

HOUSE REPUBLICAN STAFF ANALYSIS

Bill:	HF 724 / SF 561	House Committee:	PASSED 4/27/23 (16-7)
Committee:	Appropriations	House Floor:	PASSED 5/2/23 (63-32)
Floor Manager:	Rep. Joel Fry	Senate Floor:	PASSED 4/27/23 (32-14)
Date:	May 2, 2023	Governor:	
Staff:	Natalie Ginty (5-2063)		

FISCAL YEAR 2024 HEALTH AND HUMAN SERVICES BUDGET

The HHS Budget appropriates a total of \$ 2.124 billion from the General Fund to the Department of Veterans Affairs (IVA) and the Iowa Department of Health and Human Services (DHHS) in FY 2024. This is an increase of \$ 26.48 million when compared to the estimated budget for FY 2023. This budget also appropriates a total of \$476 million from other funds, which is a decrease of \$52 million compared to FY 2023 other funds.

Division-by-Division Analysis

DIVISION I

VETERANS AFFAIRS

The Division appropriates \$11.34 million to the Department of Veterans Affairs for FY 2023. This is a \$12,691 decrease when compared to the FY2023 Budget. Funding is allocated to the following budget units with any changes listed:

General Administration

FY 2023	FY 2024	Difference
\$ 1,229,763	\$ 1,033,289	- \$ 196,474

This budget unit goes toward salaries, support, and maintenance of the Department of Veterans Affairs. The administrative staff is located at Camp Dodge and is responsible for educating veterans and active duty reserve members on entitlements and resources under State and federal laws, being a central point of contact in State government for veterans' issues and maintaining the burial records of over 185,000 deceased Iowa veterans along with operating the Iowa Veterans Cemetery.

The changes to this line item include:

- A decrease of \$193,316 based on Government Alignment by combining the duties of the Commandant of the Iowa Veterans Home with the duties of the Director of the Department of Veterans Affairs.
- A decrease of \$3,158 based on OCIO adjustment.

Iowa Veterans Home

FY 2023	FY 2024	Difference
\$ 7,131,552	\$ 7,115,335	- \$ 16,217

The Iowa Veterans Home, located in Marshalltown, provides both nursing home and residential levels of care for Iowa's aged, chronically ill, or disabled veterans, dependent spouses, and surviving spouses. There are around 400 individuals at the Veterans Home.

This section provides funding for the operation of the Iowa Veterans Home. Revenue sources for IVH include 45.6% Medicaid, 24% U.S. Department of Veterans Affairs per diem, 16.8% resident support, 8.8% General Funds, and 4.8% from other sources.

This is a decrease of \$16,217 based on OCIO adjustment.

Home Ownership Assistance Program

FY 2023	FY 2024	Difference
\$ 2,000,000	\$ 2,200,000	\$200,000

A \$5,000 grant is available to a service member for a down payment and closing costs toward the purchase of a new home in the state. The Department of Veterans Affairs reviews each application to determine the applicant's eligibility as a veteran, and the Iowa Finance Authority administers and determines eligibility for the qualifying loan.

This budget includes a \$200,000 increase to the line item, meaning an additional 40 veterans are covered each year.

Veterans County Grants

FY 2023	FY 2024	Difference
\$ 990,000	\$ 990,000	\$0

The section provides county veteran programs with a matching grant. The money must be used for the administration and maintenance of the County Commission of Veterans Affairs office, and each county is required to submit a detailed report to the Iowa Department of Veterans Affairs to identify how the county increased services to veterans with the \$10,000.

DIVISION II

DEPARTMENT ON HEALTH AND HUMAN SERVICES - AGING

Total Aging Appropriation:

FY 2023	FY 2024	Difference
\$ 11,304,082	\$ 11,799,361	\$ 495,279

This Division allows the DHHS to provide citizens of Iowa who are sixty years of age and older with services like case management, adult day services, respite care, and for salaries, support, and administration. DHHS also works closely with the State Aging Network that consists of six Area Agencies on Aging located around the state. This appropriation represents approximately 40% of Aging programming's total funding.

