

5-20-26 Report to the Iowa Integrated Health Planning and Advisory Council

- 1791 bills introduced this year
- 197 made it through the legislative process
- **one out of every ten bills** sent to the Governor
- As of May 12, the Governor has signed 85
- All bills officially become law on July 1, 2026, unless otherwise noted.

Some of the bills:

- [HF 571](#): Health care providers and institutions will be allowed to refuse to provide a service if it conflicts with their moral or religious beliefs. They call this the **“Medical Ethics Defense Act.”**
- [HF 2230](#): All state universities that train teachers would be required (starting July 1, 2027) to include **real-life experiences and preparation for teaching students with disabilities**. This is for all teachers, not just special education teachers.
- [HF2297](#) - A bill for an act relating to **radon** mitigation in residential buildings – would require that new single family or two-family residential construction must include passive radon mitigation systems
- [HF 2434](#): Insurance companies will no longer be allowed to refuse to pay for a covered service provided by an in-network provider just because the **referral came from an out-of-network provider**. *(Signed)*
- [HF 2523](#): Parents will be able to consent to **their minor child’s mental health or substance use commitment** (rather than go to court when a child refuses). The placement must still be appropriate, and the child must still meet admission criteria. *(Signed)*
- [HF 2543](#): Barriers to accessing **subacute mental health services** are addressed, including timeframes to respond to prior authorization requests, adding psychiatric beds for children to the existing bed tracking system, and removing regulatory barriers. Iowa HHS will also look at options for providing these services at the Independence mental health institute (MHI), including options to partner with private service providers. *(Signed, effective 4/16/2026)*
- [HF 2585](#): Iowans who are blind or have low vision can ask their pharmacists for **prescription information in an accessible format — at** no additional cost. There are many options for this information to be provided -- through QR codes, special equipment, or large print alternatives.
- [HF 2635](#): This bill puts guardrails on insurance **utilization review** activities. Utilization review is a process insurance companies use to decide if a service is medically necessary, appropriate, and the most efficient. Some advocates say it is a way to deny or make it harder to access services. This bill limits the use of AI (Artificial Intelligence) to make these decisions. That means a human with proper credentials must make final decisions. It also sets deadlines for audit appeals (15 days notify; 45 days complete; 30 days appeals; 30 days appeal decisions. Prior authorizations will need to be sent in electronically beginning 7/1/2027 (this includes Medicaid/MCOs). The bill exempts cancer screenings and emergency care from prior authorization (also applying to Medicaid/MCOs) and allows outpatient behavioral health facilities to be built without Iowa HHS permission.
- [HF 2676](#): The Governor’s **“Healthy Hometowns”** bill makes a number of changes to encourage Iowans to be healthier. Physicians will need to take classes in nutrition and metabolic health during medical school and get continuing education on it. Schools would also be required to allow any type of epinephrine administration device in schools (*not just epi-pens*). The bill also bans certain dyes and food additives in foods sold in school and for the summer nutrition program. The bill also directs schools to use the Presidential Physical Fitness Test (*exceptions for those not physically able to participate*). Students will be limited in their use of digital devices (*it does not include assistive technology*). Iowa will also be the 44th state to join the psychology compact, which allows licensed psychologists to practice throughout the country without getting individual state licenses. Iowa has a shortage of psychologists. They are the mental health professionals that perform testing for social security and waiver eligibility.
- [HF 2707](#) & [SF 2488](#): These bills continue the **HHS realignment process** by adjusting the service areas for area agencies on aging (HF 2707) and early childhood Iowa (SF 2488) to match the seven behavioral

health districts. HHS and area agencies on aging will review all options before moving forward with the federal process to change service areas; early childhood district roles and services will be the subject of an interim committee. (*HF 2707 signed, effective 4/30/2026*)

