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GOV. MSG. NO. 257

13-1010
EXECUTIVE CHAMBERS
HONOLULU

NEIL ABERCROMBIE
GOVERNOR

April 1, 2013

The Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
State Capitol
Honolulu, Hawaii 96813

Dear President Kim:

Transmitted herewith are proposed changes to the FB 2013-15 Biennium Budget for the Department of Human Services (DHS). Your favorable consideration is requested for the attached budget items:

- Reduces \$6,300,000 in general funds and \$6,885,000 in federal funds for FY 14 in Health Care Payments (HMS 401) to reflect an additional 6 months of savings from drug rebates provided under the Affordable Care Act (ACA). The Administration's budget currently reflects 6 months of drug rebate savings from January 1, 2014, when ACA is formally implemented. However, DHS indicates the drug rebates are retroactive; thus, the Medicaid program is eligible for a full 12 months of rebate savings in FY 14.
- Reduces \$2,700,000 in general funds and \$4,900,000 in federal funds for FY 14 and reduces \$3,400,000 in general funds and \$10,000,000 in federal funds for FY 15 in General Support for Health Care Payments (HMS 902) for the maintenance and operations of the Medicaid Integrated Eligibility System.
- Adds 19.00 positions and \$376,008 in general funds and \$585,882 in federal funds for FY 14 and \$347,508 in general funds and \$557,382 in federal funds for FY 15 for HMS 902 for Call Center functions related to ACA and for Program Integrity activities to screen and audit Medicaid claims to prevent waste, fraud and abuse.
- Reduces 2.00 positions and \$43,605 in general funds and \$46,724 in federal funds for FY 14 and FY 15 from Case Management for Self-Sufficiency (HMS 236). Transfers 2.00 position counts and funds to the Office of Information Technology (OIT) in the DHS Administration program (HMS 904).

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- Reduces 2.00 positions and \$36,360 in general funds and \$34,426 in federal funds for FY 14 and FY 15 from Child Protective Services (HMS 301). Transfers 2.00 position counts and funds to OIT in HMS 904.
- Adds 4.00 positions and \$79,965 in general funds and \$81,150 in federal funds for FY 14 and FY 15 for OIT in HMS 904. Transfers 2.00 positions and funds from HMS 236 and 2.00 positions and funds from HMS 301.
- Adjusts position counts and adds \$48,711 in general funds and \$12,153 in federal funds for FY 14 and FY 15 for OIT in HMS 904 to upgrade and redescribe positions transferred in from HMS 236 and HMS 301. The new positions will be Information Technology Specialists.

Your staff may contact the appropriate agency for additional information. Your understanding and assistance is appreciated.


Sincerely,

NEIL ABERCROMBIE
Governor, State of Hawaii

Attachment

c: Honorable David Y. Ige