

Minnesota

Department of Human Services

February 2009 Forecast

St. Paul, Minnesota

March 3, 2009

THE DHS FORECAST

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

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

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

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

The state's general economy and labor market affect most programs to some degree, especially those programs and segments of programs which serve people in the labor market.

Federal law changes and policy changes affect state obligations in programs which have joint state and federal financing. Federal matching rates for Medical Assistance (MA) change occasionally. Federal funding for the Temporary Assistance to Needy Families (TANF) program is contingent on state compliance with maintenance of effort requirements which mandate minimum levels of state spending.

Changes in federal programs affect caseloads and costs in state programs. The Supplemental Security Income program (SSI) drives elderly and disabled caseloads in Medical Assistance and Minnesota Supplemental Aid. Changes in SSI eligibility may leave numbers of people eligible for General Assistance and General Assistance Medical Care instead of SSI and Medical Assistance.

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

Tables One and Two provide the new and old forecasts and changes from the previous forecast for the 2008-2009 biennium, and Tables Three and Four provide the same information about the 2010-2011 biennium. Tables Five and Six provide the same information about the 2012-2013 biennium, although these changes--because they are almost always similar to the changes for the 2010-2011 biennium--are generally not discussed in the narrative.

CURRENT BIENNIUM SUMMARY

New Federal Medicaid Funding Cuts General Fund Costs

General Fund costs for DHS medical and economic support programs for the 2008-2009 biennium are projected to total \$7.483 billion, \$522 million (6.5 percent) less than projected in the November forecast. The decrease corresponds to \$464 million of additional federal funding made available for the Medical Assistance program by the American Recovery and Reinvestment Act (ARRA) of 2009 and \$50 million of unallotments made by the Governor affecting Medical Assistance.

TANF Forecast Lower

Projected expenditures of federal TANF (Temporary Assistance for Needy Families) funds for MFIP grants are \$179 million, \$2.4 million (1.3 percent) lower than the November forecast. The decrease reflects a higher percent of the MFIP caseload required to be funded with General Fund than previously forecast.

Federal Funding Increases Reduce MinnesotaCare Forecast

Forecasted Health Care Access Fund costs for the MinnesotaCare program are \$650 million, \$19 million (2.8 percent) lower than projected in the November forecast. About 70% of the reduction results from the same federal funding changes as Medical Assistance.

NEXT BIENNIUM SUMMARY

New Federal Medicaid Funding Cuts General Fund Costs

General Fund costs for DHS medical and economic support programs for the 2010-2011 biennium are projected to total \$8.711 billion, \$1.214 billion (12.2 percent) less than projected in the November forecast. This huge decrease is the result of \$1.359 billion of additional federal funding for the Medical Assistance program, offset by forecast increases in Medical Assistance, MFIP, and General Assistance Medical Care.

TANF Forecast Lower

Projected expenditures of federal TANF (Temporary Assistance for Needy Families) funds for MFIP grants are \$173 million, \$2.9 million (1.6 percent) lower than the November forecast, due to non-MFIP uses of the TANF grant leaving less TANF available for MFIP.

Federal Funding Increases Reduce MinnesotaCare Forecast

Forecasted Health Care Access Fund costs for the MinnesotaCare program are \$913 million, \$99 million (9.8 percent) lower than projected in the November forecast. About 60% of the reduction is owing to changes in federal funding, both in Medicaid and CHIP.

