriated in this section, \$748,000 is allocated for the payment of the expenses of court-ordered services provided to children who are under the supervision of the department, which expenses are a charge upon the state pursuant to section 232.141, subsection 4.	<p>Allocates \$748,000 for court-ordered services provided to children who are under the supervision of the HHS.</p> <p>DETAIL: This is no change in funding compared to the estimated net FY 2026 allocation.</p>
19 25 19 26 19 27 19 28 19 29 19 30	b. Notwithstanding chapter 232 or any other provision of law to the contrary, a district or juvenile court shall not order any service which is a charge upon the state pursuant to section 232.141, subsection 4, if the moneys allocated under paragraph "a" for court-ordered services are 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.

19 31 5. Of the moneys appropriated in this section, \$4,359,500
19 32 is allocated for the preparation for adult living program
19 33 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 2026 allocation.

19 34 6. Of the moneys appropriated in this section, a portion may
19 35 be used for family-centered services for purposes of complying
20 1 with the federal Family First Prevention Services Act of 2018,
20 2 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](#).

20 3 7. a. Of the moneys appropriated in this section,
20 4 \$38,414,178 is allocated for adoption subsidy payments and
20 5 related costs.

Allocates \$38,414,178 to the Adoption Subsidy Program.

DETAIL: This is a decrease of \$1,409,777 compared to the estimated net FY 2026 allocation.

20 6 b. Any moneys remaining after the allocation under
20 7 paragraph "a" is designated and allocated as state savings
20 8 resulting from implementation of the federal Fostering
20 9 Connections to Success and Increasing Adoptions Act of 2008,
20 10 Pub.L. No.110-351, and successor legislation, as determined
20 11 in accordance with 42 U.S.C. §673(a)(8), and shall be used for
20 12 post-adoption services and for other purposes allowed under
20 13 those federal Acts and regulations, and Tit.IV-B or Tit.IV-E
20 14 of the federal Social Security Act.

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 [Fostering Connections to Success and Increasing Adoptions Act of 2008](#).

20 15 8. Of the moneys appropriated in this section, a sufficient
20 16 amount is allocated to support training needs for child welfare
20 17 providers and to address disproportionality within the child
20 18 welfare system.

Allocates a sufficient amount of moneys appropriated for Child Protective Services to support training and to address disproportionality within the child welfare system.

20 19 9. Of the moneys appropriated in this subsection,
20 20 \$1,658,000 shall be allocated for child protection centers
20 21 located in Iowa pursuant to the child protection center grant
20 22 program under section 135.118. The grant amounts under the
20 23 program shall be equalized so that each center receives a
20 24 uniform base amount of \$245,000, and the remaining moneys
20 25 are awarded through a funding formula based upon the volume
20 26 of children served by a center. To increase access to child
20 27 protection center services for children in rural areas, the

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.

20 28 funding formula for awarding the remaining moneys shall provide
20 29 for awarding an enhanced amount to eligible grantees to develop
20 30 and maintain satellite centers in underserved regions of the
20 31 state.

DETAIL: This is no change in funding compared to the estimated net FY 2026 allocation.

20 32 10. Of the moneys appropriated in this subsection, up to
20 33 \$227,000 shall be used for the public purpose of continuing a
20 34 grant to a nonprofit human services organization that provides
20 35 services to individuals and families in multiple locations in
21 1 southwest Iowa and Nebraska, for support of a project providing
21 2 immediate, sensitive support and forensic interviews, medical
21 3 exams, needs assessments, and referrals for victims of child
21 4 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 2026 allocation.

21 5 11. If a separate funding source is available that reduces
21 6 the need for state moneys within an allocation under this
21 7 section, the allocated state moneys may be redistributed to
21 8 other allocations under this section for the same fiscal year.

Specifies that if other funding is available, the allocations of State funds in this section may be redistributed to other allocations for FY 2027.

DETAIL: Other funding sources for Child and Family Services include Title IV-B and IV-E of the Social Security Act, the TANF Block Grant, and the Social Services Block Grant.

21 9 DIVISION VIII
21 10 STATE-OPERATED SPECIALTY CARE — FY 2026-2027

21 11 Sec. 19. DEPARTMENT OF HEALTH AND HUMAN SERVICES —
21 12 STATE-OPERATED SPECIALTY CARE. There is appropriated from the
21 13 general fund of the state to the department of health and human
21 14 services for the fiscal year beginning July 1, 2026, and ending
21 15 June 30, 2027, the following amount, or so much thereof as is
21 16 necessary, to be used for the purposes designated:
21 17 For salaries, support, maintenance, and miscellaneous
21 18 purposes at institutions under the jurisdiction of the
21 19 department of health and human services, and for not more than
21 20 the following full-time equivalent positions:

General Fund appropriation to the HHS — State-Operated Specialty Care for FY 2027.

21 21	\$	100,225,768
21 22	FTEs	1,304.45

DETAIL: This is a decrease of \$2,117,739 and 25.00 FTE positions compared to estimated net FY 2026. Total FTE positions authorized provide an increase of 548.45 FTE positions compared to the total authorized in 2025 Iowa Acts, [House File 1049](#) (FY 2026 Health and Human Services Appropriations Act), in order to include the FTE positions at the Woodward Resource Center in the authorized FTE positions. The change in funding and FTE positions includes:

21 23 1. The department shall utilize the moneys appropriated in
21 24 this section as necessary to maximize bed capacity and to most
21 25 effectively meet the needs of the individuals served.

- A decrease of \$56,600 and 1.00 FTE position to eliminate a vacant advanced typist position at the Independence Mental Health Institute (MHI).

- A decrease of \$74,357 and 1.00 FTE position to eliminate a vacant behavioral health assistant position at the Eldora State Training School (STS).
- A decrease of \$349,315 and 5.00 FTE positions to eliminate five vacant licensed practical nurse (LPN) positions at the Woodward Resource Center.
- A decrease of \$410,100 and 1.00 FTE position to eliminate a vacant physician position at the Independence MHI.
- A decrease of \$1,227,367 and 17.00 FTE positions to consolidate the homes in use at the Woodward Resource Center from 10 to 9 when the census at the facility approaches 100 individuals.

21 26 2. Of the moneys appropriated in this section, the following
 21 27 amounts are allocated to each institution as follows:

21 28 a. For the state mental health institute at Cherokee:
 21 29 \$ 19,878,962

Allocates \$19,878,962 for the MHI at Cherokee.

DETAIL: This is a decrease of \$650,139 compared to estimated net FY 2026 for general operating expenses.

21 30 b. For the state mental health institute at Independence:
 21 31 \$ 23,760,205

Allocates \$23,760,205 for the MHI at Independence.

DETAIL: This is a decrease of \$1,090,878 compared to estimated net FY 2026. Of this decrease, \$56,600 is to eliminate a vacant advanced typist position, \$410,100 is to eliminate a vacant physician position, and \$624,178 is for general operating expenses.

21 32 c. For the civil commitment unit for sexual offenders at
 21 33 Cherokee:
 21 34 \$ 23,272,111

Allocates \$23,272,111 for the Civil Commitment Unit for Sexual Offenders (CCUSO) at Cherokee.

DETAIL: This is an increase of \$2,810,827 compared to estimated net FY 2026 for general operating expenses.

21 35 d. For the state resource center at Woodward:
 22 1 \$ 12,567,092

Allocates \$12,567,092 for the State Resource Center at Woodward.

DETAIL: This is a decrease of \$1,866,780 compared to estimated net FY 2026. Of this decrease, \$290,098 is for

general operating expenses, \$349,315 is to eliminate five vacant LPN positions, and \$1,227,367 is to consolidate the homes in use at the Woodward Resource Center from 10 to 9 when the census at the facility approaches 100 individuals.

