Minnesota

Department of Human Services

November 2008 Forecast

St. Paul, Minnesota

December 4, 2008

THE DHS FORECAST

The Department of Human Services (DHS) prepares a forecast of expenditures in its major programs twice each year, for use in the state forecasts which are released in November and February during each fiscal year. These forecasts are reviewed by the Department of Finance and are used to update the Fund Balance for the forecasted programs.

The February forecast, as adjusted for changes made during the legislative session, becomes the basis for end of session forecasts and planning estimates. The preceding November forecast sets the stage for the February forecast.

The DHS forecast is a "current law" forecast. It aims to forecast caseloads and expenditures given the current state and federal law at the time the forecast is published.

The DHS programs covered by the forecast are affected by many variables:

> The state's general economy and labor market affect most programs to some degree, especially those programs and segments of programs which serve people in the labor market.
>
> Federal law changes and policy changes affect state obligations in programs which have joint state and federal financing. Federal matching rates for Medical Assistance (MA) change occasionally. Federal funding for the Temporary Assistance to Needy Families (TANF) program is contingent on state compliance with maintenance of effort requirements which mandate minimum levels of state spending.
>
> Changes in federal programs affect caseloads and costs in state programs. The Supplemental Security Income program (SSI) drives elderly and disabled caseloads in Medical Assistance and Minnesota Supplemental Aid. Changes in SSI eligibility may leave numbers of people eligible for General Assistance and General Assistance Medical Care instead of SSI and Medical Assistance.

The narrative section of this document provides brief explanations of the changes in forecast expenditures in the November 2008 forecast, compared to the end of session 2008 forecast. Generally, these changes are treated on a biennial basis, covering the 2008-2009 biennium and the 2010-2011 biennium.

Tables One and Two provide the new and old forecasts and changes from the previous forecast for the 2008-2009 biennium, and Tables Three and Four provide the same information about the 2010-2011 biennium. Table Five provides the new forecast for the 2012 -2013 biennium.

CURRENT BIENNIUM SUMMARY

General Fund Costs Up Slightly

General Fund costs for DHS medical and economic support programs for the 2008-2009 biennium are projected to total $8.006 billion, $29 million (0.4 percent) more than projected in the end of session forecast. This increase results from higher projected enrollment of children and parents in Medical Assistance and higher enrollment in General Assistance Medical Care. The weak economic scenario is the main reason for the higher projected enrollment.

TANF Forecast Lower

Projected expenditures of federal TANF (Temporary Assistance for Needy Families) funds for MFIP grants are $181 million, $15 million (7.5 percent) lower than the end of session forecast. The decrease reflects a correction for General Fund maintenance-of-effort requirements which were overlooked in the final days of the 2008 Session.

MinnesotaCare Forecast Little Changed

Forecasted Health Care Access Fund costs for the MinnesotaCare program are $669 million, $1.3 million (0.2 percent) higher than projected in the end of session forecast. The costs of higher enrollment of adults with no children are partially offset by the effect of lower than expected enrollment of children and parents.

NEXT BIENNIUM SUMMARY

General Fund Costs Much Higher

General Fund costs for DHS medical and economic support programs for the 2010-2011 biennium are projected to total $9.926 billion, $500 million (5.3 percent) higher than projected in the end of session forecast. Two-thirds of this increase comes from higher projected enrollment of children and parents in Medical Assistance based on the November economic forecast from the State's economic consultant. Higher enrollment projections in General Assistance Medical Care, for the same reason, contribute 20% of the cost increase.

TANF Forecast Higher

Projected expenditures of federal TANF (Temporary Assistance for Needy Families) funds for MFIP grants are $176 million, $15 million (9.2 percent) higher than the end of session forecast. Increased TANF spending covers about two-thirds of the costs of higher projected MFIP caseloads.

MinnesotaCare Forecast Higher

Forecasted Health Care Access Fund costs for the MinnesotaCare program are $1.012 billion, $19 million (1.9 percent) higher than projected in the end of session forecast. Higher enrollment and a higher cost of coverage for adults with no children are the sources of the increase.

PROGRAM DETAIL

MEDICAL ASSISTANCE	'08-'09 Biennium	'10-'11 Biennium
Share of DHS Gen. Fund programs forecast	83.1%	83.2%
Total forecast change this item ($000)	12,835	342,031
Total forecast percentage change this item	0.2%	4.4%

The table above summarizes the forecast change for the entire Medical Assistance program.

The following sections explain the forecast change for each of four component budget activities of the Medical Assistance program.

MA LTC FACILITIES	'08-'09 Biennium	'10-'11 Biennium
Share of DHS Gen. Fund programs forecast	12.3%	10.6%
Total forecast change this item ($000)	(18,219)	22,909
Total forecast percentage change this item	-1.9%	2.3%

This activity includes payments to nursing facilities, to community ICF/MR facilities, for day training and habilitation services for community ICF/MR residents, and for the Regional Treatment Center programs for the mentally ill (RTC-MI).
(In the RTC-MI programs, Medical Assistance covers only those residents who are under age 21 or age 65 or over.)

The net cost of this activity is also affected by the amount of Alternative Care (AC) funds expected to cancel to the Medical Assistance account. Alternative Care is usually funded at a larger amount than expected expenditures to allow for the fact that funds have to be allocated to the counties and, because each county treats its allocation as a ceiling for spending, there is always substantial underspending of Alternative Care funds. The amount which is expected to be unspent is deducted from the funding of the Medical Assistance program in the budget process.

Alternative Care Offset

Lower Alternative Care caseload projections account for reductions of $8.8 million for the current biennium and $12.2 million for the next biennium. Projected Alternative Care expenditures are 5.2% lower for the current biennium and 12.9% lower for the next biennium. About one-half of the forecast reduction is owing to lower projections of the number of AC recipients, and about half to lower cost of service.

Nursing Facilities (NF)

NF projected expenditures are $12.4 million (0.7%) lower for the current biennium and $18.7 million (1.1%) higher for the next biennium. The reduction for the current biennium comes from slightly lower recipient projections. The increase for next biennium results about two-thirds from higher projected costs of NF rate rebasing and about one-third from slightly higher recipient projections.

County Nursing Facilities

As part of negotiating MinnesotaCare waiver approval, DHS has agreed to discontinue claiming federal funding for this payment to county nursing facilities, which is legally an intergovernmental transfer. The forecast recognizes the loss of federal funding beginning in FY 2009, raising the projected state costs by $7.4 million in the current biennium and $15.3 million in the next biennium.

Community ICF/MR and Day Training & Habilitation (DT&H)

The number of ICF/MR recipients has declined each year since FY 1993. In FY 2007 and FY 2008 the decline slowed markedly, so that the decrease from FY 2007 to FY 2008 was only 14, less than 1%. This results in higher recipient projections for the next biennium relative to the end of session forecast.

Projected costs for these two services are $0.4 million (0.1%) lower for the current biennium and $9.4 million (2.9%) higher for the next biennium. Recipient projections are about 150 (10.7%) higher for the next biennium, but the effects of higher recipient projections are substantially offset by lower average cost projections.

METO

The number of Medicaid-certified beds in this program has been reduced to six, and so the projected number of MA recipients has been reduced to that number. The resulting decreases are $0.9 million for the current biennium and $1.4 million for the next biennium.

RTC MI Program

The RTC-MI programs for which MA pays have been limited in recent years to programs treating adolescents. The number of patients in these programs has decreased markedly in recent months, and MA projections are reduced accordingly.

The resulting decreases are $4.5 million (15%) for the current biennium and $8.0 million (24%) for the next biennium.

County Share for LTC Services

The reduction in the RTC-MI forecast is the main reason for decreases in projected county share offsets to State MA costs. The decrease in county share costs results in increases of $1.2 million for the current biennium and $1.0 million for the next biennium.

MA LTC WAIVERS & HOME CARE	**'08-'09 Biennium**	**'10-'11 Biennium**
Share of DHS Gen. Fund programs forecast	24.9%	25.5%
Total forecast change this item ($000)	(33,554)	(24,144)
Total forecast percentage change this item	-1.7%	-1.0%

This activity includes the following components:

- Developmentally Disabled Waiver (DD Waiver)
- Elderly Waiver (EW): fee-for-service (FFS) segment
- Community Alternatives for Disabled Individuals (CADI Waiver)
- Community Alternative Care Waiver (CAC Waiver)
- Traumatic Brain Injury Waiver (TBI Waiver)
- Home Health Agency Services
- Personal Care and Private Duty Nursing Services (PCA & PDN).
- Fund transfer to Consumer Support Grants

The five waivers are special arrangements under federal Medicaid law, which provide federal Medicaid funding for services which would not normally be funded by Medicaid, when these services are provided as an alternative to institutional care (nursing facility, ICF/MR, or acute care hospital).

The following table provides a breakdown of the forecast changes in the waivers and home care:

Change in Projected Costs	**'08-'09 Biennium ($000)**	**'10-'11 Biennium ($000)**
DD Waiver	(32,264)	(16,756)
EW Waiver FFS	(3,160)	(34,148)
CADI Waiver	(109)	36,691
CAC Waiver	1,444	1,579
TBI Waiver	(13,980)	(34,267)
Home Health	(2,347)	(4,343)
PCA/PDN	14,163	20,753
Transfer to CSG	2,698	6,348
Activity Total	(33,554)	(24,144)
EW Total:		
FFS & Managed Care	(2,465)	(2,675)

Percent Change in Projected Costs	'08-'09 Biennium	'10-'11 Biennium
DD Waiver	-3.26%	-1.50%
EW Waiver FFS	-4.27%	-26.03%
CADI Waiver	-0.03%	7.97%
CAC Waiver	8.70%	7.98%
TBI Waiver	-13.25%	-22.44%
Home Health	-8.52%	-14.20%
PCA/PDN	3.33%	4.03%
Transfer to CSG	11.33%	22.88%
Activity Total	-1.69%	-1.01%
EW Total: FFS & Managed Care	-0.90%	-0.77%

