



Healthcare Weekly Newsletter

Friday, January 28, 2022

Week in Review

The Senate adjourned on Thursday afternoon until Monday, January 31, and the House will return Friday morning for a gavel-in, gavel-out session and to read in new bills. Bill introductions remain well behind previous years, with fewer than 400 introduced thus far. Legislators continued subcommittee and committee work on various bills this week as well. This week, the House and Senate introduced their respective tax-cut proposals, both of which, like the Governor's proposal, seek to lower Iowa's individual income tax rate to 4% and exempt retirement income, including some for retired farmers. While similarities exist, there are several key differences outlined below that lawmakers will need to address in the coming weeks and months. Legislators also continued subcommittee and committee work on various bills this week ahead of the first legislative funnel mid-February.

This week, the Legislative Service Agency (LSA) gave an overview of the Governor's proposed budget to the Senate Health and Human Services Appropriations Subcommittee. LSA said the Iowa Department of Management and the Iowa Department of Human Services is estimating Medicaid will have a surplus of \$257 million for fiscal year 2022 and with carry forward, they estimate the fiscal year 2023 could recognize a surplus of \$168 million, if the 6.2 percent FMAP rate expires in March (this was a part of what the state received from the federal CARES Act). Looking to future years there are concerns about a \$250M shortfall due to the 6.2% FMAP expiration. The Governor did not include an increase for any Medicaid providers in her budget. The numbers of individuals on Medicaid in Iowa continue to grow. Once the public health emergency ends, the Department of Human Services plans to reevaluate the eligibility of individuals currently on the program. Iowa has received \$9.3 billion in federal funding, including \$7.2 billion that was sent directly to state agencies and \$1.25 billion in Coronavirus Relief Fund money. State Rep. Joel Fry (R-Osceola), the Iowa House Health and Human Services Appropriations Subcommittee Chair, said more than about \$1.8 billion of the over \$2 billion budget came from COVID-19 related federal funding. About \$971 million remains in state accounts for its budget.

Bills On The Move

Iowa's Public Assistance Programs

The Legislature has again been considering a proposal to change the state's public assistance eligibility system. The House Human Services committee took up a 2021 Senate proposal that would change the way the Department of Human Services determines, verifies, and tracks eligibility for public assistance programs including the Supplemental Nutrition Assistance Program (SNAP) and Medicaid. The House broke up the Senate proposal into eight bills, all individually considered by subcommittees. The House intends to put any of the bills that advance into one bill, if anything should move through committee. There has been questions raised by republicans regarding the pandemic response and federal requirements surrounding state Medicaid programs (i.e. keeping individuals on Medicaid throughout the public health emergency) that are causing a potential growth in individuals who might not meet the qualifications on the various programs. Democrats have maintained that issues of child care and the pandemic are the driving forces behind Iowa's workforce shortage, rather than excess state or federal assistance. Rep. Ann Meyer (R- Fort Dodge) is advancing various bills through the Human Resources Committee. The House has considered several parts of the legislation in subcommittee, but many of the proposals have stalled, pending further discussion or clarification from experts. Lawmakers and lobbyists have also noted that some of the bills don't work well as standalone measures. The bills in question are [HSB502](#), [HSB 503](#), [HSB504](#), [HSB505](#), [HSB506](#), [HSB507](#), [HSB508](#), and [HSB 515](#).

Child Care and Mental Health Bills

This week, the House Human Resources Committee passed several bills that would expand access to childcare and mental health in Iowa. The Legislature has focused on these issues for the last few years and continue to prioritize finding additional solutions to help Iowans get back to work and access necessary health care services. More details are below:

- [HSB532](#) is legislation to fund 12 psychiatry residents per year. Iowa ranks 44th in the country in psychiatrists per capita. This bill will help increase the number of psychiatrists trained in Iowa and prioritizes Iowans in the application process. The bill charges the University of Iowa with partnering with the state's mental health institutes to offer these additional 12 residencies in the state.
- [HSB537](#) adds \$1.5 million per year to expand loan forgiveness opportunities to continue to retain and attract mental health providers to Iowa. The bill applies to psychiatrists, prescribing psychologists, or psychiatric advanced registered nurse practitioners. The bills hinges on the provider committing to specified service areas

for 5 years and repays psychiatrists up to \$40,000 annually (maximum of \$200,000), prescribing psychologists \$8,000 annually (maximum of \$40,000) and ARNPs at \$10,000 annually (maximum of \$50,000).