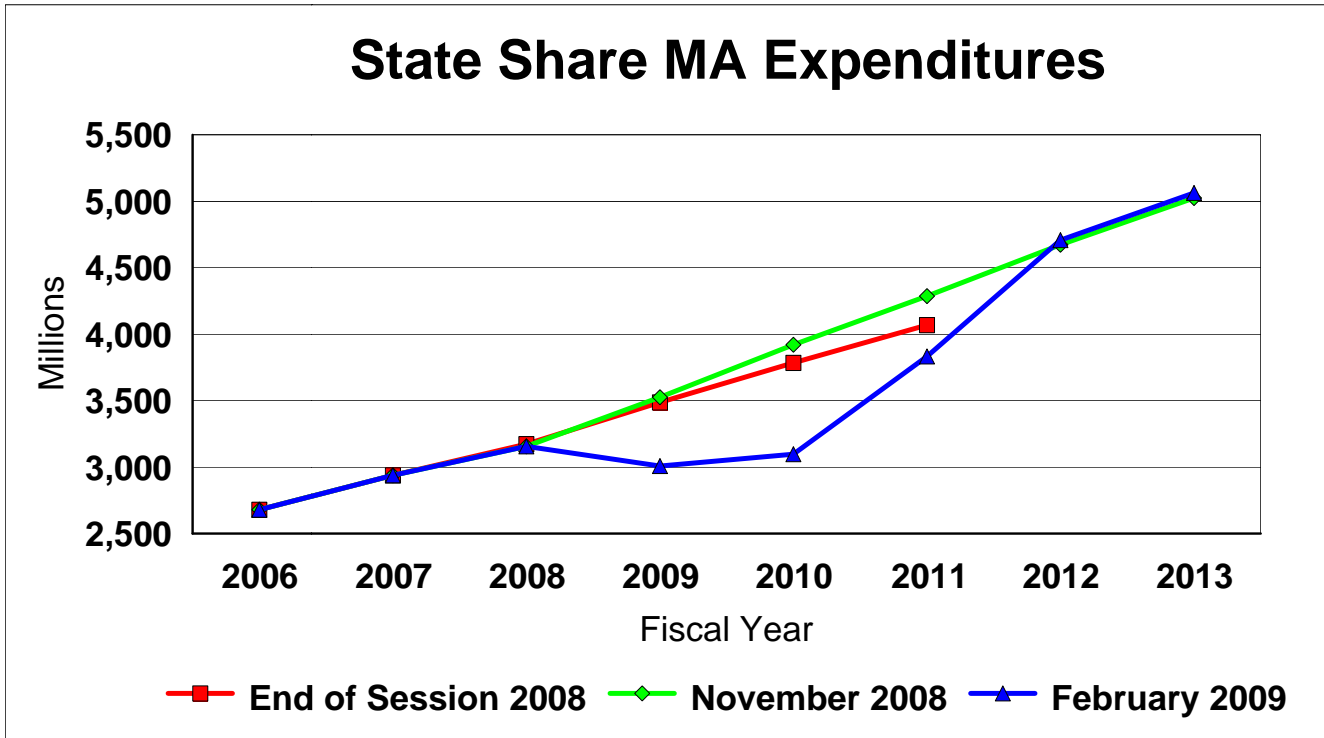
PROGRAM DETAIL

MEDICAL ASSISTANCE	'08-'09 Biennium	'10-'11 Biennium	'12-'13 Biennium
Share of DHS Gen. Fund programs forecast	83.0%	82.5%	82.8%
Total forecast change this item (\$000)	(519,324)	(1,281,609)	69,194
Total forecast percentage change this item	-7.8%	-15.7%	0.7%
Forecast change owing to FMAP change (\$000)	(463,628)	(1,358,844)	0
Balance of forecast change (\$000)	(55,696)	77,235	69,194
Balance of forecast percentage change this item	-0.8%	0.9%	0.7%

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

The American Recovery and Reinvestment Act of 2009 increases the Federal Medical Assistance Percentage (FMAP), which is the federal share of most service cost in the Medical Assistance program. The increases are effective for nine calendar quarters, from October 2008 through December 2010. The increased FMAP rates have a factor for high unemployment, which is affected by the state's unemployment rate. This forecast assumes that our FMAP rate will be 60.19% for the last three quarters of SFY 2009 and then 61.59% from July 2009 through December 2010. Under the previous law, our FMAP rate was 50.00%, the rate to which we expect it to return effective January 2011.

This graph illustrates the time-limited nature of the increases in federal funding:



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

MA LTC FACILITIES	'08-'09 Biennium	'10-'11 Biennium	'12-'13 Biennium
Share of DHS Gen. Fund programs forecast	12.1%	10.3%	9.2%
Total forecast change this item (\$000)	(74,595)	(183,475)	(5,361)
Total forecast percentage change this item	-7.7%	-18.0%	-0.5%
Forecast change owing to FMAP change (\$000)	(70,781)	(179,260)	0
Balance of forecast change this item (\$000)	(3,814)	(4,215)	(5,361)
Balance of forecast percentage change this item	-0.4%	-0.4%	-0.5%

This activity includes payments to nursing facilities, to community ICF/MR facilities, for day training and habilitation services for community ICF/MR residents, and for the Regional Treatment Center programs for the mentally ill (RTC-MI).