DD Waiver

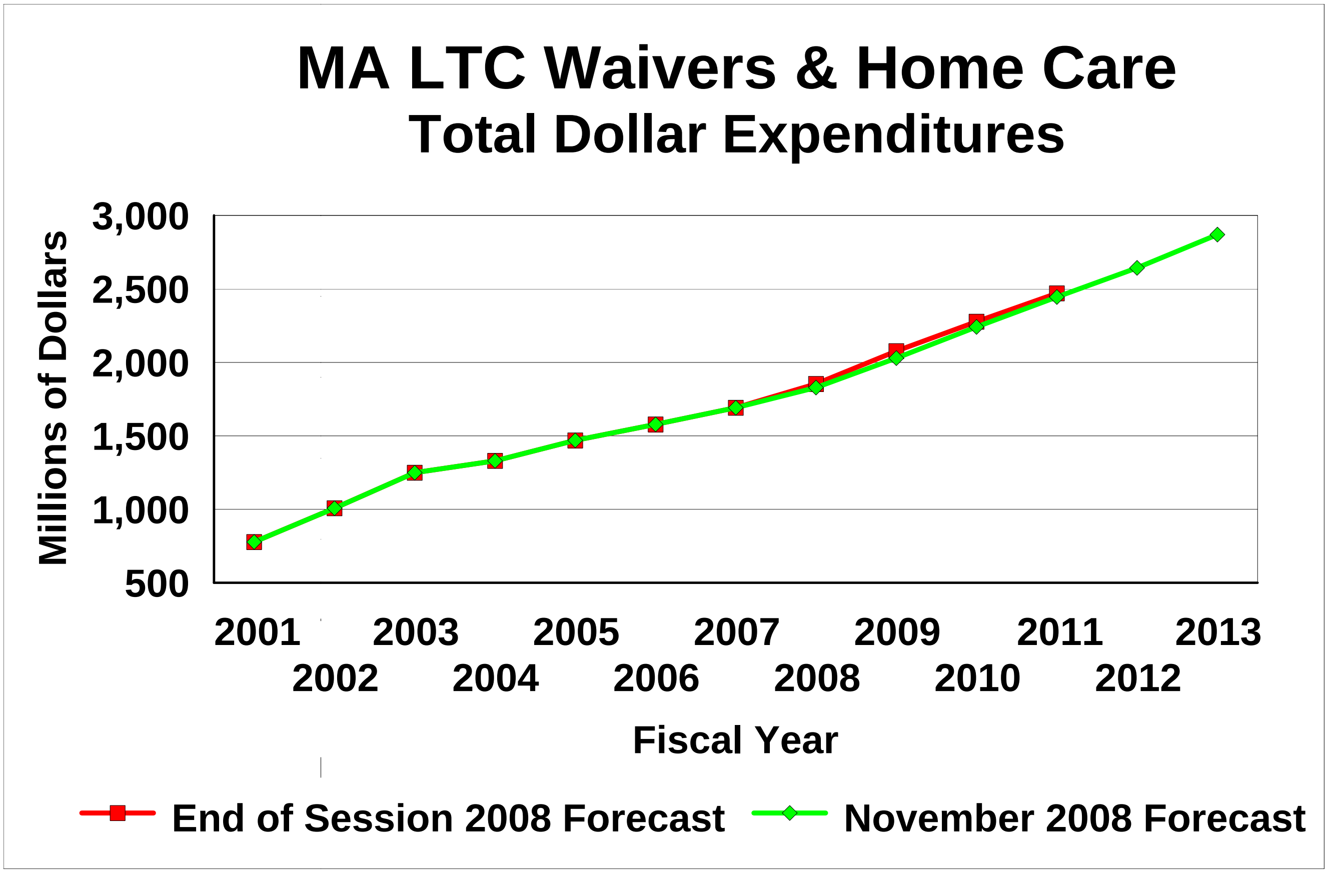
DD waiver average cost projections are reduced by approximately 3.25% both for the current biennium and the next biennium. In the next biennium this reduction is partially offset by higher recipient projections, based on expected county efforts to maximize their use of waiver budget allocations as the five-year rebasing of DD waiver allocations approaches. The termination of the MNDHO-DD project also makes a small contribution to the expected recipient increase by returning about 40 DD waiver recipients to FFS waiver status effective January 1, 2009.

Elderly Waiver FFS & Managed Care

Elderly waiver is forecasted in two segments, the fee-for-service segment and the managed care segment. Forecast changes are described for the total of the two segments, since changes in the two parts tend to result from differences in timing in the expected shift of many fee-for-service EW recipients to the managed care segment.

EW FFS recipient projections have been reduced in anticipation of a shift of about 1900 recipients to managed care in January 2009.

Recipient projections for the whole EW program, fee-for-service and managed care, are practically unchanged for the current biennium, and about 1.6% lower for the next biennium. Average cost projections are less than 1% lower for the current biennium and less than 1% higher for the next biennium.



CADI Waiver

CADI recipient numbers rose somewhat less than anticipated during FY 2008, after the expiration of waiver caseload caps at the end of FY 2007. Actual increases were about 160 per month compared to anticipated increases of 200 per month. (A new caseload growth cap of 125 per month went into effect in July 2008.) Mainly as a result of the lower growth during FY 2008, CADI recipient projections are reduced by about 2.6% both for the current biennium and the next biennium.

CADI average costs, however, grew faster than anticipated and this growth did not slow, as was anticipated, with the influx of additional recipients in FY 2008. As a result, average cost projections are about 2.0% higher for the current biennium and about 7.8% higher for the next biennium.

CAC Waiver

CAC recipient projections are 3.0% to 3.5% higher and average cost projections about 5% higher. In this small waiver (200 to 300 children) small changes in the recipient population can easily change the level of average costs.

TBI Waiver

The number of waiver recipients did not display additional growth as expected with the expiration of waiver caseload caps at the end of FY 2007. This experience has led to markedly lower recipient projections: about 10% lower for the current biennium and about 18% lower for the next biennium. Average cost projections are about 3% lower for the current biennium and about 4% lower for the next biennium.

Home Health Agency Changes

Both recipient and average cost projections are lower for home health agency services. Recipient projections are about 2% lower for the current biennium and about 5% lower for the next biennium. Average payment projections are about 6% lower for the current biennium and about 9% lower for the next biennium.

Personal Care Changes

PCA and private duty nursing projections are higher because of increased recipient numbers, the costs of which are partially offset by lower average costs of service. Recipient projections are about 5% higher for the current biennium and about 8% higher for the next biennium. Average cost projections are about 1.7% lower for the current biennium and 3.6% lower for the next biennium.

Transfer to Consumer Support Grants

Consumer Support Grants is a state-funded benefit which is designed to be an alternative to PCA services for children and is designed to have an average cost of service which is equivalent to the state-share cost of PCA services. In FY 2008 there were about 1000 average monthly recipients. It is funded mainly by transfers of funds from the MA account.

The reasons for the projected increases in the transfer amounts are equally divided between increased recipient projections and increased average cost projections.

MA ELD. & DISABLED BASIC CARE	**'08-'09 Biennium**	**'10-'11 Biennium**
Share of DHS Gen. Fund programs forecast	26.1%	27.1%
Total forecast change this item ($000)	(13,730)	11,684
Total forecast percentage change this item	-0.7%	0.5%

This activity funds general medical care for elderly and disabled Medical Assistance enrollees. For almost all of the elderly and for about 48 percent of the disabled who have Medicare coverage, Medical Assistance acts as a Medicare supplement. For those who are not eligible for Medicare, Medical Assistance pays for all their medical care. Also included in this activity is the IMD group, which was part of GAMC until October 2003 and is funded without federal match. Enrollees in this group are individuals who would be eligible as MA disabled but for the fact of residence in a facility which is designated by federal regulations as an "Institute for Mental Diseases." Residents of such facilities are barred from MA eligibility unless they are under age 21 or age 65 or older.

The disabled segment accounts for about two-thirds of enrollees in this activity.

This activity also pays the federal agency the "clawback" payments which are required by federal law to return most of the MA pharmacy savings resulting from implementation of Medicare Part D in January 2006. The federal agency bills the state monthly for each Medicare-MA dual eligible who is enrolled in a Part D plan. The proportion of estimated savings which the state is required to pay decreases by 1.67 percentage points each year until it reaches 75% in CY 2015. For CY 2009 it is 85.0%, and the amount billed per dual eligible each month is $130.46.

The following table summarizes the areas of forecast changes in this activity:

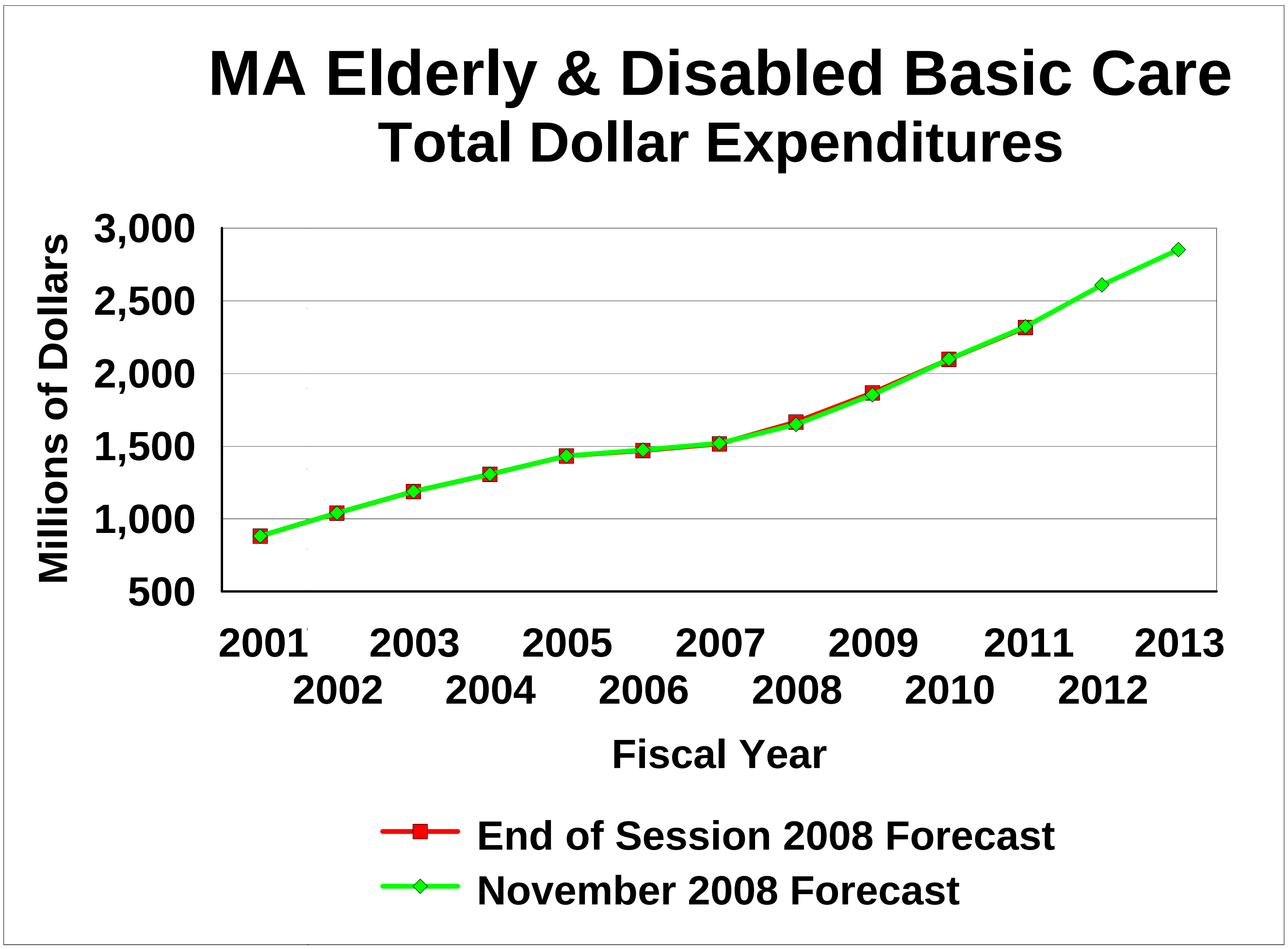
	'08-'09 Biennium ($000)	**'10-'11 Biennium ($000)**
Elderly Waiver Managed Care	694	31,472
Elderly Basic Caseload	(7,379)	(21,342)
Elderly Basic Avg. Cost:	11,844	10,004
Elderly Basic Avg. Cost: MERC correction	4,907	6,050
Disabled Basic Caseload	7,143	16,162
Disabled Basic Avg. Cost	(33,781)	(28,380)
Disabled basic: MNDHO	(688)	(9,212)
Disabled basic: SNBC	(404)	(1,565)
Disabled basic: other managed care	2,091	0
Medicare Part D clawback payments	(383)	3,358
DMIE	1,931	1,090
IMD Program	(890)	1,448
Transfer to MH Grants	1,726	3,081
Chemical Dependency Fund share	(541)	(482)
Total	(13,730)	11,684

Elderly Basic Changes

The increase in Elderly Waiver managed care in the next biennium mostly represents the cost of shifting additional EW recipients to managed care, as explained under Elderly Waiver above.

