



Hot Topics in the Iowa Legislature

IHLA Fall Conference

September 12, 2025

Overview

- 2025 Session Review
- Recent Federal Activity
- 2026 Session & Election Preview



2025 Session Review



2025 Session Review

Political Control

Office	2023-2024 General Assembly	2025-2026 General Assembly
Governor	Republican	Republican
Iowa Senate	34 R – 16 D	33 R – 17 D
Iowa House	64 R – 36 D	67 R – 33 D

Republican trifecta since 2017 – longest period of sustained one-party control of Iowa government since the early 1970s.



2025 Session Review

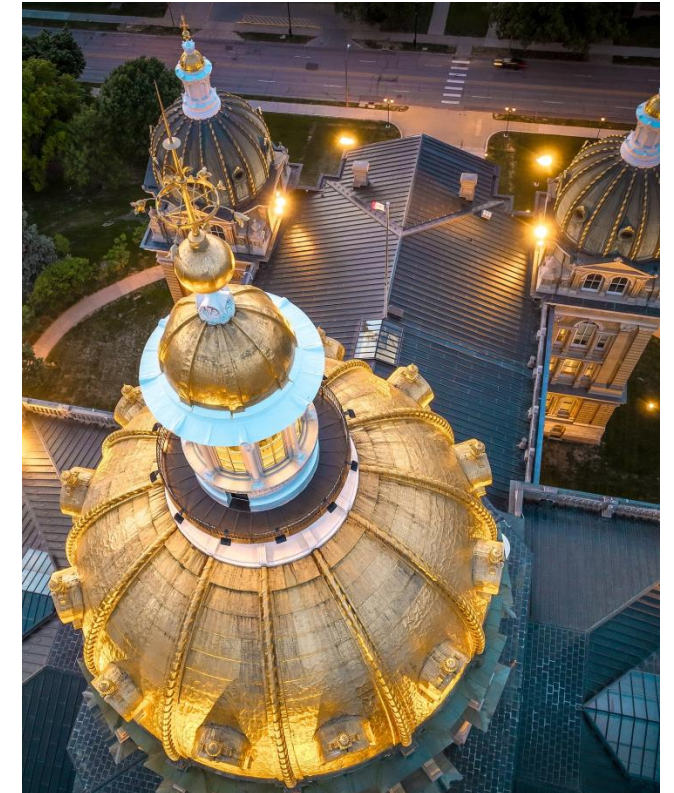
Dynamics That Shaped Session

Mature Trifecta & Super Majorities Present New Challenges for Legislative Leadership

Governor's Reelection Announcement Scrambled Iowa's Political Field

Multiple Major Policy Initiatives Were Left Unfinished

Iowa's Fiscal Picture is Shifting Rapidly; Tight Budget Years are New Normal



2025 Session Review

Pharmacy Benefit Manager Reform

Iowa business groups sue state, ask federal judge to strike new law designed to help rural pharmacies

The groups claim the new health care law will hurt rural pharmacies.
Federal judge blocks Iowa's pharmacy benefit manager law for 2 weeks after businesses sue

Portions of Iowa's pharmacy benefit manager law blocked as lawsuit advances

Decision affects only plaintiffs challenging new law

BY: ROBIN OPSAHL - JULY 22, 2025 12:44 PM



- **Requires PBM to Contract with Any Willing Pharmacist**
- **Bans PBM Spread Pricing** (*Paying Pharmacy Less Than Carrier Pays PBM*)
- **Prohibits Patient Steering to Specific Pharmacies or Mail-Order**
- **Prohibit “Unreasonable” Specialty Drug Designations to Limit Access**
- **Requires Minimum Avg. Acquisition Cost RX Reimbursement**
- **Requires 100% RX Rebate Return to Carrier or Plan Sponsor**
- **Requires Minimum Dispensing Fee for Smaller Pharmacies** (>20 Site/20 States)
- **Creates PBM Dispute Resolution Escalation Process**
- **Requires IID to Monitor Impact of Statute**
- **Requires IID to Study RX Supply Chain**

2025 Session Review

Pharmacy Benefit Manager Reform

Rationale for Reform

- 30 Iowa Pharmacies Closed in 2024
- 204 Iowa Pharmacies Closed Since 2014
- Pharmacy Community Cites PBM Practices & Payments Below Actual RX Acquisition Costs as Part of Rationale