- [HF 2739](#): All health management organizations (**HMOs**) will temporarily pay an extra tax to fill the funding shortfall in FY 2027 Medicaid. Before this bill was signed, only MCOs paid this extra tax. (*Signed, retroactive to 1/1/2026*)
- [HF 2794](#): Sets up a grant program for a **Sexual Assault Forensic Exam (SAFE) Center** that is trauma-informed and provides a long list of services for victims of sexual assault, domestic violence, and human trafficking. Another bill begins funding this program on July 1, 2027. The bill specifically requires expertise in serving people with disabilities. This is important since [90% of individuals with intellectual and developmental disabilities](#) experience sexual abuse at some point in their lives!
- [SF 2417](#): Iowa will regulate **mental health chatbots** and other conversational AI programs, with extra protections for minors. Conversational AI services must say they are **not** human, refer people who talk about self-harm or suicide to a hotline or mental health professional, and are not allowed to pretend to be a licensed health care provider. (*Signed, effective 7/1/2027*)
- [SF 2422](#): The One Big Beautiful Bill Act (OBBBA) made a number of changes to **public assistance programs** to bring our state laws in line with these federal changes.
 - HHS would need to **verify eligibility** for all Medicaid programs (including waivers), food assistance (SNAP), childcare assistance, and cash assistance (Family Investment Plan, or FIP) using the federal government’s systemic alien verification for entitlements (SAVE) system. HHS will request a waiver to use other systems to help improve accuracy of the verification process.
 - HHS will also ask for a waiver to **take back SNAP funds** if not used within 91 days.
 - **Medicaid retroactive eligibility** is eliminated, except two months is allowed for pregnant women, children, and nursing home residents. Retroactive eligibility allows the state to pay for services for a short period of time before a person is enrolled in Medicaid. Right now, Iowa Medicaid has three-month retroactive eligibility for pregnant women, children, and nursing home residents (and two months for everyone else). HHS is not allowed to ask for a waiver to add retroactive eligibility back for other populations unless the Legislature okays that request in advance.
 - All **Medicaid state plan amendments and waiver requests** not currently in process would need to be “expenditure neutral” unless approved by the Legislature.
 - Expenditure neutral means Medicaid will not spend more money because of the change, even if it saves money somewhere else in the budget.
 - While language locking the state into **Medicaid managed care** was removed, HHS is not allowed to take any action that reduces the HMO taxes paid by MCOs, unless the Legislature gives them permission. Since getting rid of MCOs would reduce the HMO tax, this language has the same effect of locking the state into managed care.
 - HHS is required to submit an annual report showing any trends in **exceptions to policies** (location, Medicaid program, member demographics, type of service).
- [SF 2428](#): This is the “**disruptive student**” bill that lists the steps a school must take to remove and discipline students causing classroom disruptions. These steps have only applied to violent disruptions; this bill adds non-violent disruptions to this process.

The bill also requires all teachers to be trained on Individualized Education Plans (IEPs), including least restrictive environment requirements. The bill requires teachers to sign off that they’ve read a student’s IEP and puts into place a stronger system of accountability for IEPs.

It also creates a pilot program to allow one rural and one urban school to have separate schools for students receiving special education services and students whose behaviors create classroom disruptions. This pilot program must be voluntary in order to comply with federal IDEA laws. In addition, any teacher will have the right to request a meeting with a student’s IEP team, and if that meeting is not granted, the school district must inform the teacher why the meeting was not allowed. There was a lot in this bill.