Elderly enrollment projections are reduced by 1.1% for the current biennium and by 2.5% for the next biennium. These reductions are offset in the current biennium and partially offset in the next biennium by increases in average cost projections of about 1.2% for both bienniums.

In addition to the above changes, the average cost of coverage is increased by 0.7% in both bienniums by recognition of the cost of medical education payments which are "carved out" of capitation payments and administered by the Department of Health. These costs were omitted by mistake from previous forecasts.



Disabled Basic Changes

Disabled basic enrollment projections are 0.6% higher for the current biennium and 1.2% higher for the next biennium. These increases are more than offset by fee-for-service average cost projections which are 2.7% lower for the current biennium and 2.1% lower for the next biennium.

Most of the MNDHO reduction in the current biennium and about one-third of the reduction in the next biennium comes from the termination of the MNDHO-DD project at the end of December 2008. The remainder of the reductions for the next biennium results from MNDHO enrollment projections which are about 5% lower than the previous forecast.

Special Needs Basic Care and Other Managed Care

This forecast is the first time an explicit forecast for SNBC has been part of the MA forecast. The small net impact of this change results from the delayed payment of 8% of managed care payments.

"Other Managed Care" consists of managed care payments originally made under GAMC or MinnesotaCare which are turned into MA payments when disability-based MA eligibility is established retroactively. This activity in FY 2008 amounted to $22 million. The forecast change recognizes higher than usual activity at the beginning of FY 2009, with no change in the next biennium.

Medicare Part D Clawback Change

Projections of clawback payments to the federal government in the next biennium are about 1% higher because the rate determined for CY 2009 by CMS is 1% higher than previously anticipated. Lower than expected payments during FY 2008 canceled out the increased cost for the current biennium.

Demonstration to Maintain Independence and Employment (DMIE)

A rapid increase in enrollment, after a slow start, results in increased expenditure projections for this small program.

IMD Program

Based on experience through September 2008, projected IMD payments are 5.0% lower for the current biennium and 7.7% lower for the next biennium. The projected number of IMD enrollees is practically unchanged.

CD Fund Share

Increases in MA-funded services covered by the CD Fund produce corresponding reductions in state share costs funded from the MA account, because the state share of these costs comes from the CD Fund.

FAMILIES WITH CHILDREN BASIC CARE	**'08-'09 Biennium**	**'10-'11 Biennium**
Share of DHS Gen. Fund programs forecast	19.8%	20.0%
Total forecast change this item ($000)	78,338	331,582
Total forecast percentage change this item	5.0%	17.5%

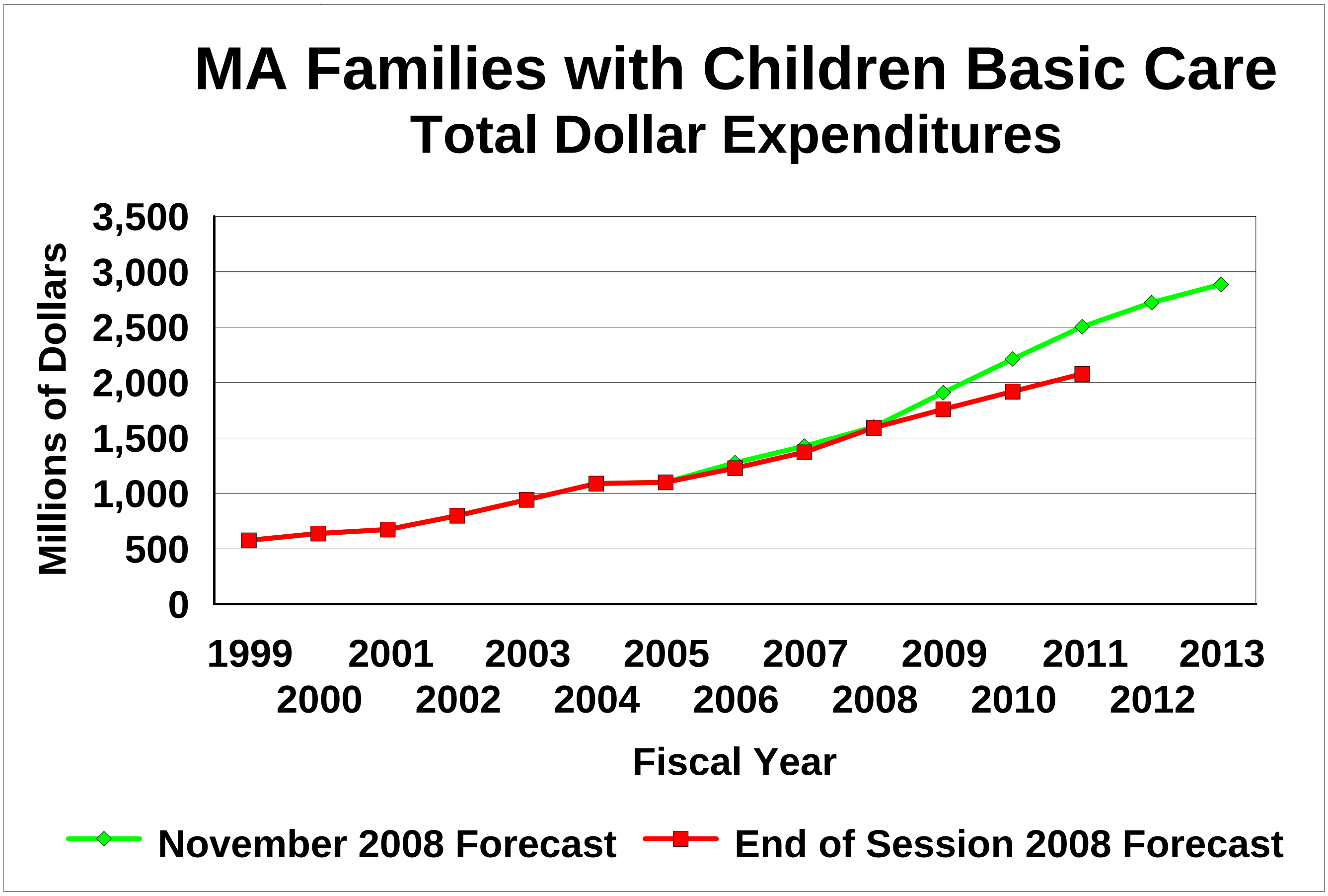
This activity funds general medical care for children, parents, and pregnant women, including families receiving MFIP and those with transition coverage after exiting MFIP. It also includes non-citizens who are ineligible for federal matching. The non-citizen segment is treated as part of this activity because non-citizen enrollment and costs are dominated by costs for pregnant women.

The components of the overall forecast change in this activity are summarized in the following table:

	'08-'09 Biennium ($000)	**'10-'11 Biennium ($000)**
Families with Children		
Caseload: Economic scenario	57,054	280,270
Caseload: Shift from MinnesotaCare	2,469	59,687
Caseload: Outreach effect adjusted	(3,186)	(15,265)
Avg. cost:	(37,225)	(50,278)
Avg. cost: MERC correction	51,201	57,258
CD Fund share	(1,348)	(2,805)
Supplemental hospital payments	922	10,234
GAMC/CPE DSH dedicated revenue	4,561	(10,863)
Non-citizen MA segment	(148)	(1,989)
Services w special funding	(674)	(1,287)
Family planning waiver & impact	(663)	(1,018)
Breast & cerv. cancer	(749)	(1,487)
Rx rebates	3,552	7,665
Other changes	2,572	1,460
Total	78,338	331,582

Families with Children Basic Care

Because of the distinctly worse economic scenario and much higher projections of unemployment, projected enrollment of children and parents is about 3.3% higher for the current biennium (5.4% higher for FY 2009) and 14% higher for the next biennium. The projected increases in average enrollment are about 20,000 in FY 2009 and average 54,000 in the next biennium.



In addition to this economically driven enrollment increase, further increases are anticipated from implementation of requirements which CMS has imposed around "informed choice" regarding applications for medical programs. Applicants will have to choose between being considered for all medical programs or for MinnesotaCare only. If they choose "all programs", they will be considered first for MA eligibility and for MinnesotaCare only if they are ineligible for MA. We believe this change will tend to direct more applicants to enrollment in MA rather than MinnesotaCare, so this forecast assumes of shift of enrollee population to MA who would otherwise have enrolled in MinnesotaCare.

Projected Enrollment Shift from MinnesotaCare

	Average Enrollees	State Share MA Costs
FY 2008	0	0
FY 2009	1,496	2,469,112
FY 2010	10,196	22,276,858
FY 2011	15,189	37,410,520

Revised projections of the enrollment effects of outreach efforts funded in the 2007 legislative session slightly offset the effects of the enrollment increases identified above. A very slow start in the number of applications generated by outreach activities have led to a lower projection of the number of applications expected from this activity. The impact of this change is a reduction of 0.2% for the current biennium and 1.0% for the next biennium in projected MA enrollment of children and parents.

The average cost of coverage in FY 2008 was 2.1% lower than expected in the previous forecast. Based on this experience, average cost projections are reduced by 2.4% for the current biennium and 2.7% for the next biennium. Both HMO and FFS have contributed to the reduction.

These reductions are outweighed by increases to recognize the cost of medical education payments which are "carved out" of capitation payments (HMO MERC) and administered by the Department of Health. These increases represent an increase of about 3.0% for the current biennium and 2.6% for the next biennium. These costs were omitted by mistake from previous forecasts.