22 2 e. For the state training school at Eldora:
 22 3 \$ 19,805,171

Allocates \$19,805,171 for the STS at Eldora.

DETAIL: This is a decrease of \$672,866 compared to estimated net FY 2026. Of this decrease, \$74,357 is to eliminate a vacant behavioral health assistant position and \$598,509 is for general operating expenses.

22 4 f. For outstanding obligations related to workers'
 22 5 compensation, the sick leave insurance program, unemployment,
 22 6 and other costs related to the closure of the state resource
 22 7 center at Glenwood:
 22 8 \$ 942,227

Allocates \$942,227 for outstanding obligations related to workers' compensation, the Sick Leave Insurance Program, unemployment, and other costs related to the closure of the Glenwood Resource Center.

DETAIL: This is a decrease of \$647,903 compared to estimated net FY 2026 to reflect the estimated obligation needs for FY 2027.

22 9 DIVISION IX
 22 10 ADMINISTRATION AND COMPLIANCE — FY 2026-2027

22 11 Sec. 20. DEPARTMENT OF HEALTH AND HUMAN SERVICES —
 22 12 ACCOUNTABILITY, COMPLIANCE, AND PROGRAM INTEGRITY. There
 22 13 is appropriated from the general fund of the state to the
 22 14 department of health and human services for the fiscal year
 22 15 beginning July 1, 2026, and ending June 30, 2027, the following
 22 16 amount, or so much thereof as is necessary, to be used for the
 22 17 purposes designated:
 22 18 For accountability, compliance, and program integrity,
 22 19 including salaries, support, maintenance, and miscellaneous
 22 20 purposes, and for not more than the following full-time
 22 21 equivalent positions:

General Fund appropriation to the HHS — Accountability, Compliance, and Program Integrity for FY 2027.

DETAIL: This is net increase of \$1,248,190 and 111.99 FTE positions compared to estimated net FY 2026. Total FTE positions authorized provide a decrease of 27.00 FTE positions compared to the total authorized in 2025 Iowa Acts, [House File 1049](#) (FY 2026 Health and Human Services Appropriations Act). The changes in funding and FTE positions include the following:

22 22 \$ 23,152,404
 22 23 FTEs 382.00

- An increase of \$1,383,620 for the increase to the State share of SNAP administrative costs beginning in FFY 2027.
- An increase of \$64,570 for Medicaid waiver cost neutrality analysis.

PG LN	GA:91 HF2782	Explanation
22 24 22 25 22 26 22 27	1. Of the moneys appropriated in this section, \$2,602,312 is allocated for foster care review and the court appointed special advocate program, including for salaries, support, maintenance, and miscellaneous purposes.	<ul style="list-style-type: none"> • A decrease of \$200,000 to move the Iowa Achieving a Better Life Experience (ABLE) Savings Plan Trust allocation from the HHS Accountability, Compliance, and Program Integrity appropriation line item to a new appropriation for the Treasurer of State, who administers the Trust. • A decrease of 12.00 FTE positions to move Long-Term Care Ombudsman staff from the Accountability, Compliance, and Program Integrity division to the Aging and Disability Services division. • A decrease of 15.00 FTE positions to move Medicaid staff from the Accountability, Compliance, and Program Integrity division to the Health Program Operations division. <p>Allocates \$2,602,312 for foster care review and the Court Appointed Special Advocate (CASA) Program.</p> <p>DETAIL: This is no change in funding compared to the estimated net FY 2026 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.</p>
22 28 22 29 22 30 22 31	2. Of the moneys appropriated in this section, \$1,148,959 is allocated for the office of long-term care ombudsman for salaries, support, administration, maintenance, and miscellaneous purposes.	<p>Allocates \$1,148,959 to the Office of Long-Term Care Ombudsman.</p> <p>DETAIL: This is no change in funding compared to the estimated net FY 2026 allocation.</p>
22 32 22 33	<p style="text-align: center;">DIVISION X</p> <p>TRANSFERS, CASH FLOW, AND NONREVERSIONS — FY 2026-2027</p>	<p>Permits the HHS to transfer funds allocated in the Bill for 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. Requires the HHS to report to the chairpersons of the HHS appropriations subcommittee the allocations and FTE positions for each</p>
22 34 22 35 23 1 23 2 23 3 23 4 23 5 23 6	<p>Sec. 21. DEPARTMENT OF HEALTH AND HUMAN SERVICES — TRANSFERS AND CASH FLOW.</p> <p>1. Notwithstanding any provision of law to the contrary, the department of health and human services may transfer moneys appropriated in this Act to support continuing alignment efforts, to maximize federal support in accordance with the department's federal costs allocation plan, and to secure resources necessary to implement and administer the services</p>	<p>Permits the HHS to transfer funds allocated in the Bill for 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. Requires the HHS to report to the chairpersons of the HHS appropriations subcommittee the allocations and FTE positions for each</p>

23 7 for which moneys are appropriated. The department shall report
23 8 any transfers made pursuant to this subsection to the general
23 9 assembly. On or before December 1, 2026, the department shall
23 10 report to the chairpersons of the health and human services
23 11 appropriations subcommittee the allocations and full-time
23 12 equivalent positions for each division of the department for
23 13 the fiscal year beginning July 1, 2027.

division of the HHS for FY 2028 on or before December 1, 2026.

23 14 2. If, due to ongoing cost management efforts,
23 15 appropriations under this Act for the Medicaid program
23 16 exceed the associated costs for the Medicaid program for the
23 17 fiscal year, the department may transfer any savings to the
23 18 appropriations made in this Act for health program operations,
23 19 or for accountability, compliance, and program integrity,
23 20 to defray the costs associated with ongoing cost management
23 21 efforts.

Specifies that if savings to the Medicaid Program for cost management efforts during FY 2027 exceed costs, the HHS may transfer any savings to the appropriations in the Bill to Health Program Operations, or for Accountability, Compliance, and Program Integrity, to defray the costs associated with implementation of cost management efforts.

23 22 3. Notwithstanding any provision of law to the contrary,
23 23 the department may transfer moneys appropriated under this Act
23 24 for child protective services to pay the nonfederal share costs
23 25 of services reimbursed under the medical assistance program,
23 26 state child care assistance program, or family investment
23 27 program which are provided to children who would otherwise
23 28 receive services paid by the appropriation for child protective
23 29 services.

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 FIP for children who would otherwise receive services paid under the appropriation for Child Protective Services.

23 30 4. The department may transfer moneys from the temporary
23 31 assistance for needy families block grant to the federal social
23 32 services block grant appropriation, and to the child care and
23 33 development block grant appropriation, in accordance with
23 34 federal law.

Permits the HHS to transfer funds from the TANF Block Grant to the Federal Social Services Block Grant appropriation and the Child Care and Development Block Grant appropriation in accordance with federal law.

23 35 5. To the extent the department determines that moneys
24 1 appropriated under this Act, or allocated for a specific
24 2 purpose under this Act, will remain unencumbered or unobligated
24 3 at the close of the fiscal year, such unencumbered or
24 4 unobligated moneys may be used in the same fiscal year for any
24 5 other purpose for which the appropriated moneys may be used, or
24 6 for any other allocation within the same appropriation.

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.

24 7 Sec. 22. DEPARTMENT OF HEALTH AND HUMAN SERVICES —
 24 8 NONREVERSIONS.
 24 9 1. Notwithstanding section 8.33, moneys appropriated under
 24 10 this Act from the general fund of the state and the temporary
 24 11 assistance for needy families block grant to the department of
 24 12 health and human services for the fiscal year beginning July
 24 13 1, 2026, and ending June 30, 2027, for the purposes of the
 24 14 FaDSS grant program, that remain unencumbered or unobligated at
 24 15 the close of the fiscal year shall not revert but shall remain
 24 16 available for expenditure for the purposes designated until the
 24 17 close of the succeeding fiscal year.

