



May 5, 2021

Glen Dickinson, Director  
Legislative Services Agency  
State Capitol  
LOCAL

Dear Mr. Dickinson:

This letter provides an update on the central debt collection program for the quarter ending March 31, 2021. This report is required quarterly by Iowa Code Chapter 421.17(27) (h) regarding collection results, costs, and positions added.

### **Debt Collection Program**

The Central Collections Unit (CCU) provided debt collection services related to the following:

- Department of Human Services (DHS) Child Support Recovery Unit
- DHS Health & Wellness Premiums
- DHS Medicaid Provider Overpayments
- Department of Natural Resources (DNR) (various liabilities)
- Iowa College Student Aid Commission (Partnership Student Loans)
- Iowa Department of Revenue (IDR) (various liabilities)
- Iowa Insurance Division (IID)
- Iowa Judicial Branch

Each agency placing accounts with the CCU may also undertake additional collection efforts beyond those reflected in this report.

### **Collections by Quarter**

Collections for the quarter ending March 2021 totaled \$20.38 million, an increase of \$9.84 million compared to the same quarter last year (see Table 2). When compared to the same quarter in FY 2020, DHS Child Support Recovery Unit increased by \$92,379, College Aid increased by \$2,818, Iowa Insurance Division increased by \$626, and the Iowa Department of Revenue increased by \$6,733,603. Iowa Department of Natural Resources decreased by \$13,754, DHS Medicaid Provider Overpayments decreased by \$41,682, and Iowa DHS Health & Wellness Premiums decreased by \$18,543.

Iowa Judicial Court Debt collection started in January 2021. No comparison for FY 2020 is available for Iowa Judicial Branch.

Last tax season, IDR conducted a Status 20 (pre-collection) pilot project. Because the pilot project was a success, approval was granted to make this a permanent part of TSI's debt collection efforts on IDR tax debt, effective August 2020. The increase in collections for the quarter is primarily a result of the expanded debt collection partnership with TSI.

Active collection efforts on DHS Medicaid Provider Overpayments and DHS Health & Wellness Premiums were put on hold in April 2020, per DHS, due to COVID-19. Active collection efforts resumed on January 5, 2021 for DHS Medicaid and February 23, 2021 for DHS Health & Wellness.

The tables and figures provided reflect only the efforts of the CCU.

**Cost/Benefit**

The CCU is self-supporting and charges for all direct and indirect costs are properly allocable to CCU activities. Fiscal year costs for the last two fiscal years and an estimate of the total receipts to be retained by the Department to pay for salaries, support, maintenance, services, and other costs incurred related to the CCU in the upcoming budget year are provided in Table 1. The anticipated increase in FY 2021 cost is due to the IDR technology modernization project.

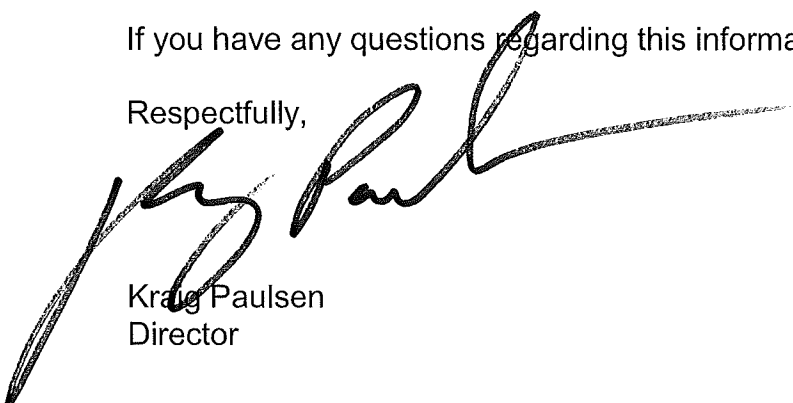
**Table 1. Central Collections Unit Cost, FY 2019-2021**

	FY 2019 Actual	FY 2020 Actual	FY 2021 Estimated
Cost Incurred	\$9,480,067	\$10,072,006	\$15,550,482

As you can see from Table 2, the fiscal benefits of the Central Collections Unit continues to increase.

If you have any questions regarding this information, please let me know.