A slightly higher projection of the share of payments made to the CD Fund results in a small cost reduction because payments to the CD Fund draw no state share from the MA account.

CPE DSH Dedicated Revenue and Supplemental Hospital Payments

Legislation from the 2005 Session directs DHS to seek Medicaid Disproportionate Share Hospital (DSH) matching for Certified Public Expenditures (CPE) during the FY 2008-2009 biennium. The same legislation required the CPE DSH revenue to be used for MA hospital payments, after offsetting the cost of reducing hospital payments by 4 percentage points less (6% ratable reduction rather than 10% ratable reduction: a budget decision made in the 2005 Session).

Changes in the 2007 Session extended this requirement to the FY 2010-2011 biennium. GAMC FFS hospital payments and losses certified by Hennepin County Medical Center constitute the Certified Public Expenditures.

Changes in the forecast of supplemental payments reflect the delay of the start of supplemental payments until FY 2009 and somewhat higher payments in the next biennium owing to an increase in expected DSH revenue.

	CPE DSH Dedicated Revenue	Offset 4% Hospital Reduction (State Share)	Net = Supplemental Hospital Payments (State Share)
February 2008 Forecast			
FY 2008	36,221,000	(18,236,000)	17,985,000
FY 2009	36,831,000	(20,738,000)	16,093,000
Biennium	73,052,000	(38,974,000)	34,078,000
FY 2010	31,623,000	(18,259,000)	13,364,000
FY 2011	31,943,000	(19,225,000)	12,718,000
Biennium	63,566,000	(37,484,000)	26,082,000

	CPE DSH Dedicated Revenue	Offset 4% Hospital Reduction (State Share)	Supplemental Hospital Payments (State Share)
November 2008 Forecast			
FY 2008	28,793,000	(28,793,000)	0
FY 2009	39,698,000	(4,698,000)	35,000,000
Biennium	68,491,000	(33,491,000)	35,000,000
FY 2010	37,391,000	(18,071,000)	19,320,000
FY 2011	37,038,000	(20,042,000)	16,996,000
Biennium	74,429,000	(38,113,000)	36,316,000
Difference: February 2008 vs. November 2008:			
FY 2008	(7,428,000)	(10,557,000)	(17,985,000)
FY 2009	2,867,000	16,040,000	18,907,000
Biennium	**(4,561,000)**	5,483,000	**922,000**
FY 2010	5,768,000	188,000	5,956,000
FY 2011	5,095,000	(817,000)	4,278,000
Biennium	**10,863,000**	(629,000)	**10,234,000**

Non-Citizen MA

The Non-Citizen segment of MA includes federal State Childrens' Health Insurance Program (SCHIP) coverage for pregnant women through the month in which they give birth. Two months of post-partum coverage are at 100% state cost.

The forecast is nearly unchanged for the current biennium, with 2.0% lower enrollment offset by slightly higher costs. Projected costs for the next biennium are reduced by 3.4%, resulting from a 3.8% reduction in projected enrollment.

Services with Special Funding

This is a forecast category which includes several services which have only federal and county share funding, such as child welfare targeted case management. Some services have state and federal funding, but are administrative costs from the federal perspective and so have federal matching at a fixed 50%, rather than funding at the Federal Medical Assistance Percentage (FMAP) which applies to medical services and can vary from 50%, although 50% is Minnesota's current FMAP. Services which have state funding are access services (transportation to medical care), child and teen checkup outreach, and DD waiver screenings.

Expenditures in this category are reduced by 1.2% for the current biennium and 2.1% for the next biennium. Most of the reduction is in Child & Teen Checkup Outreach.

Family Planning Waiver

Expenditure projections for the current biennium are reduced by about 10% and by about 11% for the next biennium because average service costs have been lower than expected.

Breast & Cervical Cancer

Projected costs for the current biennium are reduced by 15% and by 20% for the next biennium because the cost of coverage has been markedly lower than expected in the previous forecast.

Pharmacy Rebates

(Higher rebates reduce MA cost projections; lower rebates increase net costs.)

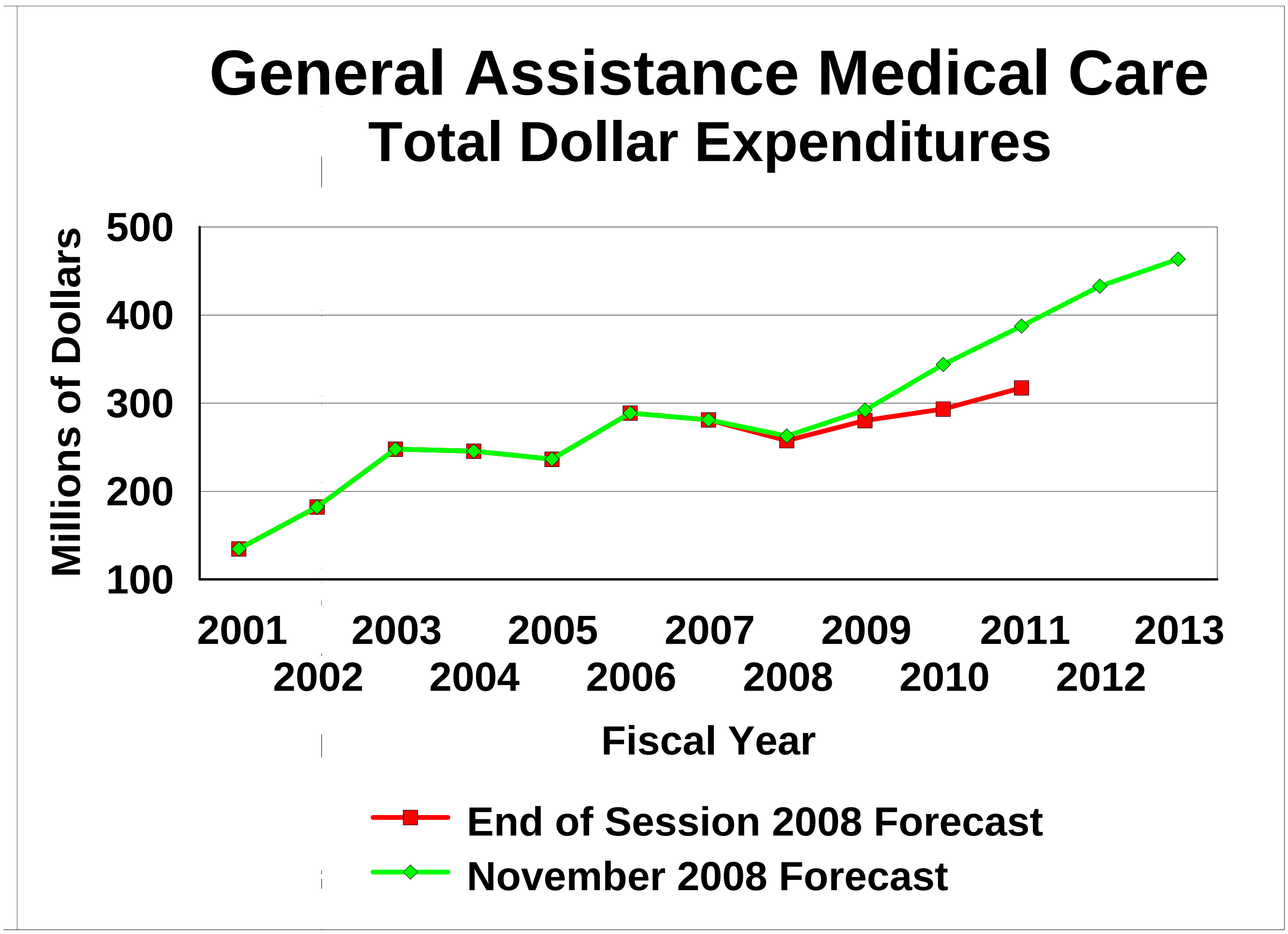
Projected rebate receipts are reduced by 4.3% for the current biennium and by 7.7% for the next biennium because the shift to managed care recognized in the new Special Needs Basic Care forecast reduces the expected level of fee-for-service pharmacy payments.

Other Changes

Cash-flow costs for HMO MERC in FY 2008 account for the increase in the current biennium. Recognition that the $930,000 transfer in from the board of nursing expires at the end of FY 2009 accounts for most of the increase in the next biennium. It was previously treated as extending through the next biennium.

GENERAL ASSISTANCE MED. CARE	**'08-'09 Biennium**	**'10-'11 Biennium**
Share of DHS Gen. Fund programs forecast	6.7%	6.5%
Forecast change this item ($000)	17,033	120,463
Forecast percentage change this item	3.2%	19.7%

Summary of Forecast Changes	**'08-'09 Biennium ($000)**	**'10-'11 Biennium ($000)**
Higher enrollment	15,779	109,654
January 2009 HMO rate increase	2,431	12,598
Change in FFS Transitional MinnesotaCare	(1,177)	(1,789)
Total changes	17,033	120,463



Average monthly GAMC enrollment for FY 2008 was 2.6% above the end of session forecast. However, at the end of FY 2008, enrollment in GAMC (excluding FFS Transitional MinnesotaCare) was 4% above forecast. This diverging GAMC enrollment along with the significantly more pessimistic economic outlook (especially in Minnesota's labor market) results in higher overall GAMC enrollment projections in the November forecast. Relative to the end of session forecast, GAMC enrollment is projected to be approximately 5% higher during the current biennium and about 19% higher during the next biennium. This translates to roughly 1,300 additional average monthly GAMC enrollees in the current biennium and about 5,500 additional average monthly GAMC enrollees in the next biennium.

HMO rate increases effective January 2009 are about 9.7% for GAMC. These rate increases are higher than the 7% increase anticipated in the end of session forecast. This results in a GAMC cost increase of about 2.5% during the next biennium relative to end of session projections.

The 2005 Legislature adopted a requirement to shift most GAMC-only enrollees to MinnesotaCare after their initial months of GAMC enrollment. This new policy took effect in September 2006 and is referred to as Transitional MinnesotaCare. The GAMC forecast accounts, on average, for the first two months of Transitional MinnesotaCare when these enrollees are in FFS. They are subsequently shifted to MinnesotaCare when they are enrolled in an HMO plan. Based on updated cost data through September 2008, FFS costs for Transitional MinnesotaCare enrollees are now expected to be about 2% lower through FY 2011 relative to end of session projections.

CHEMICAL DEPENDENCY FUND	**'08-'09 Biennium**	**'10-'11 Biennium**
Share of DHS Gen. Fund programs forecast	2.4%	2.5%
Forecast change this item ($000)	(17,257)	10,009
Forecast percentage change this item	-9.1%	4.3%

Actual CD Fund entitled placements in FY 2008 were 5.6% fewer than expected in the previous forecast. But for the weaker economic scenario, the projected number of placements for FY 2009 and the next biennium would be about 4% lower. The economic scenario changes this into only a 1% decrease for FY 2009 and a 4% increase for the next biennium.