- [HSB530](#) is a bill to require the Department of Human Services to establish a tiered rate system for Medicaid inpatient psychiatric services. The idea behind the bill is that because acuity of the patient impacts the cost to care for the person, rates should take into account the actuality of the patient. Higher needs patients would be in a higher payment “tier” for the inpatient hospitalization rates. The bill does not yet have a companion in the Senate. however, the idea came from the Complex Needs Mental health Work Group.
- The child care bills come from the Governor’s Child Care Task Force recommendations, which came from a variety of stakeholders statewide. These bills will improve access to child care for working families and provide flexibilities to parents and providers that reduce regulations and align Iowa’s child care regulations with the majority of other states.
- [HSB511](#) allows for child care providers to add an additional 2-year old child and two 3-year old children to their center if they are willing. This bill aligns Iowa’s ratios with the vast majority of states, increase slots statewide, and help centers provide additional pay to their employees. This bill passed the human resource committee.
- [HSB510](#) passed with bipartisan votes in the House Human Resources committee and allows parents to pay the difference between Child Care Assistance rates and rates charged to families who do not receive assistance. The task force report states that by not allowing this flexibility, there “can be a disincentive for child care providers to accept children receiving CCA.”

Tax

Reform

This week, the Senate and House released their proposals for tax reform. Below is a comparison of the two bills, which differ slightly from the Governor's proposal ([HSB551/ SSB 3044](#)).

Senate Proposal ([SSB 3074](#))

- Lower the state income tax to 3.6% within five years. For comparison, Governor Reynolds has a goal of lowering it to 4%.
- Reduce the corporate tax rate to 7.8% - currently it is 9.8% . The Governor’s tax plan reduces the

House Proposal ([HSB 626](#))

- Reduces the individual income tax rate to a flat 4%, like the Governor's plan.
- Eliminates retirement income (like the Governor's plan) and some income for retired farmers.

top corporate rate each year that corporate tax receipts exceed \$700M. (Eventually caps the decreases at 5.5% across the board).

- Fund water quality and outdoor recreational programs by shifting the current local option sales tax and applying it statewide.
- Eliminates taxes on retirement income (like the Governor's plan).
- Transition the Iowa Taxpayers' Relief Fund into an "Income Tax Elimination Fund" with a goal of eliminating the individual income tax.
- Give farmers an exemption for either cash rent or farm crop shares.
- Net capital gain exclusion: Like the Governor's plan, this bill grants an employee-owner one irrevocable lifetime election to exclude capital gains from capital stock on one qualified corporation.
- Allows farmers who have farmed for at least 10 years to exclude from income any income from a farm tenancy agreement for real property the owner has owned for 10 years or more. Additionally, grants retired farmers a capital gains exclusion for the sale of farming property.
- Does not include a cut in the corporate tax rate.
- Does not change the local option sales taxes to a statewide tax.
- Sets dollar amounts that will transfer from the Taxpayer relief fund to the general fund from FY23 to FY28.

Iowa Health Careers Registered Apprenticeship Program

On January 12, 2022, Governor Reynolds announced application information for the new [Iowa Health Careers Registered Apprenticeship Program](#) aimed at high school students who are interested in exploring health care careers in Iowa. "Solving Iowa's health care work force shortage requires a broad and wholistic approach comprised of both short and long-term strategies and investments," said Gov. Reynolds. "There's no better place to start than in our high schools—introducing students to simulated and hands-on learning in the health care field that could potentially turn into a life-long career. Our communities and health care industry will benefit greatly from developing these public-private partnerships and innovative collaborations." The Governor has reserved discretionary funding from the American Rescue Plan Act of 2021 (ARPA) to award a *minimum* of five grants for the Program. More information on how to apply can be found [here](#).