The changes to this line item include:

- An increase of \$500,000 to the Office of Public Guardian. The OPG is appointed by the court as the guardian or conservator of last resort if there is no one else who could serve as a guardian or conservator and the persons' needs cannot be met with less restrictive alternatives than guardianship or conservatorship. This increase and 1 FTE will increase capacity of OPG services for older adults and adults with disabilities. The waiting list of OPG services is expected to grow to 147 by September 2024, one-and-a-half times larger than the number of clients currently served.
- A decrease of \$4,721 based on OCIO adjustment.

DIVISION III

OFFICE OF LONG-TERM CARE OMBUDSMAN

Total Office of Long-Term Care Ombudsman Appropriation:

FY 2023	FY 2024	Difference
\$ 1,149,821	\$ 1,148,959	- \$ 862

The Office of the State Long-Term Care Ombudsman works to advocate for the rights and wishes of residents and tenants in long-term care, including those living in nursing facilities, residential care facilities, assisted living programs and elder group homes. The Ombudsmen help answer questions and resolve complaints. The Managed Care Ombudsman Program advocates for the rights and needs of Medicaid managed care members who receive care in health care facilities, assisted living programs, and elder group homes in Iowa, as well as members who are enrolled in one of the seven Medicaid HCBS waiver programs.

DIVISION IV

DHHS – PUBLIC HEALTH

This Division appropriates \$56 million to DHHS for Public Health programs. This is an increase of \$667,379 when compared to the FY 2023 Budget. The funding in this Division is allocated amongst the following budget units:

Addictive Disorders

FY 2023	FY 2023	Difference
\$ 23,659,379	\$ 23,656,992	- \$ 2,387

This budget unit provides funding for services directed toward reducing the use of tobacco, alcohol and other drugs, and treating Iowans with addictive disorders, including problem gambling. This is a decrease of \$2,387 based on OCIO adjustment.

Additionally, Section 6 of the bill designates \$1.75 million from the sports wagering fund to go towards problem gambling and substance use prevention and treatment.

Healthy Children and Families

FY 2023	FY 2024	Difference
\$ 5,816,681	\$ 5,816,681	- \$ 1,190

This budget unit provides funding for programs that assure access to preventive child health services and link children and families with community-based preventive health and family support services. This is a decrease of \$1,190 based on OCIO adjustment.

Chronic Conditions

FY 2023	FY 2024	Difference
\$ 4,258,373	\$ 4,256,595	- \$ 1,778

This budget unit funds activities and services that are provided to Iowans suffering from chronic conditions or special health care needs. This is a decrease of \$1,778 based on OCIO adjustment.

Community Capacity

FY 2023	FY 2024	Difference
\$ 6,877,507	\$ 7,435,682	\$ 558,175

This budget unit provides funding intended to strengthen the public health system at the local level. Changes in the bill include:

- An increase of \$560,000 to fund four annual fellowship positions for family medicine obstetrics. This bill requires that a participating fellow, who has completed their family medicine residency, must sign an agreement with a teaching hospital to participate in the fellowship for one year, and then commit to remaining in Iowa and serving rural and underserved areas for 5 years following completion of the fellowship.
- A decrease of \$1,825 based on OCIO adjustment.
- Moving the Iowa Commission on Volunteer Services from IEDA based on Government Alignment. This funding goes towards the Iowa state commission grant program and the Iowa's promise and Iowa mentoring partnership programs.

Essential Public Health Services

FY 2023	FY 2024	Difference
\$ 7,662,464	\$ 7,662,464	\$0

This budget unit funds activities and services provided to persons over the age of 55 which are intended to optimize the health status of Iowa seniors. The funding is distributed to local boards of health through a formula in the Iowa Administrative Code.

