

HOUSE REPUBLICAN STAFF ANALYSIS

Bill:	Senate File 615	House Committee:	PASSED 3/5/25 (12-8)
Committee:	Health and Human Services	House Floor:	PASSED 3/26/25 (61-35)
Floor Manager:	Rep. Carter Nordman		PASSED 5/14/25 (56-30)
Date:	March 26, 2025	Senate Floor:	PASSED 3/25/25 (33-15)
Staff:	Natalie Ginty (5-2063)		PASSED 5/13/25 (33-13)
		Governor:	SIGNED 6/6/25

Medicaid Expansion Work Requirements

- The bill requires the Iowa Department of Health and Human Services to request federal approval to include work requirements as a condition of a member maintaining eligibility for the Iowa Health and Wellness Plan. The bill specifies that at least 80 hours of work each month are needed to maintain eligibility and lists certain exemptions from the work requirement.
 - This bill provides DHHS flexibility in determining what qualifies for work (education, job skills training, caregiving services) and allows DHHS to individually determine good cause for an exemption from the work requirement.
 - This bill conditions continuing Medicaid Expansion in Iowa upon future federal administrations allowing work requirements.
 - This bill seeks federal approval to align the work requirements of all public assistance programs to ensure consistency.
- This bill creates an IT fund to modernize IT within DHHS. The bill states that work requirements will be implemented when there is a real-time system that can facilitate evaluation and referrals.
- This bill increases the assets of a married couple participating in the Medicaid for employed people with disabilities program from \$12,000 to \$24,000. **DHHS estimates this will have a \$382,753 state general fund cost in FY26, \$697,381 in FY27 and \$1.36 million in FY28.**
- Iowa Health and Wellness Plan – Iowa expanded Medicaid in 2014 to low-income adults (up to 133% FPL = below \$20,815 for a single individual, \$42,760 for a family of 4) through the Affordable Care Act. There are currently 182,000 Iowans on IHWP. 10 states have not expanded Medicaid.
- Fiscal Note:** LSA estimates that Division I will decrease state expenditures by \$3.1 million in FY26 and \$17.5 million in FY27. DHHS did not respond to LSA to establish the fiscal note. There is currently \$8.2 million in the Public Assistance Modernization Fund.
- The Governor provided the below information regarding IHWP members that are able-bodied adults:

Medicaid Able-Bodied Adults Working Status				
Age Range	Total Number Not Working*		Total Number Working	
19-24	20,979	63.2%	12,233	36.8%
25-34	24,112	52.2%	22,077	47.8%
35-44	20,530	53.5%	17,872	46.5%
45-54	17,514	61.5%	10,941	38.5%
55-64	17,272	68.4%	7,968	31.6%
Total	100,407		71,091	

Section by Section Analysis

Division I – Iowa Health and Wellness Plan – Work Requirements

Section 1 (Iowa Code 249N.4A)

Requires DHHS to request federal approval to include work requirements as a condition of a member maintaining eligibility for the Iowa Health and Wellness Plan to “reduce the dependence of low-income Iowans on public assistance programs through efforts that advance economic stability and mobility.”

This bill requires at least 80 hours of work each month to maintain eligibility. The department will determine what qualifies as work.

Allows DHHS to exempt the following populations from the work requirement:

- Those under 19 years old and those over 64 years old
- Disabled individuals as determined by Social Security
- Medically frail or medically exempt individuals
- Caretakers of dependent children under 6 years old
- High risk pregnant women
- Those receiving unemployment
- Participants in substance abuse treatment, not to exceed a consecutive six-months
- Good cause, as determined by the director of DHHS.

These exemptions must be substantially similar to exemptions for other public assistance programs.

Requires DHHS to implement upon federal approval and implementation of a real-time system to facilitate recipient referrals and reporting. DHHS will write rules to administer this bill.

Discontinues the Iowa Health and Wellness plan, subject to federal approval, if federal law does not allow for work requirements for the Iowa health and wellness plan.

Section 2 – Immediate Effective Date

Division II – Work Requires and Requirements for Public Assistance Programs

Section 3 – Public Assistance Programs – Work Rules and Requirements Alignment

Requires DHHS to work with USDA and USHHS to align the requirements and rules for participants of public assistance programs related to working, including SNAP employment and training.

Division III – Information Technology

Section 4 (Iowa Code 217.25) – New Section

An information technology fund is created in the treasury under the control of DHHS to be used for IT systems and related modernization initiatives. Funds do not revert and interest remains in the fund.

Section 5 – Transfer of Moneys

Unobligated funds in the public assistance modernization fund shall be transferred to this IT fund.

Section 6 – Repeal

Repeals the public assistance modernization fund.

Division IV – Medicaid for Employed People with Disabilities Program

Section 7 (Iowa Code 249A.3)

Eliminates a marriage penalty for Iowans receiving Medicaid for employed people with disabilities by allowing a couple to qualify with \$21,000 in assets plus a \$3,000 Social Security Insurance asset limit, totaling \$24,000. The current resource limits are \$12,000 for an individual and \$13,000 for a couple.