Concerns with Reforms

- Increased Employer Costs & Ultimately Premiums to Cover Costs of Reforms
- Limit Drug Benefit Negotiating Power
- Limit Employer Business Decisions & Corporate Speech

Data on Reform

- 46 States Enacted At Least One of Reforms in IA Bill
- AHRQ Data Shows No Statistical Difference in Reform v. Non-Reform Premiums 2013-2023
- Arkansas 2026 Proposed 25.5% & 54% Rate Increases; Cited PBM Reforms as Part of Rationale

2025 Session Review

Provider Workforce Shortages



Governor's Healthcare Bill: Consolidate Loan Repayment Programs & Double Funding, Pursue 115 New State Residency Slots Annually, Pilot New Hub & Spoke Care Delivery Models

Additional Workforce Bills: Require 80% of UI Medical & Dental School Admissions are Iowans, Residency Program Admissions Priority Given to Iowans

Proposed Workforce Bills: 3-Year Medical Degrees, ARNP Preceptor Tax Credits, Emeritus Medical Licenses for Training Physicians

2025 Session Review

Other Notable Healthcare Legislation



- **Prior Authorization Reform & Transparency**
 - *Establishes Determination Timelines*
 - *Annual Payer Review of Authorization Criteria*
 - *Annual Payer Reporting to Insurance Commissioner*
 - *First Statewide Data on Administrative Barriers to Care*
- **Unlocking Iowa's Opioid Settlement Fund**
 - *FY26 Appropriation for 11 Earmarked Projects*
 - *Framework for Future Annual Allocations*
 - *Funds Divided 75% to HHS & 25% to AG's Office*

**Iowa Projected to
Receive \$345M from
National Opioid
Settlements**

Recent Federal Activity



Recent Federal Activity

One Big Beautiful Bill Act of 2025



Medicaid Work Requirements

- Requirements Similar to 2025 Iowa Legislative Action

Alters Some Federal Funding Match for Medicaid Expansion

- Unlikely to Trigger Rate Cut & Legislative Review of Iowa's Expansion

Reduces Federal Match Based on Medicaid & CHIP Payment Error Rates

- Potential \$205.4 Million Increase in Expense for Iowa in FY28*

Reduces Federal Funding Match for SNAP Administration

- Projected \$13.5 Million Increase in Expense for Iowa

Reduces Federal Match Based on SNAP Error Rate

- Potential \$26.4 Million Increase in Expense for Iowa in FY28

Worst Case
\$245.3 Million

Realistic
\$39.9 Million

Most Likely
\$13.5 Million

2026 Session & Election Preview



2026 Session Preview



Key Dates



January 12: Session Convenes



February 20: First Funnel Deadline



March 20: Second Funnel Deadline



April 21: 100th Day of Session (End of Per Diem)