Infectious Diseases

FY 2023	FY 2024	Difference
\$ 1,796,206	\$ 1,795,902	- \$ 304

The budget unit funds state activities designed to reduce the incidence of communicable diseases. This is a decrease of \$304 based on OCIO adjustment.

Public Protection

FY 2023	FY 2024	Difference
\$ 4,466,601	\$ 4,581,792	\$115,191

The public protection budget unit funds activities related to protecting public health and safety through the establishment of standards and enforcement of regulations. Changes to this section include:

- An increase of \$250,000 to the Poison Control Center to draw down additional federal match.
- A decrease of \$131,757 due to certificate of need and the state health facilities council being moved from DPH to DIAL in the Government Alignment bill.
- A decrease of \$3,052 based on OCIO adjustment.

Resource Management

FY 2023	FY 2024	Difference
\$ 933,871	\$ 933,543	- \$ 328

This budget unit pays for the Director's Office, Department-Wide Activities, the Human Resources Office, and utilities within Public Health. This is a decrease of \$328 based on OCIO adjustment.

Congenital & Inherited Disorders Registry

FY 2023	FY 2024	Difference
\$ 223,521	\$ 223,521	\$0

The Registry is the reporting system used to identify and monitor birth defects and stillbirths in the state, and is located within the College of Public Health and the University of Iowa. This is a standing unlimited appropriation from the General Fund in Iowa Code section 144.13A(4)(b) that retains \$10 of the \$20 Birth Certificate Registration Fee for the Registry.

DIVISION V

DHHS – Human Services

The funding in this Division is allocated amongst the following budget units within DHHS:

Section 7 – Temporary Assistance for Needy Families Block Grant

This section appropriates the TANF money received by the state and unused TANF funds from previous years. TANF is a federal block grant that allows states flexibility in using funds to: help needy families care for children, end dependence on public benefits by promoting work, reduce out-of-wedlock pregnancies, and encourage the formation of two parent families. Iowa's federal grant remains the same each year: \$130,558,068. The allocations for FY 2024 are:

TANF Allocation	Amount
Family Investment Program Account	\$5,002,006
PROMISE JOBS	\$5,412,060
Family Development and Self-Sufficiency (FaDSS)	\$2,883,980
Field Operations	\$31,296,232
General Administration	\$3,744,000
State Child Care Assistance	\$47,166,826
Child and Family Services	\$32,380,654
Child Abuse Prevention	\$125,000
Pregnancy Prevention grants	\$1,913,203
TANF Technology grants	\$1,037,186
Federal Social Services Block Grant Transfer	\$12,962,008
Expanded Categorical Eligibility for SNAP	\$14,236

This section also permits DHS to transfer excess funds from the TANF Block Grant appropriation to the FIP Account to be used for assistance through the FIP within the same fiscal year and to the Child Care Assistance Program.

Sections 8 and 9 - Family Investment Program

This section describes how funds deposited in the Family Investment Program (FIP) account will be allocated and disbursed by DHHS.

FY 2023	FY 2024	Difference
\$ 41,003,978	\$ 41,003,575	- \$ 403

Iowa's Family Investment Program is a cash assistance program to support low income families with children and to provide services for them to become self-sufficient. A parent with two children must be earning less than \$426 per month or \$5,112 annually to qualify for FIP. The Program has a 5-year lifetime benefit limit with exceptions in cases of hardship.

The FIP appropriation funds the Promise Jobs Program and the Family Development and Self-Sufficiency Program (FaDSS). The Promise Jobs Program, or "Promoting Independence and Self-Sufficiency through Employment" provides work and training services to FIP participants, which is a requirement to receive FIP. DHHS contracts with Iowa Workforce Development to administer the Promise Jobs Program via 16 regional sites throughout the state.

FaDSS provides a more intensive set of services to families that are at risk of long-term welfare dependency. The FaDSS Program is administered by the Division of Community Action Agencies. These sections include a \$403 decrease due to OCIO adjustment.