(In the RTC-MI programs, Medical Assistance covers only those residents who are under age 21 or age 65 or over.)

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

Alternative Care Offset

Lower Alternative Care caseload projections account for reductions of \$1.5 million for the current biennium and \$3.8 million for the next biennium. Projected Alternative Care expenditures are about 4% lower for the current biennium and for the next biennium. This forecast reduction is caused by lower projections of the number of AC recipients.

Nursing Facilities (NF)

NF projected expenditures are \$1.6 million (0.1%) lower for the current biennium and \$0.4 million (0.03%) lower for the next biennium. The reduction for the current biennium comes from slightly lower recipient projections.

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

This forecast is adjusted only for actual payments in the second quarter of FY 2009. The resulting decrease is \$0.5 million for the current biennium.

RTC MI Program

This forecast is adjusted only for actual payments in the second quarter of FY 2009. The resulting decrease is \$0.2 million for the current biennium.

MA LTC WAIVERS & HOME CARE

	'08-'09 Biennium	'10-'11 Biennium	'12-'13 Biennium
Share of DHS Gen. Fund programs forecast	24.4%	24.0%	23.9%
Total forecast change this item (\$000)	(148,158)	(400,032)	14,878
Total forecast percentage change this item	-7.6%	-16.8%	0.5%
Forecast change owing to FMAP change (\$000)	(142,680)	(409,620)	0
Balance of forecast change this item (\$000)	(5,478)	9,588	14,878
Balance of forecast percentage change this item	-0.3%	0.4%	0.5%

This activity includes the following components:

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

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

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

	'08-'09 Biennium (\$000)	'10-'11 Biennium (\$000)	'12-'13 Biennium (\$000)
Change in Projected Costs			
DD Waiver	(2,026)	(649)	0
EW Waiver FFS	(2,583)	(4,463)	(3,459)
CADI Waiver	(3,089)	(1,095)	0
CAC Waiver	822	3,790	5,451
TBI Waiver	302	0	0
Home Health	(138)	0	0
Private Duty Nursing	(1,195)	(3,509)	(4,341)
Personal Care Assistant	3,515	15,514	17,227
Transfer to CSG	(1,086)	0	0
Activity Total	(5,479)	9,588	14,878
EW Total:			
FFS & Managed Care	(442)	1,218	1,576

Percent Change in Projected Costs

DD Waiver	-0.21%	-0.06%	0.00%
EW Waiver FFS	-3.65%	-11.07%	-5.85%
CADI Waiver	-0.94%	-0.22%	0.00%
CAC Waiver	4.55%	17.73%	22.16%
TBI Waiver	0.33%	0.00%	0.00%
Home Health	-0.55%	0.00%	0.00%
Private Duty Nursing	-1.70%	-3.92%	-3.92%
Personal Care Assistant	0.95%	3.48%	3.31%
Transfer to CSG	-4.10%	0.00%	0.00%
Activity Total	-7.58%	-16.83%	0.53%
EW Total:			
FFS & Managed Care	-0.16%	0.35%	0.37%

DD Waiver

This forecast is adjusted only for actual payments in the second quarter of FY 2009, and for the effects of the Governor's unallotment in FY 2009, including a slight effect in FY 2010 for delay in the allocation of the waiver resources affected by the Governor's unallotment.

Elderly Waiver FFS & Managed Care

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

EW FFS recipient projections are reduced, but this change is mostly a shift of projected recipients to EW Managed Care.

Recipient projections for the whole EW program, fee-for-service and managed care, are about 1% lower. Overall expenditure projections are practically unchanged.

CADI Waiver

This forecast is adjusted only for actual payments in the second quarter of FY 2009, and for the effects of the Governor's unallotment in FY 2009, including a slight effect in FY 2010 for delay in the allocation of the waiver resources affected by the Governor's unallotment.

CAC Waiver

CAC recipient projections are 3.0% to 3.5% higher and average cost projections about 10% higher. In this small waiver (200 to 300 children) small changes in the recipient population can easily change the level of average costs. Increases in CAC expenditures are partially offset by decreases in Private Duty Nursing cost projections. Families using CAC are also heavy users of Private Duty Nursing. Their use of services typically shifts between CAC waiver services and Private Duty Nursing.

