

Minnesota

Department of Human Services

February 2018 Forecast

St. Paul, Minnesota

February 28, 2018

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 February 2018 forecast as compared to the November 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 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 \$11.497 billion, down \$253.8 million (2.2%) compared to the November 2017 forecast. Almost all of the net decrease comes from lower Medical Assistance costs with much smaller reductions distributed across all the economic support programs, offset by a projected increase in CD Fund expenditures.

TANF Forecast Lower

Projected expenditures of federal TANF (Temporary Assistance for Needy Families) funds for MFIP grants are \$173.4 million, \$1.5 million (0.9%) lower than the November 2017 forecast. This results from lower MFIP expenditures.

Health Care Access Fund Higher

Health Care Access Fund costs for MinnesotaCare and Medical Assistance for the current biennium are projected to total \$866.5 million, \$1.4 million (0.2%) higher than the November 2017 forecast due to average payment increases for 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 \$13.340 billion, down \$162.4 million (1.2%) compared to the November 2017 forecast. Almost all of the net decrease comes from lower Medical Assistance costs with much smaller reductions distributed across all the economic support programs, offset by a projected increase in CD Fund expenditures.

TANF Forecast Lower

Projected expenditures of federal TANF (Temporary Assistance for Needy Families) funds for MFIP grants are \$141.6 million, \$1.6 million (1.1%) lower than the November 2017 forecast. This results from lower MFIP expenditures.

Health Care Access Fund Higher

Health Care Access Fund costs for MinnesotaCare and Medical Assistance for the next biennium are projected to total \$810.2 million, \$4.9 million (0.6%) higher than the November 2017 forecast due to average payment increases for state-only funded MinnesotaCare populations.

PROGRAM DETAIL

MEDICAL ASSISTANCE

| | '16-'17 Biennium | '18-'19 Biennium | '20-'21 Biennium |
|--|-----------------------------|-----------------------------|-----------------------------|
| Total forecast change for MA (\$000) | 0 | -254,465 | -187,266 |
| Total forecast percentage change this item | 0.0% | -2.3% | -1.5% |

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:

| | '16-'17 Biennium | '18-'19 Biennium | '20-'21 Biennium |
|---|-----------------------------|-----------------------------|-----------------------------|
| MA General Fund change (\$000) | 0 | -254,465 | -187,266 |
| MA Health Care Access Fund change (\$000) | 0 | 0 | 0 |
| Total forecast change for MA (\$000) | 0 | -254,465 | -187,266 |

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

MA LTC FACILITIES

| | '16-'17 Biennium | '18-'19 Biennium | '20-'21 Biennium |
|--|-----------------------------|-----------------------------|-----------------------------|
| Total forecast change this item (\$000) | 0 | 15,951 | 21,410 |
| Total forecast percentage change this item | 0.0% | 1.6% | 1.9% |

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.

| Change in Projected Costs | '16-'17 Biennium (\$000) | '18-'19 Biennium (\$000) | '20-'21 Biennium (\$000) |
|---|---|---|---|
| NF recipients | 0 | 14,677 | 18,206 |
| NF average payment | 0 | 2,486 | 2,300 |
| ICF/DD and DT&H | 0 | 1,320 | 2,158 |
| State Operated Services: Mental Illness | 0 | -242 | 0 |
| County share | 0 | -195 | -461 |
| Alternative Care offset: AC program | 0 | -1,945 | -790 |
| Alternative Care offset: ECS | 0 | -150 | -3 |
| Activity Total | 0 | 15,951 | 21,410 |

Nursing Facilities (NF)

Projections of NF recipients are up 1-2% based on recent data and recognizing some delay in expected NF caseload reductions from the newly implemented Individual Community Living Supports (ICLS) service within Elderly Waiver and Alternative Care. The phase-in of the new service has been slower than initially projected.

Average payments are adjusted upward by 0.2%.

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

ICF/DD caseload is adjusted upward by 1.3% in FY 2019 - FY 2021 but remains on a downward trend.

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

The DT&H recipient forecast is increased by 1.4% for the current biennium and the next biennium, roughly consistent with the change in the ICF/DD forecast, with little change in average payment.

State Operated Services: Mental Illness

This forecast activity is adjusted for data in FY 2018. Future years are left unchanged.

County Share of LTC Facility Services

Projected county share costs for LTC services are reduced by 0.55% in FY 2018 based on data. County share projections increase about 1.6% in FY 2019 - FY 2021, resulting from the forecast increases in NF, ICF/DD, and DT&H.

Alternative Care Offset: Alternative Care Program

AC recipient projections are 5.5% lower in the current biennium, due mainly to building in more delay in caseload impact from take-up of ICLS. This impact is reduced to a decrease of 2.2% in the next biennium as the ICLS impact is expected to be closer to initial expectations.

Average payments are increased by less than 1%.

Alternative Care Offset: Essential Community Supports (ECS)

Based on recipient data, projected expenditures for ECS are reduced by 16% in FY 2018. FY 2019 - FY 2021 are basically unchanged.

