
FISCAL UPDATE Article

Fiscal Services Division

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Ground Floor, State Capitol Building

Des Moines, Iowa 50319

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COUNCIL ON HUMAN SERVICES — SEPTEMBER 2019 MEETING

Meeting. The [Council on Human Services](#) met on September 10 and 11, 2019, to review and approve the Department of Human Services budget request to the Governor for FY 2020 and FY 2021.

FY 2020 Budget and Program Update. Some of the updates on the current year budget and policy decisions made by the Department of Human Services (DHS) discussed at the meeting include the following.

For the [Medicaid Program](#), DHS requested an FY 2020 supplemental appropriation of \$106.6 million. This is due to the following:

- \$67.8 million for FY 2020 Managed Care Organization (MCO) capitation rate increases.
- \$9.1 million due to underfunding of Medicaid from the March estimate.
- \$7.9 million due to lower revenues to the Health Care Trust Fund.
- \$17.3 million due to lower drug rebates and other cost recoveries.
- \$4.5 million due to other miscellaneous costs.

For the [State Children's Health Insurance Program](#), DHS requested an FY 2020 supplemental appropriation of \$1.2 million due to the FY 2020 MCO capitation rate increases.

The [Eldora State Training School](#) budget is utilizing \$2.1 million in FY 2019 carryforward funds from the various DHS appropriations. This funding represents 10.7% of the facilities budget for FY 2020. These funds are being used to hire 16 additional staff, remodel cottages to better accommodate serious behavior challenges, and better manage census numbers. The projected staff increases include nine youth service workers (direct-care staff), two mental health therapists, one youth counselor supervisor, a social worker, a training specialist, a human resources associate, and a management analyst. This one-time funding will not be available in FY 2021 and is included in the DHS FY 2021 request.

For the [Child Care Assistance \(CCA\) Program](#), final federal regulations prohibited states from utilizing a time limit on the exit eligibility component of the Program, commonly referred to as CCA Plus. The current CCA Plus eligibility requirements are an income greater than 145.0% of the federal poverty level (FPL) and not greater than 85.0% of the State median income. This will provide a one-time 12-month eligibility segment. Since this is not in compliance, DHS indicated that it plans on submitting a proposal for federal approval to implement an income of no greater than 185.0% of the federal poverty level as the new income restriction.

The DHS Budget Book with additional information on the requests is available at dhs.iowa.gov/budget-reports.

FY 2021 Budget Request. The budget request approved by the Council may still be adjusted due to the final Federal Medical Assistance Percentage rate and will be finalized before official submission to the Department of Management. That request will be analyzed by the Legislative Services Agency at that time, along with the other department requests for the rest of the State.

Next Meeting. The next meeting of the Council on Human Services is tentatively scheduled for October 9, 2019, at the Woodward Resource Center.

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