



This Week @ Iowa Capitol | Week 5 | February 16, 2026

It's Funnel Week!

Iowa legislators continue to race against the clock to get bills out of committee before Friday's first "funnel" deadline. Bills must be voted out of their first committee before Friday (February 20) in order to keep moving through the process. Bills that fail to make this deadline will not become law this year (unless legislators amend another bill).

It is hard to describe how busy the State Capitol is these days for legislators and their staff, lobbyists, and advocates. The pace of new bills introduced continues to be overwhelming, with 328 bills introduced last week. That's 82 new bills each day. On top of that, legislators held 234 committee and subcommittee meetings during those same four days. If you contacted your

legislators sometime in the last two weeks, you may not get a response right away. While legislators are reading your emails, they sometimes do not have time to respond.

MEPD Expansion Misses Mark with Advocates

Legislators have introduced a set of bills that will limit who can receive public assistance and what they need to do to keep that assistance. You can see a chart with the differences between the bills [here](#).

House Study Bill 696:

- Expands the **Medicaid for Employed Persons with Disabilities (MEPD)** program to 300% of the federal poverty level. This increase from 250% of the federal poverty level allows a person to earn about \$7,000/year more. The bill does not change asset limits (except it does not count pensions toward the asset limit).
- Increases **Medicaid reimbursement rates** to HCBS providers serving people in rural areas. Legislators will have to add money to the budget in order for this to happen. The increase is to help offset the cost of traveling long distances between persons served.
- Makes the reimbursements to **On With Life** and **ChildServe** (special population nursing facilities) permanent, so they can continue to serve high needs youth and adults.
- Sets up a **High Acuity Pediatric Work Group** to look at barriers to serving these children and youth in the least restrictive setting.
- Mandates all public assistance programs **verify citizenship and immigration status** and requires people to **live in Iowa for at least 12 continuous months** before getting public assistance programs (including Medicaid, child care assistance, family investment program, food assistance).

- Adds a lot of new **Iowa HHS reporting** on errors, fraud, and quality of programs.
- Makes the following changes to the **Supplemental Nutrition Assistance Program (SNAP)**, which provides food assistance to families:
 - Excludes income from students/children living at home and in K-12 school.
 - Takes back any funds in electronic benefit accounts that are not used after 91 days of inactivity (i.e. use it or lose it).
 - Only allows citizens and “qualified aliens” to get baby formula and food assistance under the Women, Infants and Children (WIC) program. This means it excludes infants and children who are undocumented.
- Makes the following changes to the **Iowa Health & Wellness Program** (our state’s “expansion population” that makes a skinny version of Medicaid available to Iowans who earn up to 133% of the federal poverty level and are not otherwise eligible for Medicaid):
 - Charges IHWP member \$5 for missing an appointment.
 - Does not require copays or monthly fees for those under 100% of the federal poverty level (currently this is 50% of the federal poverty level, so more people will be exempt from these cost-sharing requirements).
 - Adds an \$8 copay for non-emergency use of the emergency room (applies to all).
 - Adds \$5 copay for dental services and \$1 copay for medicine (applies to those over 100% of the federal poverty level).
 - Requires \$5/month membership fee if the member does not do the required preventive visits each year (applies to all).
 - Allows people who lost coverage because they failed to pay their monthly membership fee to re-enroll once without having to pay the full owed amount.
 - None of the things in this section apply to traditional Medicaid and Medicaid HCBS waivers — these only apply to those on the Iowa Health & Wellness Plan.

- Directs the Iowa Department of Health & Human Services (Iowa HHS) to develop a report on **Medicaid exceptions to policy** that lists the types granted, total cost of all exceptions to policy, total number granted, trends, geographical locations, and types of Medicaid services. Iowa HHS has been granting fewer exceptions to policy, so legislators may look at this as a way to save money.
- Requires all **Medicaid waivers** submitted in the future to be “cost neutral” unless otherwise allowed by a vote of the Iowa Legislature. This means that a future governor could not ask for a Medicaid waiver that may cost the state more money unless the Legislature okays it. This could impact the state’s HOME waiver to consolidate HCBS waivers into three (Adult, Child/Youth, Elderly).