TBI Waiver

This forecast is adjusted only for actual payments in the second quarter of FY 2009,

Home Health Agency Changes

This forecast is adjusted only for actual payments in the second quarter of FY 2009,

Private Duty Nursing (PDN)

Decreases in projected PDN costs roughly offset expenditure increases for CAC waiver.

Personal Care Changes (PCA)

PCA recipient projections are about 1.9% higher for FY 2009 and 2.5% higher for the next biennium. Average cost projections are about 1% higher, producing overall increases in cost projections of about 3.5% for the next biennium.

Transfer to Consumer Support Grants (CSG)

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

Lower than expected CSG expenditures in the second quarter of FY 2009 result in a lower projection of the transfer for the current biennium.

MA ELD. & DISABLED BASIC CARE	'08-'09 Biennium	'10-'11 Biennium	'12-'13 Biennium
Share of DHS Gen. Fund programs forecast	25.8%	25.9%	26.9%
Total forecast change this item (\$000)	(129,436)	(374,188)	11,582
Total forecast percentage change this item	-6.3%	-14.6%	0.4%
Forecast change owing to FMAP change (\$000)	(131,225)	(386,485)	0
Balance of forecast change this item (\$000)	1,789	12,297	11,582
Balance of forecast percentage change this item	0.1%	0.5%	0.4%

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

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

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

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

	'08-'09 Biennium (\$000)	'10-'11 Biennium (\$000)	'12-'13 Biennium (\$000)
Elderly Waiver Managed Care	2,142	5,681	5,035
Elderly Basic Caseload	(2,410)	(8,602)	(10,798)
Elderly Basic Avg. Cost:	3,628	8,680	12,950
Disabled Basic Caseload	938	3,198	3,911
Disabled Basic Avg. Cost	(1,466)	4,156	5,534
Disabled basic: MNDHO	626	1,020	(2,063)
Disabled basic: SNBC	(1,084)	(1,362)	(1,092)
Disabled basic: other managed care	504	0	0
Medicare Part D clawback payments	90	(92)	(42)
DMIE	(1,322)	(621)	0
IMD Program	(572)	(1,738)	(1,752)
Chemical Dependency Fund share	715	1,977	(101)
Total	1,789	12,297	11,582

Elderly Basic Changes

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

Elderly basic enrollment projections are reduced by 0.7% for FY 2009 and by 1.0% for the next biennium. Increases in average cost projections offset these decreases and produce small net increases in expenditure projections.

Disabled Basic Changes

Disabled basic enrollment projections are 0.2% higher both for FY 2009 and for the next biennium. Average cost projections are 0.3% lower for FY 2009 but 0.3% higher for the next biennium. The net effect is a reduction of about 0.1% for FY 2009 and an increase of 0.5% for the next biennium.

Small increases in projected MNDHO expenditures in the current biennium and the next biennium result from 2% to 3% increases in recipient projections, partially offset by slightly lower average cost projections.

Special Needs Basic Care and Other Managed Care

SNBC projections are about 7% lower for FY 2009 and 2% to 3% lower for the next biennium, because of lower enrollment projections.

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

Medicare Part D Clawback Change

Clawback projections are practically unchanged.

Demonstration to Maintain Independence and Employment (DMIE)

Enrollment has stopped growing and has begun to decline in the program, which is scheduled to terminate in the Fall of 2009.

IMD Program

Based on experience through December 2008, projected IMD payments are 3.1% lower for the current biennium and 8.5% lower for the next biennium. The projected number of IMD enrollees is practically unchanged.

