

**NINETIETH GENERAL ASSEMBLY  
2024 REGULAR SESSION  
DAILY  
SENATE CLIP SHEET**

**February 20, 2024**

**Clip Sheet Summary**

Displays all amendments, fiscal notes, and conference committee reports for previous day.

<b>Bill</b>	<b>Amendment</b>	<b>Action</b>	<b>Sponsor</b>
<a href="#">SF 2205</a> .....	<a href="#">S-5013</a> .....	Filed	SCOTT WEBSTER
<a href="#">SF 2251</a> .....	<a href="#">S-5010</a> .....	Lost	JANET PETERSEN
<a href="#">SF 2252</a> .....	<a href="#">S-5011</a> .....	Lost	JANET PETERSEN
<a href="#">SF 2252</a> .....	<a href="#">S-5012</a> .....	Lost	SARAH TRONE GARRIOTT
<a href="#">SF 2268</a> .....	<a href="#">S-5007</a> .....	Adopted	SCOTT WEBSTER
<a href="#">SF 2275</a> .....	<a href="#">S-5008</a> .....	Filed	MIKE BOUSSELOT
<a href="#">SF 2275</a> .....	<a href="#">S-5009</a> .....	Filed	JANET PETERSEN
<a href="#">SF 2275</a> .....	<a href="#">S-5014</a> .....	Adopted	MIKE BOUSSELOT
<a href="#">SF 2355</a> .....	<a href="#">S-5015</a> .....	Filed	WAYLON BROWN

**Fiscal Notes**

[SF 2054](#) — [Administrative Dissolution of Business Entities, Requirements](#)  
(LSB5870XS)

[SF 2163](#) — [Medical Income Assistance Trusts, Fees](#) (LSB5430SV)

[SF 2187](#) — [Video Conferencing](#) (LSB1186SZ)

[SF 2251](#) — [Postpartum Coverage, Medicaid](#) (LSB5156SV)

[SF 2294](#) — [Uniform Money Transmission Modernization Act](#) (LSB5289SV)

[SF 2311](#) — [Audits of State Entities, Alternative Auditors](#) (LSB6020XS)

SENATE FILE 2205

S-5013

- 1 Amend Senate File 2205 as follows:
- 2 1. Page 1, line 3, after <2.> by inserting <a.>
- 3 2. Page 1, by striking line 12 and inserting <field of
- 4 examination.>
- 5 3. Page 1, before line 13 by inserting:
- 6 <b. An applicant who has successfully>
- 7 4. Page 1, line 24, after <agency.> by inserting <However,
- 8 the applicant shall complete and pass the applicable physical
- 9 examination provided in subsection 1 prior to beginning the new
- 10 employment.>

By SCOTT WEBSTER

S-5013 FILED FEBRUARY 19, 2024

SENATE FILE 2251

S-5010

- 1 Amend Senate File 2251 as follows:
- 2 1. Page 1, by striking lines 1 through 18 and inserting:
- 3 <Section 1. Section 249A.3, subsection 1, paragraph h, Code
- 4 2024, is amended to read as follows:
- 5 *h.* Is a woman who, while pregnant, meets eligibility
- 6 requirements for assistance under the federal Social Security
- 7 Act, section 1902(1), and continues to meet the requirements
- 8 except for income. The woman is eligible to receive assistance
- 9 until ~~sixty days~~ twelve months after the date pregnancy ends.>
- 10 2. Page 1, line 20, by striking <AMENDMENTS> and inserting
- 11 <AMENDMENT>
- 12 3. By striking page 1, line 28, through page 2, line 1, and
- 13 inserting <eligibility under the Medicaid program to pregnant
- 14 women beginning January 1, 2025.>
- 15 4. Page 2, line 5, by striking <state plan amendments> and
- 16 inserting <a state plan amendment>
- 17 5. Page 2, by striking lines 10 and 11 and inserting:
- 18 <The section of this Act amending section 249A.3, subsection
- 19 1, paragraph "h".>

By JANET PETERSEN

S-5010 FILED FEBRUARY 19, 2024

LOST

SENATE FILE 2252

S-5011

1 Amend Senate File 2252 as follows:

2 1. Page 1, by striking line 22 and inserting:

3 <(1) "Pregnancy support services" means those evidence-based  
4 nonmedical>

5 2. Page 1, by striking line 24 and inserting <counseling  
6 provided by a licensed mental health professional, and  
7 evidence-based support services that assist pregnant women or>

8 3. Page 3, by striking lines 28 and 29 and inserting:

9 <f. Offer, at a minimum, counseling by a licensed mental  
10 health professional, or evidence-based services for women who  
11 are or may be experiencing unplanned pregnancies.>

12 4. Page 4, after line 9 by inserting:

13 <k. Provide public disclosure in large, readable, boldface  
14 type, that the provider of pregnancy support services is not  
15 a licensed health care provider. The public disclosure shall  
16 include information regarding the hospital or clinic nearest to  
17 the location of the provider of pregnancy support services that  
18 provides pregnancy delivery services, and shall be available,  
19 at a minimum, as follows:

20 (1) Prominently, physically displayed at a conspicuous  
21 location, clearly visible to the public, at all outside  
22 entrances to any location of the provider of pregnancy support  
23 services.