CODE: Allows any unencumbered or unobligated funds appropriated from the General Fund for the FaDSS grant program in FY 2027 to remain available for FY 2028.

24 18 2. Notwithstanding section 8.33, of the moneys appropriated
 24 19 under this Act from the general fund of the state, the quality
 24 20 assurance trust fund, and the hospital health care access trust
 24 21 fund to the department of health and human services for the
 24 22 fiscal year beginning July 1, 2026, and ending June 30, 2027,
 24 23 for the purposes of the medical assistance program, the amount
 24 24 in excess of actual expenditures for the medical assistance
 24 25 program that remains unencumbered or unobligated at the close
 24 26 of the fiscal year shall not revert but shall remain available
 24 27 for expenditure for the medical assistance program until the
 24 28 close of the succeeding fiscal year.

CODE: Allows any unencumbered or unobligated funds appropriated from the General Fund, the QATF, and the HHCAT to the HHS in FY 2027 for the Medicaid Program to remain available for FY 2028.

24 29 3. Notwithstanding section 8.33, and notwithstanding the
 24 30 nonreversion amount limitation specified for state resource
 24 31 centers in section 222.92, subsection 4, moneys appropriated
 24 32 under this Act from the general fund of the state to the
 24 33 department of health and human services for the fiscal year
 24 34 beginning July 1, 2026, and ending June 30, 2027, for the
 24 35 purposes of state-operated specialty care, that remain
 25 1 unencumbered or unobligated at the close of the fiscal year
 25 2 shall not revert but shall remain available for expenditure for
 25 3 the purposes designated for subsequent fiscal years.

CODE: Allows any unencumbered or unobligated funds appropriated from the General Fund to the HHS for State-Operated Specialty Care in FY 2027 to remain available for subsequent fiscal years.

25 4 4. Notwithstanding section 8.33, moneys appropriated in
 25 5 this Act from the general fund of the state to the department
 25 6 of health and human services for the fiscal year beginning July
 25 7 1, 2026, and ending June 30, 2027, for the Iowa commission
 25 8 on volunteer service for programs and grants, that remain
 25 9 unencumbered or unobligated at the close of the fiscal year

CODE: Allows any unencumbered or unobligated funds appropriated from the General Fund to the HHS for the Iowa Commission on Volunteer Services in FY 2027 to remain available for subsequent fiscal years.

25 10 shall not revert but shall remain available for expenditure for
25 11 the purposes designated for subsequent fiscal years.

25 12 5. Notwithstanding section 8.33, moneys appropriated under
25 13 this Act from the general fund of the state to the department
25 14 of health and human services for the fiscal year beginning
25 15 July 1, 2026, and ending June 30, 2027, and allocated for
25 16 rural psychiatric residencies, that remain unencumbered or
25 17 unobligated at the close of the fiscal year shall not revert
25 18 but shall remain available for expenditure for the purposes
25 19 designated until the close of the succeeding fiscal year.

CODE: Allows any unencumbered or unobligated funds appropriated from the General Fund to the HHS for rural psychiatric residencies in FY 2027 to remain available for FY 2028.

25 20 6. Notwithstanding section 8.33, moneys appropriated under
25 21 this Act from the general fund of the state to the department
25 22 of health and human services for the fiscal year beginning July
25 23 1, 2026, and ending June 30, 2027, and allocated for adoption
25 24 subsidy payments and related costs, or for post-adoption
25 25 services and allowable related purposes, that remain
25 26 unencumbered or unobligated at the close of the fiscal year
25 27 shall not revert but shall remain available for expenditure for
25 28 adoption reinvestment obligations.

CODE: Allows any unencumbered or unobligated funds appropriated from the General Fund to the HHS and allocated for adoption subsidy payments or post-adoption services in FY 2027 to remain available for FY 2028.

25 29 7. Notwithstanding section 8.33, moneys appropriated under
25 30 this Act from the general fund of the state to the department
25 31 of health and human services for the fiscal year beginning July
25 32 1, 2026, and ending June 30, 2027, and allocated for child
25 33 protective services, that remain unencumbered or unobligated at
25 34 the close of the fiscal year shall not revert but shall remain
25 35 available for expenditure for the purposes designated until the
26 1 close of the succeeding fiscal year.

CODE: Allows any unencumbered or unobligated funds appropriated from the General Fund to the HHS and allocated for Child Protective Services in FY 2027 to remain available for FY 2028.

26 2 DIVISION XI
26 3 REPORT ON NONREVERSION OF MONEYS

26 4 Sec. 23. DEPARTMENT OF HEALTH AND HUMAN SERVICES — REPORT
26 5 ON NONREVERSION OF MONEYS. The department of health and
26 6 human services shall report the expenditure of any moneys for
26 7 which nonreversion authorization was provided for the fiscal
26 8 year beginning July 1, 2026, and ending June 30, 2027, to the
26 9 general assembly on a quarterly basis beginning October 1,
26 10 2027.

Requires the HHS to report the expenditure of any moneys for which nonreversion authorization was provided for FY 2026 to the General Assembly on a quarterly basis beginning October 1, 2027.

26 11 DIVISION XII

26 12 EMERGENCY RULES

26 13 Sec. 24. DEPARTMENT OF HEALTH AND HUMAN SERVICES —
26 14 EMERGENCY RULES.

26 15 1. If necessary to comply with federal requirements,
26 16 including time frames, the department of health and human
26 17 services shall adopt administrative rules under section 17A.4,
26 18 subsection 3, and section 17A.5, subsection 2, paragraph “b”,
26 19 to implement the applicable provisions of this Act. The rules
26 20 shall be effective immediately upon filing unless a later date
26 21 is specified in the rules. Any rules adopted in accordance
26 22 with this section shall also be published as a notice of
26 23 intended action as provided in section 17A.4.

Requires the HHS 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. The rules must also be published as a Notice of Intended Action under Iowa Code section [17A.4](#).

26 24 2. If the department of health and human services adopts
26 25 emergency rules in accordance with this section, or as
26 26 otherwise directed or authorized by state law, and the rules
26 27 will result in an increase in expenditures beyond the amount
26 28 anticipated in the budget for the fiscal year, or if the
26 29 expenditures were not addressed in the budget for the fiscal
26 30 year, the department shall notify the general assembly and the
26 31 department of management concerning the rules and the increase
26 32 in expenditures. The notification shall be provided at least
26 33 thirty calendar days prior to the date notice of the rules
26 34 is submitted to the administrative rules coordinator and the
26 35 administrative code editor.

Requires the HHS to notify the General Assembly and the DOM if adopted emergency administrative rules will increase expenditures. The notification is required to be made at least 30 calendar days prior to the notice of the rules being submitted to the Administrative Rules Coordinator and Editor.

27 1 DIVISION XIII
27 2 MORE OPTIONS FOR MATERNAL SUPPORT PROGRAM APPROPRIATION
27 3 NONREVERSION

27 4 Sec. 25. 2025 Iowa Acts, chapter 169, section 27, is amended
27 5 by adding the following new subsection:
27 6 NEW SUBSECTION 8. Notwithstanding section 8.33, moneys
27 7 appropriated from the general fund of the state to the
27 8 department of health and human services for the fiscal year
27 9 beginning July 1, 2025, and ending June 30, 2026, for the more
27 10 options for maternal support program created in section 217.41C
27 11 that remain unencumbered or unobligated at the close of the
27 12 fiscal year shall not revert but shall remain available for
27 13 expenditure for the purposes designated until the close of the
27 14 succeeding fiscal year.