Placements and payments have also been markedly lower than expected in the early months of FY 2009. This is believed to be a temporary dip resulting from a slowdown in certifications with the implementation in July 2008 of a new certification process. The forecast assumes that expenditures will return to a level only slightly lower than previously forecasted, but four months of lower payments result in approximately a 10% reduction in forecasted state costs for FY 2009 and a reduction for the current biennium of 9.1%.

MFIP NET CASH (STATE AND FEDERAL)	'08-'09 Biennium	'10-'11 Biennium
Forecast change this item ($000)	(916)	20,128
Forecast percentage change this item	-0.3%	6.7%
GENERAL FUND SHARE OF MFIP		
Share of DHS Gen. Fund programs forecast	1.0%	1.5%
Forecast change this item ($000)	13,705	5,257
Forecast percentage change this item	16.9%	3.8%
FEDERAL TANF FUNDS FOR MFIP		
Forecast change this item ($000)	(14,621)	14,871
Forecast percentage change this item	-7.5%	9.2%

This activity provides cash and food for families with children until they reach approximately 115 percent of the federal poverty guidelines (FPG). The MFIP program is Minnesota's TANF program. MFIP cash is therefore funded with a mixture of federal TANF Block Grant and state General Fund dollars.

The following table summarizes the changes in MFIP cash expenditures by source, relative to the end of session forecast:

Summary of Forecast Changes	'08-'09 Biennium ($000)	'10-'11 Biennium ($000)
Gross MFIP cash grant forecast change	1,810	21,219
Gross General Fund forecast change	16,594	6,928
Child Support/recoveries offset	(2,889)	(1,671)
Net General Fund forecast change	13,705	5,257
Gross TANF forecast change	(14,784)	14,291
Child Support pass-through/recoveries offset	163	580
Net TANF forecast change	(14,621)	14,871

Increases in MFIP Caseload due to More Pessimistic Economic Scenario

The increase in gross MFIP cash grant expenditures in the current and next bienniums is due to the increased average monthly MFIP caseload expected to result from increased unemployment in Minnesota. The economic scenario leads to a 1% increase in the average monthly caseload in FY 2009 and a 6.5% increase in the next biennium, as compared to the end of session forecast. With small changes in projected average payments, resulting gross MFIP cash grant expenditures are $1.8 million (0.6%) higher in this biennium and $21.2 million (6.5%) higher in the next biennium, as compared to the end of session forecast.

General Fund Expenditures

Most of the MFIP caseload is funded with a mixture of state and federal block grant funds. The amount of state funds in this mixture is determined by the federally mandated Maintenance of Effort (MOE) requirement for state (i.e. General Fund) spending on its TANF program. The state must meet this minimum MOE requirement to draw its entire federal TANF block grant allotment. Certain components of the overall MOE requirement are forecasted separately from MFIP (child care is the primary example). Required gross General Fund spending in the MFIP forecast will vary with the forecasted expenditure levels in these external MOE components. In addition, if there are not enough TANF funds available to pay the portion of expenditures which do not have to be paid from the General Fund, then state funds are used to make up the difference. The General Fund must also fund "non-MOE" cases: cases with two parents or cases eligible for Family Stabilization Service. These expenditures cannot be used as MOE and cannot be funded with federal funds. Net General Fund expenditures are adjusted for recoveries, child support collections and the counties' share of recoveries.

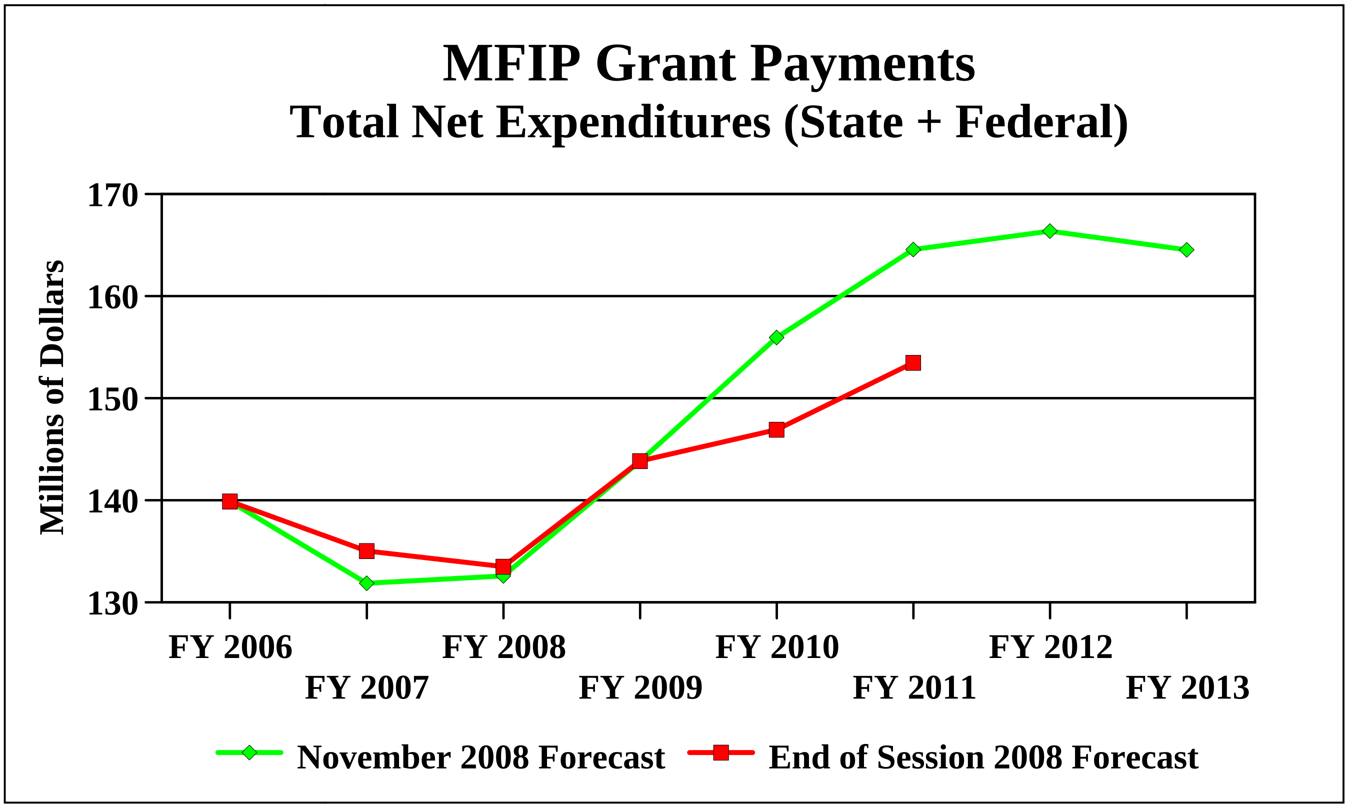
Financing changes in the 2008 legislative session left $13.9 million less in General Fund expenditures in the budget than the amount needed to fund MFIP non-MOE cases. This is corrected by a General Fund forecast increase of the same amount. Together with small increases in expenditures for non-MOE cases and fluctuations in the values of external MOE components, this makes General Fund gross MFIP expenditures for the current biennium $16.6 million higher than the end of session forecast. Child support collections used to offset General Fund expenditures are projected to be $2.9 million higher, due mostly to collections already received in calendar year 2008 related to the economic stimulus tax rebate. The net General Fund MFIP cash expenditures for the current biennium are $13.7 million higher than the end of session forecast, a 16.9% increase.

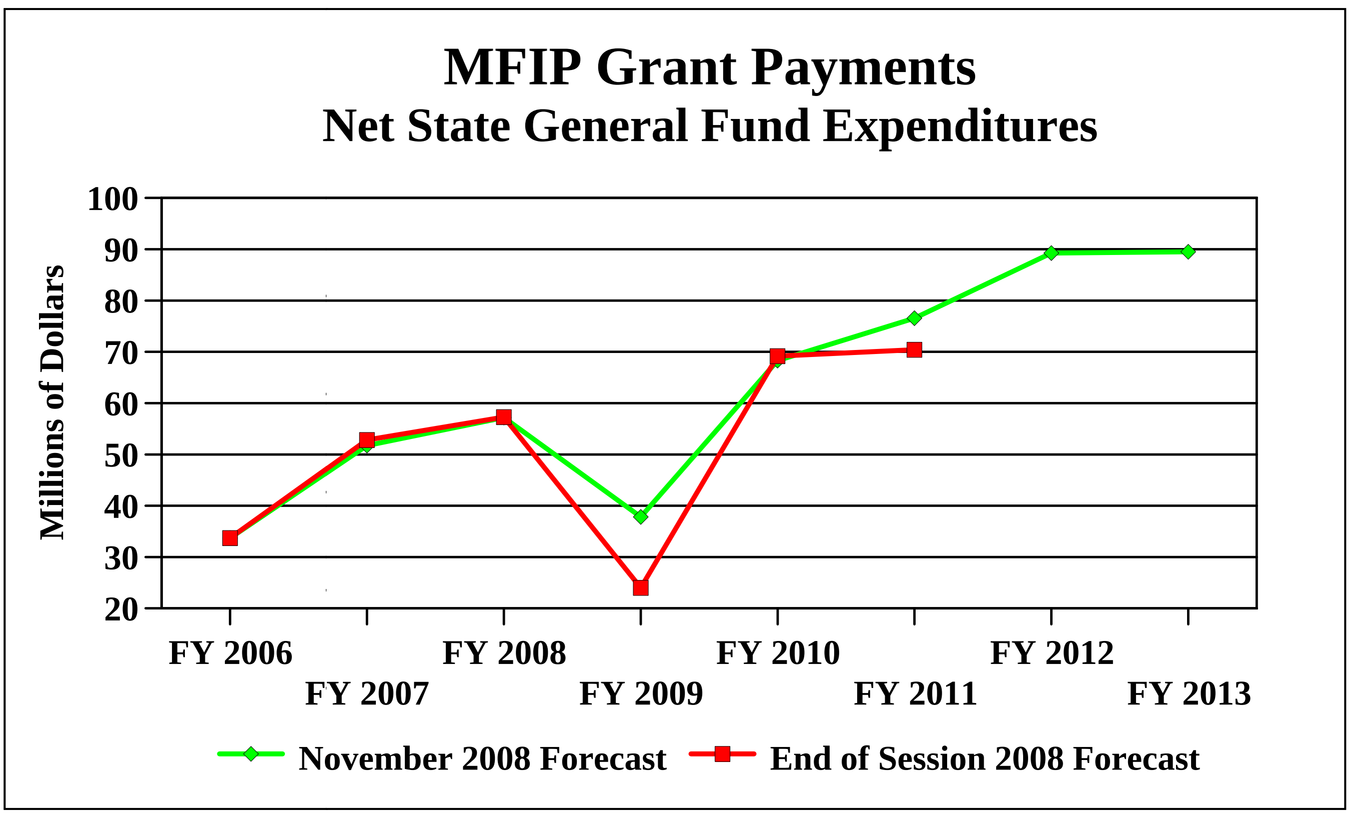
In the next biennium, there is an increase of $6.9 million in General Fund MFIP cash relative to the end of session forecast, mostly due to increased non-MOE case expenditures resulting from the increase in the overall MFIP caseload. Child support collections are projected to be $1.7 million higher due to the higher projected MFIP caseload. The net General Fund expenditures for the next biennium are $5.3 million higher than the end of session forecast, a 3.8% increase.