Section 10 – Child Support Services

FY 2023	FY 2024	Difference
\$ 15,942,885	\$ 15,914,329	- \$ 28,556

This section funds child support enforcement efforts in Iowa. Child Support Services is responsible for assisting custodial parents eligible to receive court-ordered child and medical support and for processing support payments. Services include locating noncustodial parents and their sources of income, establishing paternity, establishing and modifying support orders, and registering other states' orders for enforcement or modification. In FY 2017, the CSRU served 590,311 parents and children on 167,702 cases, processing 2.8 million support payments for a total of \$322.3 million.

Medical Assistance (Medicaid)

FY 2023	FY 2024	Difference
\$ 1,510,127,388	\$ 1,543,626,779	\$33,499,391

Medical Assistance is a joint federal/state-funded entitlement program that provides medical assistance to certain low-income individuals that are aged, blind, disabled, or pregnant and to children or members of families with dependent children. Funding for Medicaid is based on the Federal Medical Assistance Percentage (FMAP), and receives varying federal match amounts depending on if the member is traditional Medicaid or Iowa Health and Wellness Plan.

Throughout the public health emergency, states have received an additional 6.2% FMAP (\$72 million each quarter to Iowa). States will continue to receive some enhanced federal funding for the remainder of 2023 until the Medicaid unwind is complete. This has caused there to be a significant carryforward in Medicaid, with an estimated carryforward of \$308.6 million going into FY2024 and \$137 million going into FY 2025. Paragraph 19 on page 31 of the bill requires DHHS to return to normal eligibility and enrollment operations as soon as the federal government allows.

Additional Medicaid Revenue Sources:

- Health Care Trust Fund – Tax receipts related to the sale of tobacco are deposited into the HCTF. FY2024 revenue is estimated to be at \$183.5 million.
- Medicaid Fraud Fund – Consists of moneys collected from penalties, investigative costs recouped by the Medicaid Fraud Control Unit, and other amounts received as a result of prosecutions stemming from DIA investigations and audits to ensure compliance with the Medicaid Program. Since the implementation of managed care, money from the fund has decreased to only \$150,000 annually.
- Also see Division VII below

Changes to the Medicaid appropriation include:

- \$13 million in increased state funding towards mental health and substance abuse Medicaid rates. In total with federal funding, this is over \$35 million increase to ensure that the state can recruit and retain mental health providers to care for Iowans in need. These increases came based on a Medicaid rate review that compared Iowa's mental health rates to surrounding states and to Medicare. The funding is broken down to be \$7 million towards mental health therapy, \$3 million to substance abuse, and \$3 million to other mental health rates.
- Provides \$15 million of state funding (over \$40 million total funding) increase to nursing homes. Additional funds are also in Section 37 of the bill.
- \$5.5 million of general fund appropriation to fund the 4th quarter of FY2024 towards HCBS rates and ID waiver waitlist increases from FY2023.
- Decrease of \$609 based on the OCIO adjustment.

Section 14 – Health Program Operations

FY 2023	FY 2024	Difference
\$ 17,466,343	\$ 17,466,067	-\$276

This section provides the money for DHHS to contract out with several entities to carry out programs to support the Medicaid program. Iowa Medicaid Enterprise (IME) oversees a total of 39 different contracts with private vendors to administer day-to-day operations of the Medicaid Program. This is a decrease of \$276 based on OCIO adjustment.

Section 15 - State Supplementary Assistance

FY 2023	FY 2024	Difference
\$ 7,349,002	\$ 7,349,002	\$0

State Supplementary Assistance helps low-income elderly or disabled Iowans meet basic needs and reduces state spending for Medicaid.

Section 16 - Children's Health Insurance Program (CHIP)

FY 2023	FY 2024	Difference
\$ 38,661,688	\$ 38,661,688	\$0

This section appropriates money for the Children's Health Insurance Program (CHIP), which is titled Healthy and Well Kids in Iowa (*hawk-i*) program. *Hawk-i* covers children with family income up to 300% FPL, with some families providing cost sharing depending on their income level. This funding also includes money allocated for outreach.