CODE: Allows any unencumbered or unobligated funds appropriated in 2025 Iowa Acts, [House File 1049](#) (FY 2026 Health and Human Services Appropriations Act), from the General Fund for the MOMS Program in FY 2026 to remain available for expenditure until the close of FY 2027.

27 15 Sec. 26. EFFECTIVE DATE. This division of this Act, being
27 16 deemed of immediate importance, takes effect upon enactment.

Specifies that Division XIII of the Bill related to MOMS appropriation nonreversion takes effect upon enactment.

27 17 Sec. 27. RETROACTIVE APPLICABILITY. This division of this
27 18 Act applies retroactively to July 1, 2025.

Specifies that Division XIII of the Bill related to MOMS appropriation nonreversion applies retroactively to July 1, 2025.

27 19 DIVISION XIV
27 20 REIMBURSEMENT RATES — REVIEW

27 21 Sec. 28. Section 235.2, Code 2026, is amended by adding the
27 22 following new subsection:
27 23 NEW SUBSECTION 9. Upon implementation by the department
27 24 of a uniform cost report for shelter care and qualified
27 25 residential treatment providers, biennially conduct a review of
27 26 shelter care and qualified residential treatment provider costs
27 27 compared to current shelter care and qualified residential
27 28 treatment provider rates. On or before October 1 of the
27 29 calendar year immediately succeeding the calendar year in
27 30 which the review is conducted, the department shall submit a
27 31 report to the governor and the general assembly detailing the
27 32 results of the department's review and recommendations for rate
27 33 adjustments.

CODE: Requires the HHS to biennially review shelter care and QRTP provider rates upon implementation of a uniform cost report. Requires the HHS, on or before October 1 of the immediately succeeding calendar year in which the review is conducted, to submit a report to the Governor and the General Assembly detailing the results of the review and recommendations for rate adjustments.

27 34 Sec. 29. Section 249A.4, Code 2026, is amended by adding the
27 35 following new subsection:
28 1 NEW SUBSECTION 15. a. Conduct an annual review of
28 2 provider reimbursement rates for medical and health services
28 3 provided under this chapter that are reimbursed by a statewide
28 4 fee schedule and that are not periodically updated or rebased
28 5 pursuant to federal or state law or rule. The department shall
28 6 compare each provider reimbursement rate in the following
28 7 manner:

CODE: Requires the HHS to annually review provider reimbursement rates for Medicaid services that are reimbursed by a statewide fee schedule and that are not periodically updated or rebased pursuant to federal or State law or rule.

28 8 (1) For all medical and health services other than dental
28 9 services, to reimbursement rates under the federal Medicare
28 10 program.

CODE: Requires the HHS to compare provider reimbursement rates, other than dental services, to the federal Medicare program.

28 11 (2) For dental services, to reimbursement rates for
28 12 Medicaid programs in states contiguous to Iowa.

CODE: Requires the HHS to compare dental provider reimbursement rates to the rates set by Medicaid programs in states contiguous to Iowa.

28 13 b. On or before January 15 of each calendar year, the
28 14 department shall submit to the general assembly a report
28 15 summarizing the department's review under paragraph "a".

CODE: Requires the HHS to submit an annual report that summarizes the review to the General Assembly by January 15.

28 16 DIVISION XV
28 17 MENTAL DISEASES EXCLUSION — WAIVER

28 18 Sec. 30. DEPARTMENT OF HEALTH AND HUMAN SERVICES — MEDICAL
28 19 DISEASES EXCLUSION WAIVER. No later than July 1, 2027, the
28 20 department of health and human services shall apply to the
28 21 centers for Medicare and Medicaid services of the United
28 22 States department of health and human services for a waiver of
28 23 Medicaid's institution for mental diseases exclusion.

Requires the HHS to apply to the Centers for Medicare and Medicaid Services (CMS) for a waiver of Medicaid's institution for mental diseases (IMD) exclusion no later than July 1, 2027.

FISCAL IMPACT: The HHS estimates that applying to the CMS for a waiver of Medicaid's IMD exclusion will increase costs to the HHS by the following amounts for future fiscal years:

- FY 2027: \$595,000, of which the State cost is \$297,500 and the federal cost is \$297,500.
- FY 2028: \$277,500, of which the State cost is \$138,750 and the federal cost is \$138,750.
- FY 2029: \$678,750, of which the State cost is \$339,375 and the federal cost is \$339,375.
- FY 2030: \$678,750, of which the State cost is \$339,375 and the federal cost is \$339,375.
- FY 2031: \$678,750, of which the State cost is \$339,375 and the federal cost is \$339,375.

28 24 DIVISION XVI
28 25 DEPARTMENT OF HEALTH AND HUMAN SERVICES — FULL-TIME EQUIVALENT
28 26 DASHBOARD

28 27 Sec. 31. DEPARTMENT OF HEALTH AND HUMAN SERVICES —
28 28 FULL-TIME EQUIVALENT DASHBOARD. Pursuant to section 217.22,
28 29 the department of health and human services shall make publicly
28 30 available information on full-time equivalent positions as

Requires the HHS to make the following FTE position information publicly available:

28 31 described in section 8.36A, that details all of the following:
 28 32 1. The number of full-time equivalent positions authorized
 28 33 by the general assembly for the department, categorized by the
 28 34 department division or appropriation.
 28 35 2. The number of filled full-time, part-time, or temporary
 29 1 positions by department division or appropriation.
 29 2 3. The percentage of moneys from each federal, state,
 29 3 or other funding source for each department division and
 29 4 department appropriation.

- The number of FTE positions authorized by the General Assembly for the HHS categorized by HHS division or appropriation.
- The number of filled full-time, part-time, or temporary positions by HHS division or appropriation.
- The percentage of moneys from each federal, State, or other funding source for each HHS division or appropriation.

29 5 DIVISION XVII
 29 6 COMPREHENSIVE FAMILY SUPPORT PROGRAM

29 7 Sec. 32. NEW SECTION 231.80 COMPREHENSIVE FAMILY SUPPORT
 29 8 PROGRAM.

CODE: Defines terms related to the CFSP as reestablished by the Bill.

29 9 1. For the purposes of this section, unless the context
 29 10 otherwise requires:
 29 11 a. "Comprehensive family support" means services and
 29 12 supports that assist families caring for an individual with
 29 13 a disability who is a member of the family, including but
 29 14 not limited to programs, services, parent-to-parent support,
 29 15 assistive devices, and various adaptations that allow an
 29 16 individual with a disability to participate more fully in
 29 17 family and community life.
 29 18 b. (1) "Family" means a group of interdependent persons
 29 19 living in the same household. A family consists of an
 29 20 individual with a disability and any of the following:
 29 21 (a) The individual's parent.
 29 22 (b) The individual's sibling.
 29 23 (c) The individual's grandparent, aunt, or uncle.
 29 24 (d) The individual's legal custodian.
 29 25 (e) A person providing short-term foster care to the
 29 26 individual with a disability subject to a case permanency plan
 29 27 that provides for reunification between the individual and the
 29 28 individual's parent.
 29 29 (2) "Family" does not include a person who is employed
 29 30 to provide services to an individual with a disability in an
 29 31 out-of-home setting, including but not limited to a hospital,
 29 32 nursing facility, personal care home, board and care home,
 29 33 group foster care home, or other institutional setting.
 29 34 c. "Individual with a disability" means an individual who is
 29 35 less than twenty-two years of age and meets the definition of

30 1 developmental disability in 42 U.S.C.§15002.
30 2 d. “Services and support” means assistance intended
30 3 to enable an individual with a disability to control
30 4 the individual’s environment, to remain living with the
30 5 individual’s family, to function more independently, and
30 6 to increase the integration of the individual into the
30 7 individual’s community including but not limited to funding
30 8 for purchase of equipment, respite care, supplies, assistive
30 9 technology, and payment of other costs attributable to
30 10 the individual’s disability which are identified by the
30 11 individual’s family.

