

**Minnesota**

**Department of Human Services**

**November 2017 Forecast**

St. Paul, Minnesota

December 5, 2017

## 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 budget forecasts which are released in November and February during each fiscal year. These forecasts are reviewed by Minnesota Management & Budget 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 forecast 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 (MSA). Changes in SSI eligibility may leave numbers of people eligible for General Assistance (GA) instead of SSI.

The narrative section of this document provides brief explanations of the changes in forecast expenditures in the November 2017 forecast as compared to the end-of-session 2017 forecast. The FY 2018-2019 biennium is referred to as "the current biennium" and the FY 2020-2021 biennium is referred to as "the next biennium".

Tables One and Two provide the new and old forecasts and changes from the previous forecast for the FY 2016-2017 biennium. Tables Three and Four provide the same information about the FY 2018-2019 biennium. Tables Five and Six contain the same information about the FY 2020-2021 biennium.

## **FY 2016-2017 BIENNIUM SUMMARY**

### **General Fund Costs Lower**

General Fund costs for DHS medical and economic support programs for the '16-'17 biennium are projected to total \$9.713 billion, down \$205.3 million (2.1%) compared to the end-of-session 2017 forecast. More than 98% of the reduction comes from lower Medical Assistance costs, mostly in the form of one-time MA cancellations in FY2017.

### **TANF Forecast Lower**

Projected expenditures of federal TANF (Temporary Assistance for Needy Families) funds for MFIP grants are \$142 million, \$4.2 million (2.9%) lower than the end-of-session 2017 forecast due to reduced MFIP program expenditures.

### **Health Care Access Fund Only Slightly Higher**

Health Care Access Fund costs for MinnesotaCare and Medical Assistance for the current biennium are projected to total \$955 million, which is \$0.4 million (0.04%) higher than the end-of-session 2017 forecast due primarily to enrollment increases in state-only funded MinnesotaCare populations.

## **FY 2018-2019 BIENNIUM SUMMARY**

### **General Fund Costs Slightly Lower**

General Fund costs for DHS medical and economic support programs for the current biennium are projected to total \$11.751 billion, down \$59.8 million (0.5%) compared to the end-of-session 2017 forecast. Over 85% of the net decrease comes from lower Medical Assistance costs with smaller reductions distributed across all the economic support programs, offset by a projected increase in CD Fund expenditures.

### **TANF Forecast Higher**

Projected expenditures of federal TANF (Temporary Assistance for Needy Families) funds for MFIP grants are \$174.9 million, \$2.3 million (1.3%) higher than the end-of-session 2017 forecast. This results from less TANF funding being used outside MFIP.

### **Health Care Access Fund Higher**

Health Care Access Fund costs for MinnesotaCare and Medical Assistance for the current biennium are projected to total \$865 million, \$15.4 million (1.8%) higher than the end-of-session 2017 forecast due to enrollment increases in state-only funded MinnesotaCare populations.

## FY 2020-2021 BIENNIUM SUMMARY

### **General Fund Costs Lower**

General Fund costs for DHS medical and economic support programs for the next biennium are projected to total \$13.502 billion, down \$158.2 million (1.2%) compared to the end-of-session 2017 forecast. Over 97% of the net decrease comes from lower Medical Assistance costs with smaller reductions distributed across all the economic support programs, offset by a projected increase in CD Fund expenditures.

### **TANF Forecast Higher**

Projected expenditures of federal TANF (Temporary Assistance for Needy Families) funds for MFIP grants are \$143.3 million, \$12.0 million (9.2%) higher than the end-of-session 2017 forecast. This results from less TANF funding being used outside MFIP.

### **Health Care Access Fund Higher**

Health Care Access Fund costs for MinnesotaCare and Medical Assistance for the next biennium are projected to total \$805.3 million, \$18.0 million (2.3%) higher than the end-of-session 2017 forecast due to enrollment increases in state-only funded MinnesotaCare populations.

**PROGRAM DETAIL**

**MEDICAL ASSISTANCE**

	<b>'16-'17 Biennium</b>	<b>'18-'19 Biennium</b>	<b>'20-'21 Biennium</b>
Total forecast change for MA (\$000)	-201,310	-51,476	-153,715
Total forecast percentage change this item	-2.1%	-0.5%	-1.2%

Adjustments to the Health Care Access Fund appropriations and planning estimates cause the above total MA forecast change to be divided into a General Fund change and a Health Care Access Fund change:

	<b>'16-'17 Biennium</b>	<b>'18-'19 Biennium</b>	<b>'20-'21 Biennium</b>
MA General Fund change (\$000)	-201,310	-51,476	-153,715
MA Health Care Access Fund change (\$000)	0	0	0
Total forecast change for MA (\$000)	-201,310	-51,476	-153,715

The following sections explain the total forecast change for each of five component activities of the Medical Assistance program:

**MA LTC FACILITIES**

	<b>'16-'17 Biennium</b>	<b>'18-'19 Biennium</b>	<b>'20-'21 Biennium</b>
Total forecast change this item (\$000)	-16,612	-32,095	5,743
Total forecast percentage change this item	-1.8%	-3.1%	0.5%

This activity includes payments to nursing facilities, to community ICF/DD facilities, and for day training and habilitation services for community ICF/DD residents.

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 has historically been funded at a larger amount than expected expenditures. The amount which is expected to be unspent is deducted from the funding of the Medical Assistance program in the budget process.

<b>Change in Projected Costs</b>	<b>'16-'17 Biennium (\$000)</b>	<b>'18-'19 Biennium (\$000)</b>	<b>'20-'21 Biennium (\$000)</b>
NF recipients	-11,446	-52,682	-79,528
NF average payment	1,552	37,490	102,030
NF adults with no kids share	-3,664	-4,306	-4,262
ICF/DD	-2,205	-10,572	-10,107
DT&H	-1,129	-4,142	-4,064
State Operated Services: Mental Illness	616	2,055	2,259
County share	842	2,097	735
Alternative Care offset: AC program	-1,033	-1,734	-1,063
Alternative Care offset: Essential Com. Supports	-145	-301	-257
<b>Activity Total</b>	<b>-16,612</b>	<b>-32,095</b>	<b>5,743</b>

## **Nursing Facilities (NF)**

Substantial reductions in the projected numbers of NF recipients are partially offset in the current biennium and more than offset in the next biennium by higher projections of the average payment per day for NF care.

The number of NF recipients in FY 2017 was 1% below forecast, and resumed a more steeply declining trend. The November forecast reduces projected NF utilization by about 5.5% for the current biennium and 7.8% for the next biennium. With the changes, the forecast projects annual decreases of about 3.4% in FY 2018 and FY 2019, leveling off in FY 2020. As discussed in the Elderly Waiver (EW) forecast below, increases in elderly use of LTC services is expected due to demographic changes, but most of this growth is being realized in community-based services, not nursing homes.

The rates that MA pays for nursing home days are determined by the state's VBR system, which incorporates actual cost information submitted by nursing homes. When this system was first implemented in CY16, the average operating rates paid by MA increased by over 20%, based on cost information from 2014. The rates paid in CY18 will be based partly on costs nursing homes incurred in 2016, and preliminary cost data indicate that operating rates will increase by almost 10%. This suggests that there is more "feedback" from MA rate increases into costs than had been previously expected. The November forecast recognizes the new CY18 rate estimates and assumes that a significant portion of MA rate increases will be used for increased operating costs (for example, staff wages) that affect future MA rate increases. Future increases are expected to be in the 5-6% range.

## **Community ICF/DD and Day Training & Habilitation (DT&H)**

ICF/DD recipient paid days were 4.4% below forecast in FY 2017. The forecast is reduced by approximately 8% for the current biennium and the next biennium. The recipient forecast trend is kept at about -2% in FY 2019-2021.

There is little change in the ICF/DD average payment forecast.

The DT&H recipient forecast is reduced by 8.7% for the current biennium and the next biennium, roughly consistent with the change in the ICF/DD forecast. Average payment projections for DT&H are also reduced by about 6% for the current biennium and the next biennium based on payment experience through September 2017.

