IOWA HOUSE REPUBLICANS

REPUBLICAN CAUCUS STAFF
HOUSE OF REPRESENTATIVES
STATE CAPITOL
DES MOINES, IOWA 50319

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HOUSE REPUBLICAN STAFF ANALYSIS

Bill:	Senate File 2422	House Committee:	**PASSED** 3/19/26 **(13-8)**
Committee:	Health & Human Services	House Floor:	
Floor Manager:	Rep. Austin Harris	Senate Floor:	**PASSED** 2/25/26 **(30-17)**
Date:	April 21, 2026	Governor:	
Staff:	Natalie Ginty (281-7479)		

Senate Welfare Bill

- This bill requires SAVE to be used to verify eligibility to receive public assistance, codifies ineligible individuals for SNAP based on the OBBB, ~~codifies Medicaid managed care~~, limits Medicaid retroactive eligibility, and requires Medicaid waivers to be cost neutral or approved by the legislature.
- **Fiscal Note:** State cost of $479,000 in FY27.
  - Division I – 2 FTEs and $129,000 in FY27 and $127,000 in FY28.
  - Division IV – reduces net costs by $265,000 in FY27 and $672,000 in FY28.
  - Division V – 6 FTEs and cost $615,000 in FY27 and $608,000 in FY28.

Section by Section Analysis

Division I – Public Assistance Programs – Eligibility and Reporting

Sections 1 and 2 (Iowa Code 239.6)

Clarifies that all public assistance program applicants have their information checked by the systematic alien verification for entitlements online service prior to determining initial eligibility.

Division II - SNAP

Section 3 (Iowa Code 239.1)

Adds a definition of "alien".

Section 4 (Iowa Code 239.2)

Codifies that the financial resources and income of all household members shall be used to determine eligibility and benefit allotment in SNAP, even if they are ineligible individuals. This section also codifies federal changes to SNAP eligibility through the One Big Beautiful Bill. Eligibility is limited to:

- Citizens or nationals of the U.S.
- Lawfully admitted aliens or permanent residents not here temporarily
- Alien granted status of Cuban and Haitian entrant
- Lawfully resides in the U.S. based on the compact of free association

Requires DHHS to comply with federal reporting requirements on ineligible household members.

~~Division III – Medicaid – Managed Care~~

~~Section 5 (Iowa Code 249A.5) – New Section~~

~~Defines "managed care program". Requires DHHS to deliver all benefits under Medicaid utilizing a managed care program, except for benefits provided on a fee-for-service basis or otherwise excluded from managed care Medicaid state plan or waiver on or before January 1, 2027.~~

Division IV – Medicaid and Iowa Health and Wellness Plan – Retroactive Eligibility and Reporting

Section 6 (Iowa Code 249A.3B) – New Section

Restricts retroactive Medicaid eligibility to 2 months for pregnant women, children, and residents of nursing facilities based on the Big Beautiful Bill. This section prohibits any other retroactive Medicaid eligibility for any other population.

Section 7(Iowa Code 249N.4)

Prohibits DHHS from adopting rules or submitting a waiver/state plan amendment to permit eligibility for an adult prior to the month of application.

Section 8 (2017 Iowa Acts, chapter 174, section 12, subsection 15, paragraph a, subparagraph (7)

Strikes a 2017 Medicaid cost containment strategy regarding the elimination of 3-month retroactive eligibility.

Section 9 – Medicaid Retroactive Eligibility – Waiver

Requires DHHS to submit a waiver to CMS to implement the no retroactive eligibility for adults that are not pregnant or reside in a nursing facility.

Division V – Medicaid Waivers and State Plan Amendments – Cost Neutrality

Section 10 (Iowa Code 249A.32C) – New Section

Defines "cost neutral". Requires DHHS to conduct an analysis of whether a waiver application is cost neutral prior to submitting the waiver to the feds. Prohibits DHHS from submitting a not cost neutral waiver unless presented to the general assembly and approved by a majority vote of both houses.

Additionally requires any expansion of coverage to additional individuals or classes for waivers submitted prior to this bill to go through the same process.

Requires an annual analysis to determine the cost neutrality of all approved or implemented cost waivers to be submitted to the legislature. This section does not apply to changes of federal law or regulation.

Division VI – Effective Date

Section 11 – Immediate Effective Date

Amendment Analysis

H-8384 by Harris - Strike-after amendment. Maintains Divisions I, II (with 18-22 year waiver incorporated), and IV of this bill maintained. Adds in the following provisions from HF2716:

- Makes the following changes to the Medicaid for Employed People with Disabilities Program:
  - Expands eligibility from 250% FPL to 300% FPL. This section is implemented upon federal approval. DHHS estimates this will cost $3 million in year 1, $5 million in year 2, and $9.7 million in year 3.
  - Strikes limits on DHHS charging premiums
  - Requires DHHS to maintain a website for individuals to pay premiums electronically
- Requires a study and annual reporting on Medicaid Exceptions to Policy

- Requires DHHS to provide adequate Medicaid reimbursement to allow for the transfer of high-needs individuals from ChildServe to On With Life.
- Requires DHHS to submit reports to the legislature detailing SNAP and Medicaid error rates.
- Seeks multiple waiver requests regarding the SNAP error rate including excluding individuals under 22 years of age from income, allow for automated sources to determine eligibility/benefits, require benefits to be used within 3 months, and only attribute the errors of DHHS to the SNAP error rate
- Allows DHHS to require proof of at least 12 months of residency in Iowa on applications for public assistance. This section exempts individuals receiving Social Security.
- Revises the "cost neutral" language in both the House bill and the Senate bill based on feedback from the department

H-8391 to H-8384 by Harris - Revises the actuary review for expenditure neutrality for Medicaid waivers to be done an actuary retained by DHHS.

H-8247 by Committee on Health and Human Services – Removes Division 3 regarding Medicaid managed care.