Section 17 - Child Care Assistance

FY 2023	FY 2024	Difference
\$ 64,223,730	\$ 64,223,730	\$0

The Child Care Assistance program subsidizes child care costs for low-income families with working parents, parents gaining working skills, or parents going to school. In addition to paying for child care, this appropriation supports the regulation of child care providers and quality improvement activities of providers. DHHS also contracts with 5 Child Care Resource and Referral (CCR&R) contracts and 4 wrap-around child care contracts.

This section also includes early childhood Iowa for community-based early childhood programs targeted to children from birth through five years.

There is \$107.7 million estimated carryforward in the Child Care Development Fund for FY 2023, and it is anticipated that there will be \$145 million carryforward at the end of FY2023.

Section 18 - Juvenile Institution

Eldora State Training School

FY 2023	FY 2024	Difference
\$ 17,606,871	\$ 17,568,511	-\$ 38,360

The State Training School at Eldora provides treatment and educational services within a highly structured setting to assist boys between the ages of 12 and 18 who are adjudicated delinquent. The School has 130 residential beds on a campus consisting of 36 buildings on 361.2 acres. In March 2020, STS received a court order for injunctive relief and has had their remedial plan approved by the courts.

This is a \$38,360 decrease based on OCIO adjustments.

Section 19 - Child and Family Services

FY 2023	FY 2024	Difference
\$ 93,571,677	\$ 79,027,794	-\$ 14,543,883

The section appropriates money for various child welfare and juvenile justice programs. DHHS has established performance-based contracts with child welfare providers to offer early intervention and

prevention services, in-home services that improve parenting skills, out-of-home services that provide a safe environment when a child is not able to remain in the home or able to live with an extended family member.

Funding includes the state funding in this section, along with Title IV-B and IV-E of the Social Security Act, TANF, and the Social Services Block Grant. State funding accounts for approximately 56% of CFS total expenditures. This funding includes \$1.4 million towards 4 projects in certain areas for Systems of Care.

Changes to this line-item include:

- Transferring Court-Ordered Services to the Judicial Branch at \$15.5 million. This was authorized by the legislature last year in HF2507.
- This budget maintains the \$3.8 million appropriation provided last year to Qualified Residential Treatment programs by ensuring that a future shortfall does not occur to the child and family services section. This section appropriates an additional \$1 million in anticipation of a shortfall in a few years.
- Decrease of \$883 due to the OCIO adjustment.

Section 20 - Adoption Subsidy

FY 2023	FY 2024	Difference
\$ 40,596,007	\$ 40,883,507	\$287,500

This section appropriates funding to provide financial support to families that adopt special needs children, children that are harder to place due to age, is a member of a sibling group of three or more, or is at risk of developing a diagnosed condition. Children eligible for an adoption subsidy are categorically eligible for Medicaid.

Federal legislation has required states to calculate the amount of adoption savings that resulted from increased Title IV-E eligible, and requires states to reinvest those savings in other qualified expenditures.

The March 2023 adoption subsidy forecast showed an estimated ending surplus of \$8 million in FY2023 and an \$7.4 million ending surplus in FY2024.

This section includes an increase of \$287,000 to fund division XVII of the bill.

Section 21 - Family Support Subsidy Program

FY 2023	FY 2024	Difference
\$ 949,282	\$ 949,282	\$0

The Family Support Subsidy appropriation includes two programs: Family Support Subsidy (FSS) and Children at Home (CAH). These programs assist families of children with developmental disabilities to meet the special needs of their disabled children.

In FY 2010, state legislation ended new enrollment in the FSS program, which is expected to continue till 2024 when the last enrollee turns 18 years of age. The CAH program is contracted with Visiting Nurse Services to develop statewide standardized payment levels for individual requests and service needs. The General Assembly has chosen to use savings associated with no new enrollees to the FSS Program to expand the CAH Program.

