



## 2023 Legislative Summary

Aging services had a highly successful 2023 legislative session with progress made on critical issues like Medicaid funding, tort reform, and bills promoting health care workforce. Here is a list of bills relevant to aging services providers that passed this session. For any questions, email [sheibel@leadingageiowa.org](mailto:sheibel@leadingageiowa.org)

**Health and Human Services Appropriations [Senate File 561](#):** Provides appropriations for the Iowa Department of Health and Human Services and the state's Medicaid program, including \$15 million for the upcoming Medicaid nursing facility rebasing process and \$800,000 for renovation and replacement projects as outlined in Iowa Code chapter 249K. SF 561 took effect on July 1, 2023. [Note that the increased Medicaid rates for nursing facilities will be implemented retroactively to July 1 early this fall.]

**NF Bed moratorium, Medicaid recoveries and managed care organization premiums [House File 685](#):** The bill establishes a moratorium on new construction or additional bed capacity for nursing facilities and directs HHS to convene a study on the bed need formula, prohibits a direct pass through of the QAAF to non-Medicaid payors through a rate increase or service charge and makes other nursing facility licensure changes to promote transparency during changes of ownership. The bill also establishes Medicaid as a payer of last resort and enhances Medicaid's ability to recover claims from third-party payers. The bill also implements a 2.5% premium tax on the Medicaid managed care organizations. The money generated from this tax will be used to support Iowa's Medicaid program. This bill became effective on July 1, 2023.

Key areas of HF 685 specific to aging services sector:

- Division III, Section 6 (Page 18): Change of Ownership Information
- Division III, Section 7 (Page 21): NF Bed Moratorium up to 3 years with limited exception
- Division III, Section 8 (Page 22): Public posting of bed counts and quality ratings
- Division III, Section 10 (page 22): Prohibition of QAAF pass-through to residents
- Division III, Section 11 (page 22-23): CON NF bed need study

**Tort reform [House File 161](#):** Enacting hard caps on noneconomic damages was supported by LAI. The bill places a \$1 million cap on noneconomic damages for cases not including a hospital and up to \$2 million for cases including a hospital.

The bill went into effect when signed on Feb. 16, 2023, but only applies to health care occurrences after that date.

**Health care employment agencies** [House File 357](#): Building on legislation passed in 2022 about health care employment agencies, the bill clarifies that the restrictions on health care employment agency contracts do not apply to agencies utilized for international hires placed in a provider for 24-36 months (about 3 years) on a work visa. The effective date for this bill is 7/1/23.

**Registered Apprenticeship Act** [Senate File 318](#): SF 318 establishes the Office of Apprenticeship and an Iowa Apprenticeship Council in Iowa Workforce Development. The bill, introduced by Gov. Reynolds, gives the state authority to manage apprenticeships in Iowa and was brought forward to allow Iowa to work toward expanding the use of apprenticeship training. SF 318 took effect on July 1, 2023, but the state must seek approval from the U.S. Department of Labor before implementing the act.

**Noncompete agreements for mental health professionals** [House File 93](#): This legislation prohibits employers from entering into noncompete agreements with mental health professionals. HF 93 also makes in-place contracts null and unenforceable. A mental health professional as defined in [Iowa Code 228.1](#) includes an individual with at least a master's degree in a mental health field including psychology, counseling, nursing, social work who is practicing in a field covered by Iowa licensure law and has at least 2 years post-degree clinical experience supervised by another mental health professional assessing mental health needs and in providing appropriate mental health services. The bill became effective when signed on June 1, 2023.

**State Government Alignment Bill** [Senate File 514](#): This is an act regarding the consolidation of the previous 37 executive cabinet agencies to 16. As it relates to LeadingAge Iowa members, there is little direct impact as a result of the legislation, but some of the agencies that members interact with will see changes. The Iowa Department of Inspections and Appeals (DIA) becomes the Department of Inspections, Appeals, and Licensing (DIAL), and will incorporate the labor services division and labor commissioner (currently under the Iowa Department of Workforce Development), the Workers Compensation Division, and the Workers' Compensation Commission (Also under Workforce Development). Several licensing and regulation functions of state government will be transferred to DIAL, as will different department administrative law judges. The Civil Rights Commission will also fall under DIAL. You can view the full org chart [here](#). This bill is effective July 1, 2023.

**Labor bill** [Senate File 542](#): Under SF 542, signed into law by Iowa's governor on May 26, 14- and 15-year-olds are allowed to work two extra hours per day during the school year, a total of six hours. While those under 16 may not work before 7:00 a.m., they may now work until 9:00 p.m. Previously, the cut off was 7:00

p.m. From June 1 to Labor Day, those hours are extended to 11:00 p.m., from 9:00 p.m. 14- and 15-year-olds are also allowed to do certain types of work that were previously banned, including work in industrial laundry services, freezers, and meat coolers. Additionally, 16- and 17-year-olds will be permitted to work the same hours as adults. Teenagers as young as 16 can also now serve alcohol in restaurants, as long as employers have permission from the minor's parent or guardian. The bill also included exceptions to the existing limitations for approved career and technical education programs like work-based learning, internships, registered apprenticeships, and student learners. This bill became effective on July 1, 2023.