## **State Operated Services: Mental Illness**

This forecast activity had been inactive since FY 2015. In FY 2017 there was a change in the billing process that recognized that Anoka RTC residents under the age of 21 or age 65 or older are eligible for MA reimbursement. A very small number of recipients qualified in FY 2017; it is assumed that there will continue to be a small number of MA-eligible.

## **County Share of LTC Facility Services**

Projected county share costs for LTC services are reduced by 7.1% for the current biennium and 2.4% for the next biennium based on the forecast reductions for NF, ICF/DD, and DT&H.

## **Alternative Care Offset: Alternative Care Program**

AC recipient projections are about 2.0% lower across the forecast horizon. Average cost projections are about 2.7% lower for the current biennium and 1.0% lower for the next biennium.

## **Alternative Care Offset: Essential Community Supports (ECS)**

Based on recipient data, projected expenditures for ECS are reduced by 13% for the current biennium and by 10% for the next biennium.

**MA LTC WAIVERS & HOME CARE**

	<b>'16-'17 Biennium</b>	<b>'18-'19 Biennium</b>	<b>'20-'21 Biennium</b>
Total forecast change this item (\$000)	-27,394	-84,046	-150,514
Total forecast percentage change this item	-0.9%	-2.4%	-3.7%

This activity includes the following components:

- Developmentally Disabled Waiver (DD Waiver)
- Elderly Waiver (EW): fee-for-service (FFS) segment
- Community Access for Disability Inclusion Waiver (CADI Waiver)
- Community Alternative Care Waiver (CAC Waiver)
- Brain Injury Waiver (BI Waiver)
- Home Health Agency Services
- Home Care Nursing (HCN) Services
- Personal Care Assistance (PCA)
- Community First Services and Supports (CFSS): K
- Community First Services and Supports (CFSS): I
- Fund transfer to Consumer Support Grants
- Fund transfer to support SEIU Training Grants
- Moving Home Minnesota (MHM) state funding and fund transfer

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/DD, or acute care hospital).

CFSS K and I services will replace PCA services in FY 2019. "K" services are for those who meet level of care requirements, "I" services for those who do not.

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

<b>Change in Projected Costs</b>	<b>'16-'17 Biennium (\$000)</b>	<b>'18-'19 Biennium (\$000)</b>	<b>'20-'21 Biennium (\$000)</b>
DD waiver	-3,920	6,891	-473
Elderly Waiver FFS	293	2,978	4,271
CADI Waiver	-9,764	-25,716	-40,152
CAC Waiver	92	1,513	4,137
BI Waiver	-2,049	-6,838	-6,927
Home Health	208	1,343	1,394
Home Care Nursing	-2,344	-17,087	-28,685
Personal Care Assistance	-8,170	-47,884	-681
CFSS FFS	0	-3,933	-83,643
Transfer to CSG	-1,926	2,707	71
Transfer to SEIU grants	0	2,674	174
Moving Home Minnesota	186	-694	0
Activity Total	-27,394	-84,046	-150,514
EW Total: FFS & Managed Care	2,936	-5,547	-2,915

<b>Percent Change in Projected Costs</b>	<b>'16-'17 Biennium</b>	<b>'18-'19 Biennium</b>	<b>'20-'21 Biennium</b>
DD Waiver	-0.31%	0.49%	-0.03%
Elderly Waiver FFS	0.63%	5.35%	6.72%
CADI Waiver	-1.25%	-2.56%	-3.29%
CAC Waiver	0.27%	3.70%	8.72%
BI Waiver	-2.01%	-6.14%	-5.67%
Home Health	1.36%	9.61%	11.49%
Home Care Nursing	-1.90%	-11.72%	-16.66%
Personal Care Assistance (Total)	-1.33%	-7.23%	-8.54%
CFSS K & I FFS		-6.83%	-9.84%
Transfer to CSG	-3.69%	5.10%	
Moving Home Minnesota	6.10%	-13.17%	0.00%
Activity Total	-0.90%	-2.36%	-3.70%
EW Total: FFS & Managed Care	0.76%	-1.17%	0.51%

### **Note on Disability Waivers**

Previous forecasts had expected that the inflationary rate increase effective July 2017 for rates governed by the Disability Waiver Rate System (DWRS) would be offset by previous COLA's totalling 7%. This forecast recognizes that this offset will not occur. Payment increases from the 7% increase in rates are reduced by the phasing-in of DWRS ("banding"), which is assumed to not be complete until after FY 2021. This forecast also projects lower base average payment trends across all disability waivers based on recent data; that impact mostly offsets the impact from DWRS inflationary increases.

### **DD Waiver**

DD Waiver recipient projections are changed by less than 1% across the forecast horizon.

### **Elderly Waiver Elderly Population Growth Accounted For**

Recipient forecasts for EW and NF are constructed to ensure that the underlying projections (before adjustments for legislative changes) account for the increasing demand for long term care services which is expected to result from the growth of the elderly population in the coming years. Projected annual increments in the total number of elderly recipients of NF and EW together are approximately 1100 for FY 2018 through FY 2021. The current forecast assumes that almost all of the increase will be in EW.

Beyond the current forecast horizon, projected annual population-driven growth rises to 1400 by FY 2023 and to 1600 by FY 2027 and stays in the range of 1400 - 1600 until 2035, when it begins a slow decline to 900 in FY 2039.

### **Elderly Waiver**

Elderly waiver is forecasted in two segments, the fee for service (FFS) segment and the managed care segment. Roughly 90% of EW recipients and payments are in the managed care segment of the program. Forecast changes are described here for the total of the two segments, as well as the much smaller fee for service segment.



EW-FFS recipient projections are about 2.5% higher for the current biennium and 2.9% higher for the next biennium. Average payment projections are also about 3% higher for the current biennium and the next biennium.

Overall EW recipients projections are 1.2% higher for the current biennium and 1.4% higher for the next biennium. Average payments projections are about 2.3% lower for the current biennium and less than 1% lower for the next biennium, resulting in a net forecast reduction of about 1% for the current biennium and less than 1% increase for the next biennium.

### **CADI Waiver**

Projected numbers of CADI recipients are about 4.4% higher for the current biennium and 6.8% higher for the next biennium.

Average payment projections are about 7% lower for the current biennium and 10% lower for the next biennium. These changes recognize both a lower base cost in FY 2017 and less growth in costs over time than in the previous forecast, based on average payment trends over the past two years.

### **CAC Waiver**

CAC waiver recipient projections are about 7.6% higher for the current biennium and about 14% higher for the next biennium. Numerically, these increases are quite small: an average of +35 recipients for the current biennium and +74 for the next biennium.

Average payment projections are about 3.9% lower for the current biennium and 5.7% lower for the next biennium.

### **BI Waiver**

BI waiver recipients projections are 3.9% lower for the current biennium and 3.8% lower for the next biennium. Average payment projections are 2.3% lower for the current biennium and 1.8% lower for the next biennium.

### **Home Health Agency (HHA)**

HHA expenditure projections are 9.6% higher for the current biennium and 11.5% higher for the next biennium because of higher average payment projections. HHA recipient projections are little changed.

### **Home Care Nursing**

Home Care Nursing recipient projections are about 8.5% lower for the current biennium and 13.4% lower for the next biennium. Average cost projections are 3% to 4% lower across the forecast horizon.

The recipient change in this service is also numerically small: an average of -74 in the current biennium and -129 in the next biennium.

## **Personal Care Assistance (PCA) / Community First Service and Supports (CFSS)**

Based on 2013 Session changes, PCA will be replaced by CFSS K & I services. ("K" services are for those who meet institutional level of care requirements; "I" services for those who do not.) The implementation of this program change is expected in February 2019.

The combined forecast for PCA and successor services is 6.8% lower for the current biennium and 10.8% lower for the next biennium. These decreases result from a lower PCA recipient forecast and less projected recipient growth over time in the underlying PCA forecast, on which the projections for the successor services are based.