24 (2) Included in all advertising and marketing materials of  
25 the provider of pregnancy support services, and in all other  
26 media and formats.

27 (3) Posted on the internet site of the provider of pregnancy  
28 support services. The posted disclosure shall be readily  
29 accessible to the public, including by not requiring a login  
30 credential or other restriction to access the disclosure.

31 (4) Included in all pregnancy support services and office  
32 forms distributed by a provider of pregnancy support services.

33 1. Ensure that any ultrasounds performed are performed by a  
34 licensed health care provider qualified to interpret ultrasound  
35 results.>

S-5011 (Continued)

By JANET PETERSEN

S-5011 FILED FEBRUARY 19, 2024  
LOST

SENATE FILE 2252

S-5012

1 Amend Senate File 2252 as follows:

2 1. Page 4, line 9, after <laws.> by inserting <A provider  
3 of pregnancy support services shall comply with the federal  
4 Health Insurance Portability and Accountability Act or HIPAA  
5 as defined in section 135D.2, whether or not the provider is a  
6 covered entity as defined under HIPAA or is otherwise subject  
7 to HIPAA.>

8 2. Page 4, after line 9 by inserting:

9 <k. Secure written informed consent from a pregnant woman  
10 prior to provision of an ultrasound if the ultrasound is to  
11 be performed by a person who is not a licensed health care  
12 provider qualified to interpret ultrasound results. The  
13 provider shall retain a copy of the written informed consent in  
14 the provider's records.

15 4A. The department shall publish the complete text of each  
16 contract entered into with a provider of pregnancy support  
17 services on the department's internet site.>

18 3. Page 4, before line 12 by inserting:

19 <5. The department shall establish a complaints process for  
20 submission of reports of alleged violations of this section,  
21 including alleged violations of administrative rules or the  
22 terms of contracts entered into under this section. A provider  
23 of pregnancy support services determined by the department to  
24 have three or more substantiated complaints is deemed to have  
25 breached the provider's contract, and is subject to repayment  
26 of any unexpended funds received under the contract.>

27 4. Page 4, by striking line 13 and inserting <17A to  
28 administer the program, and including the process for reporting  
29 and substantiating complaints. If the department selects>

30 5. Page 5, before line 2 by inserting:

31 <f. For each provider of pregnancy support services under  
32 contract, the number of Iowans served by the provider, the type  
33 of services provided, and the amount of state funding expended  
34 for each service.

35 g. The number of complaints submitted to the department, the

S-5012 (Continued)

1 number of complaints substantiated, and any action taken on the  
2 substantiated complaints.>

3 6. By renumbering as necessary.

By SARAH TRONE GARRIOTT

[S-5012](#) FILED FEBRUARY 19, 2024

LOST

SENATE FILE 2268

S-5007

1 Amend Senate File 2268 as follows:

- 2 1. Page 2, lines 20 and 21, by striking <services, including  
3 lease restrictions and additional payments> and inserting  
4 <services>
- 5 2. Page 3, line 17, by striking <premises> and inserting  
6 <leased premises, the landlord's property, any other person's  
7 property,>
- 8 3. Page 3, line 18, by striking <premises> and inserting  
9 <leased premises, the landlord's property, any other person's  
10 property>

By SCOTT WEBSTER

S-5007 FILED FEBRUARY 19, 2024

ADOPTED



SENATE FILE 2275

S-5008

- 1 Amend Senate File 2275 as follows:
- 2 1. Page 1, by striking lines 1 through 13.
- 3 2. Page 1, line 29, by striking <petitions and>
- 4 3. Title page, line 1, before <actions> and inserting
- 5 <appellate>
- 6 4. By renumbering as necessary.

By MIKE BOUSSELOT

S-5008 FILED FEBRUARY 19, 2024

SENATE FILE 2275

S-5009

- 1 Amend Senate File 2275 as follows:
- 2 1. Page 1, line 3, before <A> by inserting <1.>
- 3 2. Page 1, line 6, by striking <1.> and inserting <a.>
- 4 3. Page 1, line 9, by striking <2.> and inserting <b.>
- 5 4. Page 1, after line 13 by inserting:
- 6 <2. After notice has been served pursuant to subsection 1,
- 7 the chief clerk of the house shall promptly provide the notice
- 8 and copy of the pleading, motion, or petition to the speaker
- 9 of the house of representatives and the minority leader of
- 10 the house of representatives, and the secretary of the senate
- 11 shall promptly provide the notice and copy of the pleading,
- 12 motion, or petition to the majority leader of the senate and
- 13 the minority leader of the senate.>
- 14 5. Page 1, line 16, before <In> by inserting <1.>
- 15 6. Page 1, line 18, by striking <1.> and inserting <a.>
- 16 7. Page 1, line 21, by striking <2.> and inserting <b.>
- 17 8. Page 1, after line 26 by inserting:
- 18 <2. After notice has been served pursuant to subsection 1,
- 19 the chief clerk of the house shall promptly provide the notice
- 20 and copy of the pleading, motion, or petition to the speaker
- 21 of the house of representatives and the minority leader of
- 22 the house of representatives, and the secretary of the senate
- 23 shall promptly provide the notice and copy of the pleading,
- 24 motion, or petition to the majority leader of the senate and
- 25 the minority leader of the senate.>

