

Senate File 615 - Introduced

SENATE FILE 615

BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SF 599)

(SUCCESSOR TO SF 363)

A BILL FOR

1 An Act relating to work requirements for the Iowa health and
2 wellness plan, public assistance programs, an information
3 technology fund, the public assistance modernization fund,
4 and the Medicaid for employed people with disabilities
5 program, and including effective date provisions.
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

IOWA HEALTH AND WELLNESS PLAN — WORK REQUIREMENTS

Section 1. NEW SECTION. **249N.4A Work requirements.**

1. The department shall request any federal approval necessary to include work requirements as a condition of a member maintaining eligibility for the Iowa health and wellness plan.

2. The goal of including work requirements is to reduce the dependence of low-income Iowans on public assistance programs through efforts that advance economic stability and mobility.

3. The department shall require as a condition of maintaining eligibility for the Iowa health and wellness plan that a member work at least eighty hours each month, as determined by the department.

4. The department shall exempt an individual from the work requirements for the Iowa health and wellness plan if the individual meets any of the following criteria:

a. The individual is under nineteen years of age.

b. The individual is sixty-five years of age or older.

c. The individual is determined to be disabled by the United States social security administration.

d. The individual is identified as medically frail or medically exempt under the Medicaid program.

e. The individual is a caretaker of a dependent child under six years of age.

f. The individual is pregnant and the pregnancy is high risk.

g. The individual is receiving unemployment compensation as determined by the department of workforce development.

h. The individual is participating in substance use disorder treatment, not to exceed a consecutive six-month period.

i. The individual is otherwise exempt for good cause as determined by the director.

5. To maximize fiscal stability and administrative efficiency, any exemption applied under the Iowa health and

1 wellness plan shall be substantially similar to the exemptions
2 applied under other public assistance programs.

3 6. Upon the department's receipt of federal approval,
4 and the department's operationalizing of a real-time system
5 to facilitate recipient reporting and department evaluation
6 efforts, the department shall implement work requirements as a
7 condition of maintaining eligibility for the Iowa health and
8 wellness plan. The department shall adopt rules pursuant to
9 chapter 17A as necessary to administer the work requirements
10 for the Iowa health and wellness plan.

11 7. The department may resubmit a request for federal
12 approval submitted under subsection 1 if the initial request is
13 denied or withdrawn for any reason.

14 8. If federal law or regulations affecting work
15 requirements for the Iowa health and wellness plan are modified
16 to exclude work requirements as a basis for maintaining
17 eligibility as provided in this section, the department shall
18 discontinue the Iowa health and wellness plan, subject to
19 federal approval. If, under federal law, the department is not
20 allowed to discontinue the Iowa health and wellness plan, the
21 department may implement an alternative plan as specified in
22 the medical assistance state plan or waiver for coverage of the
23 affected population, subject to prior statutory approval of
24 implementation of the alternative plan.

25 Sec. 2. EFFECTIVE DATE. This division of this Act, being
26 deemed of immediate importance, takes effect upon enactment.

27 DIVISION II

28 WORK RULES AND REQUIREMENTS FOR PUBLIC ASSISTANCE PROGRAMS

29 Sec. 3. PUBLIC ASSISTANCE PROGRAMS — WORK RULES AND
30 REQUIREMENTS ALIGNMENT. The department of health and human
31 services shall work with the United State department of
32 health and human services and the United States department
33 of agriculture to align the requirements and rules for
34 participants of public assistance programs related to working,
35 including but not limited to rules and requirements related

1 to employment and training for the supplemental nutrition
2 assistance program.

3 DIVISION III

4 INFORMATION TECHNOLOGY

5 Sec. 4. NEW SECTION. 217.25 Information technology fund.

6 1. An information technology fund is created in the state
7 treasury under the control of the department of health and
8 human services. The fund shall consist of moneys appropriated
9 or transferred to, or deposited in, the fund as provided
10 by law. All moneys deposited or paid into the fund are
11 appropriated to the department of health and human services
12 to be used for information technology systems and related
13 modernization initiatives.

14 2. Notwithstanding section 8.33, moneys appropriated in
15 this section that remain unencumbered or unobligated at the
16 close of the fiscal year shall not revert but shall remain
17 available for expenditure for the purposes designated until the
18 close of the succeeding fiscal year. Notwithstanding section
19 12C.7, subsection 2, interest or earnings on moneys in the fund
20 shall be credited to the fund.

21 Sec. 5. TRANSFER OF MONEYS. Any unobligated or unencumbered
22 moneys remaining in the public assistance modernization
23 fund created in section 239.11, on June 30, 2025, shall be
24 transferred to the information technology fund created in
25 section 217.25, as enacted in this division of this Act.