## **Transfer to Consumer Support Grants (CSG) and SEIU Training Grants**

The Consumer Support Grants program is funded through transfers from the MA account. Like PCA, the CSG caseload is to be folded into the CFSS K & I services. The increases in the transfers for the current biennium and the next biennium result from higher caseload projections for the CSG: about 4.5% higher for the current biennium and 8.7% higher for the next biennium. In FY 2017, the MA transfer to CSG was less than expected due to funds transferred to CSG from another source.

The fiscal impact of 2017 legislation based on SEIU negotiations was mostly in PCA in the end-of-session forecast. This forecast recognizes that \$2.8 million of this impact should instead be appropriated to training grants. These are funded by a transfer from MA.

## **Moving Home Minnesota Waiver**

Moving Home Minnesota (MHM) is a federal waiver, funded with federal grant money. Its purpose is to provide person-centered services to assist people to return to living in the community who have resided for at least 90 days in a nursing home or hospital. MHM began assisting with transitions to the community in 2014. Federal funding for MHM is special grant funding rather than Medicaid funding. State funding comes from the MA account.

MHM was added to the DHS forecast with the November 2015 forecast. State MA funding is treated as part of the LTC Waivers budget sub-activity. (This is only one aspect of MHM fiscal activity; others are managed by DHS outside of the forecast.)

Offsetting effects of MHM on other MA services are recognized only for the CADI and DD waivers, and only future expected effects on those waivers are explicitly estimated, some effects of past and current MHM services being already part of actual data through September 2017. We assume that MHM, to the extent that it substitutes for already available home and community-based services, will mainly affect CADI because MHM services are focused on the under-65 population. MHM aims to support people in moving out of nursing homes and hospitals. We have not explicitly accounted in the forecast for effects on these services because, with MHM's slow growth and modest number of recipients expected to be served at its peak (250 average monthly recipients in FY 2018), impacts on the month-by-month number of NF recipients are expected to be very subtle and not able to be tracked with any reliability.

Based on experience through September 2017, State share cost projections for MHM are reduced by 13.2% for the current biennium and unchanged for the next biennium.

**MA ELD. & DISABLED BASIC CARE**

	<b>'16-'17 Biennium</b>	<b>'18-'19 Biennium</b>	<b>'20-'21 Biennium</b>
Total forecast change this item (\$000)	6,631	-134,812	-178,673
Total forecast percentage change this item	0.2%	-3.8%	-4.4%

This activity funds general medical care for elderly and disabled Medical Assistance enrollees. For almost all of the elderly and for about 50 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.

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

Also included in this activity is the IMD group, which was part of GAMC until October 2003 and is funded without federal matching. Enrollees in this group are individuals who would be eligible for federally-matched MA 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 ineligible for federal matching.

This activity also accounts for "clawback" payments to the federal agency 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 decreased by 1.67 percentage points each year until it reached 75% in CY 2015. For CY 2017 the amount billed per dual eligible is approximately \$161 each month.

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

	'16-'17 Biennium (\$000)	'18-'19 Biennium (\$000)	'20-'21 Biennium (\$000)
Elderly Waiver Managed Care: Average recipients	-919	4,403	6,294
Elderly Waiver Managed Care: 2018 HMO rates		-5,066	-8,946
Elderly Waiver Managed Care: Other avg. cost changes	3,563	-7,952	1,296
Elderly Basic: 2018 HMO rates		-11,627	-21,414
Elderly Basic: Other avg. cost changes	6,932	-19,517	-12,072
Elderly Basic: Eliminate contingent HMO rate reduction		2,750	11,207
Disabled Basic: FFS (and overall) enrollment lower	-633	-34,867	-54,045
Disabled Basic: FFS average payment lower	-4,359	-18,961	-37,723
Disabled Basic: SNBC enrollment	-4,787	-20,791	-34,944
Disabled Basic: 2018 HMO rates		-12,587	-22,415
Disabled Basic: Other SNBC avg. cost changes	-4,049	-17,982	-18,231
Disabled Basic: Eliminate contingent HMO rate reduction		3,287	12,077
Disabled Basic: HMO payments reassigned to disabled	12,389	7,260	7,596
Chemical Dependency Fund share	-148	-1,030	-530
IMD Program	-4,083	-13,165	-9,345
Medicare Part D clawback payments	82	-5,748	1,890
Other Elderly and Disabled Basic changes	2,643	16,781	632
Total	6,631	-134,812	-178,673

### **Elderly Waiver Managed Care**

Recipient projections for EW managed care increased by about 1.0% for the current biennium and 1.2% for the next biennium.

Average cost projections are about 3.0% lower for the current biennium and 1.5% lower for the next biennium. Lower base costs resulting from lower EW managed care rates for CY 2018 account for about 40% of the decrease in the current biennium and all of the net decrease for the next biennium.

### **Elderly Basic Average Payments**

Overall average cost projections for elderly basic care are about 3% lower for both the current and the next biennium. This results primarily from lower than expected 2018 managed care rates and lower than expected average FFS payments.

Despite 2018 elderly basic managed care rates coming in lower than expected, the contingent managed care rate reduction from the 2017 session is eliminated in the November forecast due to the overall increase in 2018 MA managed care rates relative to the baseline trend in the February forecast.

## **Disabled Basic Enrollment**

Projected overall disabled basic enrollment is about 5% lower for the current biennium and about 6.5% lower for the next biennium. This change, like earlier reductions, likely results from continued diversion of new MA enrollees who in the past would have needed a disability determination before becoming eligible for MA. Instead, these enrollees have been entering MA as adults without children since the January 2014 expansion of the income limit for adults without children to 138% FPG (nominal 133% FPG). These are individuals who may have an application for Social Security Disability pending but have not yet had disability certified. Accumulated MA disabled enrollment forecast reductions for this reason are now estimated to be over 20,000 average enrollees.

SNBC enrollment projections, which are included in the overall enrollment change described above, are around 3% lower, indicating a slightly higher proportion of disabled basic enrollees are in managed care.

## **Disabled Basic Average Payments**

Overall average cost projections for disabled basic care are about 3% lower in the current biennium and about 4% lower in the next biennium. Roughly half of this reduction results from lower than expected FFS payments while the rest is evenly split between lower than expected 2018 managed care rates and other SNBC average payment adjustments, including case mix changes that recognize disabled individuals who turn 65 years old are now required to purchase a (slightly less expensive) elderly capitation product. Further, potentially impacting both FFS and managed care average payments is that the diversion of enrollment to MA adults without children likely includes non-Medicare enrollees leaving a greater proportion of MA disabled enrollees with Medicare. Since MA acts as a Medicare supplement for these enrollees, their average costs are relatively less costly to MA than non-Medicare disabled enrollees.

Despite 2018 disabled basic managed care rates coming in lower than expected, the contingent managed care rate reduction from the 2017 session is eliminated in the November forecast due to the overall increase in 2018 MA managed care rates relative to the baseline trend in the February forecast.

## **Managed Care Payments Reassigned to MA Disabled**

In the past, this activity consisted mainly of GAMC payments reassigned to MA when GAMC recipients got retroactive disability certifications. Currently this activity results from payment reassignment within MA, either to or from MA disabled status, based on changes in individuals' disability status. The changes shown in the table reflect updated actual data through September 2017 and fairly small amounts of capitation payments reassigned to MA disabled from other MA eligibility categories.

## **CD Fund Share**

Decreases in the forecast of MA funding of services covered by the CD Fund produce corresponding increases in state share costs funded from the MA account because, for services covered by the CD Fund, the CD Fund pays the non-federal share rather than MA.

## **IMD Program**

In 2016, DHS declared that about two-dozen CD treatment facilities were IMDs, in compliance with federal law. Additional IMD costs resulting from these declarations have been less than anticipated, resulting in reductions of approximately 14% in projected costs for the IMD segment of MA in the current biennium and 12% in the next biennium.

## Medicare Part D Clawback

Base adjustments to this segment of the forecast are around 1.5% lower in both the current and next biennium. The November forecast also reflects a technical fix that results in offsetting increases in cost during the next biennium.

## Other Elderly and Disabled Basic Changes

This primarily represents a technical fix based on how the one-month managed care payment delays passed during the 2017 session were booked in the legislative tracking.