Section 22 – Conner Training

This appropriation is to provide training in accord with the consent decree in Conner v. Branstad mandating placement of persons with developmental disabilities in the least restrictive setting possible. DHHS contracts with the Center for Excellence at the University of Iowa to provide the training, educational materials, and transition funding to individuals living in the State Resource Centers who wish to move to a home or community-based setting. The appropriation is the same as last year at \$33,632.

Section 23 – Mental Health Institutes

This section sets out the funding for the state's two mental health institutes.

Cherokee Mental Health Institute

FY 2023	FY 2024	Difference
\$ 15,613,624	\$15,923,252	\$309,628

There are currently 12 youth beds and 24 adult beds at Cherokee MHI. This budget provides funding for Cherokee MHI to become an adult specific facility with 36 beds, 24 being devoted to acute and 12 being devoted to 12 forensic beds.

Independence Mental Health Institute

FY 2023	FY 2024	Difference
\$ 19,688,928	\$19,811,470	\$122,542

There are currently 16 youth beds and 40 adult beds at Independence MHI. This budget provides funding for Independence MHI to become a more youth focused facility with 36 youth beds and 20 adult beds.

Section 24 – State Resource Centers

The section appropriates money to the State Resources Centers in Glenwood and Woodward, which are intermediate care facilities for individuals with intellectual disabilities. Individuals who are admitted to the Resource Centers have typically gone through multiple community-based providers and have not been able to find one that meets their needs.

Glenwood State Resource Center

FY 2023	FY 2024	Difference
\$ 16,288,739	\$16,255,132	-\$ 33,607

Glenwood Resource Center serves 146 individuals with severe intellectual disabilities, most of whom have a dual diagnosis of mental illness. DHHS projects that census will drop 88 individuals by the end of the fiscal year.

Governor Reynolds has announced that the Glenwood Resource Center will close in 2024. Over the next year, GRC will continue to provide care to its residents while working with their guardians and families to transition them to community placements or the Woodward Resource Center. Existing staff at GRC will receive retention incentives to continue to work at GRC through this time.

The majority of the Glenwood budget is funded through the Medicaid Program. The annual budget is approximately \$76.9 million, with 21.6% coming from the state general fund, 52.2% is federal funding and 26.2% is other funding and client participation. This budget funds the facility at the Governor's recommendation with a slight decrease due to OCIO adjustment. Last session \$11 million was transferred to GRC from the adoption subsidy carryforward if needed to maintain the operations of the facility for the residents that remain at GRC prior to closure. These funds remain available for GRC to use if needed.

Woodward State Resource Center

FY 2023	FY 2024	Difference
\$13,409,294	\$13,389,577	-\$ 19,717

Woodward Resource Center serves 117 individuals with severe intellectual disabilities, most of whom have a dual diagnosis of mental illness. The majority of the Woodward budget is also funded through the Medicaid Program. The annual budget is approximately \$56.7 million, with 20.1% coming from the state general fund, 46.1% is federal funding and 33.8% is other funding and client participation. This budget funds the facility at the Governor's recommendation with a decrease due to OCIO adjustment.

Section 25 – Civil Commitment Unit for Sexual Offenders at Cherokee

FY 2023	FY 2024	Difference
\$13,894,276	\$14,865,337	\$974,061

CCUSO at Cherokee provides secure, long-term, and highly structured treatment for sexually violent predators. The individuals committed to CCUSO have served their prison sentences, but in a separate civil trial have been found likely to reoffend. As of September 2022, there were 145 men receiving treatment at CCUSO. This budget funds an additional 10 FTEs for being at overcapacity.

Section 26 – Field Operations

FY 2023	FY 2024	Difference
\$65,894,438	\$72,056,945	\$6,162,507

The section sets the FY 2024 appropriation for local DHHS offices and service area offices. This funding directly and indirectly supports the delivery of protection services, case management services, eligibility determinations, basic support services, and support for providers. DHHS divides the field operations unit into five service areas: Northern, Western, Eastern, Des Moines, and Cedar Rapids.