By JANET PETERSEN

S-5009 FILED FEBRUARY 19, 2024

SENATE FILE 2275

S-5014

1 Amend Senate File 2275, as follows:

2 1. By striking everything after the enacting clause and  
3 inserting:

4 <Section 1. NEW SECTION. **625A.7 Challenges to**  
5 **constitutionality of statutes — notice to general assembly.**

6 1. In an action that challenges the constitutionality of a  
7 statute, the appellant shall do all of the following:

8 *a.* File a notice of constitutional question stating the  
9 question and identifying the pleading, motion, or petition that  
10 raises the challenge to the constitutionality of the statute.

11 *b.* Serve notice and a copy of the pleading, motion, or  
12 petition that raises the challenge to the constitutionality of  
13 the statute upon the general assembly by the chief clerk of the  
14 house and the secretary of the senate by personal service or  
15 by restricted certified mail at the time of application for  
16 interlocutory appeal or notice of appeal is filed.

17 2. After notice has been served upon the general assembly  
18 pursuant to subsection 1, both of the following shall occur:

19 *a.* The chief clerk of the house shall promptly provide the  
20 notice and copy of the pleading, motion, or petition to the  
21 speaker of the house of representatives and the minority leader  
22 of the house of representatives.

23 *b.* The secretary of the senate shall promptly provide the  
24 notice and copy of the pleading, motion, or petition to the  
25 majority leader of the senate and the minority leader of the  
26 senate.

27 Sec. 2. **EFFECTIVE DATE.** This Act, being deemed of immediate  
28 importance, takes effect upon enactment.

29 Sec. 3. **APPLICABILITY.** This Act applies to appeals filed on  
30 or after the effective date of this Act.>

31 2. Title page, line 1, before <actions> and inserting  
32 <appellate>

By MIKE BOUSSELOT

S-5014 (Continued)

[S-5014](#) FILED FEBRUARY 19, 2024

ADOPTED

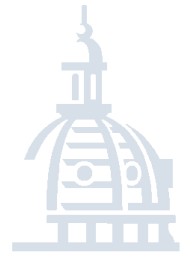
SENATE FILE 2355

S-5015

- 1 Amend Senate File 2355 as follows:
- 2 1. Page 2, line 28, by striking <department upon the
- 3 department's request,> and inserting <department,>

By WAYLON BROWN

S-5015 FILED FEBRUARY 19, 2024



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[SF 2054](#) – Administrative Dissolution of Business Entities, Requirements (LSB5870XS)  
Staff Contact: Joey Lovan (515.242.5925) [joey.lovan@legis.iowa.gov](mailto:joey.lovan@legis.iowa.gov)  
Fiscal Note Version – New

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## **Description**

[Senate File 2054](#) eliminates the requirement for an administratively dissolved business entity to submit its federal tax identification number on the application for administrative reinstatement to the Office of the Secretary of State (SOS). The Bill also eliminates the requirement for the SOS to refer the applicant's federal tax identification number to the Department of Workforce Development (IWD). The Bill eliminates the federal tax identification requirement from the following business entity types:

- Limited liability companies under Iowa Code section [489.710](#).
- Business corporations under Iowa Code section [490.1422](#).
- Closed cooperatives under Iowa Code section [501.813](#).
- Nonprofit cooperatives under Iowa Code section [504.1423](#).

## **Background**

The SOS may conduct administrative dissolution proceedings for entities that fail to meet statutory requirements found in Iowa Code section [489.708](#). A business entity that has been subject to administrative dissolution that later seeks reinstatement must currently include its federal tax identification number as part of the application for reinstatement, pursuant to Iowa Code section 489.710. The SOS is then required to refer the tax identification number to the IWD so that the IWD can report to the SOS whether a filing delinquency or liability exists against the entity. If a delinquency or liability exists, the SOS will not cancel the certificate of dissolution until the filing delinquency or liability is resolved by the entity. The workflow for reinstatements is filed online through the SOS's Fast Track Filing System. Information is automatically sent to the IWD to review and approve or reject based on the corporation's unemployment insurance tax status.

Over the last 10 years, there have been 1,404 entities that underwent administrative dissolution that did not move for administrative reinstatement. The debt owed by these entities is approximately \$8.9 million.

## **Assumptions**

- The estimated tax debt recovered in the last 10 years by the IWD through the administrative reinstatement process was approximately \$3.0 million from 1,400 businesses or \$300,000 annually.
- The IWD anticipates, but is unable to calculate, additional resources or full-time equivalent (FTE) positions needed to collect outstanding debt without the current administrative reinstatement process.
- The cost to the SOS to remove the IWD from the Fast Track Filing System is estimated at \$2,000. Any costs will be paid from the Technology Modernization Fund.

