



Iowa Department of Human Services

Terry E. Branstad
Governor

Kim Reynolds
Lt. Governor

Charles M. Palmer
Director

September 27, 2013

The Honorable Terry E. Branstad
State Capitol
Des Moines, IA 50319

Dear Governor Branstad:

On behalf of the Human Services Council, we are submitting our funding recommendations for the Iowa Department of Human Services for SFY15. The appropriation requests detailed in the recommendations provide an overview of the Department's work with over 965,000 Iowans who benefit from the programs and services administered by the Department. The budget requests are organized consistent with the Department's strategic plan. Each request provides an overview of who we serve, what services are provided, goals and strategies, cost of services, how services are funded and what factors are driving the budget request. The funding needed to maintain the array of services and sustain results is detailed in the financial pages following each overview.

Status quo is presented as the Governor's budget recommendation for SFY15 as presented during the 2013 legislative session. Our SFY15 budget request reflects the general fund increase from the SFY15 Governor's recommendation that is necessary to achieve our strategic goals.

The budget submission includes information and budgetary impacts for the new Iowa Health and Wellness Plan and the Marketplace Choice Plan offered under the Affordable Care Act (ACA). As you know, associated program costs are funded 100% federally through FFY16. It is important to note that the budget requests for Medical Assistance and for CHIP/*hawk-i* do not include woodwork effect (enrollment of individuals currently eligible for Medicaid but not yet enrolled). Woodwork impact is extremely difficult to project and the range of current estimates is broad. Using information provided by the Department's actuarial contractor, woodwork impact for the noted programs is projected at \$42.7 million to \$74.4 million. Because an exact estimate provided at this time would be highly speculative, the Department will assess the woodwork impact again in December. This assessment will consider any new information that becomes available before December.

The budget recommendations for institutions reflect maintaining the Mental Health Institutes (MHIs) at current levels and the State Resource Centers (SRCs) consistent with planned reductions. The Department and this Council plan to continue to look for more efficient delivery systems for these populations.

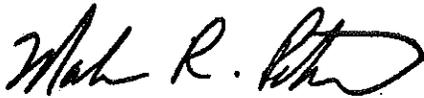
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With the implementation of the ACA, we continue to experience increases in the number of lowans served in many of the Department's programs. The continuing challenge for facilities, general administration, field operations, and child support recovery is to build further efficiencies that maintain our ability to provide quality services and assure safety.

With you, we remain committed to the work of the Department and the critical roles it plays in making a difference in the lives of lowans. The submitted budget recommendations provide funding to continue these efforts. As always, if you have questions, members of the Council and Department staff are available to provide clarification and assist in deliberations.

Sincerely,



Dr. Mark R. Peltan, Chair
Council on Human Services



Pastor Mark A. Anderson, Vice-Chair
Council on Human Services

cc: Council Members

Dr. Phyllis S. Hansell
Arnold N. Honkamp
Guy W. Richardson
Kimberly A. Spading
Roberta A. Yoder
State Senator Amanda Ragan
State Senator Jack Whitver
State Representative Joel Fry
State Representative Lisa Heddens

Enclosure