MA LTC WAIVERS & HOME CARE

| | '16-'17 Biennium | '18-'19 Biennium | '20-'21 Biennium |
|--|-----------------------------|-----------------------------|-----------------------------|
| Total forecast change this item (\$000) | 0 | 2,336 | -38,666 |
| Total forecast percentage change this item | 0.0% | 0.1% | -1.0% |

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:

| Change in Projected Costs | '16-'17 Biennium (\$000) | '18-'19 Biennium (\$000) | '20-'21 Biennium (\$000) |
|----------------------------------|---|---|---|
| DD waiver | 0 | 12,194 | -3,719 |
| Elderly Waiver FFS | 0 | -221 | -347 |
| CADI Waiver | 0 | 1,344 | -19,222 |
| CAC Waiver | 0 | 2,940 | 2,929 |
| BI Waiver | 0 | -2,552 | -4,682 |
| Home Health | 0 | -68 | 0 |
| Home Care Nursing | 0 | -3,720 | -3,490 |
| Personal Care Assistance | 0 | -8,312 | -107 |
| CFSS FFS | 0 | -498 | -10,072 |
| Transfer to CSG | 0 | 691 | 7 |
| Transfer to SEIU grants | | 0 | 0 |
| Moving Home Minnesota | 0 | 537 | 37 |
| Activity Total | 0 | 2,336 | -38,666 |
| EW Total: FFS & Managed Care | 0 | -4,101 | 2,107 |

| Percent Change in Projected Costs | '16-'17 Biennium | '18-'19 Biennium | '20-'21 Biennium |
|--|-----------------------------|-----------------------------|-----------------------------|
| DD Waiver | 0.00% | 0.86% | -0.24% |
| Elderly Waiver FFS | 0.00% | -0.38% | -0.51% |
| CADI Waiver | 0.00% | 0.14% | -1.63% |
| CAC Waiver | 0.00% | 6.93% | 5.68% |
| BI Waiver | 0.00% | -2.44% | -4.07% |
| Home Health | 0.00% | -0.44% | 0.00% |
| Home Care Nursing | 0.00% | -2.89% | -2.43% |
| Personal Care Assistance (Total) | 0.00% | -1.36% | -1.47% |
| CFSS K & I FFS | | -0.93% | -1.31% |
| Transfer to CSG | 0.00% | 1.24% | 2.87% |
| Moving Home Minnesota | 0.00% | 5.45% | 5.61% |
| Activity Total | 0.00% | 0.07% | -0.99% |
| EW Total: FFS & Managed Care | 0.00% | -0.89% | 0.37% |

Note on Disability Waivers

Rates governed by the Disability Waiver Rate System (DWRS) received an inflationary adjustment effective July 2017, in addition to previously implemented COLAs totalling 7%. CMS has recently advised DHS that these increases are considered duplicative. In response, 7% of the increase will be removed as of July 2018. In addition, the state will not receive FFP on the duplicative portion of the adjustment that has been paid in FY 2018. These changes result in forecast decreases of \$10 million in the current biennium, and \$55 million in the next biennium, distributed across the DD, CADI, CAC, and BI waiver programs.

DD Waiver

Recent DD recipient counts have been higher than previous projections. Based on this, DD Waiver recipient projections are increased by 1% in FY 2018. There is no change in the recipient trend for FY 2019 - FY 2021, but the higher FY 2018 base leads to recipient increases of 1.6% relative to the November forecast.

Decreases in average payment in FY 2019 - FY 2021 of 1.5% - 2% due to DWRS implementation changes offset the caseload growth some in the current biennium, and more than offset the caseload growth in the next biennium.

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 basically unchanged. There are small decreases in average payment.

Overall EW recipients projections are almost unchanged in the current biennium and 1% higher for the next biennium. Average payment projections are slightly lower for the forecast horizon, resulting in a net forecast reduction of 0.9% for the current biennium and an increase of 0.4% for the next biennium.

CADI Waiver

The CADI recipient forecast is almost unchanged. Small increases in average payments are due to technical changes. This is offset by the decreases from the DWRS implementation changes in the next biennium.

CAC Waiver

CAC waiver recipient projections are about 5.4% higher for the current biennium and about 6% higher for the next biennium. Numerically, these increases are quite small: an average of +27 recipients for the current biennium and +35 for the next biennium.

Recent data show higher average payments than previously projected. This is offset by the decreases from the DWRS implementation changes for little net change in average payment.

BI Waiver

BI waiver recipient projections are 2.3% lower in both the current and the next biennium. Average payments are decreased between 1% and 2% due to the DWRS implementation changes.

Home Health Agency (HHA)

HHA expenditures are adjusted for data in FY 2018.

Home Care Nursing

Home Care Nursing recipient projections are about 2.5% lower in the current biennium and the next biennium. Average cost projections are almost unchanged.

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 1% lower for the current biennium and 1.3% lower for the next biennium, based on lower recipient projections.

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 small increases in the transfers for the current biennium and the next biennium result from higher average payment projections for the CSG.

There is no change in the projected transfer to SEIU Training Grants.

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. There is also MHM fiscal activity managed by DHS outside of the forecast, partially funded by a transfer from MA state funds.

Based on recent average payment data, state share cost projections for MHM are increased by 5.5% for the current biennium and 5.6% for the next biennium.

MA ELD. & DISABLED BASIC CARE

| | '16-'17 Biennium | '18-'19 Biennium | '20-'21 Biennium |
|--|-----------------------------|-----------------------------|-----------------------------|
| Total forecast change this item (\$000) | 0 | -14,640 | 10,243 |
| Total forecast percentage change this item | 0.0% | -0.4% | 0.3% |

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 \$163 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: Recipients | | 371 | 5,297 |
| Elderly Waiver Managed Care: Avg. cost changes | | -4,250 | -2,843 |
| Elderly Basic: Enrollment lower | | -6,724 | -7,338 |
| Elderly Basic: Avg. cost changes | | -6,286 | -10,524 |
| Disabled Basic: Enrollment higher | | 4,886 | 9,671 |
| Disabled Basic: Avg. cost changes | | -9,854 | -11,380 |
| IMD Program | | 11,586 | 33,122 |
| Medicare Part D clawback payments | | -4,580 | -6,028 |
| Other Elderly and Disabled Basic changes | | 211 | 266 |
| Total | 0 | -14,640 | 10,243 |

Elderly Waiver Managed Care: Recipients

Recipient projections are almost unchanged in the current biennium, and increased 1.1% in the next biennium due to an adjustment in the trend assumptions.