**Fiscal Impact**

Senate File 2054 may result in a reduction in the amount of current tax debt recovered for the Unemployment Insurance Trust Fund and may require the IWD to hire additional FTE positions to collect outstanding debt; however, the fiscal impact cannot be estimated.

**Sources**

Secretary of State  
Iowa Workforce Development

/s/ Jennifer Acton

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February 19, 2024

Doc ID 1445578

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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[SF 2163](#) – Medical Income Assistance Trusts, Fees (LSB5430SV)  
Staff Contact: Eric Richardson (515.281.6767) [eric.richardson@legis.iowa.gov](mailto:eric.richardson@legis.iowa.gov)  
Fiscal Note Version – New

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### **Description**

[Senate File 2163](#) increases the amount to be paid or set aside each month for administration of a Medical Income Assistance Trust, from no more than \$10 per month to no more than \$50 per month without court approval.

### **Background**

Iowa Code section [633C.3](#) currently allows for a maximum of \$10 per month to be set aside for the expenses of a Medical Income Assistance Trust for Medicaid beneficiaries. A Medical Income Assistance Trust, or Miller Trust, allows a beneficiary to qualify for Medicaid who would otherwise have too much in assets or income to qualify for Medicaid, provided that a certain amount of pension or Social Security income is placed into the Trust. A spouse may be eligible to receive funds from the Trust. If the beneficiary does not have a spouse, the balance of the Trust, beyond a monthly allowance for the beneficiary and the cost of administering the Trust, is paid to a nursing facility to cover the costs of nursing care. Any payments to nursing facilities to cover the cost of care for a beneficiary decrease the amount of State and federal dollars paid by Medicaid.

### **Assumptions**

- Any decreases in the amount of income available from a qualified beneficiary for the cost of nursing care are costs borne by Medicaid.
- According to the Iowa Department of Health and Human Services (HHS), the Bill affects 1,642 beneficiaries annually.
- An increase of \$40 monthly due to increasing the maximum allowable administrative cost in the Bill will increase annual Medicaid costs for nursing facilities by approximately \$788,000 beginning in FY 2025.
- The State will pay 36.75% of Medicaid costs for nursing facilities, while the federal government will pay 63.25%, the same as Iowa's FY 2025 Federal Medicaid Assistance Percentage (FMAP). The FMAP rate in FY 2026 is assumed to equal the FY 2025 rate.
- According to the HHS, a one-time information technology (IT) implementation will be necessary at a cost of \$310,000 in FY 2025. The State will pay 25.0% of costs for IT implementation, while the federal government will pay 75.0%.
- Any increase in State costs is expected to be funded from the HHS's General Fund Medicaid appropriation.

### **Fiscal Impact**

Senate File 2163 is estimated to increase costs to the State by approximately \$365,000 in FY 2025 and \$290,000 annually beginning in FY 2026.



**Figure 1 — Estimated Cost of Increasing Medical Assistance Trust Fees**

Expense Category	FY 2025		FY 2026	
	Total	State	Total	State
Nursing Facilities	\$ 788,000	\$288,000	\$788,000	\$290,000
Information Technology (IT)	310,000	77,000	0	0
<b>Total Costs</b>	<b>\$1,098,000</b>	<b>\$365,000</b>	<b>\$788,000</b>	<b>\$290,000</b>

**Sources**

Department of Health and Human Services  
LSA analysis

/s/ Jennifer Acton

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February 16, 2024

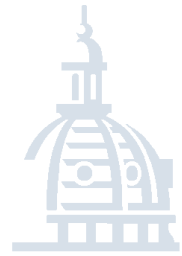
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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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[SF 2187](#) – Video Conferencing (LSB1186SZ)  
Staff Contact: Justus Thompson (515.725.2249) [justus.thompson@legis.iowa.gov](mailto:justus.thompson@legis.iowa.gov)  
Fiscal Note Version – New

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**Description**

[Senate File 2187](#) relates to the use of video conferences in judicial proceedings and takes effect upon enactment. The Bill does the following:

- Provides that for an initial appearance or arraignment, upon the motion of any of the parties, the proceeding is to be conducted by video conference if appropriate technology is available.
- Provides that for a pretrial conference, scheduling conference, or any other noncontested judicial proceeding, upon the motion of any of the parties, the proceeding is to be conducted by video conference if appropriate technology is available unless the court orders the proceeding to be held in person for good cause.
- Provides that for a hearing in a criminal, juvenile, or postconviction relief proceeding, upon motion of any of the parties, the hearing may be conducted by video conference if it is conducted in an efficient manner, does not prejudice a substantial right of any party, and if appropriate technology is available.
- Provides that any party may file a resistance to a motion to hold a judicial proceeding by video conference.
- Provides that the term “open court” includes the remote testimony of a witness by video conference or other remote means of communication if approved by the court.

**Background**

During the COVID-19 pandemic, the Judicial Branch temporarily allowed certain judicial proceedings to be conducted by video conference or telephone.

Currently, Iowa Code section [624.1](#) provides that all issues of fact in ordinary actions are to be tried upon oral evidence taken in open court, except that depositions may be used as provided by law. The Iowa Supreme Court held that the phrase “in open court” meant physical presence in the courtroom and ruled that allowing telephonic testimony over objection violated this statute (in re Estate of Rutter, 633 N.W.2d 745-46 (Iowa Ct. App. 2001)).