30 12 2. A comprehensive family support program is created under
30 13 the purview of the department to provide a statewide system of
30 14 services and support to eligible families. The program shall
30 15 be implemented in a manner that enables a family member of an
30 16 individual with a disability to identify the needed services
30 17 and support.

30 18 3. Eligibility for the program is limited to families who
30 19 meet all of the following criteria:
30 20 a. The family resides in the state of Iowa.
30 21 b. The family intends for the family member who is an
30 22 individual with a disability to remain living in the family’s
30 23 home.
30 24 c. The family’s taxable income is less than sixty thousand
30 25 dollars for the most recently completed tax year.

30 26 4. A family may apply to the department or to a family
30 27 support center for assistance under the comprehensive family
30 28 support program. The department or family support center shall
30 29 determine eligibility for the comprehensive family support
30 30 program in accordance with subsection 3.

30 31 5. The department shall adopt rules pursuant to chapter
30 32 17A to implement the comprehensive family support program.
30 33 The comprehensive family support program must do all of the

CODE: Reestablishes the CFSP under the HHS in Iowa Code to provide a statewide system of services and support to eligible families. Requires the CFSP to be implemented to enable a family member of an individual with a disability to identify the needed services and support.

DETAIL: The CFSP was previously authorized under 2025 Iowa Code section [225C.47](#), but was repealed by 2024 Iowa Acts, chapter [1161](#) (Behavioral Health Service System Act).

CODE: Requires families to meet the following criteria to be eligible for the CFSP:

- The family resides in Iowa.
- The family intends for the family member who is an individual with a disability to remain living in the family’s home.
- The family’s taxable income is less than \$60,000 for the most recently completed tax year.

CODE: Allows a family to apply to the HHS or to a family support center for assistance under the CFSP. Requires the HHS or the family support center to determine eligibility for the CFSP.

CODE: Requires the HHS to adopt administrative rules to implement the CFSP. Requires the CFSP to do all of the following:

30 34 following:

30 35 a. To the extent possible, incorporate in the application

31 1 process the eligibility determination processes that the

31 2 department uses for other disability services programs.

31 3 b. Ensure the ability of families to maintain control of

31 4 decisions which affect an individual with a disability who is a

31 5 member of a family.

31 6 c. Utilize existing local agencies to provide facilities and

31 7 a single entry point for program applicants.

31 8 d. Ensure services and support are provided in a timely

31 9 manner and emergency access to needed services and support is

31 10 provided.

31 11 e. Ensure technical assistance is provided to providers and

31 12 users of services and support.

31 13 f. Utilize state, regional, and local media to publicize the

31 14 program.

31 15 g. Incorporate a process to appeal the department's or

31 16 family support center's denial of services and support to a

31 17 family under the program, including reasonable efforts by the

31 18 department to utilize telecommunications in the appeal process.

31 19 h. Identify the services and support, and service provider

31 20 components, included in the program.

31 21 i. Upon request by a family member, provide a family with

31 22 assistance in locating a service provider.

31 23 j. Make payment for services and support directly to

31 24 families by voucher or other appropriate means.

31 25 k. Utilize a voucher system for payment for the family

31 26 support center component of the program under subsection 7.

31 27 6. Services and support provided under the comprehensive

31 28 family support program shall not be used to supplant other

31 29 services and support available to a family of an individual

31 30 with a disability but shall be used to meet family needs that

31 31 will not be met without the program.

31 32 7. The comprehensive family support program shall include a

31 33 family support center component. Under the component, a family

31 34 member of an individual with a disability shall be assisted

31 35 by a family support center in identifying the services and

32 1 support to be provided to the family under the family support

32 2 subsidy program or the comprehensive family support program.

32 3 The identification of services and support must be based upon

- Incorporate the eligibility determination processes that the HHS uses for other disability services programs in the applications process.
- Ensure the ability of families to maintain control of decisions which affect an individual with a disability who is a member of a family.
- Use existing local agencies to provide facilities and a single entry point for applicants.
- Ensure that services and support are provided in a timely manner and that emergency access to needed services and support is provided.
- Ensure that technical assistance is provided to providers and users of services and support.
- Use State, regional, and local media to publicize the CFSP.
- Incorporate a process to appeal the HHS's or family support center's denial of services and support to a family under the CFSP, including reasonable efforts by the HHS to utilize telecommunications in the appeal process.
- Identify the services and support, and service provider components, included in the CFSP.
- Provide a family with assistance in locating a service provider upon request by a family member.
- Make payment for services and support directly to families by voucher or other appropriate means.
- Use a voucher system for payment for the family support center component of the CFSP.

CODE: Prohibits services and support provided under the CFSP from being used to supplant other services and support available to a family of an individual with a disability.

CODE: Requires the CFSP to include a family support center component in which a family member of an individual with a disability must be assisted by a family support center in identifying the services and support to be provided to the family under the family support subsidy program or the CFSP. Requires the identification of services and support to be based on the specific needs of the individual with a

32 4 the specific needs of the individual with a disability and
 32 5 the individual's family which are not met by other service
 32 6 programs available to the individual with a disability and the
 32 7 individual's family.

disability and the individual's family which are not met by other service programs.

32 8 8. The comprehensive family support program shall be funded
 32 9 by appropriations made by the general assembly for purposes of
 32 10 the program. Notwithstanding section 8.33, moneys appropriated
 32 11 for the comprehensive family support program under this section
 32 12 that remain unobligated or unexpended at the close of each
 32 13 fiscal year shall not revert but shall remain available for
 32 14 expenditure for the purposes designated until the close of the
 32 15 immediately succeeding fiscal year.

CODE: Requires the CFSP to be funded by appropriations made by the General Assembly. Allows any unobligated or unexpended funds appropriated for the CFSP to remain available for subsequent fiscal years.

32 16 Sec. 33. CODE EDITOR DIRECTIVE. The Code editor is directed
 32 17 to designate section 231.80, as enacted in this division
 32 18 of this Act, as subchapter VIII of chapter 231 entitled
 32 19 "Comprehensive Family Support Program".

Requires the Iowa Code Editor to designate Iowa Code section 231.80, as established by the Bill, as subchapter VIII of Iowa Code chapter [231](#) entitled "Comprehensive Family Support Program."

32 20 Sec. 34. EFFECTIVE DATE. This division of this Act, being
 32 21 deemed of immediate importance, takes effect upon enactment.

Specifies that Division XVII of the Bill related to the CFSP takes effect upon enactment.

32 22 Sec. 35. RETROACTIVE APPLICABILITY. This division of this
 32 23 Act applies retroactively to July 1, 2025.

Provides that Division XVII of the Bill related to the CFSP applies retroactively to July 1, 2025.