## ADULTS WITHOUT CHILDREN

	'16-'17 Biennium	'18-'19 Biennium	'20-'21 Biennium
Total forecast change this item (\$000)	-8,271	14,145	51,232
Total forecast percentage change this item	-16.5%	6.50%	14.14%

Nearly all payments in this activity are 100% federally funded from CY 2014 through CY 2016. In CY 2017 the federal share for this group is 95%, then 94% in CY 2018, 93% in CY 2019, and 90% in CY 2020 and beyond.

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

	'16-'17 Biennium (\$000)	'18-'19 Biennium (\$000)	'20-'21 Biennium (\$000)
Average enrollees	-672	10,301	27,088
Average payments: 2018 HMO rates		2,968	7,582
Average payments: Other avg. cost changes	-7,599	22	12,435
Average payments: Eliminate contingent HMO rate reduction		854	4,127
Total	-8,271	14,145	51,232

Projected enrollment is increased by about 4% in the current biennium and 7% in the next biennium due to higher than expected growth in enrollment during 2017.

Average cost projections are up about 2% for the current biennium and about 3% in the next biennium due to higher than expected 2018 managed care rates, which also raises the base for future rates. Other average cost projections are practically unchanged for the current biennium and result in about a 4% increase in the next biennium.

Due to the overall increase in 2018 managed care rates relative to the February forecast baseline trend, the contingent managed care rate reduction from the 2017 session is eliminated in the November forecast.

<b>FAMILIES WITH CHILDREN BASIC CARE</b>	<b>'16-'17 Biennium</b>	<b>'18-'19 Biennium</b>	<b>'20-'21 Biennium</b>
Total forecast change this item (\$000)	-155,664	185,332	118,497
Total forecast percentage change this item	-6.3%	6.7%	3.7%

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 Medicaid matching, but almost all of whom are eligible for federal CHIP funding at 65% (88% effective January 2016).

Enhanced federal CHIP matching is available for children with family income over 133% of the federal poverty level. This funding supplements the regular 50% Medicaid matching with an additional enhanced federal match, within the limits of Minnesota's CHIP allocation from the federal government.

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

	<b>'16-'17 Biennium (\$000)</b>	<b>'18-'19 Biennium (\$000)</b>	<b>'20-'21 Biennium (\$000)</b>
<b>Families with Children</b>			
Enrollment	4,158	24,072	15,563
Average payments: 2018 HMO rates		45,364	77,885
Average payments: Other avg cost changes	-9,883	-7,781	-475
Average payments: Eliminate contingent HMO rate reduction		10,635	37,469
CD Fund share	-1,225	-2,512	-2,663
CHIP enhanced federal match	407	-38,697	-7,448
Eliminate CHIP funding/Non-citizen PW eligibility		177,718	26,043
Services w special funding/MnChoices	9,317	23,905	23,433
Family planning waiver	-130	-447	-545
Breast & cerv. cancer	47	-49	9
Rx Rebates	7,390	-3,961	-12,616
Dedicated revenue	-12,431	-43,035	-47,348
Other adjustments	-153,314	120	9,190
Total	-155,664	185,332	118,497

#### **Families with Children Enrollment**

Enrollment projections are about 0.75% higher for the current biennium and about 0.5% higher for the next biennium. These changes are the result of higher than expected enrollment of parents and children in actual 2017 monthly data.

## **Average Payment Adjustments**

Average cost projections are up about 3% for the current biennium and about 4% in the next biennium due to higher than expected 2018 managed care rates, which also raises the base for future rates. Other average cost projections result in slightly lower cost in the current biennium and practically no change in the next biennium.

Due to the overall increase in 2018 managed care rates relative to the February forecast baseline trend, the contingent managed care rate reduction from the 2017 session is eliminated in the November forecast.

## **CD Fund Share**

Small increases in the share of MA services covered by the CD Fund produce corresponding decreases in state share costs funded from the MA account, because the state share of these costs comes from the CD Fund.

## **CHIP Enhanced Funding for MA Children Over 133% FPG**

Minnesota is able to claim federal CHIP funds as enhanced matching on costs for children with family income over 133% FPG in MA. The enhancement is the difference between the current 88% federal CHIP share and the current 50% Medicaid share.

Recognition of an additional \$20 million CHIP allotment received after the February forecast was finalized results in additional claims for enhanced match on MA children in FY2018. Further, lower than expected 2018 managed care rates for non-citizen pregnant women frees up additional CHIP allotment for enhanced match claims on MA children in both the current biennium and the next biennium.

## **Eliminate CHIP funding/Non-citizen PW eligibility**

Since there is no federal appropriation for CHIP for the current federal fiscal year and beyond, it was decided to remove all CHIP funding from the November forecast. Further, since non-citizen pregnant women eligibility is dependent on the availability of federal CHIP funding, program eligibility for this group is also eliminated once the state exhausts its currently available CHIP allotment (including shortfall funding). The state's current CHIP funding is projected to provide eligibility for non-citizen pregnant women through May 2018. Following May 2018, it is expected that labor and delivery costs for non-citizen pregnant women will be reimbursed through Emergency MA, but there will be no prenatal or postpartum coverage for this population.

The net cost to the state of eliminating federal CHIP funding and non-citizen pregnant women eligibility is \$178 million in the current biennium and \$26 million in the next biennium. The cost is significantly higher in the current biennium because of the higher CHIP allotment originally projected in FFY2018-2019 due to the ACA enhanced CHIP matching percentage. In the February forecast, this enhanced allotment was assumed to sunset in FFY2020, with the state going back to pre-ACA levels of CHIP funding.

## **Services with Special Funding/MnChoices**

This is a forecast category which includes several services that 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. As administrative costs, these services have federal matching at a fixed 50% rather than at the Federal Medical Assistance Percentage (FMAP) which applies to medical services and can vary from 50%, as was recently the case with enhanced FMAP rates. Services which have state funding are access services (transportation to medical care), child and teen checkup outreach, and MnChoices (taking the place of DD waiver screenings and other LTC screenings).



This segment of the forecast is increased by 15% for both the current biennium and the next biennium mainly because of higher projected costs for MnChoices. Since 2014, MnChoices screenings have been paid through various time studies and the forecast increases are based on higher actual costs through June 2017.

### **Family Planning Waiver**

Most of the services provided under this waiver have 90% federal funding.

Projected expenditures are 6.5% lower for the '18-'19 biennium, 19.3% lower for the current biennium and 21.6% lower for the next biennium.

### **Breast & Cervical Cancer**

This coverage applies currently to between 200 and 300 women.

This forecast includes small changes around 1% in each biennium.

### **Pharmacy Rebates**

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

Actual rebate collections were down 2.2% in FY2017. However, due to higher than expected invoices for future collections, projected rebates are 1.2% higher for the current biennium, and 3.8% higher for the next biennium.

### **Dedicated Revenue**

(Higher dedicated revenue reduce MA cost projections; lower revenue increases costs.)

This activity includes primarily revenue from managed care and nursing facility IGTs and transfers into MA from outside sources.

The majority of this change results from a technical 2017 legislative tracking fix that properly recognizes the 10-year phaseout of the managed care IGT within MA. The session tracking assumed an immediate elimination of this IGT, so the fix adds the dedicated revenue back into the forecast phased-out over a 10-year period. The other primary adjustment to dedicated revenue was recognition in the forecast of half the annual University of Minnesota General Fund transfer to MA as part of the MERC financing procedure. This transfer ultimately cancels to the General Fund out of the MA account and it had been incorrectly omitted from MA dedicated revenue in the February forecast.

### **Other Adjustments**

The significant MA cancellation in FY2017 is largely the result of a few one-time events that were not anticipated in the February forecast.

Over half the cancellation (\$81 million) is caused by the temporary creation of unusually large system-generated provider credits related to acuity take-backs from managed care plans in June 2016. Since, by state law, June capitation payments to health plans are delayed until July, these provider credits were not resolved until July 2016, thus carrying over into FY2017 in the form of a large offset to managed care payments that was not reflected in the expenditure data used in the forecast.