On November 4, 2022, the Iowa Supreme Court, to provide clarification and uniformity in Iowa courts, issued an order regarding remote judicial proceedings. The order stated the following for nonappellate court proceedings:

- The court has the discretion to determine when a judicial proceeding will be held remotely or in person unless otherwise provided by law.
- Any decision on whether to hold a judicial proceeding remotely must be made on a case-by-case basis.
- Courts should not have a standard practice of always having a particular proceeding occur in person or remotely.
- All contested court proceedings are presumed to occur in person.
- A contested testimonial proceeding may occur by video conference or telephone only with the consent of all parties and in the court’s discretion.

- Courts may direct, and parties may request, that uncontested court proceedings or contested nontestimonial court proceedings occur by video conference or telephone if appropriate technology is available.
- For routine, uncontested matters, courts are encouraged to utilize remote technology when available and when doing so does not prejudice a party.
- Any party may file a resistance to a proceeding being conducted remotely and request that the proceeding occur in person.
- If the court denies the request, the court is to state the reasons for the denial with particularity.

According to data collected by the Judicial Branch in January 2023:

- 95.0% of requests for noncontested proceedings to be held remotely were granted.
- 91.0% of requests for pretrial conferences to be held remotely were granted.
- 35.0% of noncontested proceedings are held remotely, regardless of whether they were done at the request of a party or on the court's initiative.
- 24.0% of pretrial conferences were held remotely, regardless of whether they were done at the request of a party or on the court's initiative.

Public defenders are funded from the State Public Defender (SPD) operating budget, and contract attorneys are funded from the Indigent Defense Fund. Both funds receive a General Fund appropriation in the annual Justice System Appropriations Act. See the [\*Issue Review Indigent Defense — Overview and Funding History\*](#) for more information about the indigent defense program in Iowa and the costs of providing indigent defense. See the [\*Fiscal Research Brief State Public Defender Contract Attorneys\*](#) for more information about SPD contract attorneys.

### **Assumptions**

- The Office of the SPD pays mileage expenses for its attorneys to travel to judicial proceedings.
- Approximately 40.0% of proceedings for adult criminal and juvenile cases will be held by video conference under the Bill.
- Under current practice, approximately \$379,000 will be expended from the Indigent Defense Fund appropriation for mileage reimbursement in FY 2024. Senate File 2187 is estimated to reduce annual mileage by 40.0%.
- Judicial proceedings held by video conference will incur no mileage expenses to SPD attorneys and contract attorneys.
- The Judicial Branch estimates the Bill will result in the need for operational modifications for scheduling and docket management for both in-person and remote proceedings.
- The Judicial Branch will create and manage separate court time for in-person and remote proceedings and manage and assign cases from one setting to another.
- Additional motions and the need for orders to set video conference hearings will add additional work for judges, clerks, and law clerks.
- The Judicial Branch anticipates that an additional 1.0 judicial specialist full-time equivalent (FTE) position will be needed for each of the 10 largest urban counties to handle additional scheduling, filing, and technology management and for each of the 8 judicial districts to handle scheduling, filing, and technology management in rural areas, for a total of 18.0 FTE positions.
- The cost per judicial specialist FTE position is approximately \$74,000.

**Fiscal Impact**

Senate File 2187 is estimated to have an annual cost to the Judicial Branch of approximately \$1.3 million to add 18.0 judicial specialist FTE positions to assist with scheduling, filing, and technology management of video conferencing.

In addition, SF 2187 is estimated to reduce mileage and the need for mileage reimbursement to the State Public Defender's Office. Senate File 2187 is estimated to have an annual cost savings to the Indigent Defense Fund of approximately \$152,000.

**Sources**

Office of the State Public Defender  
Judicial Branch  
Legislative Services Agency

/s/ Jennifer Acton

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February 19, 2024

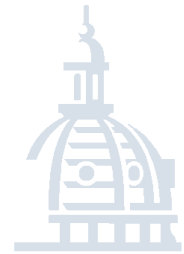
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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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[SF 2251](#) – Postpartum Coverage, Medicaid (LSB5156SV)  
Staff Contact: Eric Richardson (515.281.6767) [eric.richardson@legis.iowa.gov](mailto:eric.richardson@legis.iowa.gov)  
Fiscal Note Version – New

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## **Description**

[Senate File 2251](#) extends postpartum Medicaid coverage for women. The Bill does the following:

- Extends postpartum Medicaid coverage from 60 days to 12 months after a pregnancy ends.
- Amends the income eligibility threshold for infants and pregnant women to 215.0% of the federal poverty level (FPL) for postpartum Medicaid coverage.
- Requires the Iowa Department of Health and Human Services (HHS) to submit a Medicaid State plan amendment to the Centers for Medicare and Medicaid Services (CMS) to provide continuous Medicaid eligibility to pregnant women until 12 months after a pregnancy ends, beginning January 1, 2025.
- Requires the HHS to submit a Children’s Health Insurance Program (CHIP) State plan amendment to CMS to update infant eligibility consistent with provisions of the Bill, beginning January 1, 2025.