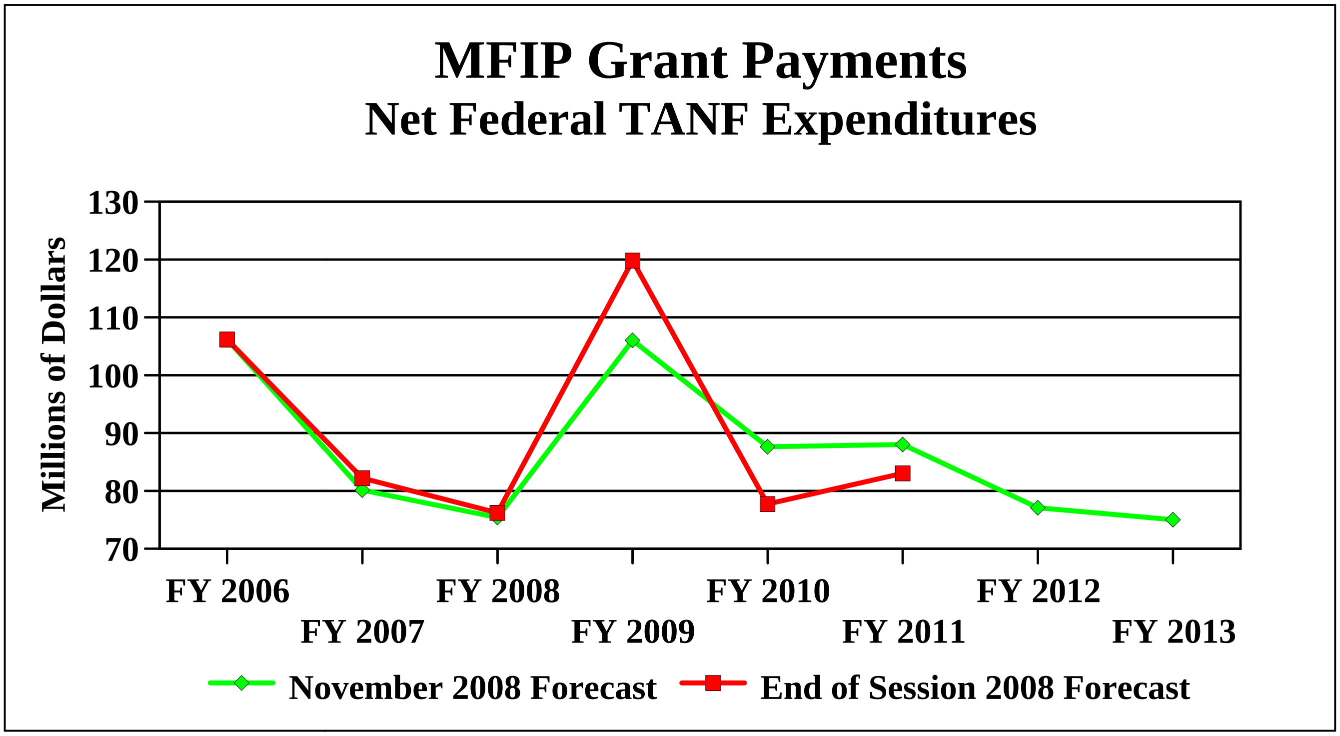
TANF Expenditures

For the current biennium, the gross MFIP cash grant forecast increases $1.8 million. Together with the increased gross General Fund expenditures of $16.6 million-- which leaves that much less to be spent out of federal funds-- and a $0.2 million projected net increase in TANF expenditures for Child Support pass-through, there is a forecast decrease for federal TANF fund expenditures of $14.6 million for the current biennium. This change represents a 7.5% decrease from the end of session forecast.

For the next biennium, the gross MFIP cash grant forecast increases $21.2 million, of which the gross General Fund expenditures pay for $6.9 million. With a $0.6 million projected increase in TANF expenditures for Child Support pass-through, expenditures from TANF funds are projected to increase $14.9 million. This change is a 9.2% increase from the end of session forecast.


MFIP Grant Payments
Total Net Expenditures (State + Federal)
Millions of Dollars
170
160
150
140
130
FY 2006
FY 2007
FY 2008
FY 2009
FY 2010
FY 2011
FY 2012
FY 2013
November 2008 Forecast
End of Session 2008 Forecast


MFIP Grant Payments
Net State General Fund Expenditures
Millions of Dollars
100
90
80
70
60
50
40
30
20
FY 2006
FY 2007
FY 2008
FY 2009
FY 2010
FY 2011
FY 2012
FY 2013
November 2008 Forecast
End of Session 2008 Forecast



MFIP CHILD CARE ASSISTANCE	**'08-'09 Biennium**	**'10-'11 Biennium**
Share of DHS Gen. Fund programs forecast	1.4%	1.3%
Forecast change this item ($000)	622	8,652
Forecast percentage change this item	0.6%	7.1%

This activity provides child care assistance to MFIP families who are employed or are engaged in other work activities or education as part of their MFIP employment plan. This activity also provides transition year (TY) child care assistance for former MFIP families. As with the MFIP grant program, child care assistance is funded with a mixture of federal and state General Fund dollars. The federal child care funding comes from the Child Care & Development Fund (CCDF).

The following table summarizes the changes in MFIP Child Care expenditures by funding source:

Summary of Forecast Changes	**'08-'09 Biennium ($000)**	**'10-'11 Biennium ($000)**
MFIP Child Care forecast change	10,353	8,652
Federal Funds	9,731	0
General Fund	622	8,652

Increases in MFIP/TY Forecasted Caseload

The increases in MFIP Child Care expenditures in the current and next bienniums are caused by increases in the projected MFIP/TY Child Care caseload. The caseload was 1% greater than forecast in FY 2008, and is projected to be 4% greater in FY 2009-2011 than the end of session forecast. Together with adjustments in the average payment forecasts, this leads to a $3.3 million (1.6%) increase in the current biennium and a $8.7 million (3.9%) increase in the next biennium.

The FY 2009 caseload growth is due to adjustments in the forecast model for data showing both higher than projected rates of MFIP child care usage and increased Transition Year child care usage. In the next biennium the primary factor in caseload growth is the projected increase in MFIP cases eligible for MFIP child care. This increase is offset somewhat by the expectation that economic conditions will dampen the demand for child care among both MFIP recipients and families exiting MFIP.

State and Federal Expenditures

In the current biennium, there is an increase of $1.2 million of spending from federal funds. There is also $1.5 million available in FY 2009 from the reversal of a transfer to MFIP made in FY 2008. Together with the $3.3 million increase in forecasted expenditures, the General Fund forecast increases by $0.6 million (0.6%). In the next biennium, federal funds are unchanged and so the General Fund change equals the forecasted increase in expenditures of $8.7 million, a 7.1% increase from the end of session forecast.

GENERAL ASSISTANCE	**'08-'09 Biennium**	**'10-'11 Biennium**
Share of DHS Gen. Fund programs forecast	1.1%	1.0%
Forecast change this item ($000)	522	6,150
Forecast percentage change this item	0.6%	6.8%

This activity provides state-funded cash assistance for single adults and couples without children, provided they meet one of the specific General Assistance (GA) eligibility criteria. Typically, meeting one or more of the GA eligibility criteria indicates that the individual is mentally or physically unable to participate long-term in the labor market.

The following table summarizes the changes in GA expenditures:

Summary of Forecast Changes	**'08-'09 Biennium ($000)**	**'10-'11 Biennium ($000)**
Gross General Assistance forecast change ($000)	928	6,150
Recoveries offset	(406)	0
Net General Assistance forecast change	522	6,150

Increases in GA caseload projected in forecast period

The changes in gross GA expenditures in the current and next bienniums are caused by a higher forecasted caseload, offset somewhat by lower forecasted average payments. In the current biennium, caseload increase accounts for a 3.9% increase in forecasted expenditures. The caseload increase is based on data from FY 2008 and early FY 2009, as well as the worsening economic scenario. The increase is offset by an average payment decrease which accounts for a change of -2.8% of the forecasted expenditures. This decrease is based on data from FY 2008 and early FY 2009. In total, forecasted expenditures increase by $0.9 million, a 1.1% increase over the end of session forecast. This change is partially offset by an increase in recoveries collected in FY 2008 resulting in a net increase in the GA expenditures in the current biennium of $0.5 million, a 0.6% increase over the end of session forecast.

In the next biennium, projected caseload increases account for a 9.9% increase in forecasted expenditures. This is offset by an average payment decrease which leads to a 3.2% decrease in expenditures. In total, forecasted expenditures increase by $6.2 million, a 6.8% increase.

GROUP RESIDENTIAL HOUSING	**'08-'09 Biennium**	**'10-'11 Biennium**
Share of DHS Gen. Fund programs forecast	2.3%	2.3%
Forecast change this item ($000)	1,458	6,554
Forecast percentage change this item	0.8%	3.0%

This activity pays for housing and some services for individuals placed by the local agencies in a variety of residential settings. Two types of eligibility are distinguished, reflecting the fact that prior to FY 1995 this benefit used to be part of the MSA and GA programs. MSA-type recipients are elderly or disabled, with the same definitions as used for MA eligibility. GA-type recipients are other adults.

The increases in projected GRH expenditures come from higher number of GA-type recipients. Projected recipients in this group are about 5% higher for the current biennium and 10% higher for the next biennium. (The increase for the next biennium represents about 320 more average monthly recipients.) The cost of these increases is partially offset by small decreases in recipient and average cost projections for MSA-type recipients.

MINNESOTA SUPPLEMENTAL AID	'08-'09 Biennium	'10-'11 Biennium
Share of DHS Gen. Fund programs forecast	0.8%	0.7%
Forecast change this item ($000)	340	886
Forecast percentage change this item	0.5%	1.3%

For most recipients, this activity provides a supplement of approximately $81 per month to federal Supplemental Security Income (SSI) grants.

The increases in this activity come from small increases (less than 1%) in both recipient and average cost projections.