Respectfully,



Kraig Paulsen  
Director

**Table 2. Central Collections Unit Quarterly Collections: TSI**

Program	Collections for Quarter Ending				
	September 2020	December 2020	March 2021	June 2021	FY 2021
CCU - College Aid	\$24,511	\$20,162	\$31,202		\$75,875
CCU - DHS Child Support	\$176,104	\$133,452	\$172,061		\$481,617
CCU - DHS Health & Wellness	\$439	\$215	\$6,518		\$7,172
CCU - DHS Medicaid	\$1,325	\$1,085	\$2,100		\$4,510
CCU - DNR	\$5,993	\$5,291	\$1,458		\$12,743
CCU - IDR	\$17,693,025	\$22,606,927	\$17,073,507		\$57,373,459
CCU - Iowa Insurance Division	\$2,250	\$1,573	\$2,488		\$6,310
CCU - Iowa Judicial Branch			\$3,086,342		\$3,086,342
<b>Total</b>	<b>\$17,903,647</b>	<b>\$22,768,705</b>	<b>\$20,375,676</b>		<b>\$61,048,028</b>
	<b>September 2019</b>	<b>December 2019</b>	<b>March 2020</b>	<b>June 2020</b>	<b>FY 2020</b>
CCU - College Aid	\$34,131	\$25,201	\$28,384	\$28,393	\$116,109
CCU - DHS Child Support	\$115,056	\$78,408	\$79,682	\$102,292	\$375,437
CCU - DHS Health & Wellness	\$54,764	\$14,560	\$25,061	\$6,718	\$101,102
CCU - DHS Medicaid	\$2,244	\$1,120	\$43,782	\$2,732	\$49,878
CCU - DNR	\$7,994	\$3,151	\$15,212	\$6,592	\$32,949
CCU - IDR	\$11,703,922	\$12,051,115	\$10,339,904	\$9,318,441	\$43,413,383
CCU - Iowa Insurance Division	\$2,365	\$9,380	\$1,862	\$340	\$13,947
<b>Total</b>	<b>\$11,920,476</b>	<b>\$12,182,935</b>	<b>\$10,533,887</b>	<b>\$9,465,508</b>	<b>\$44,102,805</b>
	<b>September 2018</b>	<b>December 2018</b>	<b>March 2019</b>	<b>June 2019</b>	<b>FY 2019</b>
CCU - College Aid	\$21,040	\$26,010	\$23,906	\$21,770	\$92,726
CCU - DHS Child Support	\$118,858	\$114,739	\$102,777	\$100,850	\$437,224
CCU - DHS Health & Wellness	\$2,373	\$95,246	\$163,889	\$40,716	\$302,224
CCU - DHS Medicaid	\$270	\$1,001	\$700	\$309	\$2,280
CCU - DNR	\$16,735	\$19,127	\$9,015	\$12,779	\$57,656
CCU - IDR	\$10,380,649	\$10,183,949	\$9,743,793	\$9,091,799	\$39,400,190
CCU - Iowa Insurance Division			\$430	\$440	\$870
<b>Total</b>	<b>\$10,539,925</b>	<b>\$10,440,072</b>	<b>\$10,044,510</b>	<b>\$9,268,663</b>	<b>\$40,293,170</b>

Totals may not equal the sum of quarterly numbers due to rounding.

Figure 1. Central Collections Unit Quarterly Collections

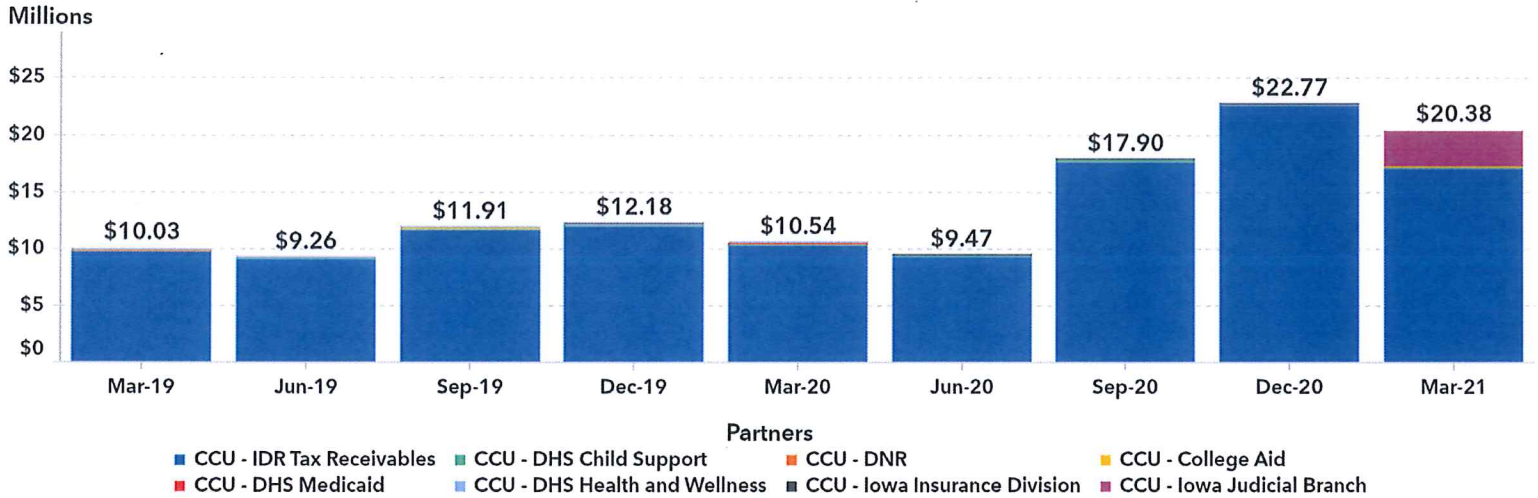


Figure 2. Subset of Central Collections Unit Quarterly Collections