2026 Session Preview

Dynamics to Watch

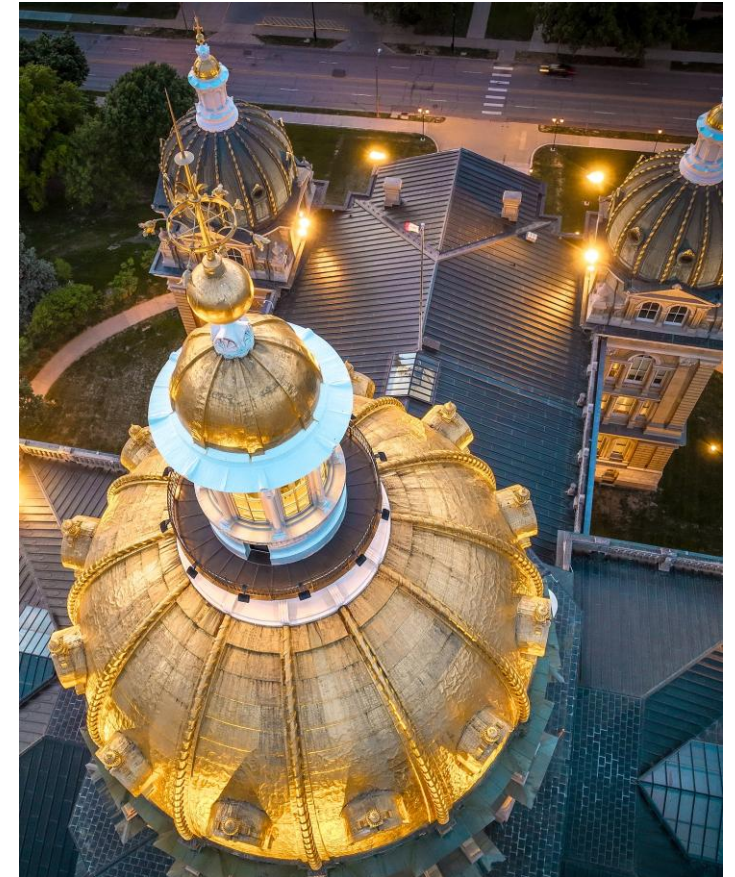
Legislative Leadership Changes

Outgoing Reynolds Administration

Carbon Capture Pipeline & Eminent Domain

Property Tax Reform Efforts

Tight State Budget & HHS Budget Backfill



2026 Session Preview

Anticipated Healthcare Discussions

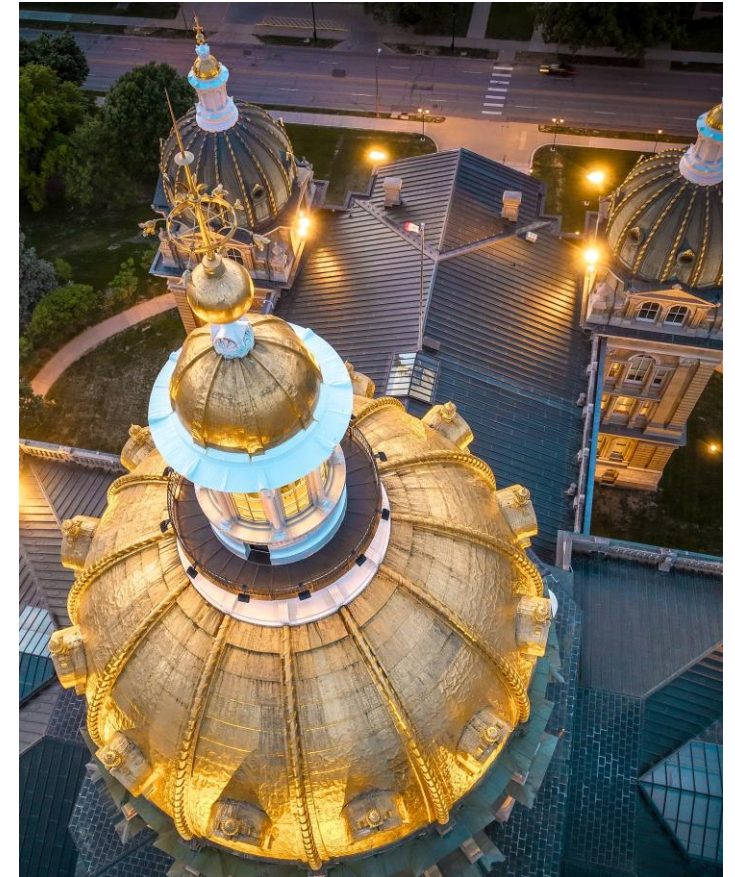
Workforce Shortages

Market Competition

Certificate of Need Report

Behavioral Health Investments

Federal Matching Fund Changes



2026 Election Preview

Race for Iowa Governor



Declared

Rob Sand
State Auditor

Julie Stauch
Political Consultant

Brad Sherman
Former Legislator

Eddie Andrews
Current Legislator

Adam Steen
Former DAS Director

Exploring

Randy Feenstra
Current Congressman

Mike Boussetot
Current Legislator

Ruled Out

Zach Nunn
Current Congressman

Brenna Bird
Attorney General

Mike Nag
Secretary of Agriculture

Pat Grassley
House Speaker

2026 Election Preview

Race for Iowa Governor



Rob Sand
State Auditor



Randy Feenstra
Current
Congressman



Adam Steen
Former DAS
Director



2026 Election Preview

Congressional Races to Watch



IA-1

Mariannette
Miller-
Meeks



Chistina
Bohanna



IA-3

Zach
Nunn



Sarah
Trone
Garriott





Questions?

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