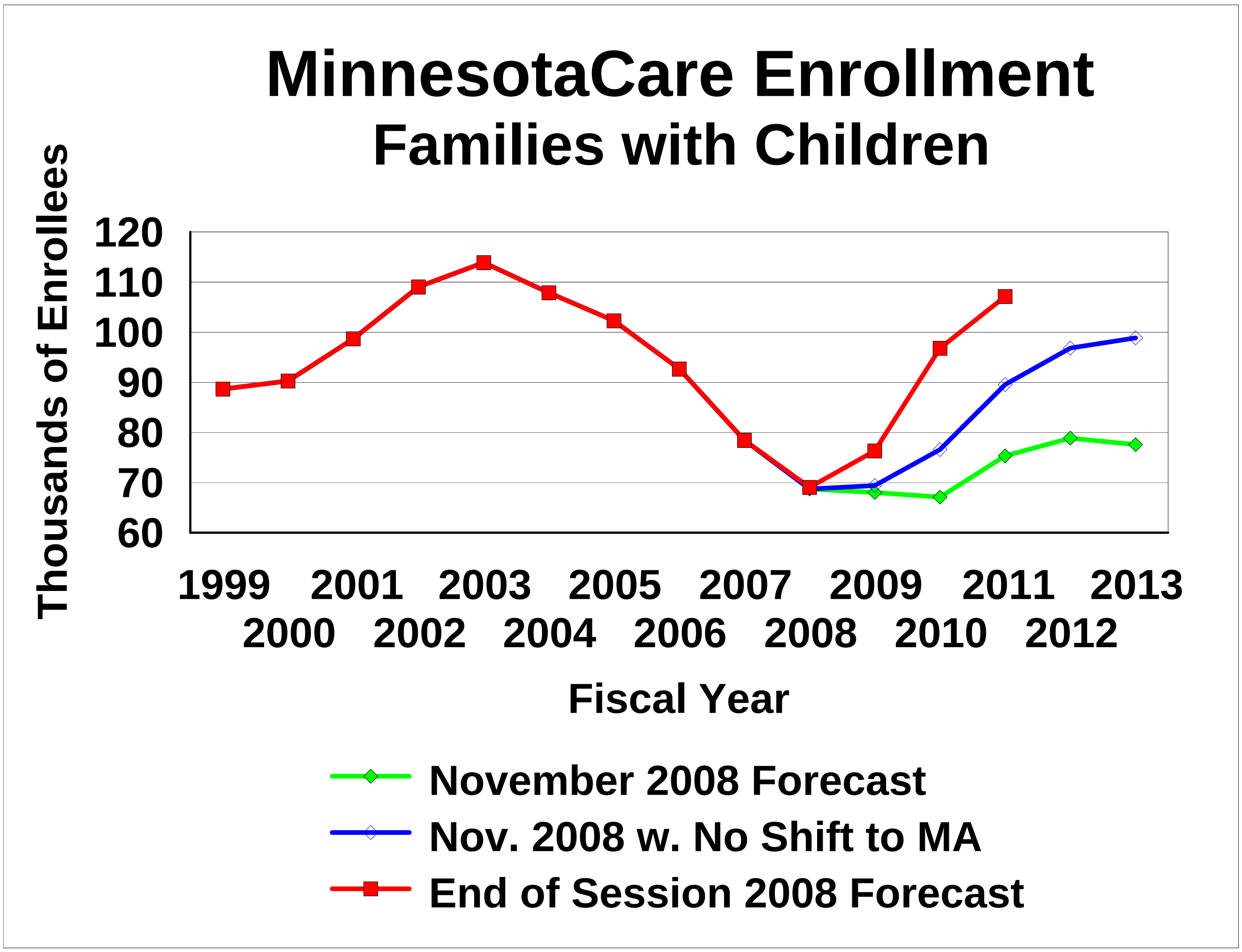
MINNESOTACARE	'08-'09 Biennium	'10-'11 Biennium
Forecast change this item ($000)	1,339	19,190
Forecast percentage change this item	0.2%	1.9%

Summary of Forecast Changes	**'08-'09 Biennium** ($000)	**'10-'11 Biennium** ($000)
Families with Children		
Enrollment changes	(10,591)	(73,502)
Average payment changes	8,946	46,337
SCHIP changes	1,921	10,133
Enrollment shift to MA	(2,136)	(50,846)
Families with Children Subtotal	(1,860)	(67,878)
Adults without Children		
Enrollment changes	4,770	65,607
Average payment changes	(1,571)	21,461
Adults without Children Subtotal	3,199	87,068
Total Program	1,339	19,190

Families with Children

Average monthly enrollment of children and parents fell by 13% in FY 2008 compared with the previous fiscal year. However, enrollment stabilized at about 73,000 enrollees during the last half of FY 2008. Continued stable enrollment is now projected for FY 2009, after which enrollment is projected to increase on average 13% year-on-year during the next biennium due to a variety of factors. The first of these factors is the significantly more pessimistic economic outlook which, all else equal, increases enrollment in MinnesotaCare. Additionally, there are a number of policy changes from the 2007 and 2008 Sessions that have yet to be implemented but are expected to increase enrollment. Further, a shortened application implemented in January is also expected to provide some additional enrollment effects.

While these projected year on year enrollment increases are similar to the end of session forecast, the level of projected enrollment of MinnesotaCare children and parents is below the end of session forecast through FY 2011. The relatively stable enrollment of children and parents during the most recent 9 months effectively lowered the base level enrollment in the November forecast. Relative to the end of session forecast, enrollment projections for children and parents in the November forecast are 5% lower for the current biennium and about 18% lower during the next biennium.



HMO rate increases effective January 2009 are about 13.5% for MinnesotaCare families with children. This rate increase is higher than the 7% increase anticipated in the end of session forecast, resulting in a 7% increase in costs in the November forecast. Further, based on actual cost data during calendar year 2008, an upward adjustment in base average payments adds another 4% to the November forecast.

Finally, CMS has insisted DHS implement certain requirements around "informed choice" regarding applications for medical programs. Beginning January 2009, applicants will have to choose between being considered for all medical programs or for MinnesotaCare only. If they choose "all programs", they will be considered first for MA eligibility and for MinnesotaCare only if they are found ineligible for MA. We believe this change will tend to direct more applicants to enrollment in MA rather than MinnesotaCare, so the November forecast assumes a shift of children and parents to MA who would otherwise have enrolled in MinnesotaCare.

Projected Enrollment Shift to MA

	Average Enrollees	State Share Costs
FY 2008	0	0
FY 2009	(1,492)	(2,135,545)
FY 2010	(10,085)	(19,209,617)
FY 2011	(14,853)	(31,636,014)

Adults without Children

The 2005 Legislature adopted a requirement to shift most GAMC-only enrollees to MinnesotaCare after their initial months of GAMC enrollment. This new policy took effect in September 2006 and is referred to as Transitional MinnesotaCare. Transitional MinnesotaCare enrollees receive six months of eligibility, of which on average two months of FFS coverage are funded by GAMC and four months of managed care coverage are covered by MinnesotaCare. (The term "Transitional MinnesotaCare" is used in this section for the months of MinnesotaCare coverage.)

Excluding Transitional MinnesotaCare enrollment, average monthly enrollment of adults without children increased by 12% in FY 2008 as compared to the previous fiscal year. This can be at least partly attributed to additional enrollees who have remained on MinnesotaCare following six months in Transitional MinnesotaCare. (We refer to these enrollees as "graduates" of Transitional MinnesotaCare.) Also impacting this growth was an increase in income eligibility for MinnesotaCare to 200% FPG effective January 2008 and a shorter application form. This recent experience along with a variety of 2007 and 2008 Session changes that have not yet been implemented and the significantly more pessimistic economic outlook (especially with respect to Minnesota's labor market) result in higher projected enrollment growth for MinnesotaCare adults without children in the November forecast. Year on year growth for MinnesotaCare adults is now projected to average around 20% through FY 2011. Relative to the end of session forecast, enrollment projections for adults without children in the November forecast are 1% higher for the current biennium and about 11% higher for the next biennium.

HMO rates effective January 2009 for MinnesotaCare adults without children (excluding Transitional MinnesotaCare enrollees) are expected to be about 19% higher than the calendar year 2008 rates. This rate increase is higher than the 7% increase anticipated in the end of session forecast, resulting in a 12% increase in costs in the November forecast. Somewhat offsetting this increase is a downward adjustment in base average payments based on actual cost data during CY 2008. The net result is a cost increase in the next biennium for adults without children enrollees of about 7.5% due to average payment changes.