Elderly Waiver Managed Care: Average Payments

Average cost projections are 0.8% lower for the current biennium and 0.5% lower for the next biennium.

Elderly Basic Enrollment

Projected elderly basic enrollment is about 1.3% lower for both the current and the next biennium. This is due to lower than expected actual enrollment at the end of CY2017 resulting in a base change that impacts future years.

Elderly Basic Average Payments

Average cost projections for elderly basic care are about 0.7% lower in the current biennium and 0.9% lower in the next biennium. This results primarily from lower than expected average FFS payments in updated payments data.

Disabled Basic Enrollment

Projected disabled basic enrollment is about 0.3% higher for the current biennium and about 0.5% higher in the next biennium. This is due to higher than expected actual enrollment at the end of CY2017 resulting in a base change that impacts future years.

Disabled Basic Average Payments

Average cost projections for disabled basic care are about 0.7% lower in the current biennium and 0.9% lower in the next biennium. This results primarily from lower than expected average FFS payments in updated payments data.

IMD Program

Additional IMD program costs result primarily from higher than expected managed care costs due to the federal 15-day rule, which states that managed care capitation payments are not eligible for federal match if the enrollee is resident in an IMD for 15 or more days in a given month.

Medicare Part D Clawback

Base adjustments to this segment of the forecast are around 1.0% lower in the current biennium and 1.1% lower in the next biennium. This is the result of a lower than expected per person charge rate in 2018 which also lowers the base for future clawback payments.

ADULTS WITHOUT CHILDREN

| | '16-'17 Biennium | '18-'19 Biennium | '20-'21 Biennium |
|--|-----------------------------|-----------------------------|-----------------------------|
| Total forecast change this item (\$000) | 0 | 603 | -3,835 |
| Total forecast percentage change this item | 0.0% | 0.26% | -0.93% |

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) |
|---------------------------------------|---|---|---|
| Adults Without Children | | | |
| Enrollment: Repeal individual mandate | | -100 | -3,532 |
| Enrollment: Other | | 573 | 262 |
| Average cost changes | | 130 | -565 |
| Total | 0 | 603 | -3,835 |

Projected enrollment is essentially unchanged except for an adjustment to reflect the federal repeal of the individual coverage mandate within the ACA. It is assumed that the repeal of the individual mandate will impact MA enrollment through a reduction in new enrollees to the program in future months (since there is no longer any penalty for being uninsured). It is also assumed that current enrollees will not drop their premium-free MA coverage due to the repeal of the individual mandate. This implies that the impact of this repeal on MA enrollment will begin January 2019 and accumulate slowly over time reaching an overall enrollment reduction of 1.5% by January 2022.

Average cost projections are up about 0.2% for both the current biennium and the next biennium due to higher than expected FFS costs in the updated actual payments data.

FAMILIES WITH CHILDREN BASIC CARE

| | '16-'17 Biennium | '18-'19 Biennium | '20-'21 Biennium |
|--|-----------------------------|-----------------------------|-----------------------------|
| Total forecast change this item (\$000) | 0 | -258,715 | -176,418 |
| Total forecast percentage change this item | 0.0% | -8.8% | -5.3% |

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:

| | '16-'17 Biennium (\$000) | '18-'19 Biennium (\$000) | '20-'21 Biennium (\$000) |
|--|---|---|---|
| Families with Children | | | |
| Enrollment: Repeal individual mandate | | -1,170 | -28,230 |
| Enrollment: Other | | 681 | 594 |
| Avg cost changes | | 14,041 | 27,274 |
| Add CHIP funding/Noncitizen PW eligibility | | -225,369 | -138,459 |
| Services w special funding/MnChoices | | -2,075 | 0 |
| Breast & cervical cancer | | 578 | 705 |
| Rx Rebates | | -41,110 | -35,105 |
| MA-EPD premium revenue | | -3,482 | -3,482 |
| Other adjustments | | -809 | 285 |
| Total | 0 | -258,715 | -176,418 |

Families with Children Enrollment

Projected enrollment is essentially unchanged except for an adjustment to reflect the federal repeal of the individual coverage mandate within the ACA. It is assumed that the repeal of the individual mandate will impact MA enrollment through a reduction in new enrollees to the program in future months (since there is no longer any penalty for being uninsured). It is also assumed that current enrollees will not drop their premium-free MA coverage due to the repeal of the individual mandate. This implies that the impact of this repeal on MA enrollment will begin January 2019 and accumulate slowly over time reaching an overall enrollment reduction of 1.5% by January 2022.

Average Payment Adjustments

Average cost projections for families with children basic care are about 0.4% higher in the current biennium and 0.8% higher in the next biennium. This results primarily from higher than expected average FFS payments in actual payments data.

Add CHIP funding/Noncitizen PW eligibility

The CHIP program now has federal appropriation for the next ten years. As a result, the February forecast recognizes the state's CHIP allotment of \$122 million per year beginning FFY2018 and reinstates noncitizen pregnant women eligibility. Reinstating noncitizen pregnant women eligibility eliminates the need for labor and delivery costs to be reimbursed through Emergency MA, so these costs are eliminated in the February forecast.