26 Sec. 6. REPEAL. Section 239.11, Code 2025, is repealed.

27 DIVISION IV

28 MEDICAID FOR EMPLOYED PEOPLE WITH DISABILITIES PROGRAM

29 Sec. 7. Section 249A.3, subsection 2, paragraph a,
30 subparagraph (1), subparagraph division (a), Code 2025, is
31 amended to read as follows:

32 (a) As allowed under 42 U.S.C. §1396a(a)(10)(A)(ii)(XIII),
33 individuals with disabilities, who are less than sixty-five
34 years of age, who are members of families whose income is
35 less than two hundred fifty percent of the most recently

1 revised official poverty guidelines published by the United
 2 States department of health and human services for the family,
 3 who have earned income and who are eligible for mandatory
 4 medical assistance or optional medical assistance under this
 5 section if earnings are disregarded. As allowed by 42 U.S.C.
 6 §1396a(r)(2), unearned income shall also be disregarded in
 7 determining whether an individual is eligible for assistance
 8 under this subparagraph. For the purposes of determining the
 9 amount of an individual's resources under this subparagraph and
 10 as allowed by 42 U.S.C. §1396a(r)(2), a maximum of ten thousand
 11 dollars of available resources for an individual and twenty-one
 12 thousand dollars of available resources for a couple shall be
 13 disregarded, and any additional resources held in a retirement
 14 account, in a medical savings account, or in any other account
 15 approved under rules adopted by the department shall also be
 16 disregarded.

EXPLANATION

18 The inclusion of this explanation does not constitute agreement with
 19 the explanation's substance by the members of the general assembly.

20 This bill relates to work requirements for the Iowa health
 21 and wellness plan (IHAWP), public assistance programs,
 22 an information technology fund, the public assistance
 23 modernization fund, and the Medicaid for employed people with
 24 disabilities program.

25 DIVISION I. This division requires the department of health
 26 and human services (HHS) to request any federal approval
 27 necessary to include work requirements as a condition of
 28 maintaining eligibility for IHAWP.

29 HHS shall require as a condition of eligibility for IHAWP
 30 that a member work at least 80 hours each month, as determined
 31 by HHS. HHS shall exempt certain individuals from the work
 32 requirement who are under 19 years of age, 65 years of age or
 33 older, determined to be disabled by the United States social
 34 security administration, medically frail or medically exempt
 35 under Medicaid, a caretaker of a child under 6 years of age,

1 experiencing a high-risk pregnancy, receiving unemployment
2 compensation, participating in substance use disorder
3 treatment, or exempt for good cause as determined by the
4 director of HHS. The division requires that any exemption
5 applied under IHAWP shall be substantially similar to the
6 exemptions applied under other public assistance programs.

7 The division requires that upon HHS's receipt of federal
8 approval and HHS's operationalizing of a system to facilitate
9 recipient reporting and HHS evaluation efforts, HHS shall
10 implement and adopt rules to administer work requirements as a
11 condition of maintaining eligibility for IHAWP.

12 HHS may resubmit a request for federal approval under the
13 division if the initial request is denied or withdrawn for any
14 reason.

15 If federal law or regulations exclude work requirements for
16 IHAWP, HHS shall discontinue IHAWP or implement an alternative
17 plan as described in the bill.

18 The division takes effect upon enactment.

19 DIVISION II. This division requires HHS to work with the
20 United States department of health and human services and
21 the United States department of agriculture to align the
22 department's work rules and requirements for participants of
23 public assistance programs, including but not limited to rules
24 and requirements related to employment and training for the
25 supplemental nutrition assistance program.

26 DIVISION III. This division creates an information
27 technology fund in the state treasury under the control of HHS.
28 All moneys in the fund shall be appropriated to HHS to be used
29 for information technology systems and related modernization
30 initiatives.

31 The division repeals the public assistance modernization
32 fund, and transfers any unobligated and unencumbered moneys in
33 the fund on June 30, 2025, to the information technology fund
34 created in the division.

35 DIVISION IV. Currently, for the purposes of determining the

1 resources of an individual to meet the eligibility requirements
2 for the Medicaid for employed people with disabilities program
3 (MEPD) program, a maximum of \$10,000 of available resources is
4 disregarded, in addition to any additional resources held in
5 a retirement account, in a medical savings account, or in any
6 other account approved under rules adopted by HHS. The bill
7 maintains the maximum amount of \$10,000 in available resources
8 disregarded for an individual, but provides that for the
9 purposes of determining the resources of a couple, a maximum
10 amount of \$21,000 of available resources is disregarded.