The next largest piece of this cancellation (\$24 million) is caused by a delayed quarterly CHIP expenditure correction. Federal fiscal year 2016 was the first year Minnesota exhausted its CHIP allotment. As a result, the final quarterly expenditure correction was delayed to ensure the correct amount. This delay resulted in the expenditure correction posting to FY2017 instead of FY2016 business. This additional expenditure correction in FY2017 resulted in an unanticipated MA cancellation of \$24 million.

Finally, the MA forecast allows for the net effect of additional payment transactions that occur outside of the MMIS claims payment system. The majority of the remaining MA cancellation is the result of a higher than expected amount of this net negative activity in FY2017, including an unexpected increase in estate recoveries and other financial collections resulting from a push to process these recoveries by the health care administration in the second quarter of FY2017.

**ALTERNATIVE CARE**

	<b>'16-'17 Biennium</b>	<b>'18-'19 Biennium</b>	<b>'20-'21 Biennium</b>
Forecast change this item (\$000)	0	0	0
Forecast percentage change this item	0.0%	0.0%	0.0%

Changes in the AC budget activity forecast are represented as changes in the expected cancellation to MA, and so affect the bottom line of the MA forecast.

**CHEMICAL DEPENDENCY FUND**

	<b>'16-'17 Biennium</b>	<b>'18-'19 Biennium</b>	<b>'20-'21 Biennium</b>
Forecast change this item (\$000)	2,600	27,187	33,833
Forecast percentage change this item	1.2%	10.7%	12.7%

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

	<b>'16-'17 Biennium (\$000)</b>	<b>'18-'19 Biennium (\$000)</b>	<b>'20-'21 Biennium (\$000)</b>
CD Placements	3,638	11,757	12,066
Avg. cost per CD placement	4,849	19,739	21,242
Federal share higher	-4,781	-6,253	-5,945
Room & board for managed care	-1,106	1,817	5,960
Higher base for Care Coordination & Peer Recovery Support	0	127	510
Total	2,600	27,187	33,833

Payments for CD placements were about 5% over forecast in FY 2017. Projected costs are about 12.7% higher for the current biennium and about 15% higher for the next biennium. These changes are produced about 40% by more placements and 60% by higher average costs.

Federal share receipts were about 12% over forecast in FY 2017. Projected federal receipts are increased by about 33% for the current biennium and the next biennium.

Room and board payments for managed care CD recipients were about 4% under forecast in FY 2017 but grew rapidly in the second half of that year, and so are projected about 15% higher for the current biennium and 17% higher for the next biennium.

<b>MFIP NET CASH (STATE AND FEDERAL)</b>	<b>'16-'17 Biennium</b>	<b>'18-'19 Biennium</b>	<b>'20-'21 Biennium</b>
Forecast change this item (\$000)	-4,189	-5,117	-3,456
Forecast percentage change this item	-1.2%	-1.4%	-1.0%

#### **GENERAL FUND SHARE OF MFIP**

Forecast change this item (\$000)	1	-7,386	-15,483
Forecast percentage change this item	0.0%	-3.9%	-6.7%

#### **FEDERAL TANF FUNDS FOR MFIP**

Forecast change this item (\$000)	-4,190	2,269	12,027
Forecast percentage change this item	-2.9%	1.3%	9.2%

This activity provides cash and food for low-income families with children. 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:

<b>Summary of Forecast Changes</b>	<b>'16-'17 Biennium (\$000)</b>	<b>'18-'19 Biennium (\$000)</b>	<b>'20-'21 Biennium (\$000)</b>
Gross MFIP cash grant forecast change	-6,475	-10,178	-8,305
Gross General Fund forecast change	-2,459	-12,489	-20,337
Child Support pass-through / recoveries offset / tribal adj.	2,460	5,102	4,855
Net General Fund forecast change	1	-7,387	-15,482
Gross TANF forecast change	-4,016	2,311	12,032
Child Support pass-through / recoveries offset / tribal adj.	-175	-43	-6
Net TANF forecast change	-4,191	2,268	12,026

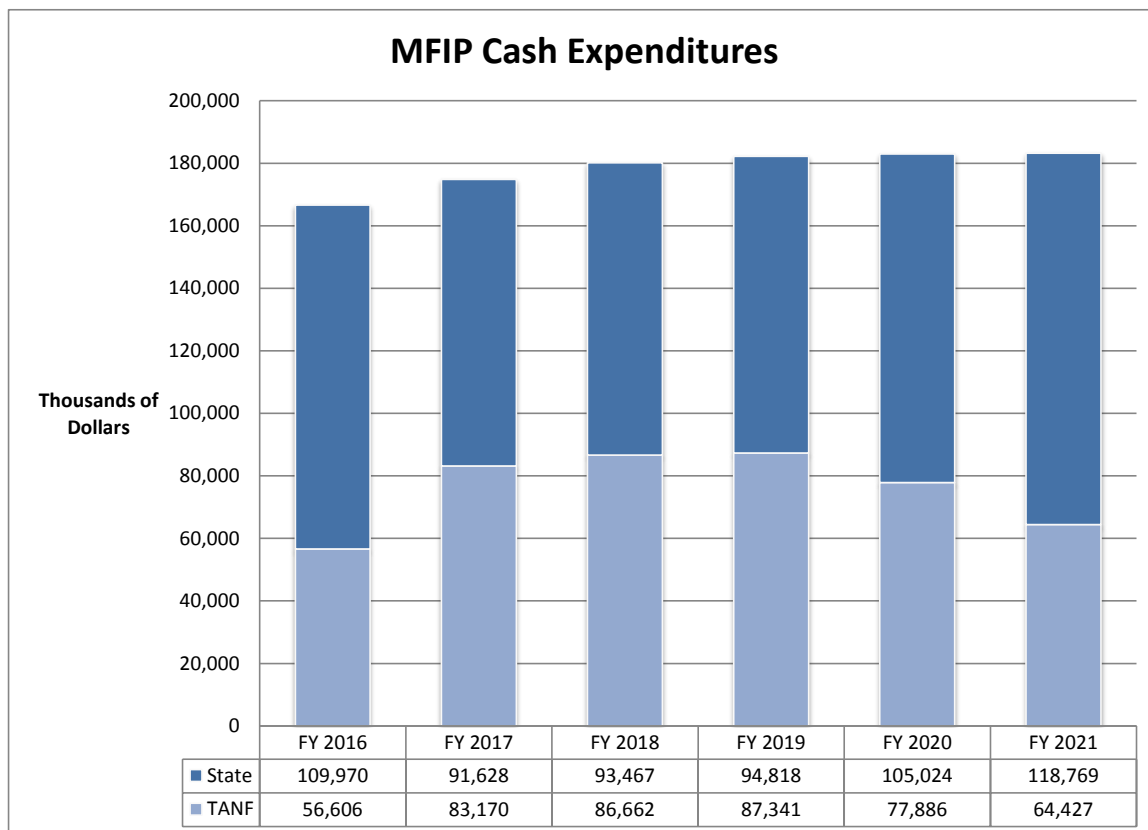
#### *Change in Program Expenditures*

MFIP average payment is lower while caseload is higher in the current biennium and the next biennium.

#### *Decreases in 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 primarily 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, though it must be at least 16% of the MOE requirement. 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 General Fund MOE is used to make up the difference. The General Fund must also fund "non-MOE" cases: cases with two parents and cases eligible for Family Stabilization Services. These expenditures cannot be used as MOE and cannot be funded with federal funds. Net General Fund expenditures are adjusted for child support collections and the counties' share of recoveries.



Gross General Fund expenditures are reduced by \$2.5 million in the last biennium due to decreased non-MOE expenditures. In the current and next biennia, decreases in the non-MFIP TANF expenditures free up more TANF for MFIP, reducing Gross General Fund expenditures by \$12.5 million in the current biennium and \$20.3 million in the next biennium. This forecast recognizes an increase in General Fund to replace TANF to fund payments to the Red Lake Nation (RLN), which runs its own Tribal TANF program. The RLN adjustments together with reductions in collections from publicly assigned child support of about \$1 million in each biennium offset decreases in Gross General Fund resulting in an increase in Net General Fund expenditures of \$1 million in the last biennium, a decrease of \$7.4 million (-3.9%) in the current biennium, and a decrease of \$15.5 million (-6.7%) in the next biennium.