The net savings to the state of adding federal CHIP funding and reinstating program eligibility for noncitizen pregnant women is \$225 million in the current biennium and \$138 million in the next biennium. The savings is higher in the current biennium due to the federal CHIP allotments being awarded for a federal fiscal year and the timing of actual claims out of the state's CHIP allotment based on a state fiscal year.

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).

The change in this segment of the forecast is attributed to the MnChoices assessment. Since 2014, MnChoices screenings have been paid through various time studies and the forecast reduction is based on lower than expected actual costs through the time study for the most recent paid quarter. Projected costs for MnChoices remains unchanged from the November forecast.

Breast & Cervical Cancer

This coverage applies currently to between 200 and 300 women. This forecast includes small increases in each biennium due to updated actual payments data which also produces a base change impacting future months.

Pharmacy Rebates

(Higher rebates reduce MA cost projections; lower rebates increase net costs.) Projected pharmacy rebate collections are about 10% higher in both the current and the next biennium. This is the result of higher than expected actual collections in the last quarter of CY2017 (providing a base change affecting future collections) and an increase in the average state share of actual and projected collections.

MA-EPD Premium Revenue

(Higher revenue reduces MA cost projections; lower revenue increases costs.) MA-EPD premium revenue is up about \$1.7 million per year due to higher than expected actual premium revenue collected in SFY2017, which provides a base change that impacts projected future collections.

ALTERNATIVE CARE

| | '16-'17 Biennium | '18-'19 Biennium | '20-'21 Biennium |
|--------------------------------------|---------------------|---------------------|---------------------|
| 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

| | '16-'17 Biennium | '18-'19 Biennium | '20-'21 Biennium |
|--------------------------------------|---------------------|---------------------|---------------------|
| Forecast change this item (\$000) | 0 | 17,212 | 34,370 |
| Forecast percentage change this item | 0.0% | 6.1% | 11.4% |

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

| | '16-'17 Biennium (\$000) | '18-'19 Biennium (\$000) | '20-'21 Biennium (\$000) |
|---|--------------------------------|--------------------------------|--------------------------------|
| CD Placements | | 10,337 | 6,755 |
| Avg. cost per CD placement | | 12,029 | 23,472 |
| Higher base for Care Coordination & Peer Recovery Support | | -52 | -832 |
| Federal share higher | | -4,075 | -2,574 |
| Room & board for managed care | | -1,027 | 846 |
| Withdrawal mgmt. adjustments | | 0 | 6,703 |
| Total | 0 | 17,212 | 34,370 |

Numbers and average costs of CD placements are increasing more than projected in November. Residential placements are increasing faster than non-residential placements, which contributes to an increasing overall average cost per placement. These increases may well be effects of the opioid epidemic, but diagnostic data is lacking to document this. Numbers of projected placements are 2% to 3% higher for the current and the next biennium. Average cost projections are 7.7% higher for the current biennium and 11% higher for the next biennium.

Higher cost projections for CD placements increase the base used to project costs for care coordination and peer recovery support, two new services approved by the 2017 Legislature.

Federal share receipts continue to be higher than projected and, apart from the effect of increased spending on CD placements, are increased by 6.6% for the current biennium and 3.0% for the next biennium.

Room and board payments for managed care CD room and board recipients have only small adjustments. They are 1.7% lower for the current biennium and 1.2% higher for the next biennium.

Withdrawal management projections are increased by approximately 50% compared with the projections from the 2017 Session. Projected caseload for FY 2021 has been increased by about 22%, consistent with the trend in CD placement numbers from FY 2015 to FY 2021, on the assumption that the demand for withdrawal management will be affected in a similar measure. The remainder of the 50% increase results from correction of a technical error found in the original 2017 Session projections of withdrawal management caseload.

| MFIP NET CASH (STATE AND FEDERAL) | '16-'17 Biennium | '18-'19 Biennium | '20-'21 Biennium |
|--|-----------------------------|-----------------------------|-----------------------------|
| Forecast change this item (\$000) | 0 | -9,152 | -5,329 |
| Forecast percentage change this item | 0.0% | -2.6% | -1.5% |

GENERAL FUND SHARE OF MFIP

| | | | |
|--------------------------------------|------|--------|--------|
| Forecast change this item (\$000) | 0 | -7,630 | -3,717 |
| Forecast percentage change this item | 0.0% | -4.2% | -1.7% |

FEDERAL TANF FUNDS FOR MFIP

| | | | |
|--------------------------------------|------|--------|--------|
| Forecast change this item (\$000) | 0 | -1,522 | -1,612 |
| Forecast percentage change this item | 0.0% | -0.9% | -1.1% |

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 November 2017 forecast:

| Summary of Forecast Changes | '16-'17 Biennium (\$000) | '18-'19 Biennium (\$000) | '20-'21 Biennium (\$000) |
|--|---|---|---|
| Gross MFIP cash grant forecast change | 0 | -9,250 | -5,329 |
| Gross General Fund forecast change | 0 | -3,730 | 283 |
| Child Support pass-through / recoveries offset / tribal adj. | 0 | -3,900 | -4,000 |
| Net General Fund forecast change | 0 | -7,630 | -3,717 |
| Gross TANF forecast change | 0 | -5,520 | -5,612 |
| Child Support pass-through / recoveries offset / tribal adj. | 0 | 3,998 | 4,000 |
| Net TANF forecast change | 0 | -1,522 | -1,612 |