The section of the Bill directing HHS to submit a Medicaid State plan amendment to CMS takes effect upon enactment. The eligibility measures for infants and pregnant women in the Bill take effect January 1, 2025.

## **Background**

Iowa Code section [249A.3\(1\)\(h\)](#) provides Medicaid coverage to women who meet eligibility requirements, except for income, for 60 days after a pregnancy ends. Currently in Iowa, children under one year of age and pregnant women are eligible for postpartum coverage with income eligibility requirements up to 375.0% of the FPL (\$117,000 for a family of four in calendar year 2024). The [American Rescue Plan Act of 2021](#) allowed states to submit a Medicaid State plan amendment, effective for five years, to provide postpartum Medicaid coverage for 12 months after a pregnancy ends. Subsequently, a provision in the [Consolidated Appropriations Act of 2023](#) removed the five-year limitation period for the State plan amendment. As of January 2024, 44 states (including Washington D.C.) have [extended postpartum coverage](#) to 12 months, with Alaska, Nevada, Utah, and Wisconsin having submitted State plan amendments to CMS to implement a 12-month extension. Arkansas, Idaho, and Iowa have not formally submitted amendments to CMS to increase postpartum coverage to 12 months.

Income eligibility for Medicaid for pregnant women and infants under one year of age is specified in [441 IAC 75.1\(28\)](#) at a maximum of 375.0% of the FPL. The Healthy and Well Kids in Iowa (Hawki) program accepts children up to 302.0% of the FPL, and pregnant women who lose Medicaid coverage due to the Bill would be eligible to enroll in the Iowa Health and Wellness Program (IHAWP). [42 CFR §435.116](#) details minimum and maximum federal income eligibility requirements for pregnant women who are eligible to receive Medicaid benefits.

## Assumptions

- The State plan amendment is approved by the CMS to begin on January 1, 2025.
- Postpartum coverage will remain without interruption for Medicaid members with an FPL of 215.0% or lower.
- According to the HHS, one-time information technology (IT) costs totaling \$1.2 million are necessary due to enrollment changes in Medicaid and IHAWP and will be expended in FY 2025. The State will pay for approximately 25.0% of these costs, or \$297,000, out of the Family Investment Program General Fund appropriation.
  - IT costs include hiring contractors totaling \$107,000 for 438 total hours at \$125 per hour to update the data warehouse, 29 total hours at \$125 per hour for project management, 97 total hours at \$125 per hour for a Business Analyst, and 288 total hours at \$125 per hour for enterprise architecture.
  - IT costs also include \$1.1 million to update the HHS's Eligibility Integrated Application Solution (ELIAS) system to determine Medicaid eligibility for pregnant women.
- An actuarial services contract will be necessary to determine the impact of enrollment changes on managed care organization (MCO) capitation rates and maternal payments to the MCOs. The costs of this contract will be absorbed within the existing Health Program Operations General Fund appropriation.
- There are currently 10,800 Medicaid members with postpartum coverage. The HHS reports that approximately 15.8%, or 1,700 members per month, will lose coverage under the provisions of the Bill, including approximately 1,300 women between 215.0% and 375.0% of the FPL and 400 infants between 302.0% and 375.0% of the FPL.
- A monthly average of approximately 1,100 infants between 215.0% and 302.0% of the FPL will shift from Medicaid to Hawki if they are not covered by other insurance.
- As a result of the Bill, a monthly average of approximately 2,300 pregnant women are expected to maintain Medicaid coverage beyond the current two months postpartum instead of transferring to the IHAWP. Beginning in FY 2025, the State will pay for 36.75% of expenses under Medicaid for pregnant women and 11.61% of expenses for the IHAWP, creating increased net State costs of \$86 per month for these members beginning in FY 2026. In addition, an estimated 2,700 women who otherwise would have lost Medicaid coverage will be eligible for Medicaid coverage. Combined with program savings due to the 1,300 women losing Medicaid coverage, the estimated fiscal impact for pregnant women is a decrease in total costs of \$3.7 million in FY 2025 (\$855,000 decrease in State costs), a decrease in total costs of \$1.5 million in FY 2026 (\$2.3 million increase in State costs), and a decrease in total costs of \$963,000 beginning in FY 2027 (\$2.6 million increase in State costs) and continuing annually. Costs will come from the Medical Assistance (Medicaid) General Fund appropriation.
- An additional monthly cost of \$6.60 per person was added to account for dental costs paid outside of MCO capitation rates.
- The approximately 400 infants who no longer receive Medicaid coverage due to the Bill will decrease total infant costs in Medicaid by \$5.0 million in FY 2025 (\$1.9 million decrease in State costs) and decrease total costs by \$10.1 million annually beginning in FY 2026 (\$3.7 million in State costs). State savings equal 36.75% of total savings beginning in FY 2025, and any savings come from the Medicaid General Fund appropriation.
- The approximately 1,100 infants who shift from Medicaid to Hawki due to the Bill will increase total costs by \$2.7 million (\$707,000 in State costs) in FY 2025 and \$5.5 million annually (\$1.4 million in State costs) beginning in FY 2026. Costs will come from the CHIP General Fund appropriation.
- According to the HHS, costs in the Bill beginning in FY 2027 will require a General Fund appropriation.