In the last biennium, decreases in the gross forecast result in a decline in TANF expenditures in MFIP of \$4 million. Decreases in non-MFIP TANF expenditures result in a higher TANF Fund balance and replaces some General Fund expenditures in MFIP. Therefore, TANF expenditures increase by \$2.3 million in the current biennium and \$12 million in the next biennium. Changes in the child support pass-through are mostly offset by the RLN adjustments resulting in small difference between the Net and Gross TANF forecast change.

**MFIP / TY CHILD CARE ASSISTANCE**

	<b>'16-'17 Biennium</b>	<b>'18-'19 Biennium</b>	<b>'20-'21 Biennium</b>
Forecast change this item (\$000)	0	-6,451	-3,419
Forecast percentage change this item	0.0%	-3.0%	-1.4%

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).

Total child care expenditures are forecasted to be lower in the current and next biennia based on recent data. The increase in MFIP child care forecast is offset by decrease in TY child care forecast.

**NORTHSTAR CARE FOR CHILDREN**

	<b>'16-'17 Biennium</b>	<b>'18-'19 Biennium</b>	<b>'20-'21 Biennium</b>
Forecast change this item (\$000)	-1,656	-7,414	-4,652
Forecast percentage change this item	-1.7%	-4.2%	-2.1%

This activity combines Foster Care, Adoption Assistance, and Kinship Assistance/Relative Custody Assistance programs into a single program Northstar Care for Children, to support permanency for children. The Northstar Care program is funded with a mixture of federal, state General Fund dollars, county and tribal dollars.

Northstar Care expenditures are forecasted to be lower for the current and next biennia. The higher caseload forecast in the Foster Care program is offset by lower average payment forecast in the Adoption Assistance and Kinship Assistance programs.

**GENERAL ASSISTANCE**

	<b>'16-'17 Biennium</b>	<b>'18-'19 Biennium</b>	<b>'20-'21 Biennium</b>
Forecast change this item (\$000)	-2,994	-6,735	-6,281
Forecast percentage change this item	-2.9%	-6.0%	-5.3%

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 projected GA caseload and average payments are decreased based on recent data, resulting in lower GA forecasted expenditures for the current and next biennia.

<b>HOUSING SUPPORT</b>	<b>'16-'17 Biennium</b>	<b>'18-'19 Biennium</b>	<b>'20-'21 Biennium</b>
Forecast change this item (\$000)	-1,337	-5,753	-6,974
Forecast percentage change this item	-0.4%	-1.6%	-1.9%

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.

Housing Support expenditures are forecasted to be lower due to recent data. MSA-type caseload and average payments for both MSA and GA types are forecasted to be lower while GA-type caseload is forecasted to be higher in the current and next biennia.

<b>MINNESOTA SUPPLEMENTAL AID</b>	<b>'16-'17 Biennium</b>	<b>'18-'19 Biennium</b>	<b>'20-'21 Biennium</b>
Forecast change this item (\$000)	-629	-1,819	-1,503
Forecast percentage change this item	-0.8%	-2.2%	-1.7%

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

MSA caseload and average payment are forecasted to be lower due to recent data.

<b>MINNESOTACARE</b>	<b>'16-'17 Biennium</b>	<b>'18-'19 Biennium</b>	<b>'20-'21 Biennium</b>
Forecast change this item (\$000)	375	15,417	18,004
Forecast percentage change this item	0.3%	60.3%	63.3%

<b>Summary of Forecast Changes</b>	<b>'16-'17 Biennium (\$000)</b>	<b>'18-'19 Biennium (\$000)</b>	<b>'20-'21 Biennium (\$000)</b>
State-only funded enrollment	1,637	14,621	16,460
State-only funded average payments	-1,483	513	1,321
State-only funded premium revenue	221	283	223
<b>Total Program</b>	<b>375</b>	<b>15,417</b>	<b>18,004</b>

During the 2013 legislative session, significant changes were made to MinnesotaCare program eligibility effective January 2014. These changes included requiring all MA eligible populations to shift to MA and eliminating income eligibility above 200% FPG for populations not MA eligible (thereby shifting those populations over 200% FPG to the state's exchange, MNsure, for their health coverage). Given the concurrent expansion of MA income eligibility for children under 19 years old to 275% FPG and adults to 133% FPG (plus a 5% income disregard), the only remaining MinnesotaCare eligibility groups are 19-20 year olds, parents, and adults without children with income between 138%-200% FPG and legal noncitizens with income under 200% FPG.

In addition to the eligibility changes, significant changes were made to MinnesotaCare funding as well. Effective January 2015, MinnesotaCare is designated as the state's Basic Health Program (BHP). As a BHP, MinnesotaCare no longer receives federal funding in the form of a percentage expenditure match. Instead, the state receives a per person subsidy equal to 95% of the premium tax credits and cost sharing reductions that person would have received through MnSure had the state opted against running a BHP. Calculation of the exchange subsidy involves a comparison between the benchmark premium in MnSure and the individual's expected maximum contribution toward health insurance.

In CY 2017, benchmark premiums in the private insurance market increased substantially. Given very little change in the required individual contribution toward health coverage, the relatively high benchmark premiums resulted in a substantial increase in exchange subsidies and corresponding federal BHP funding. As a result, all BHP enrollees in MinnesotaCare were projected to be fully covered with federal BHP funding. In the fall of 2017, the federal government denied the requested MinnesotaCare pass-thru funding under the state's 1332 reinsurance program waiver and also decided to stop payment of the ACA's cost sharing reduction subsidies. Both of these federal decisions result in a significant loss of projected federal BHP funding for MinnesotaCare. Despite this loss of federal funding, all BHP enrollees in MinnesotaCare are still projected to be fully covered with federal BHP funding through FY2021.

The only remaining populations in MinnesotaCare funded with Health Care Access Funds are DACA enrollees and the elderly population who are not BHP eligible. The elderly population consists of individuals who do not qualify for premium-free Part A Medicare and have income too high to qualify for Medicaid to buy them into Part A coverage.

Since this document focuses on the impact of MinnesotaCare forecast changes on state funds (HCAF), the following narrative describes projected changes to the state-only funded MinnesotaCare enrollees.

### **Enrollment**

MinnesotaCare state-funded enrollment projections are up about 1400 average monthly enrollees with about 90% of this increase due to higher than expected enrollment of elderly during 2017. The remainder of the change in enrollment is an increase in DACA enrollees, who were made eligible for MinnesotaCare effective January 2017. Current projections are around 350 DACA enrollees in a given month, up from 225 in the previous forecast. This enrollment change leads to a \$1.6 million forecast increase in the '16-'17 biennium, a \$14.6 million forecast increase in the current biennium, and a \$16.5 million forecast increase in the next biennium.

### **Average Payments**

Average cost projections for state-funded MinnesotaCare enrollees are down about 10% in the '16-'17 biennium due to case mix changes reflected in the actual payments data. Average cost projections for the current and the next biennium are up about 5%. This results from higher than expected 2018 managed care rates, which also raises the base for future rates.

### **Premium Revenue**

Premium revenue projections for state-funded MinnesotaCare enrollees are down slightly due to lower than expected revenue per member per month in 2017, which results in a small projected cost to the program in all years.