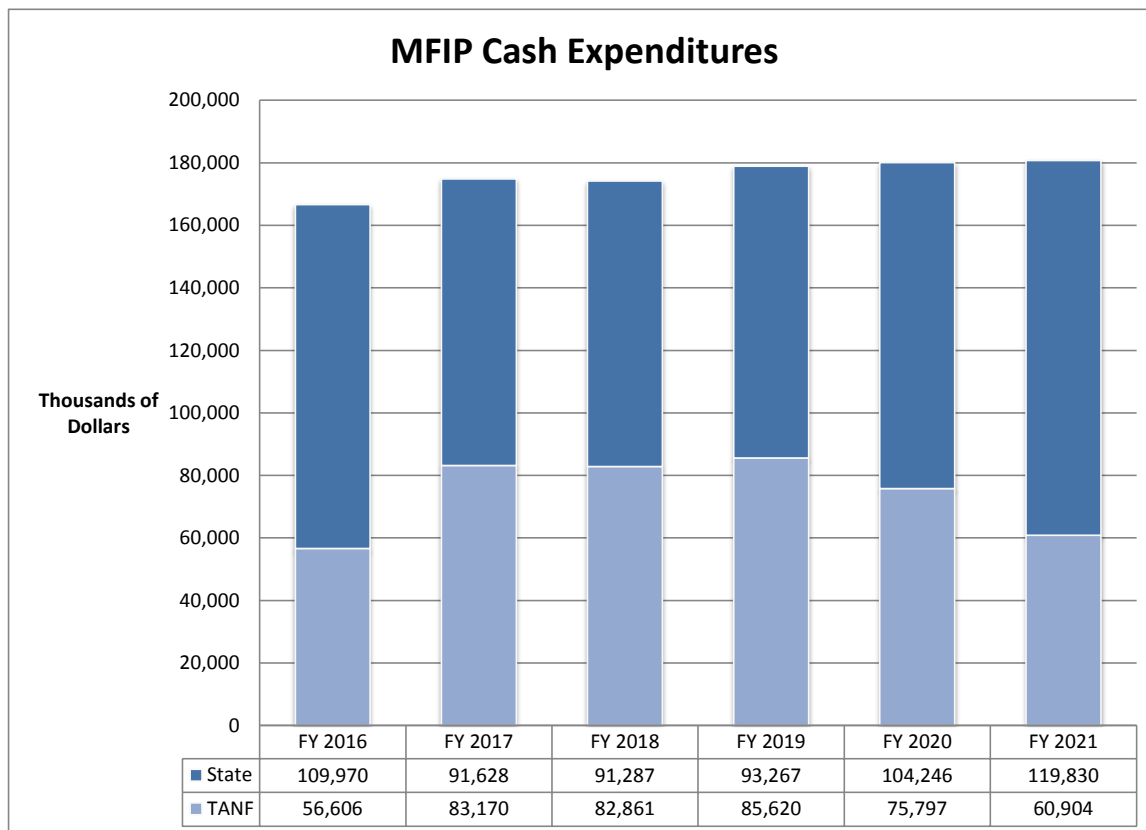
Change in Program Expenditures

MFIP average payment is lower in the current and next biennia.

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 \$3.7 million in the current biennium due to decreased non-MOE expenditures. In the next biennium, Gross General Fund expenditures are increased by \$0.3 million because there is not enough TANF funds available for MFIP. Beginning this biennium, the accounting system would no longer separate Red Lake Nation (RLN) payments from other MFIP payments. This is recognized in the forecast by a negative RLN adjustment of \$4 million in the current and next biennium. This would not change the total net expenditures for the four year period but would move expenditures from current biennium to the next biennium resulting in a decrease in Net General Fund expenditures of \$7.6 million (-4.2%) in the current biennium and \$3.7 million (-1.9%) in the next biennium.

Decreases in the gross forecast result in a decline in Gross TANF expenditures of \$5.5 million in the current biennium and \$5.6 million in the next biennium. Higher RLN adjustments of \$4 million in both biennia offset this decrease resulting in a reduction in Net TANF expenditures of \$1.5 million (-0.9%) in the current biennium and \$1.6 million (-1.1%) in the next biennium.

MFIP / TY CHILD CARE ASSISTANCE

| | '16-'17 Biennium | '18-'19 Biennium | '20-'21 Biennium |
|--------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Forecast change this item (\$000) | 0 | -2,065 | 0 |
| Forecast percentage change this item | 0.0% | -1.0% | 0.0% |

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).

No change is made to this forecast except updating for a few more months of actual data in the current biennium.

NORTHSTAR CARE FOR CHILDREN

| | '16-'17 Biennium | '18-'19 Biennium | '20-'21 Biennium |
|--------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Forecast change this item (\$000) | 0 | -4,212 | -4,306 |
| Forecast percentage change this item | 0.0% | -2.5% | -2.0% |

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 forecasted expenditures decrease in the current and next biennium due to decreased Adoption Assistance and Kinship Assistance average payments.

GENERAL ASSISTANCE

| | '16-'17 Biennium | '18-'19 Biennium | '20-'21 Biennium |
|--------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Forecast change this item (\$000) | 0 | -1,885 | -1,458 |
| Forecast percentage change this item | 0.0% | -1.8% | -1.3% |

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

HOUSING SUPPORT

| | '16-'17 Biennium | '18-'19 Biennium | '20-'21 Biennium |
|--------------------------------------|---------------------|---------------------|---------------------|
| Forecast change this item (\$000) | 0 | -545 | 0 |
| Forecast percentage change this item | 0.0% | -0.2% | 0.0% |

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.

No change is made to this forecast except updating for a few more months of actual data in the current biennium.