Federal funding supports \$80.9 million of all Field Operations funding.

This general fund appropriation includes an additional \$1.37 million to increase salaries of child welfare workers, as well as a decrease due to OCIO adjustment, and \$5 million to increase wages for Field Operations.

Section 27 – General Administration

FY 2023	FY 2024	Difference
\$ 18,449,643	\$18,913,662	\$464,019

This section funds the central office activities of DHHS, which includes Iowa Medicaid Enterprise, Mental Health and Disability Services, Adult, Children, and Family Services, Field Operations, Child Support Recovery Unit, Data Management, Fiscal Management, and Policy Coordination.

This section appropriates an additional \$500,000 to the more options for maternal support program. This program will focus on promoting healthy pregnancies and childbirth through nonprofit organizations that provide pregnancy support services. Division X of the bill also provides carryforward language to the program.

This section also includes the Child Advocacy Board, which has moved from DIA in the Government Alignment. CAB is an independent board that provides for citizen involvement in child welfare issues. CAB is responsible for the Court Appointed Special Advocate Program and the Iowa Citizen Foster Care Review Board.

Section 28 - Department-Wide Duties

FY 2023	FY 2024	Difference
\$ 4,172,123	\$ 2,157,590	-\$ 2,014,533

This appropriation is to ensure adequate staffing among DHHS facilities and transfer staff as needed, while remaining within the set number of authorized positions. This section includes a \$2 million in savings due to Government Alignment.

Section 29 – Volunteers

The section sets the FY 2024 appropriation at \$84,686 for the development and coordination of volunteer services. Volunteers under the supervision of paid staff assist in providing services and completing administrative tasks. Appropriated funds are used to pay for contracts with organizations that recruit and coordinate volunteers. In FY2018, nearly 8,000 persons volunteered 104,000 hours to the DHS. This line-item is also supported by federal funds annually through the Social Services Block Grant in the amount of approximately \$63,000.

Section 30 – Provider Rates

This section outlines specifically how different health care providers, child abuse providers, child care providers, and other DHHS stakeholders are reimbursed.

DIVISION VI HUMAN RIGHTS

Central Administration

FY 2023	FY 2024	Difference
\$ 189,071	\$ 186,913	-\$ 2,158

This section funds central administration related to Human Rights, including boards, commissions, and councils through the Human Rights Board.

Community Advocacy and Services

FY 2023	FY 2024	Difference
\$ 956,894	\$ 956,894	\$ 0

This section funds advocating for underserved populations in Iowa.

Criminal and Juvenile Justice Planning

FY 2023	FY 2024	Difference
\$ 1,318,547	\$ 1,318,547	\$ 0

This section funds research, policy analysis, program development, and data analysis activities to assist policymakers, justice system agencies, and others to identify issues and improve the operation and effectiveness of Iowa's justice system.

DIVISION VII HEALTH CARE ACCOUNTS AND FUNDS

Section 36 – Pharmaceutical Settlement Account

The section appropriates the funds received from legal settlements with prescription drug manufacturers related to pharmaceuticals provided by the Medicaid Program in the pharmaceutical settlement account to the Department of Human Services for the Medical Contracts line item. This year's amount is \$234,193.

Section 37 – Quality Assurance Trust Fund

For FY 2024, \$111.2 million will be appropriated from the quality assurance trust fund to DHHS for Medicaid. This fund is used to supplement nursing facilities under the Medicaid program. These funds do not revert back to the general fund and remain in the medical assistance program at the close of the fiscal year. This is a \$68 million increase to Iowa's nursing homes.

Section 38 – Hospital Health Care Access Trust Fund – Department of Human Services

\$33,920,554 will be appropriated from the Hospital Health Care Access Trust Fund to DHHS for Medicaid in FY 2023. This fund receives revenue from an assessment place on Prospective Payment System hospitals, which are then matched with federal money. These funds do not revert back to the general fund and remain in the medical assistance program at the close of the fiscal year.