**Fiscal Impact**

Senate File 2251 is estimated to decrease State costs by approximately \$1.7 million in FY 2025 and \$40,000 in FY 2026 and will increase State costs by \$286,000 beginning in FY 2027 and continuing annually.

**Figure 1 — Medicaid Postpartum Coverage Fiscal Impact**

Expense Category	FY 2025		FY 2026		FY 2027	
	Total	State	Total	State	Total	State
Information Technology	\$ 1,187,000	\$ 297,000	\$ 0	\$ 0	\$ 0	\$ 0
Medicaid — Pregnant Women	-3,723,000	-855,000	-1,450,000	2,251,000	-963,000	2,577,000
Medicaid — Infants	-5,041,000	-1,853,000	-10,083,000	-3,705,000	-10,083,000	-3,705,000
Hawki — Infants	2,748,000	707,000	5,496,000	1,414,000	5,496,000	1,414,000
<b>Total Fiscal Impact</b>	<b>\$ -4,829,000</b>	<b>\$ -1,704,000</b>	<b>\$ -6,037,000</b>	<b>\$ -40,000</b>	<b>\$ -5,550,000</b>	<b>\$ 286,000</b>

**Sources**

Iowa Department of Health and Human Services  
Centers for Medicare and Medicaid Services  
Legislative Services Agency analysis

/s/ Jennifer Acton

February 19, 2024

Doc ID 1446645

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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[SF 2294](#) – Uniform Money Transmission Modernization Act (LSB5289SV)  
Staff Contact: Xavier Leonard (515.725.0509) [xavier.leonard@legis.iowa.gov](mailto:xavier.leonard@legis.iowa.gov)  
Fiscal Note Version – New

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### **Description**

[Senate File 2294](#) relates to money transmission services, provides penalties, and does the following:

- Adds to the exempted persons list for Iowa Code chapter [533C](#) (Uniform Money Transmission Modernization Act).
- Permits the superintendent of banking (superintendent) to suspend and revoke licenses or the designation of a delegate, place licensees in receiverships, or require a licensee to revoke the designation of an authorized delegate if conditions are met.
- Establishes the procedure for the issuance of orders to cease and desist by the superintendent.
- Permits the superintendent to enter into consent orders to resolve matters arising under Iowa Code chapter 533C.
- Permits the Attorney General or a county attorney to investigate violations of Iowa Code chapter 533C.
- Permits the superintendent to assess a civil penalty of up to \$1,000 per day, plus the State's costs and expenses for the investigation and prosecution of the matter. Fees are paid to the Financial Services Licensing Fund established by the Bill. These civil remedies do not preclude any other provision of law.
- Prohibits the superintendent from taking action against a licensee without providing notice and allowing a hearing, in accordance with chapter 17A, when requested by the affected licensee.

The Bill takes effect upon enactment. Except for the section of the Bill amending Iowa Code section [533C.103](#), the Bill applies retroactively to July 1, 2023.

A person who is not licensed under Iowa Code chapter 533C who knowingly engages in an activity for which a license is required commits an aggravated misdemeanor. The Bill also establishes the following criminal acts with penalties: a person who knowingly provides false, misleading, or incomplete information with respect to reports required under Iowa Code chapter 533C commits a Class C felony. A person who intentionally makes a false certification in a record required by Iowa Code chapter 533C commits a Class D felony.

### **Background**

According to the Iowa Division of Banking (IDOB), Department of Insurance and Financial Services (DIFS), there has been one settlement agreement and consent order in the past 15 years. The IDOB joined with 45 other State regulators to reach a settlement agreement and consent order, which assessed a fine of \$216,000 per state for a payment processing company over erroneous withdrawals.

2023 Iowa Acts, [House File 675](#) (Money Transmission Modernization Act), repealed multiple Iowa Code sections, some of which are reestablished by this Bill, including the sections referring



to uniformity of application and construction, the Financial Services Licensing Fund, and chapter applicability.

A Class C felony is punishable by confinement for up to 10 years and a fine of at least \$1,375 but no more than \$13,660. A Class D felony is punishable by confinement for up to five years and a fine of at least \$1,025 but no more than \$10,245.

**Assumptions**

- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends; prisoner length of stay (LOS); revocation rates; plea bargaining; and other criminal justice system policies and practices.
- A delay of six months is assumed from the effective date of this Bill to the date of first entry of affected offenders into the correctional system.
- Marginal costs for county jails cannot be estimated due to a lack of data. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.

**Correctional Impact**

Senate File 2294 creates new criminal offenses, and the correctional impact cannot be estimated for the Bill due to a lack of existing conviction data. **Figure 1** shows estimates for sentencing to State prison, parole, probation, or Community-Based Corrections (CBC) residential facilities; LOS in months under those supervisions; and supervision marginal costs per day for Class C felonies, Class D felonies, and aggravated misdemeanors. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 16, 2024, for information related to the correctional system.

