



# Iowa Department of Human Services

Terry E. Branstad  
Governor

Kim Reynolds  
Lt. Governor

Charles M. Palmer  
Director

December 12, 2016

Michael Marshall  
Secretary of Senate  
State Capital Building  
LOCAL

Carmine Boal  
Chief Clerk of the House  
State Capital Building  
LOCAL

Dear Ms. Boal and Mr. Marshall:

Pursuant to the **directive contained in 2016 Iowa Acts, Ch. 1139.10.25**, please find the following request and response:

**25. The department shall report the implementation of any improved processing changes and any related cost reductions to the individuals specified in this division of this Act for submission of reports upon implementation.**

Response

The SFY17 Medicaid budget was reduced by \$16,772,391 due to assumed savings from process improvement changes. The department is coordinating with the other departments in this process improvement effort to identify potential savings. While these efforts are underway, the \$16,772,391 will instead be covered by increased revenue from a prior year carry-forward and revenue associated with the close-out of the Iowa Plan contract with Magellan.

Please feel free to contact me if you need additional information.

Sincerely,

Charles M. Palmer  
Director

CMP/tm

cc: Terry E. Branstad, Governor