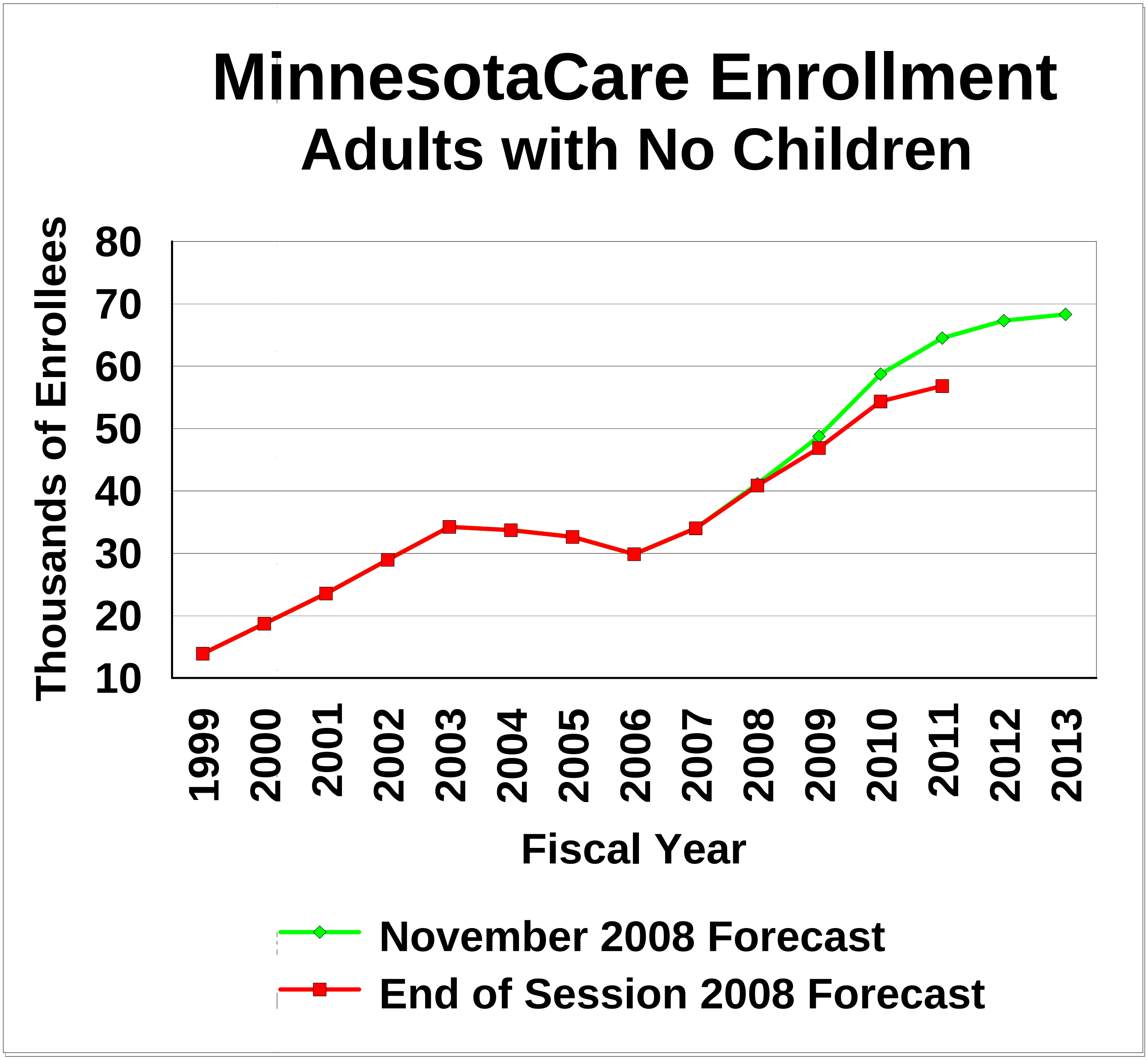


TABLE ONE
CURRENT BIENNIUM SUMMARY

GENERAL FUND	**End of Session 2008 Forecast FY 2008 - FY 2009 Biennium** ($ in thousands)			**November 2008 Forecast FY 2008 - FY 2009 Biennium** ($ in thousands)		
	FY 2008	FY 2009	Biennium	FY 2008	FY 2009	Biennium
Medical Assistance						
LTC Facilities	483,627	500,871	984,498	471,915	494,364	966,279
LTC Waivers	938,536	1,050,680	1,989,216	925,598	1,030,064	1,955,662
Elderly & Disabled Basic	984,851	1,093,699	2,078,550	974,678	1,090,142	2,064,820
Families w. Children Basic	747,870	828,480	1,576,350	762,666	892,022	1,654,688
Total	3,154,884	3,473,730	6,628,614	3,134,857	3,506,592	6,641,449
Alternative Care Program	49,858	51,560	101,418	49,858	51,560	101,418
General Assistance Medical Care	257,664	280,346	538,010	262,835	292,208	555,043
Chemical Dependency Fund	89,319	99,851	189,170	81,909	90,004	171,913
Subtotal: Health Care	3,551,725	3,905,487	7,457,212	3,529,459	3,940,364	7,469,823
Minnesota Family Inv. Program	57,289	24,010	81,299	57,190	37,814	95,004
Child Care Assistance	48,513	61,241	109,754	45,833	64,543	110,376
General Assistance	40,405	44,286	84,691	39,263	45,950	85,213
Group Residential Housing	84,283	96,975	181,258	83,984	98,732	182,716
Minnesota Supplemental Aid	30,804	31,513	62,317	30,830	31,827	62,657
Subtotal: Economic Support	261,294	258,025	519,319	257,100	278,866	535,966
Total General Fund	3,813,019	4,163,512	7,976,531	3,786,559	4,219,230	8,005,789
TANF funds for MFIP Grants	76,209	119,839	196,048	75,406	106,021	181,427
MinnesotaCare	305,604	361,612	667,216	303,929	364,626	668,555

TABLE TWO
CURRENT BIENNIUM SUMMARY

GENERAL FUND	November 2008 Forecast Change from End of Session 2008 Forecast FY 2008 - FY 2009 Biennium ($ in thousands)			November 2008 Forecast Change from End of Session 2008 Forecast FY 2008 - FY 2009 Biennium (Percent Change)		
	FY 2008	FY 2009	Biennium	FY 2008	FY 2009	Biennium
Medical Assistance						
LTC Facilities	(11,712)	(6,507)	(18,219)	-2.4%	-1.3%	-1.9%
LTC Waivers	(12,938)	(20,616)	(33,554)	-1.4%	-2.0%	-1.7%
Elderly & Disabled Basic	(10,173)	(3,557)	(13,730)	-1.0%	-0.3%	-0.7%
Families w. Children Basic	14,796	63,542	78,338	2.0%	7.7%	5.0%
Total	(20,027)	32,862	12,835	-0.6%	0.9%	0.2%
Alternative Care program	0	0	0	0.0%	0.0%	0.0%
General Assistance Medical Care	5,171	11,862	17,033	2.0%	4.2%	3.2%
Chemical Dependency Fund	(7,410)	(9,847)	(17,257)	-8.3%	-9.9%	-9.1%
Subtotal: Health Care	(22,266)	34,877	12,611	-0.6%	0.9%	0.2%
Minnesota Family Inv. Program	(99)	13,804	13,705	-0.2%	57.5%	16.9%
Child Care Assistance	(2,680)	3,302	622	-5.5%	5.4%	0.6%
General Assistance	(1,142)	1,664	522	-2.8%	3.8%	0.6%
Group Residential Housing	(299)	1,757	1,458	-0.4%	1.8%	0.8%
Minnesota Supplemental Aid	26	314	340	0.1%	1.0%	0.5%
Subtotal: Economic Support	(4,194)	20,841	16,647	-1.6%	8.1%	3.2%
Total General Fund	(26,460)	55,718	29,258	-0.7%	1.3%	0.4%
TANF funds for MFIP Grants	(803)	(13,818)	(14,621)	-1.1%	-11.5%	-7.5%
MinnesotaCare	(1,675)	3,014	1,339	-0.5%	0.8%	0.2%

TABLE THREE
NEXT BIENNIUM SUMMARY

GENERAL FUND	End of Session 2008 Forecast FY 2010 - FY 2011 Biennium ($ in thousands)			November 2008 Forecast FY 2010 - FY 2011 Biennium ($ in thousands)		
	FY 2010	FY 2011	Biennium	FY 2010	FY 2011	Biennium
Medical Assistance						
LTC Facilities	501,445	494,940	996,385	506,249	513,045	1,019,294
LTC Waivers	1,152,177	1,249,353	2,401,530	1,136,801	1,240,585	2,377,386
Elderly & Disabled Basic	1,216,952	1,339,882	2,556,834	1,223,444	1,345,074	2,568,518
Families w. Children Basic	906,242	983,381	1,889,623	1,041,015	1,180,190	2,221,205
Total	3,776,816	4,067,556	7,844,372	3,907,509	4,278,894	8,186,403
Alternative Care Program	52,120	52,277	104,397	52,120	52,277	104,397
General Assistance Medical Care	293,459	317,529	610,988	343,920	387,531	731,451
Chemical Dependency Fund	111,433	121,980	233,413	115,206	128,216	243,422
Subtotal: Health Care	4,233,828	4,559,342	8,793,170	4,418,755	4,846,918	9,265,673
Minnesota Family Inv. Program	69,175	70,423	139,598	68,305	76,550	144,855
Child Care Assistance	60,476	60,607	121,083	64,474	65,261	129,735
General Assistance	45,322	45,352	90,674	48,201	48,623	96,824
Group Residential Housing	104,096	111,145	215,241	107,298	114,497	221,795
Minnesota Supplemental Aid	32,481	33,364	65,845	32,874	33,857	66,731
Subtotal: Economic Support	311,550	320,891	632,441	321,152	338,788	659,940
Total General Fund	4,545,378	4,880,233	9,425,611	4,739,907	5,185,706	9,925,613
TANF funds for MFIP Grants	77,742	83,051	160,793	87,648	88,016	175,664
MinnesotaCare	461,872	530,992	992,864	465,001	547,053	1,012,054

TABLE FOUR
NEXT BIENNIUM SUMMARY

GENERAL FUND	November 2008 Forecast Change from End of Session 2008 Forecast FY 2010 - FY 2011 Biennium ($ in thousands)			November 2008 Forecast Change from End of Session 2008 Forecast FY 2010 - FY 2011 Biennium (Percent Change)		
	FY 2010	FY 2011	Biennium	FY 2010	FY 2011	Biennium
Medical Assistance						
LTC Facilities	4,804	18,105	22,909	1.0%	3.7%	2.3%
LTC Waivers	(15,376)	(8,768)	(24,144)	-1.3%	-0.7%	-1.0%
Elderly & Disabled Basic	6,492	5,192	11,684	0.5%	0.4%	0.5%
Families w. Children Basic	134,773	196,809	331,582	14.9%	20.0%	17.5%
Total	130,693	211,338	342,031	3.5%	5.2%	4.4%
Alternative Care program	0	0	0	0.0%	0.0%	0.0%
General Assistance Medical Care	50,461	70,002	120,463	17.2%	22.0%	19.7%
Chemical Dependency Fund	3,773	6,236	10,009	3.4%	5.1%	4.3%
Subtotal: Health Care	184,927	287,576	472,503	4.4%	6.3%	5.4%
Minnesota Family Inv. Program	(870)	6,127	5,257	-1.3%	8.7%	3.8%
Child Care Assistance	3,998	4,654	8,652	6.6%	7.7%	7.1%
General Assistance	2,879	3,271	6,150	6.4%	7.2%	6.8%
Group Residential Housing	3,202	3,352	6,554	3.1%	3.0%	3.0%
Minnesota Supplemental Aid	393	493	886	1.2%	1.5%	1.3%
Subtotal: Economic Support	9,602	17,897	27,499	3.1%	5.6%	4.3%
Total General Fund	194,529	305,473	500,002	4.3%	6.3%	5.3%
TANF funds for MFIP Grants	9,906	4,965	14,871	12.7%	6.0%	9.2%
MinnesotaCare	3,129	16,061	19,190	0.7%	3.0%	1.9%

TABLE FIVE
FY 2012 - FY 2013 BIENNIUM SUMMARY

November 2008 Forecast
FY 2012 - FY 2013 Biennium
($ in thousands)

GENERAL FUND

	FY 2012	FY 2013	Biennium
Medical Assistance			
LTC Facilities	529,517	548,175	1,077,692
LTC Waivers	1,341,312	1,456,891	2,798,203
Elderly & Disabled Basic	1,504,037	1,642,314	3,146,351
Families w. Children Basic	1,295,158	1,377,218	2,672,376
Total	4,670,024	5,024,598	9,694,622
Alternative Care Program	52,277	52,277	104,554
General Assistance Medical Care	432,777	463,554	896,331
Chemical Dependency Fund	136,567	143,581	280,148
Subtotal: Health Care	5,291,645	5,684,010	10,975,655
Minnesota Family Inv. Program	89,258	89,502	178,760
Child Care Assistance	65,823	65,634	131,457
General Assistance	48,262	47,755	96,017
Group Residential Housing	122,392	129,945	252,337
Minnesota Supplemental Aid	34,330	34,692	69,022
Subtotal: Economic Support	360,065	367,528	727,593
Total General Fund	5,651,710	6,051,538	11,703,248
TANF funds for MFIP Grants	77,107	75,033	152,140
MinnesotaCare	613,457	663,320	1,276,777