MINNESOTA SUPPLEMENTAL AID

| | '16-'17 Biennium | '18-'19 Biennium | '20-'21 Biennium |
|--------------------------------------|---------------------|---------------------|---------------------|
| Forecast change this item (\$000) | 0 | -181 | 0 |
| Forecast percentage change this item | 0.0% | -0.2% | 0.0% |

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

No change is made to this forecast except updating for a few more months of actual data forecast in the current biennium.

MINNESOTACARE

| | '16-'17 Biennium | '18-'19 Biennium | '20-'21 Biennium |
|--------------------------------------|---------------------|---------------------|---------------------|
| Forecast change this item (\$000) | 0 | 1,461 | 4,856 |
| Forecast percentage change this item | 0.0% | 3.6% | 10.5% |

Summary of Forecast Changes

| | '16-'17 Biennium (\$000) | '18-'19 Biennium (\$000) | '20-'21 Biennium (\$000) |
|------------------------------------|--------------------------------|--------------------------------|--------------------------------|
| State-only funded enrollment | | -1,391 | -512 |
| State-only funded average payments | | 2,852 | 5,368 |
| Total Program | 0 | 1,461 | 4,856 |

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 down between 3-4% in the current biennium and about 1% in the next biennium. This reduction is the net result of a small trend increase in elderly enrollees and a reduction in the number of DACA enrollees in response to the sunset of federal DACA status in March 2018. It is assumed that no additional DACA renewals are granted beyond March followed by monthly attrition in the caseload over the next 24 months as current DACA enrollees lose federal status. This enrollment change leads to a \$1.4 million net forecast reduction in the current biennium and a \$0.5 million net forecast reduction in the next biennium.

Average Payments

Average cost projections for state-funded MinnesotaCare enrollees are up about 7% in the current biennium due primarily to case mix changes reflected in the actual payments data. Average cost projections for the next biennium are up about 11% which also results from the base case mix changes in the current biennium.

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

| | November 2017 Forecast | | | February 2018 Forecast | | |
|-----------------------------------|-----------------------------------|------------------|------------------|-----------------------------------|------------------|------------------|
| | FY 2016 - FY 2017 Biennium | | | FY 2016 - FY 2017 Biennium | | |
| | (\$ in thousands) | | | (\$ in thousands) | | |
| GENERAL FUND | FY 2016 | FY 2017 | Biennium | FY 2016 | FY 2017 | Biennium |
| Medical Assistance | | | | | | |
| LTC Facilities | 434,317 | 483,869 | 918,186 | 434,317 | 483,869 | 918,186 |
| LTC Waivers | 1,463,088 | 1,545,634 | 3,008,722 | 1,463,088 | 1,545,634 | 3,008,722 |
| Elderly & Disabled Basic | 1,514,850 | 1,502,099 | 3,016,949 | 1,514,850 | 1,502,099 | 3,016,949 |
| Adults with No Children | 1,370 | 39,860 | 41,230 | 1,370 | 39,860 | 41,230 |
| Families w. Children Basic | 1,304,131 | 1,013,834 | 2,317,965 | 1,304,131 | 1,013,834 | 2,317,965 |
| MA Total | 4,717,756 | 4,585,296 | 9,303,052 | 4,717,756 | 4,585,296 | 9,303,052 |
| General Fund | 4,129,568 | 4,344,576 | 8,474,144 | 4,129,568 | 4,344,576 | 8,474,144 |
| 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 | 117,720 | 212,573 | 94,853 | 117,720 | 212,573 |
| Minnesota Family Inv. Program | 103,453 | 87,543 | 190,996 | 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 | 51,790 | 94,040 | 42,250 | 51,790 | 94,040 |
| General Assistance | 50,444 | 49,556 | 100,000 | 50,444 | 49,556 | 100,000 |
| Housing Support | 147,461 | 157,370 | 304,831 | 147,461 | 157,370 | 304,831 |
| Minnesota Supplemental Aid | 37,735 | 38,309 | 76,044 | 37,735 | 38,309 | 76,044 |
| Total General Fund | 4,727,982 | 4,984,702 | 9,712,684 | 4,727,982 | 4,984,702 | 9,712,684 |
| TANF funds for MFIP Grants | 58,558 | 83,572 | 142,130 | 58,558 | 83,572 | 142,130 |
| MinnesotaCare | 114,907 | 11,579 | 126,486 | 114,907 | 11,579 | 126,486 |
| MA funding from HCA Fund | 588,188 | 240,720 | 828,908 | 588,188 | 240,720 | 828,908 |
| T. HCA Fund Expenditures | 703,095 | 252,299 | 955,394 | 703,095 | 252,299 | 955,394 |

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

| GENERAL FUND | February 2018 Forecast Change from November 2017 Forecast FY 2016 - FY 2017 Biennium (\$ in thousands) | | | February 2018 Forecast Change from November 2017 Forecast FY 2016 - FY 2017 Biennium (Percent Change) | | |
|-----------------------------------|---|----------|----------|--|-------------|-------------|
| | FY 2016 | FY 2017 | Biennium | FY 2016 | FY 2017 | Biennium |
| Medical Assistance | | | | | | |
| LTC Facilities | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% |
| LTC Waivers | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% |
| Elderly & Disabled Basic | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% |
| Adults with No Children | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% |
| Families w. Children Basic | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% |
| MA Total | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% |
| General Fund | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% |
| 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 | 0 | 0 | 0.0% | 0.0% | 0.0% |
| Minnesota Family Inv. Program | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% |
| Child Care Assistance | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% |
| Northstar Care for Children | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% |
| General Assistance | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% |
| Housing Support | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% |
| Minnesota Supplemental Aid | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% |
| Total General Fund | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% |
| TANF funds for MFIP Grants | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% |
| MinnesotaCare | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% |
| MA funding from HCA Fund | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% |
| T. HCA Fund Expenditures | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% |