Senate Study Bill 3140:

- Like the House bill, the Senate bill mandates all public assistance programs **verify citizenship and immigration status** before getting public assistance programs (including Medicaid, child care assistance, family investment program, food assistance).
- Requires the income of all household members be considered for eligibility for **SNAP** and lists who can get food assistance (so if it changes at the federal level, legislators would have to change it here).
- Requires Iowa Medicaid to use **managed care organizations (MCOs)** to administer all of its benefits (except those in the fee for service system as of July 1, 2026). This is a way to stop a potential Democratic Governor from ending managed care in 2027.
- Limits Medicaid and Iowa Health & Wellness Plan **retroactive eligibility** to two months (60 days). Currently, a person who shows up in a hospital without insurance can sign up for Medicaid and get their services covered if they apply within 90 days of the service starting. The federal One Big Beautiful Bill Act allowed states to drop this to 30 days, but this bill splits the difference.

- Like the House bill, this bill requires **Medicaid waivers** submitted in the future to be “cost neutral” unless otherwise allowed by a vote of the Iowa Legislature. However, the Senate bill specifically lists 1115 demonstration waivers, 1915 HCBS waivers, and state plan amendments. State plan amendments are easy ways to make changes to Iowa’s Medicaid program, so they are included here but not in the House bill.

The language in House Study Bill 696 about MEPD is the House’s version of “Work Without Worry” this year. Advocates with disabilities attended the HSB 696 subcommittee and expressed their disappointment that the bill did not go further. **Allies in Advocacy’s Zach Mecham** led the charge, saying the language about MEPD is “...a step in the right direction. But Iowans with disabilities deserve to be doctors and lawyers and engineers...and their pay should be commensurate with their skill set.”

Mecham called the MEPD changes “...the most watered-down version of what we had asked for.” He recommended, at a minimum, increasing the income limit to 400% of the federal poverty level. He also expressed his frustration that the bill contains devastating cuts to other public assistance programs.

Catherine Johnson, the Executive Director of Disability Rights Iowa, called out one section of the bill that is against federal law (requiring people live continuously in Iowa for 12 months before getting services).

The [House Health & Human Services Committee](#) will meet next week to pass HSB 696 and is working on an amendment to address some concerns brought up. **The Senate will have a subcommittee on SSB 3140 on Tuesday, February 17 at Noon.**

- You can watch or listen to this subcommittee [via zoom](#) (meeting ID 819 8030 8273; passcode 669361). You can also comment on the bill from the zoom if there is time after the people in the [room speak](#). You just have to use the “reaction” button to raise your hand, and they will unmute you.
- You can also submit comments [here](#).

We fully expect to hear advocates speak out about locking the state into **managed care**, thus limiting what a new Governor can do when they take office in 2027. Democratic candidate Rob Sand has said he will end managed care “on day one.” Changes like this would eliminate a future Governor’s ability to do that without legislative approval. In addition, limiting the state’s ability to make state plan amendments without it being “cost neutral” could stop the state from enacting cost-saving measures that may cost money in Medicaid but save in other systems (jails, other state service systems).

Bills on the Move

There are a lot of bills moving right now — our [Bill Tracker](#) is where you can see the status of a bill, a summary of what it does, and what we are doing about it. After this week, we’ll be cleaning up the bill tracker so that only the bills that are still “alive” show up on the active list. [_____](#)

Our **Bill of the Week** this week is [House File 2218](#), which allows video cameras in special education classrooms. There are parents of children receiving special education services on both sides of this issue. The bill passed out of subcommittee last week and now must pass out of the full House Education Committee before the end of the week (right now, it’s not on the committee’s Monday schedule, but there will be another meeting). You can see the bill of the week [here](#).

Find all the bills we are tracking at:

iowaddcouncil.org/bill-tracker

Take action on bills by emailing your legislators at:

iowaddcouncil.org/take-action-center

Find local legislative town hall meetings in our calendar at:

iowaddcouncil.org/calendar

Find our bills of the week at:

iowaddcouncil.org/bill-of-the-week