**TABLE ONE  
FY 2016-2017 BIENNIUM SUMMARY**

	<b>End-of-Session 2017 Forecast FY 2016 - FY 2017 Biennium</b>			<b>November 2017 Forecast FY 2016 - FY 2017 Biennium</b>		
	(\$ in thousands)			(\$ in thousands)		
<b>GENERAL FUND</b>	FY 2016	FY 2017	Biennium	FY 2016	FY 2017	Biennium
Medical Assistance						
LTC Facilities	434,317	500,481	934,798	434,317	483,869	918,186
LTC Waivers	1,463,088	1,573,028	3,036,116	1,463,088	1,545,634	3,008,722
Elderly & Disabled Basic	1,514,850	1,495,468	3,010,318	1,514,850	1,502,099	3,016,949
Adults with No Children	1,932	48,120	50,052	1,932	39,849	41,781
Families w. Children Basic	1,303,569	1,169,508	2,473,077	1,303,569	1,013,844	2,317,413
<b>MA Total</b>	<b>4,717,756</b>	<b>4,786,605</b>	<b>9,504,361</b>	<b>4,717,756</b>	<b>4,585,295</b>	<b>9,303,051</b>
General Fund	4,129,568	4,545,885	8,675,453	4,129,568	4,344,575	8,474,143
HCA Fund	588,188	240,720	828,908	588,188	240,720	828,908
Alternative Care	43,997	43,590	87,587	43,997	43,590	87,587
Chemical Dependency Fund	94,853	115,120	209,973	94,853	117,720	212,573
Minnesota Family Inv. Program	103,453	87,542	190,995	103,453	87,543	190,996
Child Care Assistance	78,221	94,248	172,469	78,221	94,248	172,469
Northstar Care for Children	42,250	53,446	95,696	42,250	51,790	94,040
General Assistance	50,444	52,550	102,994	50,444	49,556	100,000
Housing Support	147,461	158,707	306,168	147,461	157,370	304,831
Minnesota Supplemental Aid	37,735	38,938	76,673	37,735	38,309	76,044
<b>Total General Fund</b>	<b>4,727,982</b>	<b>5,190,026</b>	<b>9,918,008</b>	<b>4,727,982</b>	<b>4,984,701</b>	<b>9,712,683</b>
<b>TANF funds for MFIP Grants</b>	58,558	87,762	146,320	58,558	83,572	142,130
<b>MinnesotaCare</b>	114,907	11,204	126,111	114,907	11,579	126,486
MA funding from HCA Fund	588,188	240,720	828,908	588,188	240,720	828,908
<b>T. HCA Fund Expenditures</b>	<b>703,095</b>	<b>251,924</b>	<b>955,019</b>	<b>703,095</b>	<b>252,299</b>	<b>955,394</b>



**TABLE TWO  
FY 2016-2017 BIENNIUM SUMMARY**

	November 2017 Forecast Change from End-of-Session 2017 Forecast FY 2016 - FY 2017 Biennium (\$ in thousands)			November 2017 Forecast Change from End-of-Session 2017 Forecast FY 2016 - FY 2017 Biennium (Percent Change)		
	FY 2016	FY 2017	Biennium	FY 2016	FY 2017	Biennium
<b>GENERAL FUND</b>						
Medical Assistance						
LTC Facilities	0	-16,612	-16,612	0.0%	-3.3%	-1.8%
LTC Waivers	0	-27,394	-27,394	0.0%	-1.7%	-0.9%
Elderly & Disabled Basic	0	6,631	6,631	0.0%	0.4%	0.2%
Adults with No Children	0	-8,271	-8,271	0.0%	-17.2%	-16.5%
Families w. Children Basic	0	-155,664	-155,664	0.0%	-13.3%	-6.3%
<b>MA Total</b>	<b>0</b>	<b>-201,310</b>	<b>-201,310</b>	<b>0.0%</b>	<b>-4.2%</b>	<b>-2.1%</b>
General Fund	0	-201,310	-201,310	0.0%	-4.4%	-2.3%
HCA Fund	0	0	0	0.0%	0.0%	0.0%
Alternative Care	0	0	0	0.0%	0.0%	0.0%
Chemical Dependency Fund	0	2,600	2,600	0.0%	2.3%	1.2%
Minnesota Family Inv. Program	0	1	1	0.0%	0.0%	0.0%
Child Care Assistance	0	0	0	0.0%	0.0%	0.0%
Northstar Care for Children	0	-1,656	-1,656	0.0%	-3.1%	-1.7%
General Assistance	0	-2,994	-2,994	0.0%	-5.7%	-2.9%
Housing Support	0	-1,337	-1,337	0.0%	-0.8%	-0.4%
Minnesota Supplemental Aid	0	-629	-629	0.0%	-1.6%	-0.8%
<b>Total General Fund</b>	<b>0</b>	<b>-205,325</b>	<b>-205,325</b>	<b>0.0%</b>	<b>-4.0%</b>	<b>-2.1%</b>
<b>TANF funds for MFIP Grants</b>	0	-4,190	-4,190	0.0%	-4.8%	-2.9%
<b>MinnesotaCare</b>	0	375	375	0.0%	3.3%	0.3%
MA funding from HCA Fund	0	0	0	0.0%	0.0%	0.0%
<b>T. HCA Fund Expenditures</b>	<b>0</b>	<b>375</b>	<b>375</b>	<b>0.0%</b>	<b>0.1%</b>	<b>0.0%</b>

**TABLE THREE  
FY 2018-2019 BIENNIUM SUMMARY**

	<b>End-of-Session 2017 Forecast FY 2018 - FY 2019 Biennium</b>			<b>November 2017 Forecast FY 2018 - FY 2019 Biennium</b>		
	(\$ in thousands)			(\$ in thousands)		
<b>GENERAL FUND</b>	FY 2018	FY 2019	Biennium	FY 2018	FY 2019	Biennium
Medical Assistance						
LTC Facilities	515,436	526,873	1,042,309	495,690	514,524	1,010,214
LTC Waivers	1,723,825	1,844,369	3,568,194	1,671,332	1,812,816	3,484,148
Elderly & Disabled Basic	1,785,255	1,792,436	3,577,691	1,715,210	1,727,669	3,442,879
Adults with No Children	103,186	114,458	217,644	104,776	127,013	231,789
Families w. Children Basic	1,431,596	1,333,004	2,764,600	1,523,054	1,426,878	2,949,932
<b>MA Total</b>	<b>5,559,298</b>	<b>5,611,140</b>	<b>11,170,438</b>	<b>5,510,062</b>	<b>5,608,900</b>	<b>11,118,962</b>
General Fund	5,174,139	5,172,292	10,346,431	5,124,903	5,170,052	10,294,955
HCA Fund	385,159	438,848	824,007	385,159	438,848	824,007
Alternative Care	44,258	44,976	89,234	44,258	44,976	89,234
Chemical Dependency Fund	117,226	136,493	253,719	126,470	154,436	280,906
Minnesota Family Inv. Program	88,930	98,251	187,181	89,260	90,535	179,795
Child Care Assistance	101,293	112,078	213,371	95,363	111,557	206,920
Northstar Care for Children	80,542	96,433	176,975	77,835	91,726	169,561
General Assistance	55,536	57,221	112,757	51,874	54,148	106,022
Housing Support	169,312	179,643	348,955	166,597	176,605	343,202
Minnesota Supplemental Aid	40,484	41,634	82,118	39,486	40,813	80,299
<b>Total General Fund</b>	<b>5,871,720</b>	<b>5,939,021</b>	<b>11,810,741</b>	<b>5,816,046</b>	<b>5,934,848</b>	<b>11,750,894</b>
<b>TANF funds for MFIP Grants</b>	90,932	81,713	172,645	87,115	87,799	174,914
<b>MinnesotaCare</b>	12,363	13,218	25,581	19,382	21,616	40,998
MA funding from HCA Fund	385,159	438,848	824,007	385,159	438,848	824,007
<b>T. HCA Fund Expenditures</b>	<b>397,522</b>	<b>452,066</b>	<b>849,588</b>	<b>404,541</b>	<b>460,464</b>	<b>865,005</b>