32 24 DIVISION XVIII
 32 25 FEDERAL COMMUNITY MENTAL HEALTH SERVICES BLOCK GRANT

32 26 Sec. 36. 2025 Iowa Acts, chapter 152, section 2, subsection
 32 27 1, paragraph d, is amended to read as follows:
 32 28 ~~d.—For the federal fiscal year beginning October 1, 2025,~~
 32 29 ~~and ending September 30, 2026, of~~ Of the moneys allocated
 32 30 to providers under paragraph "c", 70 percent of the moneys
 32 31 allocated each federal fiscal year shall be distributed by
 32 32 a behavioral health administrative services organization or
 32 33 the department of health and human services to the state's
 32 34 accredited community mental health centers designated by
 32 35 the department of health and human services under section
 33 1 225A.3, as enacted by 2024 Iowa Acts, chapter 1161, section
 33 2 3. Community mental health centers that receive moneys
 33 3 distributed under this paragraph shall use the moneys for the

CODE: Requires 70.00% of the funds set aside for community mental health service providers in FFY 2026 and FFY 2027 appropriated to the HHS from the Community Mental Health Services Block Grant to be distributed to State-accredited community mental health centers under Iowa Code section [225A.3](#) as enacted by 2024 Iowa Acts, chapter [1161](#) (Behavioral Health Service System Act), and requires the HHS to publish the amounts to be distributed to community mental health centers on the Department's internet site on or before October 1, 2025, and on or before October 1, 2026.

33 4 purposes of training staff, providing services to adults with
 33 5 a serious mental illness, or providing services to children
 33 6 with a serious emotional disturbance, and shall bill treatment
 33 7 dollars related to such services to the department of health
 33 8 and human services through the department's claims system.
 33 9 The department of health and human services shall publish the
 33 10 amounts to be distributed to community mental health centers on
 33 11 the department's internet site on or before October 1, 2025,
 33 12 and on or before October 1, 2026, and distribute the moneys to
 33 13 the recipients on a quarterly basis. Recipients of the moneys
 33 14 shall submit quarterly reports to the department of health and
 33 15 human services containing data consistent with performance
 33 16 measures approved by the federal substance abuse and mental
 33 17 health services administration.

DETAIL: 2025 Iowa Acts, [Senate File 626](#) (Federal Block Grant Appropriations and Other Federal Funds Act), appropriated \$7,754,083 in FFY 2026 and \$7,754,083 in FFY 2027 from the Community Mental Health Services Block Grant to the HHS.

33 18 DIVISION XIX
 33 19 DEPARTMENT OF HEALTH AND HUMAN SERVICES — BEHAVIORAL HEALTH
 33 20 EXPENDITURE REPORT

33 21 Sec. 37. NEW SECTION 225A.10 BEHAVIORAL HEALTH SERVICES
 33 22 EXPENDITURE REPORT.

33 23 No later than December 15 of each year, the department shall
 33 24 submit to the general assembly a summary of the department's
 33 25 expenditures for behavioral health services for adults and
 33 26 children for the immediately preceding fiscal year, including a
 33 27 summary of which appropriations or funding sources were used to
 33 28 fund the expenditures.

CODE: Requires the HHS to submit to the General Assembly a summary of the Department's expenditures for behavioral health services for adults and children for the immediately preceding fiscal year, including a summary of which appropriations or funding sources were used to fund the expenditures, no later than December 15 of each year.

33 29 DIVISION XX
 33 30 OPIOID SETTLEMENT FUND — FY 2026-2027

33 31 Sec. 38. OPIOID SETTLEMENT FUND — DEPARTMENT OF HEALTH AND
 33 32 HUMAN SERVICES.

33 33 1. There is appropriated from the opioid settlement fund
 33 34 created in section 12.51 to the department of health and human
 33 35 services for the fiscal year beginning July 1, 2026, and ending
 34 1 June 30, 2027, the following amount, or so much thereof is as
 34 2 necessary, for the purposes designated:
 34 3 \$ 3,000,000

Opioid Settlement Fund (OSF) appropriation to the HHS for for an opioid treatment program that meets the requirements of the Bill.

DETAIL: This is a new appropriation for FY 2027.

34 4 2. Notwithstanding any provision of law to the contrary,
 34 5 of the moneys appropriated to the department of health and
 34 6 human services under subsection 1, the department shall

Requires the HHS to disburse the appropriation to [Renewal Falls Recovery Center](#) in Cedar Falls.

34 7 disburse to an opioid treatment program that operates a
 34 8 facility with at least one hundred fifty licensed beds that
 34 9 provides medical detoxification stabilization and residential
 34 10 substance abuse disorder treatment to support comprehensive
 34 11 addiction and co-occurring mental health treatment, and provides
 34 12 24-hour medical detoxification, residential treatment, and
 34 13 medication-assisted treatment.

34 14 a. Moneys disbursed under this subsection shall be used
 34 15 by the recipient in compliance with the requirements of the
 34 16 national opioid settlement agreements and section 12.51.

Requires the moneys disbursed from the OSF to be used by the recipient in compliance with the requirements of the national opioid settlement agreements and Iowa Code section [12.51](#) (Opioid Settlement Fund).

34 17 b. The recipient shall utilize the indicators and outcomes
 34 18 identified under section 12.51, subsection 2, paragraph “b”,
 34 19 subparagraph (3), subparagraph division (c), to determine
 34 20 whether the services and activities that are funded by the
 34 21 disbursement achieve the intended outcomes, and shall report
 34 22 the recipient’s findings to the department of health and human
 34 23 services.

Requires the recipient of the OSF appropriation to use the indicators and outcomes under Iowa Code section [12.51](#)(2)(b)(3)(c) to determine whether the services and activities achieve the intended outcomes, and to report the recipient's findings to the HHS.

34 24 DIVISION XXI
 34 25 GRADUATE MEDICAL EDUCATION

34 26 Sec. 39. 2025 Iowa Acts, chapter 120, section 19, is amended
 34 27 to read as follows:

34 28 SEC. 19. TRANSFER OF MONEYS. Notwithstanding section
 34 29 8.33 or any other provision to the contrary, any unobligated
 34 30 or unencumbered moneys in any of the following accounts or
 34 31 funds or constituting any specified appropriation, shall not
 34 32 revert but are appropriated to the department of health and
 34 33 human services to fund Medicaid graduate medical education
 34 34 efforts award grants to start medical residency programs in
 34 35 the state that are not related to the practice of family
 35 1 medicine, are not located in a county which has a population
 35 2 of one hundred fifty thousand or more based on the most recent
 35 3 federal decennial census, and in which the main campus of an
 35 4 institution of higher learning governed by the state board of
 35 5 regents is located.

CODE: Modifies 2025 Iowa Acts, [House File 972](#) (Rural Health Care Act), to transfer any unencumbered moneys remaining in the repealed accounts under Division VI of the Act to the HHS to award grants to start medical residency programs in the State that are not sponsored by the UIHC and that are not related to the practice of family medicine, rather than to fund Medicaid graduate medical education (GME) efforts. Requires \$298,000 from the Medical Residency Training Account to be used to apply for a waiver of Medicaid's IMD exclusion.

FISCAL IMPACT: In June 2025, the HHS estimated that the repealed funds and accounts may have a total unobligated and unencumbered balance of \$9,919,682, which includes the following:

35 6 1. The health care workforce shortage fund created in
 35 7 section 135.175, subsection 1, paragraph “b”, Code 2025.
 35 8 2. The medical residency training account created in

- \$1,103,235 from the Health Care Workforce Shortage Fund Interest Account.

35 9 section 135.175, subsection 5, paragraph “a”, Code 2025, except
 35 10 \$298,000 of such moneys is appropriated to the department of
 35 11 health and human services for the purposes of implementing the
 35 12 waiver of Medicaid’s institution for mental diseases exclusion
 35 13 the department must apply for under this 2026 Iowa Act.

- \$7,242,641 from the Medical Residency Training Account.
- \$1,120,000 from the Family Medicine Obstetrics Fellowship Program Fund.
- \$453,806 from the rural psychiatry residency and fellowship positions allocation.