Upcoming Legislative Forums

Friday, January 28, 2022

- **Council Bluffs** - 12:00PM - 1:30PM; Council Bluffs Public Library, 400 Willow Ave., Council Bluffs

Saturday, January 29, 2022

- **Jefferson County** - 7:30AM - 9:00AM; Fairfield Arts and Convention Center, 200 N. Main St., Fairfield
- **Eggs and Issues** - (*Sen. Rowley and Rep. Wills*) - 8:00AM - 9:30AM; Forster Community Center, 405 S. 2nd Ave., Rock Rapids
- **Fort Dodge** - (*Congressman Feenstra, Sen. Kraayenbrink, Rep. Ann Meyer, Rep. Mike Sexton, Sen. Jesse Green*) - 8:30-10 AM; Iowa Central Community College-BHS Auditorium, 1 Triton Circle, Fort Dodge, IA
- **Sumner** - (*Sen. Johnson, Rep. Salmon*) - 9AM -10AM; Sumner Public Library, 206 N. Railroad St., Sumner, IA
- **Clinton County** - (*Sen. Cournoyer*) - 9:00AM - 10:00AM; Clinton Area Chamber of Commerce, 721 S. 2nd St., Clinton, IA
- **Clinton County #2** - (*Sen. Cournoyer*) - 11:00AM - 12:00PM; DeWitt Community Center, 512 10th St., DeWitt, IA
- **Urbandale** - 10:30AM - 12:00PM; Urbandale Chamber Office, 2830 100th St., Ste. 110, Urbandale, IA
- **Readlyn** - (*Sen. Johnson and Rep. Salmon*) - 11:00AM - 12:00PM; Readlyn Community Library, 309 Main St., Readlyn, IA
- **Logan County** - (*Reps. Windschitl & Holt, Sen. Schultz*) - 10:00AM; Logan Community Center, 108 W 4th St., Logan IA

In The News

- [DMR: As COVID pandemic continues, Iowa Republicans want to expand access to experimental medical treatments](#)
 - [Biden administration drops vaccine-or-test workplace rule](#)
 - [IA Cap Dispatch: Iowa lawmakers consider asset testing for food assistance](#)
 - [Iowa House Subcommittee to discuss bill allowing more health care workers to give vaccines](#)
 - [IPR: Iowa Senate proposal strengthens exemptions to school vaccine requirements](#)
 - [WHO-TV: Iowa lawmakers aim to tackle child care issues this session](#)
 - [CR Gazette: Iowa child care 'crisis' seeking solutions — including more money](#)
 - [DMR: As Iowa faces a child care shortage, Republicans think looser regulation is part of the solution](#)
 - [Iowa Senate Advances Two Student Health Bills](#)
-

Senate Schedule Week 4, January 31 - February 4, 2022

IOWA SENATE - Schedule for Week 4, January 31-February 4, 2022

Subject to Change

Monday, January 31	Tuesday, February 1	Wednesday, February 2	Thursday, February 3	Friday, February 4
11:00 Education RM G17 Ag & NR RM 24	9:00 SESSION 10:00 Hmn. Res. RM 116 11:00 Agriculture RM 116	9:00 SESSION 10:00 Labor/Bus. RM 116 11:00 State Govt. RM 116	9:00 SESSION 10:00 Ways and Means RM 116 11:00 Appropriations RM 116	
Noon	Noon	Noon	Noon	Noon
12:00 Hum Services RM 24 1:00 SESSION 2:00 Local Govt. RM 116	1:00 Veterans Affairs RM 116 2:00 Ntl. Resources RM 116 3:00 Judiciary RM 116	1:00 Commerce RM 116 2:00 Transportation RM 116 3:00 Education RM 116		

Prepared in the Office of Senate Majority Leader Jack Whitver
Last updated on January 26, 2022

House Schedule Week 4, January 31 - February 4, 2022

House of Representatives Schedule for Week 4, January 31 - 4, 2022
Prepared in the Office of House Speaker Pat Grassley