CD Fund Share

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

FAMILIES WITH CHILDREN BASIC CARE	'08-'09 Biennium	'10-'11 Biennium	'12-'13 Biennium
Share of DHS Gen. Fund programs forecast	20.7%	22.4%	22.8%
Total forecast change this item (\$000)	(167,135)	(323,914)	48,095
Total forecast percentage change this item	-10.1%	-14.6%	1.8%
Forecast change owing to FMAP change (\$000)	(118,942)	(383,479)	0
Balance of forecast change this item (\$000)	(48,193)	59,565	48,095
Balance of forecast percentage change this item	-2.9%	2.7%	1.8%

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

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

	'08-'09 Biennium (\$000)	'10-'11 Biennium (\$000)	'12-'13 Biennium (\$000)
Families with Children			
Caseload: Economic scenario	(1,884)	19,907	24,222
Caseload: Smaller shift from MinnesotaCare	(1,534)	(9,471)	(14,696)
Caseload: Outreach effect adjusted upward	(680)	798	11,608
Avg. cost:	(459)	3,122	10,252
Supplemental hospital payments	(10,000)	14,134	(1,823)
HMO MERC changes	(34,098)	46,254	54,681
CD Fund share	2,550	6,525	5,320
CHIP enhanced match for kids over 133% FPG	(312)	(6,446)	(21,432)
GAMC/CPE DSH dedicated revenue	7,151	642	1,287
Non-citizen MA segment	876	(557)	(4,423)
Services w special funding	(359)	(713)	0
Family planning waiver & impact	181	745	1,234
Breast & cerv. cancer	(182)	(737)	(1,125)
Rx rebates	(9,443)	(14,638)	(17,010)
Other changes	0	0	0
Total	(48,193)	59,565	48,095

Families with Children Basic Care

A slightly worse unemployment forecast than that used for the November forecast leads to a 0.8% increase in the enrollment projections for next biennium (about 4,000 more monthly average enrollees).

The enrollment shift from MinnesotaCare which was added to the November forecast was based on requirements which CMS has imposed around "informed choice" regarding applications for medical programs. Applicants will have to choose between being considered for all medical programs or for MinnesotaCare only. If they choose "all programs", they will be considered first for MA eligibility and for MinnesotaCare only if they are ineligible for MA. This change is expected to direct more applicants to enrollment in MA rather than MinnesotaCare.

Because of a lower MinnesotaCare enrollment forecast, this shift has been reduced in the February forecast.

**Change from November Forecast in
Projected Enrollment Shift from MinnesotaCare**

	Average Enrollees	State Share MA Costs
FY 2009	(820)	(1,534,294)
FY 2010	(1,814)	(4,537,453)
FY 2011	(1,701)	(4,933,519)
FY 2012	(2,228)	(6,659,277)
FY 2013	(2,408)	(8,036,697)

**Projected Enrollment Shift from MinnesotaCare
After February Forecast Change**

	Average Enrollees	State Share MA Costs
FY 2009	677	934,819
FY 2010	8,382	17,739,405
FY 2011	13,488	32,477,001
FY 2012	16,961	45,335,970
FY 2013	20,338	58,746,771

Revised projections of the enrollment effects of outreach efforts funded in the 2007 legislative session are somewhat lower through FY 2010 and higher from FY 2011 forward. The effect of outreach on MA enrollment in FY 2011 is now projected at 4600 average enrollees, up from 3300 in the November forecast.

Average payments are adjusted upward by less than 0.5%.

The MERC reduction in the current biennium reflects the Governor's unallotment. The increase in the next biennium reflects the loss of \$19 million in federal matching on the 2009 unallotment and reduced federal matching because of the cap on MERC payments which was agreed to as part of the MinnesotaCare waiver extension.

A lower projection of the share of overall MA payments made to the CD Fund results in a cost increase because payments to the CD Fund draw no state share from the MA account.

CHIP Enhanced Funding for MA Children Over 133% FPG

The reduction represents the value of additional federal funding newly available under the recently passed CHIP bill.

CPE DSH Dedicated Revenue and Supplemental Hospital Payments

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

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

Supplemental hospital payments are reduced in the current biennium by the Governor's 2009 unallotment. The increase in the next biennium results from the impact of higher FMAP rates on the calculation of the supplemental payments.