- [SF 2480](#): This adds a **five-cent tax on vape and other nicotine products**. The tax is expected to generate \$2–3 million annually. The bill also dedicates \$3 million/year (beginning July 1, 2027) for pediatric cancer research. There is also another \$3 million for pediatric cancer research for this year (July 1, 2026–June 30, 2027) in another bill.
- [SF 2472](#): The last-minute passage of the **property tax reform package** is supposed to save Iowans \$4 billion on their property tax bills in the coming years. Most of those savings come from limiting how much local governments can spend. Because of this change, local governments can only increase their budgets by 2% each year. Homeowners will not pay taxes on 10% of their property's value, which legislators say will be more tax relief than the current \$4,850 tax credit. It also increases the elderly/disabled tax credit and rent reimbursement program. Legislators made changes in taxing apartment complexes (called "multi-residential") which landlords say will increase monthly rental costs by as much as 6%. There are also tax deductions for first-time homebuyers, requirements that county assessors explain big increases in home values and new user-friendly tax notices.
- [SF 2474](#): The Iowa Department of Education will survey schools this summer to find out:
 - 1) which schools have adopted a **Cardiac Emergency Response Plan**;
 - 2) which schools have automatic electronic defibrillators (AEDs); and
 - 3) where those AEDs are located in schools.
 With this information, legislators will reconsider whether to require schools to adopt these plans and whether a grant program is needed to increase the availability of AEDs. The bill also keeps the Iowa Dyslexia Board until 2032 (it was set to end in 2027).
- [HF2795](#) – (Description of bill changes 5-1-26) – An Act convening an **early childhood Iowa study committee**. This bill requires the dept of health and human services to convene an early childhood Iowa study committee during the 2026 legislative interim to review the most efficient means to transition home visiting services offered thru an early childhood Iowa (ECI) area to another system based on districts created by HHS, and to implement the transition with minimal disruption to home visiting services. The bill details the minimum information the committee must review and the membership of the committee. The bill requires HHS to cooperate with any formal request for data from the committee. All personal identifying information shall be redacted prior submitting the requested data to the committee. The committee is required to engage with certain persons regarding ECI services as detailed in the bill, by means including but not limited to public input sessions throughout the state. The bill requires the committee to submit a final report with the study committee's findings and recommendations to the general assembly no later than 1-8-27.
- [SJR 11](#): Iowans will vote this November on a constitutional amendment to **require a 2/3 vote for any new or increased income tax**. That requires 34 Senators and 67 Representatives for approval. Supporters say tax increases should be bipartisan. Opponents say this limits what the state can do to fund education and Medicaid. The only other options the state would have are user taxes (gas, cigarettes, beer, car registrations, sodas) and sales taxes. Iowans already passed a constitutional amendment that uses the first part of any new or increased sales tax for outdoor recreation and environmental programs.
- **Supreme Court decision** 4-29-26 Rather than serving as a safeguard to protect minority voters, the Court transformed the VRA into a tool of partisan gerrymandering and effectively declares all **gerrymandering** constitutional. Before it restricted racial gerrymandering. It now will require proof of intentional discrimination — something Congress did not write into the law and that's extremely difficult for plaintiffs to show. https://www.democracydocket.com/news-alerts/scotus-smothers-voting-rights-act-greenlighting-racial-discrimination-and-a-rash-of-gop-gerrymanders/?utm_campaign=13200977-Free%20Newsletter%20Emails&utm_medium=email&hsenc=p2ANqtz-9_HDLGAB7ch9o361U0SyZDacJ8KSL97W9cWm0frHmUCp2SJKsnckAIEVoO8H9K9Iyi0NfCLLyxJUnAR5pZnOR2RQhvfTkSWF8agkgalzoAMA3zM&hsmi=416475051&utm_content=416475049&utm_source=hs_email
- State legislation on elections – **HF2501** - removed the ability to attest for another on election day

- The U.S. **Supreme Court** decided to keep the status quo in place for medication abortion access **5-14-26**. The high court's order means the abortion pill mifepristone [will remain available via telehealth](#) as a case brought by Louisiana against the Food and Drug Administration proceeds through the lower courts.
- **HF2253** - Personhood bill - *The bill changes the use of “pregnant person” to “pregnant female”. The bill excludes some persons who can become pregnant (e.g. nonbinary persons, transgender men). Also addresses feticide at 707.7 –*
 1. *Any person who intentionally terminates a human pregnancy, with the knowledge and voluntary consent of the pregnant female, after the end of the second trimester of the pregnancy **resulting in the death** of the fetus commits feticide. Feticide is a class “C” felony.*
 2. *Any person who intentionally terminates a human pregnancy, with the knowledge and voluntary consent of the pregnant female, after the end of the second trimester of the pregnancy **that does not result in the death** of the fetus commits attempted feticide. Attempted feticide is a class “D” felony.*

The bill cites 11 more situations regarding the topic of feticide and what the civil penalties are.
- **HF2563** – not sent to the Governor yet - Abortion bill – adopted amendments have changed how the bill reads. Would suggest you read the bill in whatever the final format is.

