



HIV rebate adjustment proposal

Issue:

- DHS needs to make budget reductions due to the state's projected budget deficit. The department's strategy is to make reductions with the least impact on service recipients.
- For the last several years the state has received significantly higher levels of drug rebates that are federally required to support people with HIV/AIDS. The higher rebates are projected to continue into the 2014-15 biennium.

Proposal:

- This proposal corrects an error in 2010 session laws that established too large of an appropriation for supplemental insurance premiums and case management services starting in fiscal year 2014.
- The proposal also eliminates state funding for payment of \$2.4 million in case management and insurance grant funding that will otherwise occur in fiscal year 2014. The 2012 base funding had been delayed as a budget reduction, and the funding is to be restored in 2014 under current law.
- HIV/AIDS drug rebate funding will be used to continue recipient services.

Impact:

- This proposal will not impact recipients as the HIV/AIDS drug rebate account has sufficient funds to make up for the elimination of the payment that had been scheduled for fiscal year 2014.

Number of people affected:

- This proposal does not impact recipients of HIV services.

Fiscal impact:

- FY 2014: \$4.46 million savings
- FY 2015: \$2.04 million savings
- FY 2016: \$2.04 million savings
- FY 2017: \$2.04 million savings

Related information:

- Minnesota Management & Budget website: <http://www.mmb.state.mn.us/>
- Statutory references:
Laws 2010 Chapter 200, Article 2, sec. 2, subd 6;
Laws 2011 1st Special Session, Ch. 9, Article 10, sec.2 (k)
- DHS HIV/AIDS Web pages: http://www.dhs.state.mn.us/main/id_000084

DHS Communications: January 2013