	CPE DSH Dedicated Revenue	Offset 4% Hospital Reduction (State Share)	Net = Supplemental Hospital Payments (State Share)
November 2008 Forecast			
FY 2008	28,793,000	(18,994,000)	0
FY 2009	39,698,000	(4,698,000)	35,000,000
Biennium	68,491,000	(33,491,000)	35,000,000
FY 2010	37,391,000	(18,071,000)	19,320,000
FY 2011	37,038,000	(20,042,000)	16,996,000
Biennium	74,429,000	(38,113,000)	36,316,000
	CPE DSH Dedicated Revenue	Offset 4% Hospital Reduction (State Share)	Supplemental Hospital Payments (State Share)
February 2009 Forecast			
FY 2008	28,793,000	(18,994,000)	0
FY 2009	32,547,000	(17,741,000)	25,000,000
Biennium	61,340,000	(36,340,000)	25,000,000
FY 2010	36,708,000	(14,523,000)	28,879,000
FY 2011	37,080,000	(18,127,000)	21,571,000
Biennium	73,788,000	(23,338,000)	50,450,000

	CPE DSH Dedicated Revenue	Offset 4% Hospital Reduction (State Share)	Net = Supplemental Hospital Payments (State Share)
Difference: February 2008 vs. November 2008:			
FY 2008	0	0	0
FY 2009	(7,151,000)	(13,043,000)	(10,000,000)
Biennium	(7,151,000)	(13,043,000)	(10,000,000)
FY 2010	(683,000)	3,548,000	9,559,000
FY 2011	42,000	1,915,000	4,575,000
Biennium	(641,000)	5,463,000	14,134,000

Non-Citizen MA

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

Enrollment projections for this segment are markedly lower: down 4.8% for FY 2009 and down about 8.0% for the next biennium. Although overall enrollment projections are lower, the decrease occurs in the part of the program funded at 65% by federal SCHIP, leaving state-share expenditure projections less than 1% lower for the next biennium.

Services with Special Funding

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

Forecast changes in this category are less than 1%.

Family Planning Waiver

The increases in this category reflect an increase of about 15% in projected service costs, reversing the reduction made in the November forecast.

Breast & Cervical Cancer

Projected costs for the current biennium are reduced by 4% and by 12% for the next biennium because the cost of coverage has been lower than expected in the previous forecast.

Pharmacy Rebates

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

Projected rebate receipts are increased by 12% for the current biennium and by 16% for the next biennium because the proportion of FFS pharmacy expenditures being recovered by rebates has been consistently higher than previous projections. We now assume recovery of amounts equal to 35% of FFS pharmacy expenditures.

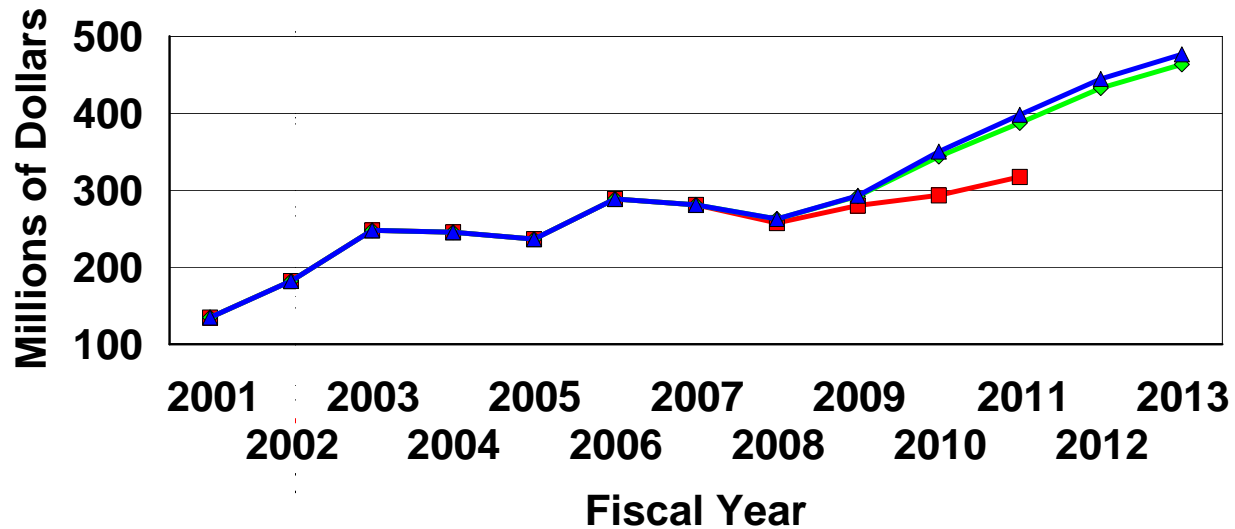
GENERAL ASSISTANCE MED. CARE	'08-'09 Biennium	'10-'11 Biennium	'12-'13 Biennium
Share of DHS Gen. Fund programs forecast	6.9%	7.4%	7.7%
Forecast change this item (\$000)	647	16,914	24,880
Forecast percentage change this item	0.1%	2.3%	2.8%