BUDGET OVERVIEW

The Legislature adopted a budget that spent more than expected revenues and relied on **transfers from reserves and a temporary HMO tax to sustain services**. While this helped avoid cuts in the short term, **it may set the state up for a budget crisis in the coming years**.

Fiscal Year	Total Revenues	Total Spending
FY 2020	\$7.848 billion	\$7.644 billion
FY 2021	\$7.877 billion	\$7.779 billion
FY 2022	\$8.386 billion	\$8.119 billion
FY 2023	\$9.156 billion	\$8.209 billion
FY 2024	\$9.65 billion	\$8.517 billion
FY 2025	\$8.942 billion	\$8.949 billion
FY 2026	\$8.103 billion	\$9.496 billion
FY 2027	\$8.472 billion	\$9.640 billion
FY 2028	\$8.717 billion	

It is important to remember that education and HHS spending make up **78%** of the state budget. When funding is tight, those two budgets take a larger hit. You can find final details on each budget bill [here](#) (just make sure you are looking at the files marked “final”). You can also go directly to the HHS budget review [here](#).

BUDGET HIGHLIGHTS

- There were **almost no Medicaid rate increases** this year. The only providers getting a boost in rates are ambulatory surgical centers (\$1.2 million); elderly waiver service providers (\$3 million); and special population nursing facilities (\$333,000). On With Life and ChildServe are the only special population nursing facilities in the state and their reimbursement has been tied to an exception to policy for the last five years. The bill puts their rates into law, so they no longer have to go through the exception to policy process.
- **On With Life** will also receive a \$4 million infrastructure grant to build a new wing on their Polk City campus. Individuals previously served by On With Life on the Glenwood campus were relocated to this site. This new 25-bed wing will provide an Iowa option for **young adults who are aging out of ChildServe** when they turn 30. Right now there is no other in-state option for individuals who are ventilator dependent.
- The **annual review of Medicaid provider rates** is also put into law, so it will continue under a new Governor. Iowa HHS has been doing this for the past three years, comparing the rates to Medicare. Because there are no dental rates in Medicare, those rates are compared to neighboring state Medicaid rates.
- Medicaid will save \$150,000 by allowing **90-day refills** on prescriptions and an additional \$25 million by taking **pharmacy decisions** back from the MCOs.
- No change in funding for **child vision screening** and **epilepsy education** (the Governor had recommended both be eliminated).
- Accepts nearly all of HHS' **cost containment measures**:
 - telehealth site of service differential (\$491,000),
 - shifting behavioral health services to Medicare (\$308,000),
 - the lowest available price (\$2.2 million),
 - speech therapy adjustments (\$1.2 million),
 - 30-day readmission limits (\$1.1 million),
 - facility/provider adjustments (\$5.4 million), and
 - venipuncture therapy adjustments (\$602,000).

Cost containment is a way of putting limits on Medicaid reimbursement. It results in less money being paid to providers of that service, so it's a fancy word for "cut." Reminder that these are state savings and do not include the federal match.