**TABLE FOUR  
FY 2018-2019 BIENNIUM SUMMARY**

<b>GENERAL FUND</b>	<b>November 2017 Forecast Change from End-of-Session 2017 Forecast FY 2018 - FY 2019 Biennium (\$ in thousands)</b>			<b>November 2017 Forecast Change from End-of-Session 2017 Forecast FY 2018 - FY 2019 Biennium (Percent Change)</b>		
	<b>FY 2018</b>	<b>FY 2019</b>	<b>Biennium</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>Biennium</b>
Medical Assistance						
LTC Facilities	-19,746	-12,349	-32,095	-3.8%	-2.3%	-3.1%
LTC Waivers	-52,493	-31,553	-84,046	-3.0%	-1.7%	-2.4%
Elderly & Disabled Basic	-70,045	-64,767	-134,812	-3.9%	-3.6%	-3.8%
Adults with No Children	1,590	12,555	14,145	0.0%	11.0%	6.5%
Families w. Children Basic	91,458	93,874	185,332	6.4%	7.0%	6.7%
<b>MA Total</b>	<b>-49,236</b>	<b>-2,240</b>	<b>-51,476</b>	<b>-0.9%</b>	<b>0.0%</b>	<b>-0.5%</b>
General Fund	-49,236	-2,240	-51,476	-1.0%	0.0%	-0.5%
HCA Fund	0	0	0	0.0%	0.0%	0.0%
Alternative Care	0	0	0	0.0%	0.0%	0.0%
Chemical Dependency Fund	9,244	17,943	27,187	7.9%	13.1%	10.7%
Minnesota Family Inv. Program	330	-7,716	-7,386	0.4%	-7.9%	-3.9%
Child Care Assistance	-5,930	-521	-6,451	-5.9%	-0.5%	-3.0%
Northstar Care for Children	-2,707	-4,707	-7,414	-3.4%	-4.9%	-4.2%
General Assistance	-3,662	-3,073	-6,735	-6.6%	-5.4%	-6.0%
Housing Support	-2,715	-3,038	-5,753	-1.6%	-1.7%	-1.6%
Minnesota Supplemental Aid	-998	-821	-1,819	-2.5%	-2.0%	-2.2%
<b>Total General Fund</b>	<b>-55,674</b>	<b>-4,173</b>	<b>-59,847</b>	<b>-0.9%</b>	<b>-0.1%</b>	<b>-0.5%</b>
<b>TANF funds for MFIP Grants</b>	<b>-3,817</b>	<b>6,086</b>	<b>2,269</b>	<b>-4.2%</b>	<b>7.4%</b>	<b>1.3%</b>
<b>MinnesotaCare</b>	<b>7,019</b>	<b>8,398</b>	<b>15,417</b>	<b>56.8%</b>	<b>63.5%</b>	<b>60.3%</b>
MA funding from HCA Fund	0	0	0	0.0%	0.0%	0.0%
<b>T. HCA Fund Expenditures</b>	<b>7,019</b>	<b>8,398</b>	<b>15,417</b>	<b>1.8%</b>	<b>1.9%</b>	<b>1.8%</b>

**TABLE FIVE  
FY 2020-2021 BIENNIUM SUMMARY**

	<b>End-of-Session 2017 Forecast FY 2020 - FY 2021 Biennium</b>			<b>November 2017 Forecast FY 2020 - FY 2021 Biennium</b>		
	(\$ in thousands)			(\$ in thousands)		
<b>GENERAL FUND</b>	FY 2020	FY 2021	Biennium	FY 2020	FY 2021	Biennium
Medical Assistance						
LTC Facilities	546,109	565,506	1,111,615	542,170	575,188	1,117,358
LTC Waivers	1,972,457	2,095,194	4,067,651	1,903,815	2,013,322	3,917,137
Elderly & Disabled Basic	2,036,580	2,017,592	4,054,172	1,931,569	1,943,930	3,875,499
Adults with No Children	173,202	189,116	362,318	197,786	215,764	413,550
Families w. Children Basic	1,656,405	1,527,420	3,183,825	1,722,633	1,579,689	3,302,322
<b>MA Total</b>	<b>6,384,753</b>	<b>6,394,828</b>	<b>12,779,581</b>	<b>6,297,973</b>	<b>6,327,893</b>	<b>12,625,866</b>
General Fund	6,025,810	5,994,899	12,020,709	5,939,030	5,927,964	11,866,994
HCA Fund	358,943	399,929	758,872	358,943	399,929	758,872
Alternative Care	45,135	45,155	90,290	45,135	45,155	90,290
Chemical Dependency Fund	127,474	139,331	266,805	144,213	156,425	300,638
Minnesota Family Inv. Program	114,820	115,589	230,409	100,618	114,308	214,926
Child Care Assistance	119,680	125,637	245,317	117,859	124,039	241,898
Northstar Care for Children	108,199	114,163	222,362	102,888	114,822	217,710
General Assistance	58,736	60,143	118,879	55,617	56,981	112,598
Housing Support	185,247	190,257	375,504	181,827	186,703	368,530
Minnesota Supplemental Aid	42,843	47,096	89,939	42,068	46,368	88,436
<b>Total General Fund</b>	<b>6,827,944</b>	<b>6,832,270</b>	<b>13,660,214</b>	<b>6,729,255</b>	<b>6,772,765</b>	<b>13,502,020</b>
<b>TANF funds for MFIP Grants</b>	65,869	65,362	131,231	78,354	64,904	143,258
<b>MinnesotaCare</b>	13,880	14,570	28,450	22,685	23,769	46,454
MA funding from HCA Fund	358,943	399,929	758,872	358,943	399,929	758,872
<b>T. HCA Fund Expenditures</b>	<b>372,823</b>	<b>414,499</b>	<b>787,322</b>	<b>381,628</b>	<b>423,698</b>	<b>805,326</b>

**TABLE SIX  
FY 2020-2021 BIENNIUM SUMMARY**

	November 2017 Forecast Change from End-of-Session 2017 Forecast FY 2020 - FY 2021 Biennium (\$ in thousands)			November 2017 Forecast Change from End-of-Session 2017 Forecast FY 2020 - FY 2021 Biennium (Percent Change)		
	FY 2020	FY 2021	Biennium	FY 2020	FY 2021	Biennium
<b>GENERAL FUND</b>						
Medical Assistance						
LTC Facilities	-3,939	9,682	5,743	-0.7%	1.7%	0.5%
LTC Waivers	-68,642	-81,872	-150,514	-3.5%	-3.9%	-3.7%
Elderly & Disabled Basic	-105,011	-73,662	-178,673	-5.2%	-3.7%	-4.4%
Adults with No Children	24,584	26,648	51,232	0.0%	14.1%	14.1%
Families w. Children Basic	66,228	52,269	118,497	4.0%	3.4%	3.7%
<b>MA Total</b>	<b>-86,780</b>	<b>-66,935</b>	<b>-153,715</b>	<b>-1.4%</b>	<b>-1.0%</b>	<b>-1.2%</b>
General Fund	-86,780	-66,935	-153,715	-1.4%	-1.1%	-1.3%
HCA Fund	0	0	0	0.0%	0.0%	0.0%
Alternative Care	0	0	0	0.0%	0.0%	0.0%
Chemical Dependency Fund	16,739	17,094	33,833	13.1%	12.3%	12.7%
Minnesota Family Inv. Program	-14,202	-1,281	-15,483	-12.4%	-1.1%	-6.7%
Child Care Assistance	-1,821	-1,598	-3,419	-1.5%	-1.3%	-1.4%
Northstar Care for Children	-5,311	659	-4,652	-4.9%	0.6%	-2.1%
General Assistance	-3,119	-3,162	-6,281	-5.3%	-5.3%	-5.3%
Housing Support	-3,420	-3,554	-6,974	-1.8%	-1.9%	-1.9%
Minnesota Supplemental Aid	-775	-728	-1,503	-1.8%	-1.5%	-1.7%
<b>Total General Fund</b>	<b>-98,689</b>	<b>-59,505</b>	<b>-158,194</b>	<b>-1.4%</b>	<b>-0.9%</b>	<b>-1.2%</b>
<b>TANF funds for MFIP Grants</b>	12,485	-458	12,027	19.0%	-0.7%	9.2%
<b>MinnesotaCare</b>	8,805	9,199	18,004	63.4%	63.1%	63.3%
MA funding from HCA Fund	0	0	0	0.0%	0.0%	0.0%
<b>T. HCA Fund Expenditures</b>	<b>8,805</b>	<b>9,199</b>	<b>18,004</b>	<b>2.4%</b>	<b>2.2%</b>	<b>2.3%</b>