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

| | November 2017 Forecast FY 2018 - FY 2019 Biennium | | | February 2018 Forecast FY 2018 - FY 2019 Biennium | | |
|-----------------------------------|--|------------------|-------------------|--|------------------|-------------------|
| | (\$ in thousands) | | | (\$ in thousands) | | |
| GENERAL FUND | FY 2018 | FY 2019 | Biennium | FY 2018 | FY 2019 | Biennium |
| Medical Assistance | | | | | | |
| LTC Facilities | 495,690 | 514,524 | 1,010,214 | 500,264 | 525,901 | 1,026,165 |
| LTC Waivers | 1,671,332 | 1,812,816 | 3,484,148 | 1,681,695 | 1,804,789 | 3,486,484 |
| Elderly & Disabled Basic | 1,715,210 | 1,727,669 | 3,442,879 | 1,699,647 | 1,728,592 | 3,428,239 |
| Adults with No Children | 104,776 | 127,013 | 231,789 | 105,501 | 126,891 | 232,392 |
| Families w. Children Basic | 1,523,054 | 1,426,878 | 2,949,932 | 1,372,374 | 1,318,843 | 2,691,217 |
| MA Total | 5,510,062 | 5,608,900 | 11,118,962 | 5,359,481 | 5,505,016 | 10,864,497 |
| General Fund | 5,124,903 | 5,170,052 | 10,294,955 | 4,974,322 | 5,066,168 | 10,040,490 |
| 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 | 126,470 | 154,436 | 280,906 | 133,161 | 164,957 | 298,118 |
| Minnesota Family Inv. Program | 89,260 | 90,535 | 179,795 | 85,181 | 86,984 | 172,165 |
| Child Care Assistance | 95,363 | 111,557 | 206,920 | 93,298 | 111,557 | 204,855 |
| Northstar Care for Children | 77,835 | 91,726 | 169,561 | 75,374 | 89,975 | 165,349 |
| General Assistance | 51,874 | 54,148 | 106,022 | 50,686 | 53,451 | 104,137 |
| Housing Support | 166,597 | 176,605 | 343,202 | 166,052 | 176,605 | 342,657 |
| Minnesota Supplemental Aid | 39,486 | 40,813 | 80,299 | 39,305 | 40,813 | 80,118 |
| Total General Fund | 5,816,046 | 5,934,848 | 11,750,894 | 5,661,637 | 5,835,486 | 11,497,123 |
| TANF funds for MFIP Grants | 87,115 | 87,799 | 174,914 | 85,314 | 88,078 | 173,392 |
| MinnesotaCare | 19,382 | 21,616 | 40,998 | 19,983 | 22,476 | 42,459 |
| MA funding from HCA Fund | 385,159 | 438,848 | 824,007 | 385,159 | 438,848 | 824,007 |
| T. HCA Fund Expenditures | 404,541 | 460,464 | 865,005 | 405,142 | 461,324 | 866,466 |

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

| | February 2018 Forecast Change from November 2017 Forecast FY 2018 - FY 2019 Biennium (\$ in thousands) | | | February 2018 Forecast Change from November 2017 Forecast FY 2018 - FY 2019 Biennium (Percent Change) | | |
|-----------------------------------|--|-----------------|-----------------|---|--------------|--------------|
| | FY 2018 | FY 2019 | Biennium | FY 2018 | FY 2019 | Biennium |
| GENERAL FUND | | | | | | |
| Medical Assistance | | | | | | |
| LTC Facilities | 4,574 | 11,377 | 15,951 | 0.9% | 2.2% | 1.6% |
| LTC Waivers | 10,363 | -8,027 | 2,336 | 0.6% | -0.4% | 0.1% |
| Elderly & Disabled Basic | -15,563 | 923 | -14,640 | -0.9% | 0.1% | -0.4% |
| Adults with No Children | 725 | -122 | 603 | 0.0% | -0.1% | 0.3% |
| Families w. Children Basic | -150,680 | -108,035 | -258,715 | -9.9% | -7.6% | -8.8% |
| MA Total | -150,581 | -103,884 | -254,465 | -2.7% | -1.9% | -2.3% |
| General Fund | -150,581 | -103,884 | -254,465 | -2.9% | -2.0% | -2.5% |
| 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 | 6,691 | 10,521 | 17,212 | 5.3% | 6.8% | 6.1% |
| Minnesota Family Inv. Program | -4,079 | -3,551 | -7,630 | -4.6% | -3.9% | -4.2% |
| Child Care Assistance | -2,065 | 0 | -2,065 | -2.2% | 0.0% | -1.0% |
| Northstar Care for Children | -2,461 | -1,751 | -4,212 | -3.2% | -1.9% | -2.5% |
| General Assistance | -1,188 | -697 | -1,885 | -2.3% | -1.3% | -1.8% |
| Housing Support | -545 | 0 | -545 | -0.3% | 0.0% | -0.2% |
| Minnesota Supplemental Aid | -181 | 0 | -181 | -0.5% | 0.0% | -0.2% |
| Total General Fund | -154,409 | -99,362 | -253,771 | -2.7% | -1.7% | -2.2% |
| TANF funds for MFIP Grants | -1,801 | 279 | -1,522 | -2.1% | 0.3% | -0.9% |
| MinnesotaCare | 601 | 860 | 1,461 | 3.1% | 4.0% | 3.6% |
| MA funding from HCA Fund | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% |
| T. HCA Fund Expenditures | 601 | 860 | 1,461 | 0.1% | 0.2% | 0.2% |