Monday, January 31	Tuesday, February 1	Wednesday, February 2	Thursday, February 3	Friday, February 4
11:00 Subcommittee Block	7:30 Subcommittee Block 8:30 SESSION 10:00 Budget Subs 11:00 Budget Subs	7:30 Subcommittee Block 8:30 SESSION 10:00 Budget Subs 11:00 Budget Subs	7:30 Subcommittee Block SESSION Public Safety RM 19 Economic Growth RM 102, Sup. Ct. Consult State Government RM 103, Sup. Ct. Chamber 10:30 Veterans Affairs RM 102, Sup. Ct. Consult Information Technology RM 304 11:30 Local Government RM 19 Agriculture RM 102, Sup. Ct. Consult Human Resources RM 103, Sup. Ct. Chamber	
Noon	Noon	Noon	Noon	Noon
1:00 SESSION 2:00 Ways and Means RM 102, Sup. Ct. Consult Appropriations RM 103, Sup. Ct. Chamber 3:00 Natural Resources RM 19 Judiciary RM 103, Sup. Ct. Chamber 4:00 Education RM 102, Sup. Ct. Consult Commerce RM 103, Sup. Ct. Chamber 5:00 Subcommittee Block	12:00 Subcommittee Block Transportation RM 103, Sup. Ct. Chamber Information Technology RM 304 2:30 Agriculture RM 102, Sup. Ct. Consult Human Resources RM 103, Sup. Ct. Chamber 3:30 Public Safety RM 19 Economic Growth RM 102, Sup. Ct. Consult State Government RM 103, Sup. Ct. Chamber 4:30 Subcommittee Block	12:00 Subcommittee Block 1:00 Natural Resources RM 19 Labor RM 102, Sup. Ct. Consult Judiciary RM 103, Sup. Ct. Chamber 5:00 Subcommittee Block	12:30 Environmental Protection RM 19 1:30 Education RM 102, Sup. Ct. Consult Commerce RM 103, Sup. Ct. Chamber Subcommittee Block 2:30 Ways and Means RM 102, Sup. Ct. Consult Appropriations RM 103, Sup. Ct. Chamber	<u>Budget Sub Locations</u> 10 to 11 Block: Admin/Reg Rm 19 Ag Rm 304 HHS Rm 103 Education Rm 102 11 to noon Block Eco Devo Rm 103 Justice Rm 19 Trans/Infra/Cap Rm 102

The Legislative Information Office provides a complete list of committee meetings on the web at <https://www.legis.iowa.gov>
Subject to Change

The Senate schedule can also be found [here](#).
The House schedule can also be found [here](#).

The Iowa Cornerstone Team



Matt Hinch | Lillie Brady | David Adelman | Frank Chiodo | Sara Allen

2022 Session Timeline

The full 2022 legislative calendar can be found [here](#).
Below are the key dates of interest.

JANUARY 10 – First day of session (Iowa Code Sec. 2.1)

JANUARY 11 - Governors Condition of the State Address

FEBRUARY 18 – Final date for Senate bills and joint resolutions to be reported out of Senate committees and House bills and joint resolutions out of House committees (First Funnel)

MARCH 18 – Final date for Senate bills and joint resolutions to be reported out of House committees and House bills and joint resolutions out of Senate committees (Second Funnel)

APRIL 19 – 100th calendar day of the session (Per diem expenses end)

David Adelman
515-491-1015 (m)
dadelman@cgagroup.com

Frank Chiodo
515-778-5245 (m)
fchiod@cgagroup.com

Sara Allen
515-778-9516 (m)
sallen@cgagroup.com

Matt Hinch
202-365-9449 (m)
mhinch@cgagroup.com

Lillie Brady
828-234-7427 (m)
lbrady@cgagroup.com

*Please don't hesitate to reach out
to our team with any comments,
questions, or concerns.*



Copyright © 2020 Cornerstone, All rights reserved.

Cornerstone is a full-service, bipartisan consulting firm specializing in federal and state government relations, public affairs and strategic communications, and advisory services.

Our mailing address is:

212 E. 3rd Street, Floor 2
Des Moines, Iowa 50309

Want to change how you receive these emails?
You can [update your preferences](#) or [unsubscribe from this list](#).
