

HOUSE REPUBLICAN STAFF ANALYSIS

Bill:	House File 2543	House Committee: PASSED 2/12/26 (18-0)
Committee:	Health and Human Services	House Floor:
Floor Manager:	Rep. Ann Meyer	Senate Floor:
Date:	March 2 2026	Governor:
Staff:	Natalie Ginty (281-7479)	

Subacute Facilities

- This bill makes the following changes based on the subacute mental health facility interim committee:
 - Removes the 10-day limit
 - Prohibits prior authorization for admission and the first 15 days of treatment. Allows MCOs to review for medical necessity after 45 days of treatment and once every 30 days following.
 - Prohibits MCOs from discharging a patient without proper mental health supports in place
 - Requires private health insurance coverage
 - Establishes a PMIC bed tracking system
 - Requires DHHS and DIAL to review rules to removes barriers to subacute care

Section by Section Analysis

Section 1 (Iowa Code 135G.1)

Defines "health carrier".

Section 2 (Iowa Code 135G.1)

Strikes the section limiting subacute mental health services to a period not to exceed 10 days.

Section 3 (Iowa Code 135G.3)

Requires subacute facilities to develop a written treatment plan within 24 hours of the resident's admission.

Prohibits prior authorization for admission or for the 1st 15 days of treatment. Allows a managed care organization to review for medical necessity after 45 days of treatment, and once every 30 days following.

Prohibits a MCO from requiring a resident to be discharged from a subacute facility until the mental health professional has determined that there are proper supports in place prior to discharge to mitigate harm to the resident and others.

Requires health insurance coverage for subacute mental health services.

Section 4 (Iowa Code 135H.9A) – New Section

Requires DHHS to establish a PMIC bed tracking system.

Section 5 (Iowa Code 505.36) – New Section

Defines “health carrier”, “subacute care facility”, and “subacute mental health services”. Requires health insurance to provide coverage for subacute mental health services.

Section 6 – DHHS and DIAL – Administrative Rule Review

DHHS and DIAL shall collaborate to review administrative rules to eliminate any rule determined to impede the establishment of new subacute services, expansion or ease of access to services.

Section 7 – DIAL – Subacute mental health care facilities – bed capacity – facility and employee requirements

Requires DIAL to adopt rules to increase the number of beds allowed and provide that requirements for subacute facilities are less stringent than for the state mental health institutes.

Section 8 – Emergency Rules

DHHS and DIAL may adopt emergency rules to implement this bill.

Section 9 – Immediate Effective Date