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

| | November 2017 Forecast | | | February 2018 Forecast | | |
|-----------------------------------|-----------------------------------|------------------|-------------------|-----------------------------------|------------------|-------------------|
| | FY 2020 - FY 2021 Biennium | | | FY 2020 - FY 2021 Biennium | | |
| | (\$ in thousands) | | | (\$ in thousands) | | |
| GENERAL FUND | FY 2020 | FY 2021 | Biennium | FY 2020 | FY 2021 | Biennium |
| Medical Assistance | | | | | | |
| LTC Facilities | 542,170 | 575,188 | 1,117,358 | 553,255 | 585,513 | 1,138,768 |
| LTC Waivers | 1,903,815 | 2,013,322 | 3,917,137 | 1,890,149 | 1,988,322 | 3,878,471 |
| Elderly & Disabled Basic | 1,931,569 | 1,943,930 | 3,875,499 | 1,934,603 | 1,951,139 | 3,885,742 |
| Adults with No Children | 197,786 | 215,764 | 413,550 | 196,425 | 213,290 | 409,715 |
| Families w. Children Basic | 1,722,633 | 1,579,689 | 3,302,322 | 1,626,535 | 1,499,369 | 3,125,904 |
| MA Total | 6,297,973 | 6,327,893 | 12,625,866 | 6,200,967 | 6,237,633 | 12,438,600 |
| General Fund | 5,939,030 | 5,927,964 | 11,866,994 | 5,842,024 | 5,837,704 | 11,679,728 |
| 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 | 144,213 | 156,425 | 300,638 | 158,810 | 176,198 | 335,008 |
| Minnesota Family Inv. Program | 100,618 | 114,308 | 214,926 | 97,840 | 113,369 | 211,209 |
| Child Care Assistance | 117,859 | 124,039 | 241,898 | 117,859 | 124,039 | 241,898 |
| Northstar Care for Children | 102,888 | 114,822 | 217,710 | 100,736 | 112,668 | 213,404 |
| General Assistance | 55,617 | 56,981 | 112,598 | 54,898 | 56,242 | 111,140 |
| Housing Support | 181,827 | 186,703 | 368,530 | 181,827 | 186,703 | 368,530 |
| Minnesota Supplemental Aid | 42,068 | 46,368 | 88,436 | 42,068 | 46,368 | 88,436 |
| Total General Fund | 6,729,255 | 6,772,765 | 13,502,020 | 6,641,197 | 6,698,446 | 13,339,643 |
| TANF funds for MFIP Grants | 78,354 | 64,904 | 143,258 | 78,265 | 63,381 | 141,646 |
| MinnesotaCare | 22,685 | 23,769 | 46,454 | 24,566 | 26,744 | 51,310 |
| MA funding from HCA Fund | 358,943 | 399,929 | 758,872 | 358,943 | 399,929 | 758,872 |
| T. HCA Fund Expenditures | 381,628 | 423,698 | 805,326 | 383,509 | 426,673 | 810,182 |

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

| | February 2018 Forecast Change from November 2017 Forecast FY 2020 - FY 2021 Biennium (\$ in thousands) | | | February 2018 Forecast Change from November 2017 Forecast FY 2020 - FY 2021 Biennium (Percent Change) | | |
|-----------------------------------|--|----------------|-----------------|---|--------------|--------------|
| | FY 2020 | FY 2021 | Biennium | FY 2020 | FY 2021 | Biennium |
| GENERAL FUND | | | | | | |
| Medical Assistance | | | | | | |
| LTC Facilities | 11,085 | 10,325 | 21,410 | 2.0% | 1.8% | 1.9% |
| LTC Waivers | -13,666 | -25,000 | -38,666 | -0.7% | -1.2% | -1.0% |
| Elderly & Disabled Basic | 3,034 | 7,209 | 10,243 | 0.2% | 0.4% | 0.3% |
| Adults with No Children | -1,361 | -2,474 | -3,835 | 0.0% | -1.1% | -0.9% |
| Families w. Children Basic | -96,098 | -80,320 | -176,418 | -5.6% | -5.1% | -5.3% |
| MA Total | -97,006 | -90,260 | -187,266 | -1.5% | -1.4% | -1.5% |
| General Fund | -97,006 | -90,260 | -187,266 | -1.6% | -1.5% | -1.6% |
| 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 | 14,597 | 19,773 | 34,370 | 10.1% | 12.6% | 11.4% |
| Minnesota Family Inv. Program | -2,778 | -939 | -3,717 | -2.8% | -0.8% | -1.7% |
| Child Care Assistance | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% |
| Northstar Care for Children | -2,152 | -2,154 | -4,306 | -2.1% | -1.9% | -2.0% |
| General Assistance | -719 | -739 | -1,458 | -1.3% | -1.3% | -1.3% |
| Housing Support | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% |
| Minnesota Supplemental Aid | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% |
| Total General Fund | -88,058 | -74,319 | -162,377 | -1.3% | -1.1% | -1.2% |
| TANF funds for MFIP Grants | -89 | -1,523 | -1,612 | -0.1% | -2.3% | -1.1% |
| MinnesotaCare | 1,881 | 2,975 | 4,856 | 8.3% | 12.5% | 10.5% |
| MA funding from HCA Fund | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% |
| T. HCA Fund Expenditures | 1,881 | 2,975 | 4,856 | 0.5% | 0.7% | 0.6% |