35 14 3. The nurse residency state matching grants program
 35 15 account created in section 135.175, subsection 5, paragraph
 35 16 “b”, Code 2025.

35 17 4. The health care workforce shortage national initiatives
 35 18 account created in section 135.175, subsection 5, paragraph
 35 19 “c”, Code 2025.

35 20 5. The family medicine obstetrics fellowship program fund
 35 21 created in section 135.193, Code 2025.

35 22 6. Moneys appropriated to the department of health and human
 35 23 services for rural psychiatric residencies to fund psychiatric
 35 24 residents to provide mental health services in underserved
 35 25 areas of the state as described in the following:

35 26 a. 2024 Iowa Acts, chapter 1157, section 5, subsection 3,
 35 27 and 2024 Iowa Acts, chapter 1157, section 22, subsection 5.

35 28 b. 2023 Iowa Acts, chapter 112, section 5, subsection 4,
 35 29 paragraph “j”, as amended by 2024 Iowa Acts, chapter 1157,
 35 30 section 29.

35 31 c. 2022 Iowa Acts, chapter 1131, section 3, subsection 4,
 35 32 paragraph “j”, as amended by 2024 Iowa Acts, chapter 1157,
 35 33 section 23.

35 34 d. 2021 Iowa Acts, chapter 182, section 3, subsection 4,
 35 35 paragraph “j”.

36 1 e. 2019 Iowa Acts, chapter 85, section 3, subsection 4,
 36 2 paragraph “j”, as amended by 2020 Iowa Acts, chapter 1121,
 36 3 section 19.

36 4 DIVISION XXII
 36 5 MEDICAID REIMBURSEMENT RATE — SPECIAL POPULATION NURSING
 36 6 FACILITIES

36 7 Sec. 40. Section 249A.2, Code 2026, is amended by adding the
 36 8 following new subsection:

36 9 NEW SUBSECTION 15. “Special population nursing facility”
 36 10 refers to a nursing facility that serves one of the following
 36 11 populations and has been designated as a special population
 36 12 nursing facility by the department:

36 13 a. One hundred percent of the residents served are aged

CODE: Defines "special population nursing facility" as a nursing facility that has been designated as an SPNF by the HHS and services one of the following:

- 100.00% of the residents served are aged 30 and under and require a skilled level of care.

36 14 thirty and under and require a skilled level of care.
 36 15 b. Seventy percent of the residents served require a skilled
 36 16 level of care for neurological disorders.
 36 17 c. One hundred percent of the residents require care from a
 36 18 facility licensed by the department of inspections, appeals,
 36 19 and licensing as an intermediate care facility for persons with
 36 20 mental illness.
 36 21 d. One hundred percent of the residents require care from a
 36 22 facility licensed by the department of inspections, appeals,
 36 23 and licensing as an intermediate care facility for persons with
 36 24 medical complexity.

- 70.00% of the residents served require a skilled level of care for neurological disorders.
- 100.00% of the residents require care from a facility licensed by the DIAL as an intermediate care facility for persons with mental illness.
- 100.00% of the residents require care from a facility licensed by the DIAL as an intermediate care facility for persons with medical complexity.

36 25 Sec. 41. NEW SECTION 249A.38C MEDICAID REIMBURSEMENT RATE
 36 26 — SPECIAL POPULATION NURSING FACILITIES.
 36 27 The provider reimbursement rate for each special population
 36 28 nursing facility must be the special population nursing
 36 29 facility's average allowable per diem costs as adjusted in
 36 30 compliance with applicable federal laws and regulations,
 36 31 including the upper payment limits specified in 42 C.F.R.
 36 32 §447.272(b).If a special population nursing facility subject
 36 33 to this section increases the special population nursing
 36 34 facility's number of beds or expands to provide additional
 36 35 services on or after July 1, 2026, the reimbursement rate in
 37 1 this section shall apply to such additional beds or services.

CODE: Requires the HHS to set the Medicaid reimbursement rate for SPNFs at the facility's average allowable per diem costs as adjusted in compliance with applicable federal laws and regulations, including upper payment limits. Provides that the reimbursement requirements also apply to new beds and services.

FISCAL IMPACT: Adjusting SPNF reimbursement is estimated to cost approximately \$905,000 in FY 2027. Of the cost, the federal government will pay \$572,000 and the State will pay \$333,000.

Health and Human Services General Fund

	Actual FY 2025 (1)	Estimated Net FY 2026 (2)	Final Action FY 2027 (3)	Final Action FY27 vs Est Net FY26 (4)	Page and Line # (5)
Health and Human Services, Department of					
Health and Human Services					
Child Abuse Prevention - Standing	\$ 221,830	\$ 232,570	\$ 232,570	\$ 0	STANDING
Congenital & Inherited Disorders Registry - Standing	221,830	223,521	223,521	0	STANDING
Psychiatry Residency & Fellowship Program - Standing	100,000	0	0	0	STANDING
Centers of Excellence - Standing	383,538	425,000	425,000	0	STANDING
LiHEAP Weatherization Assistance Program - Standing	139,637	1	1	0	STANDING
Commission of Inquiry - Standing	0	1,394	1,394	0	STANDING
Nonresident Mental Illness Commitment - Standing	7,010	142,802	142,802	0	STANDING
Aging and Disability Services	19,088,714	19,208,180	19,379,531	171,351	PG 1 LN 33
Behavioral Health	24,400,114	24,442,121	23,127,121	-1,315,000	PG 3 LN 9
Public Health	22,531,821	22,433,369	21,168,369	-1,265,000	PG 4 LN 27
Community Access and Eligibility	68,043,944	68,542,456	76,371,516	7,829,060	PG 7 LN 13
Child Support Services	15,434,282	15,644,114	15,644,114	0	PG 9 LN 11
Medical Assistance	1,650,866,536	1,992,550,706	1,992,550,706	0	PG 11 LN 19
Health Program Operations	39,597,231	39,672,433	40,342,766	670,333	PG 12 LN 30
Child Care Assistance	34,966,931	34,983,000	32,723,000	-2,260,000	PG 17 LN 10
Early Intervention and Supports	35,277,739	35,301,904	36,495,203	1,193,299	PG 17 LN 31
Child Protective Services	166,101,034	165,558,031	164,527,690	-1,030,341	PG 18 LN 23
State-Operated Specialty Care	100,006,128	102,343,507	100,225,768	-2,117,739	PG 21 LN 11
Accountability, Compliance, and Program Integrity	22,356,598	21,904,214	23,152,404	1,248,190	PG 22 LN 11
Behavioral Health Fund - Standing	0	1,000,000	1,000,000	0	STANDING
Total Health and Human Services, Department of	\$ 2,199,744,916	\$ 2,544,609,323	\$ 2,547,733,476	\$ 3,124,153	
Veterans Affairs, Department of					
Veterans Affairs, Dept. of					
General Administration	\$ 1,369,205	\$ 1,369,205	\$ 1,369,205	\$ 0	PG 1 LN 9
Home Ownership Assistance Program	2,200,000	2,200,000	2,200,000	0	PG 1 LN 24
Veterans County Grants - Standing	990,000	990,000	990,000	0	STANDING
Veterans Affairs, Dept. of	\$ 4,559,205	\$ 4,559,205	\$ 4,559,205	\$ 0	
Veterans Affairs, Dept. of					
Iowa Veterans Home	\$ 8,145,736	\$ 8,145,736	\$ 8,145,736	\$ 0	PG 1 LN 15
Total Veterans Affairs, Department of	\$ 12,704,941	\$ 12,704,941	\$ 12,704,941	\$ 0	
Total Health and Human Services	\$ 2,212,449,857	\$ 2,557,314,264	\$ 2,560,438,417	\$ 3,124,153	