Section 39 – Medical Assistance – Nonreversion

States that all Medicaid funds shall not revert, but remain in the Medicaid program, until the close of the following fiscal year.

DIVISION VIII DECATEGORIZATION

This Division transfers to Medicaid decategorization funds that would have previously reverted to the General Fund. This Division is effective upon enactment and retroactive to July 1, 2022.

DIVISION IX

PRIOR YEAR APPROPRIATIONS AND OTHER PROVISIONS

Allows funds leftover in FIP, Child and Family Services, Field Operations, SSA, Child Care Assistance, MOMs and General Administration to not revert back to the general fund. This Division is effective upon enactment.

DIVISION X

REPORT ON NONREVERSION OF FUNDS

Requires DHHS report the expenditures due to nonreversion authorized in Division IX on a quarterly basis.

DIVISION XI

ELIMINATION OF REPEAL OF HOSPITAL HEALTH CARE ACCESS ASSESSMENT PROGRAM

This section removes the sunset on the hospital provider tax discussed in Section 38. This section is effective immediately.

DIVISION XII

REALIGNMENT PROVISIONS

Makes technical corrections to the Government Alignment bill related to HHS issues including buying and selling of real estate and the school ready children grants account.

DIVISION XIII

HEALTH POLICY OVERSIGHT

Maintains the legislative health policy oversight committee but instead allows it to meet, rather than requires it to meet twice an interim.

DIVISION XIV

PUBLIC ASSISTANCE PROGRAM PROVISIONS

Makes technical corrections to SF494 related to welfare reform by revising the “asset” and “asset test” definitions to make clear that it only applies to SNAP. This section also establishes a Public Assistance Modernization Fund, to be repealed in 5 years following the completion of modernizing information technology systems and for other modernization initiatives related to delivery of public assistance programs. This section also appropriations up to \$8 million from the Centene Settlement to this account.

DIVISION XV

SPRINKLER SYSTEMS FOR HOME AND COMMUNITY-BASED SERVICES WAIVER RECIPIENT RESIDENCIES

Prohibits local entities from classifying HCBS residencies as care facilities for the purposes of sprinkler system requirements. This section includes an immediate effective date.

DIVISION XVI

STATE-FUNDED FAMILY MEDICINE OBSTETRICS FELLOWSHIP PROGRAM - FUND

Requires DHHS to establish a family medicine obstetrics fellowship program to increase access to family medicine obstetrics in rural and underserved areas. A participating fellow, who has completed their family medicine residency, must sign an agreement with a teaching hospital to participate in the fellowship for one year, and then commit to remaining in Iowa and serving rural and underserved areas for 5 years following completion of the fellowship. The fellow's salary and benefits will be funded through the fund.

DHHS will write rules to adopt this chapter and submit an annual report to the legislature, and the State Treasurer will create the fund. Requires the state to appropriate funds annually to fund four fellowship positions.

DIVISION XVII

NONRECURRING ADOPTION EXPENSES – ADOPTION SUBSIDY PROGRAM

Increases the allowable expense for nonrecurring legal fees from \$500 to \$1000 per child for reasonable, necessary costs directly related to the legal adoption of a child eligible for Iowa's adoption subsidy program.

Amendment Analysis

H-1329 by Fry – Conforming amendment to SF561

H-1330 by Wessel-Kroeschell – Increases the Medicaid appropriation by \$5.59 million and requires DHHS to submit a state plan amendment to expand postpartum coverage to 12 months.

H-1331 by Forbes – Insurance mandate to place a \$25 cap on monthly cost-sharing for insulin drugs.
Revises the title.

H-1333 by Fry – Provides proper code language for the combination of two bills in code that touched the same code sections (233.2 and 233.6). HF425 and HF474 have passed both chambers and relate to the Newborn Safe Haven Act. This amendment also makes a technical correction to the emergency rule section of the bill.

H-1338 to H-1333 by Fry – Technical fix based on the government realignment bill.