**Figure 1 — Sentencing Estimate and Length of Stay (LOS)**

Conviction Offense Class	Percent Ordered to State Prison	FY23 Avg. LOS in Prison (All Releases)	Marginal Prison Cost Per Day	Percent Ordered to Probation	FY23 Field Avg. LOS on Probation	Avg. Cost Per Day Probation	Percent Sentenced to CBC Residential Facility	Marginal CBC Cost Per Day	Percent Ordered to County Jail	Marginal Cost Per Day Jail	FY23 Field Avg. LOS on Parole	Marginal Cost Per Day Parole
C Felony Non-Persons	86.0%	19.4	\$24.94	64.2%	42.2	\$ 7.67	13.0%	\$ 20.00	34.0%	\$ 50.00	21.3	\$ 7.67
D Felony Non-Persons	84.4%	13.0	\$24.94	69.8%	39.5	\$ 7.67	14.5%	\$ 20.00	32.2%	\$ 50.00	15.7	\$ 7.67
Agg Misd Non-Persons	30.4%	7.5	\$24.94	45.0%	25.1	\$ 7.67	3.6%	\$ 20.00	71.7%	\$ 50.00	11.9	\$ 7.67

**Minority Impact**

Senate File 2294 establishes new criminal offenses. As a result, Criminal and Juvenile Justice Planning (CJJP) of the Department of Management (DOM) cannot use existing data to estimate the minority impact of the Bill. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 16, 2024, for information related to minorities in the criminal justice system.

**Fiscal Impact**

Senate File 2294 establishes new criminal offenses, and the fiscal impact cannot be estimated due to a lack of existing conviction data. **Figure 2** shows the average State cost per offense for a Class C felony, Class D felony, and an aggravated misdemeanor. The estimated impact to the State General Fund includes operating costs incurred by the Judicial Branch, the Indigent Defense Fund, and the Department of Corrections (DOC). The cost would be incurred across multiple fiscal years for prison and parole supervision.

**Figure 2 — Average State Cost Per Offense**

<b>Offense Class</b>	<b>Average Cost</b>
Class C Felony	\$14,300 to \$27,500
Class D Felony	\$12,600 to \$18,200
Aggravated Misdemeanor	\$7,500 to \$10,800

**Sources**

Iowa Division of Banking, Department of Insurance and Financial Services  
Criminal and Juvenile Justice Planning, Department of Management  
Department of Corrections  
Legislative Services Agency

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/s/ Jennifer Acton

February 16, 2024

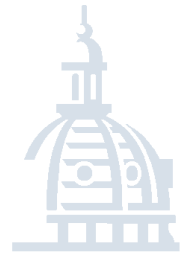
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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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[SF 2311](#) – Audits of State Entities, Alternative Auditors (LSB6020XS)  
Staff Contact: Joey Lovan (515.242.5925) [joey.lovan@legis.iowa.gov](mailto:joey.lovan@legis.iowa.gov)  
Fiscal Note Version – New

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## **Description**

[Senate File 2311](#) allows a department currently subject to audit by the Auditor of State (AOS) to fulfill the requirements of Iowa Code section [11.2](#) by employing a Certified Public Accountant (CPA), subject to the approval of the Executive Council, and submitting the audit to the AOS. Payment for the services of the CPA is required to be approved by the Executive Council pursuant to Iowa Code section [11.32](#) and paid from the funds from which the AOS would have been paid had the AOS performed the audit. If such funds are not available, the Executive Council may authorize that the expense be paid as described in Iowa Code section [7D.29](#).

## **Background**

Iowa Code section 11.2 requires the AOS to annually, or more often if deemed necessary, audit the State and all State officers and departments receiving or expending State funds. Currently, the AOS may, with prior written permission from the Executive Council, employ CPAs to perform the required audits. The AOS receives a General Fund appropriation to complete the audits of certain State agencies and receives payment from the agencies listed in Iowa Code section [11.5B](#) for the reimbursement for the costs of the audit.

Over the last three years, the AOS has averaged approximately 65,000 hours of auditing the State and State departments at a rate of \$85 per hour, for an average cost of \$5.3 million per year.

Based on data obtained from audit reports filed with the AOS by private firms, CPA firm billing rates for the periodic examination of small cities range from \$95 per hour to \$183 per hour. Other audits of State entities performed by outside CPA firms have cost as much as \$260 per hour.

## **Assumptions**

- CPA firms may charge hourly rates that differ from the rate currently charged by the AOS. However, the average hourly rate that may be charged to a State agency that hires an outside CPA and audit firm cannot be determined.
- State agencies may hire outside CPA and audit firms, but the number of State agencies that will pursue these audits and whether the Executive Council will approve the requests cannot be determined.

## **Fiscal Impact**

The fiscal impact of SF 2311 may increase audit expenses for State agencies and decrease revenue to the AOS, but the extent of the impact cannot be calculated since it is unknown how many State agencies may choose to hire CPA firms rather than using the AOS's services.

**Source**

Auditor of State

*/s/ Jennifer Acton*

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February 19, 2024

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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