Health and Human Services Other Funds

	Actual FY 2025 (1)	Estimated Net FY 2026 (2)	Final Action FY 2027 (3)	Final Action FY27 vs Est Net FY26 (4)	Page and Line # (5)
Health and Human Services, Department of					
Health and Human Services					
Gambling Treatment Program - SWRF	\$ 1,750,000	\$ 1,750,000	\$ 1,750,000	\$ 0	PG 4 LN 12
Health Program Operations - PSA	234,193	234,193	234,193	0	PG 14 LN 2
Medical Assistance - QATF	111,216,205	111,216,205	111,216,205	0	PG 14 LN 14
Medical Assistance - HHCAT	33,920,554	33,920,554	33,920,554	0	PG 14 LN 35
Behavioral Analysis Treatment - ASF	750,000	0	0	0	
Medical Assistance - BHF	0	0	5,580,938	5,580,938	PG 15 LN 21
Opioid Treatment Program - OSF	0	0	3,000,000	3,000,000	PG 33 LN 31
Medical Assistance - MFF	744,869	150,000	150,000	0	STANDING
Medical Assistance - HCTF	176,470,000	150,997,000	137,639,000	-13,358,000	STANDING
Health and Human Services	\$ 325,085,821	\$ 298,267,952	\$ 293,490,890	\$ -4,777,062	
HHS - Human Services					
Community Access and Eligibility - TANF	\$ 15,347,831	\$ 12,988,627	\$ 12,566,312	\$ -422,315	PG 10 LN 11
Core Purposes - TANF	0	25,000,000	25,000,000	0	PG 10 LN 30
FaDSS - TANF	2,736,168	0	0	0	
Early Intervention and Supports - TANF	0	3,013,980	3,013,980	0	PG 11 LN 2
Administration and Compliance - TANF	3,288,458	3,533,647	3,533,647	0	PG 11 LN 6
Child Care Assistance - TANF	26,205,412	47,166,826	42,281,826	-4,885,000	PG 11 LN 11
Child Protective Service - TANF	64,716,156	65,364,100	65,364,100	0	PG 11 LN 13
HHS - Human Services	\$ 112,294,025	\$ 157,067,180	\$ 151,759,865	\$ -5,307,315	
HHS - Assistance Payment					
Pregnancy Prevention - TANF	\$ 1,721,903	\$ 1,913,203	\$ 1,913,203	\$ 0	PG 10 LN 13
Total Health and Human Services, Department of	\$ 439,101,749	\$ 457,248,335	\$ 447,163,958	\$ -10,084,377	
Total Health and Human Services	\$ 439,101,749	\$ 457,248,335	\$ 447,163,958	\$ -10,084,377	

Health and Human Services FTE Positions

	Actual FY 2025 <u>(1)</u>	Estimated Net FY 2026 <u>(2)</u>	Final Action FY 2027 <u>(3)</u>	Final Action FY27 vs Est Net FY26 <u>(4)</u>	Page and Line # <u>(5)</u>
Health and Human Services, Department of					
HHS - Aging					
Aging Programs	0.39	0.00	0.00	0.00	
Office of LTC Ombudsman	0.16	0.00	0.00	0.00	
HHS - Aging	<u>0.55</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	
HHS - Assistance Payment					
Family Investment Program/PROMISE JOBS	0.39	0.00	0.00	0.00	
Medical Assistance	0.17	0.00	0.00	0.00	
Health Program Operations	0.06	0.00	0.00	0.00	
Child Care Assistance	0.07	0.00	0.00	0.00	
Child and Family Services	0.12	0.00	0.00	0.00	
Volunteers	0.02	0.00	0.00	0.00	
HHS - Assistance Payment	<u>0.82</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	
HHS - Eldora State Training School					
Eldora Training School	2.66	0.00	0.00	0.00	
HHS - Cherokee Mental Health Institution					
Cherokee MHI	2.46	0.00	0.00	0.00	
HHS - Independence Mental Health Institution					
Independence MHI	2.55	0.00	0.00	0.00	
HHS - Glenwood Resource Center					
Glenwood Resource Center	2.77	0.00	0.00	0.00	
HHS - Woodward Resource Center					
Woodward Resource Center	8.36	0.00	0.00	0.00	
HHS - Civil Commitment Unit / Sexual Offenders					
Civil Commitment Unit for Sexual Offenders	2.18	0.00	0.00	0.00	
HHS - Community Services					
Child Support Services	6.60	0.00	0.00	0.00	
Field Operations	24.32	0.00	0.00	0.00	
HHS - Community Services	<u>30.92</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	
HHS - Human Services					
General Administration	5.14	0.00	0.00	0.00	
HHS - Human Rights					
Central Administration	0.07	0.00	0.00	0.00	
Community Advocacy and Services	0.09	0.00	0.00	0.00	
Criminal & Juvenile Justice	0.15	0.00	0.00	0.00	
HHS - Human Rights	<u>0.31</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	
Health and Human Services					
Aging and Disability Services	75.25	83.00	101.00	18.00	PG 1 LN 33
Behavioral Health	56.23	64.00	70.00	6.00	PG 3 LN 9

Health and Human Services FTE Positions

	Actual FY 2025 (1)	Estimated Net FY 2026 (2)	Final Action FY 2027 (3)	Final Action FY27 vs Est Net FY26 (4)	Page and Line # (5)
Public Health	238.48	342.15	348.60	6.45	PG 4 LN 27
Community Access and Eligibility	820.60	807.00	883.90	76.90	PG 7 LN 13
Child Support Services	400.02	412.00	464.00	52.00	PG 9 LN 11
Health Program Operations	67.37	82.00	97.00	15.00	PG 12 LN 30
Child Care Assistance	33.71	53.00	53.00	0.00	PG 17 LN 10
Early Intervention and Supports	20.22	27.00	28.00	1.00	PG 17 LN 31
Child Protective Services	836.16	859.20	977.00	117.80	PG 18 LN 23
State-Operated Specialty Care	1,177.16	1,329.45	1,304.45	-25.00	PG 21 LN 11
Accountability, Compliance, and Program Integrity	361.77	270.01	382.00	111.99	PG 22 LN 11
Health and Human Services	4,086.95	4,328.81	4,708.95	380.14	
HHS - Public Health					
Addictive Disorders	0.16	0.00	0.00	0.00	
Healthy Children and Families	0.15	0.00	0.00	0.00	
Chronic Conditions	0.18	0.00	0.00	0.00	
Community Capacity	0.07	0.00	0.00	0.00	
Infectious Diseases	0.08	0.00	0.00	0.00	
Public Protection	0.78	0.00	0.00	0.00	
Resource Management	0.05	0.00	0.00	0.00	
HHS - Public Health	1.45	0.00	0.00	0.00	
Total Health and Human Services, Department of	4,147.12	4,328.81	4,708.95	380.14	

Health and Human Services FTE Positions

	Actual FY 2025 (1)	Estimated Net FY 2026 (2)	Final Action FY 2027 (3)	Final Action FY27 vs Est Net FY26 (4)	Page and Line # (5)
<u>Veterans Affairs, Department of</u>					
Veterans Affairs, Dept. of					
General Administration	10.14	11.00	15.00	4.00	PG 1 LN 9
Total Veterans Affairs, Department of	<u>10.14</u>	<u>11.00</u>	<u>15.00</u>	<u>4.00</u>	
Total Health and Human Services	<u><u>4,157.26</u></u>	<u><u>4,339.81</u></u>	<u><u>4,723.95</u></u>	<u><u>384.14</u></u>	