

HOUSE REPUBLICAN STAFF ANALYSIS

Bill:	Senate File 641	House HHS Com:	PASSED 2/26/25 (18-1)
Committee:	Health and Human Services	House Approps:	PASSED 4/16/25 (23-1)
Floor Manager:	Rep. Ann Meyer/Rep. Lundgren	House Ways:	PASSED 5/8/25 (19-0)
Date:	May 13, 2025	House Floor:	PASSED 5/13/25 (91-0)
Staff:	Natalie Ginty (5-2063)	Senate Floor:	PASSED 4/29/25 (48-0)
		Governor:	SIGNED 6/6/25

DHHS Bill

- The bill comes from the Department of Health and Human Services to do the following:
 - Makes clear that administrative service organizations and disability access points are not covered by IPERS and that they may not serve as judicial advocates
 - Allows for fictive kin expedited licensure
 - Clarifies confidentiality of records related to child abuse and dependent adult abuse
 - Allows the DHHS director to require providers to share information with DHHS as necessary to identify child abuse and dependent adult abuse
 - Allows DHHS to access financial records that they reasonably believe are related to the exploitation of a dependent adult
 - Adds information created or received by DHHS for an internal audit relating to an allegation as exempt from the state auditor unless it meets certain requirements
 - Transfers the region incentive fund to DHHS to ensure continuity of care between the MHDS system and the Behavioral Health System
 - Revises the MCO premium tax
- **NOBA:** As of April, the balance in the Region Incentive Fund was \$30.7 million and the Mental Health and Disability Services Fund was \$8.2 million.

Section by Section Analysis

Division I – Administrative Services Organizations

Section 1 (Iowa Code 97B.1A)

Makes clear that ASO employees are not covered by IPERS.

Section 2 (Iowa Code 229.1)

Defines behavioral health district and disability access point.

Section 3 (Iowa Code 229.19)

Adds ASO and disability access point employees to the list of employees that are not able to be hired as judicial advocates.

Division II – Child Foster Care

Sections 4-9, 11, 14-15, 17, 19-20, 22, 25, 26-34, 36 (Iowa Code 232.69, 232.78, 232.95, 232.102, 234.1, 234.7, 235A.15, 237.3, 237.4, 237.5A, 237.6, 237.8, 237.10, 237.14A, 237.15, 237A.1, 237A.3A, 237C.1, 237C.3, 282.19, 335.25, 414.22, 709.16)

Removes references to foster care and replaces with licensee or approved kinship caregiver. Additional corrective code changes.

Section 10 (Iowa Code 234.39)

Clarifies language last year that allows for relatives or fictive kin to receive TANF funds to be used for the kinship caregiver stipend program, to not apply if the relative or approved kinship caregiver.

Sections 12-15, 23-24 (Iowa Code 237.1, 237.13, 237.14)

Defines “approval” regarding kinship caregivers, adds approved kinship caregiver to the definition of “child foster care”, defines “fictive kin” and “foster family home. Updates definition of “licensee” and “reasonable and prudent parent standard”.

Sections 13, 16, 21, 26 (Iowa Code 237.2, 237.4, 237.9, 237.15)

Adds fictive kin to the list of guardians under the child foster care facilities chapter.

Section 18 (Iowa Code 237.5B) – New Section

Outlines the approved kinship caregiver process by submitting an application to DHHS. Allows DHHS to deny application for violations of the rules.

Section 35 (Iowa Code 423.3)

Conforming code change

Section 37 – Rules

Requires DHHS to adopt rules to implement this Division.

Division III – Child and Dependent Adult Abuse

Section 38 (Iowa Code 135.118)

Provides DHHS authority to write rules to administer the child protection center grant section.

Section 39 (Iowa Code 235A.1)

Opens options for child abuse prevention program funds to not just volunteer coalitions or councils.

Sections 40, 43 (Iowa Code 235A.15, 235B.6)

Makes clear that child abuse information and dependent adult abuse information is confidential and not subject to the open records law.

Section 41 (Iowa Code 235B.2)

Revises the definition of “dependent adult abuse” to include persons taking the adult’s resources for monetary or personal benefit by depriving the adult of their benefits.

Section 42 (Iowa Code 235B.3)

Allows DHHS to access financial records that they reasonably believe are related to the exploitation of a dependent adult.

Section 44 (Iowa Code 235B.6)

Allows instrumentalities of the state to have access to confidential dependent adult abuse records.

Section 45 (Iowa Code 249A.4)

Allows the DHHS director to require providers to share information with DHHS as necessary to identify child abuse and dependent adult abuse.

Division IV – DHHS – Internal Audits and Examinations

Section 46 (Iowa Code 217.31A)

Requires DHHS internal audits to be conducted with the most recent global internal audit standards. Information throughout the audit is confidential, but does not limit the state auditor’s access to information if the DHHS director approves of the release in writing or is in the final report issued by DHHS.

Division V – Region Incentive Fund – Distributions and Transfers

Section 47 – DHHS – Behavioral Health Services System – Region Incentive Fund

Defines “ASO”, “Behavioral Health fund”, “behavioral health services system”, and “MHDS System”.

Transfers the region incentive fund and mental health and disability services regional service fund to DHHS to ensure continuity of care between the MHDS system and the Behavioral Health System. These funds do not count towards the 7% limit on administrative costs of the ASOs.

Section 48 – Immediate Effective Date

Section 49 – Retroactive Applicability

To July 1, 2024

Division VI – Health Maintenance Organization – Applicable Percentage for Premium Tax

Sections 50 and 51 (Iowa Code 432.1, 432.1B)

Strikes that the MCO premium tax is an amount of 2.5% of the premiums received.

Section 52 – Immediate Effective Date

Section 53 – Retroactive Applicability

January 1, 2024