- HHS is directed to apply for an "**Institution for Medical Disease**" waiver. This allows the state to receive some federal match for the money it spends on services at the state's Mental Health Institutes (MHIs). This would also help with funding should HHS decide to offer subacute services at an MHI (as allowed in HF 2543).
- The **Comprehensive Family Support Program** (which includes the Children at Home initiative) was accidentally deleted from law in 2024, but the program continued. It is simply added back into law so services continue.
- There is also **no change in funding** for
 - **IABLE** (\$200,000),
 - **Farmers with Disabilities Program** (\$230,000),
 - **Entrepreneurs with Disabilities Program** (\$138,506),
 - **independent living centers and councils** (\$171,351),
 - **vocational rehabilitation** (\$6.3 million),
 - **HCBS rent subsidies** (\$873,000),
 - Language Equality and Acquisition for Deaf Kids/**LEAD-K** (\$200,000), and
 - **Best Buddies** (\$35,000).
- **Eliminates funding for**:
 - **Adverse Childhood Experiences (ACEs)** survey (\$40,000),
 - **Center for Excellence in Behavioral Health** (\$100,000),
 - **volunteer specialty provider network** (\$225,000), and
 - **public transit** (\$1.4 million). Public transit does get a one-time \$1.6 million grant to help match federal dollars for bus replacements (but their regular infrastructure grant was eliminated).

- Community mental health centers will continue to receive 70% of the **community mental health block grant funds** through the end of the next federal fiscal year (9/30/2027).
- HHS must **report on how behavioral health funds are used**, broken out by source and broken down by child and adult services (due 12/15/2026).
- \$3 million from the **opioid settlement** will help increase opioid treatment in the state by providing one-time funds for the Renewal Falls Recovery Center in Cedar Falls.
- Over four budget bills, HHS will receive **\$127.4 million to launch new IT systems** to:
 - manage Medicaid and child welfare systems,
 - determine and verify eligibility for public assistance,
 - comply with OBBBA and state public assistance reforms,
 - determine Medicaid waiver neutrality, and
 - administer SNAP.

HHS is not allowed to sign contracts that cost the state more than \$5 million. It also requires HHS to give legislators a plan that describes their long-term information technology needs and how they will meet those needs.

- \$1.2 million cut in **tobacco use prevention**, including Quitline, printed marketing materials, and STEP (students for tobacco education & prevention). HHS says they will switch funding to a federal grant but has not provided more details.
- No change (\$7,985,911) for the **Health Care Professional Incentive Program**, which the Governor limited to 1/3 of Iowa's counties (most rural). To increase nursing capacity in the state, \$600,000 was added for a **new nursing simulator** at UNI. These programs will help increase providers in the state, particularly in rural areas.
- School-based teacher training to support **student mental health** has been cut by \$1.5 million (\$1.9 million remaining). These funds were used by the AEAs to provide Mental Health First Aid, training on ACES, and training provided by the Crisis Prevention Institute. The Department of Education says they have centralized this function and provide it at less cost than the AEAs.
- The Department of Education will be required to submit annual reports on the incidents of violence in schools, referrals to **therapeutic classrooms**, and antibullying programs.
- \$1 million in sports wagering funds is dedicated to the **Double Up Food Bucks program** (which doubles the value of SNAP purchases for fresh fruits and vegetables).
- As noted in the vaping tax bill, **pediatric cancer research** at the University of Iowa will receive \$3 million in FY 2027. They will submit a report on how funds are used by 10/1/2027. UI is not allowed to use any of these funds for unrelated administrative costs. These funds will help launch research ahead of the vape/-nicotine tax appropriation that begins in FY 2028.
- The Governor announced a plan for funding **water quality** at the end of the session. Des Moines Water Works will receive \$25 million to upgrade their nitrate removal systems and another \$10 million will help water systems in small and medium-sized communities (population less than 11,000).
- Legislators increased court filing fees by \$20 and dedicated some of those to **sexual assault and domestic violence programs** and the newly created SAFE Center (victim services see a \$770,000 increase, human trafficking services get \$25,000 increase, and SAFE Center will receive an estimated \$470,000 new appropriation beginning July 1, 2027).
- Finally, state agencies and the judicial branch will now have to notify the chairs and ranking members of the Appropriations and Federal Funds committees when a **federal grant or loan in excess of \$5 million** is received (or when an application has been submitted). Notification must be within 30 days of receipt/application, includes any grant or loan that requires a state match, and exempts the Iowa Department of Defense & Board of Regents.