

## CHAPTER 1075

### SUBACUTE MENTAL HEALTH CARE FACILITY INITIAL TREATMENT PLANS AND INSURANCE AUTHORIZATIONS — PSYCHIATRIC BED TRACKING FOR CHILDREN — DEPARTMENTAL RULE AND SERVICE CAPABILITY REVIEWS

*H.F. 2543*

**AN ACT** relating to subacute mental health care facilities and services, and including effective date provisions.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 135G.1, subsection 12, paragraph c, Code 2026, is amended by striking the paragraph.

Sec. 2. Section 135G.3, Code 2026, is amended by adding the following new subsection: **NEW SUBSECTION.** 1A. Within twenty-four hours of a resident's admission to a subacute care facility, the subacute care facility shall develop an initial treatment plan with the resident.

Sec. 3. **NEW SECTION. 135G.3A Insurance authorization.**

1. If a mental health professional submits an electronic request through an internet portal designated by the department of health and human services for prior authorization for insurance coverage for an individual's subacute mental health care service under chapter 249A or chapter 249N, the department of health and human services or the managed care organization responsible for administering the individual's medical assistance shall provide a determination to the mental health professional for the preauthorization request as follows:

- a. Within forty-eight hours after the date of receipt of an urgent preauthorization request.
- b. Within five calendar days after the date of receipt of a nonurgent preauthorization request.
- c. Within ten calendar days after the date of receipt of a nonurgent preauthorization request involving complex or unique circumstances.

2. The director of health and human services shall adopt rules pursuant to chapter 17A as necessary to administer this section.

Sec. 4. **NEW SECTION. 135H.9A Bed tracking system.**

The department of health and human services shall establish an electronic system to track the availability of beds at each psychiatric medical institution for children.

Sec. 5. **DEPARTMENTS OF INSPECTIONS, APPEALS, AND LICENSING AND HEALTH AND HUMAN SERVICES — ADMINISTRATIVE RULE REVIEW.** The department of inspections, appeals, and licensing and the department of health and human services shall do all of the following:

1. Collaborate to review each department's administrative rules adopted pursuant to section 135G.10 and eliminate any rule the departments determine impedes any of the following goals without providing an equal or greater benefit:

- a. Establishment of new subacute mental health care facilities and services.
- b. Expansion of existing subacute mental health care facilities and services.
- c. Ease of access to subacute mental health care facilities and services.

2. Modify the departments' respective rules so that the requirements to employ an individual at a subacute mental health care facility are less stringent than the requirements for the same employment at a state mental health institute.

Sec. 6. **DEPARTMENT OF HEALTH AND HUMAN SERVICES — SUBACUTE MENTAL HEALTH CARE SERVICES.**

1. a. The department of health and human services shall review the state's capability to establish subacute mental health care services, and additional psychiatric inpatient

services at the state mental health institute at Independence, beginning on July 1, 2027.

b. At a minimum, the department's review shall assess the operational costs, bed capacity, staffing capabilities, necessary infrastructure improvements, and reasonable implementation time frames.

c. The department's review shall investigate the possibility of partnering with private operators to provide subacute mental health care services at the state mental health institute at Independence.

d. The department shall submit a report on the department's findings to the chairpersons of the house of representatives committee on health and human services, the senate committee on health and human services, the house committee on appropriations, and the senate committee on appropriations no later than January 4, 2027.

2. Following the review under subsection 1, if the director of health and human services determines on or after July 1, 2026, that the department can provide subacute mental health care services at the state mental health institute at Independence within the department's budget, the department may provide such services until the general assembly directs otherwise.

Sec. 7. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved May 2, 2026