Summary of Forecast Changes	'08-'09 Biennium (\$000)	'10-'11 Biennium (\$000)	'12-'13 Biennium (\$000)
Higher enrollment	325	16,441	23,888
January 2009 HMO rate increase	321	473	992
Total changes	646	16,914	24,880

By the end of CY 2008, enrollment in GAMC was about 1% above the November forecast. Combined with the more pessimistic economic outlook for Minnesota's labor market, this slightly increased base enrollment level results in higher overall GAMC enrollment projections in the February forecast. Relative to the November forecast, GAMC enrollment is projected to be approximately 1% higher during the current biennium and about 3% higher during the next biennium. This translates to roughly 300 additional average monthly GAMC enrollees in the current biennium and about 1,100 additional average monthly GAMC enrollees in the next biennium.

HMO rates effective January 2009 have been adjusted slightly due to updated risk adjustment factors for the first quarter of CY2009. This results in a GAMC cost increase of about 0.1% relative to November forecast projections.

General Assistance Medical Care Total Dollar Expenditures



- End of Session 2008 Forecast
- ◆ November 2008 Forecast
- ▲ February 2009 Forecast

CHEMICAL DEPENDENCY FUND

	'08-'09 Biennium	'10-'11 Biennium	'12-'13 Biennium
Share of DHS Gen. Fund programs forecast	2.1%	2.5%	2.4%
Forecast change this item (\$000)	(9,813)	(2,402)	(1,863)
Forecast percentage change this item	-5.7%	-1.0%	-0.7%

The reduction in the current biennium is the result of 8.6% fewer placements in FY 2009 than had been projected in the November forecast. This appears to be the result of a temporary slowdown in certifications resulting from the implementation in July 2008 of a new certification process. The forecast assumes that expenditures will return to a level only slightly different from that projected in the November forecast. The most recent placement and payment data seem to indicate that this is taking place.

MFIP NET CASH (STATE AND FEDERAL)	'08-'09 Biennium	'10-'11 Biennium	'12-'13 Biennium
Forecast change this item (\$000)	1,333	21,255	18,884
Forecast percentage change this item	0.5%	6.6%	5.7%

GENERAL FUND SHARE OF MFIP

Share of DHS Gen. Fund programs forecast	1.2%	1.5%	1.5%
Forecast change this item (\$000)	3,726	24,108	20,379
Forecast percentage change this item	3.9%	16.6%	11.4%

FEDERAL TANF FUNDS FOR MFIP

Forecast change this item (\$000)	(2,393)	(2,853)	(1,495)
Forecast percentage change this item	-1.3%	-1.6%	-1.0%

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

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

Summary of Forecast Changes	'08-'09 Biennium (\$000)	'10-'11 Biennium (\$000)	'12-'13 Biennium (\$000)
Gross MFIP cash grant forecast change	1,067	21,922	19,127
Gross General Fund forecast change	3,417	24,864	20,791
Child Support/recoveries offset	309	(756)	(412)
Net General Fund forecast change	3,726	24,108	20,379
Gross TANF forecast change	(2,351)	(2,941)	(1,664)
Child Support pass-through/recoveries offset	(42)	88	169
Net TANF forecast change	(2,393)	(2,853)	(1,495)

Stronger Increase in MFIP Caseload Expected

The increase in gross MFIP cash grant expenditures in the current biennium and the next biennium is due to increased caseload projections. The econometric model used to forecast MFIP caseload was adjusted to allow for stronger caseload growth in response to the high levels of unemployment expected in the rest of FY 2009 and FY 2010. The average monthly caseload in FY 2009 is expected to be 0.6% higher than forecast in November, and the caseload in the next biennium is expected to be 6.5% higher. With small changes in the MFIP average payment based on recent data, resulting gross MFIP cash grant expenditures are \$1.1 million (0.4%) higher in this biennium and \$21.9 million (6.4%) higher in the next biennium, as compared to the November forecast.

Increased General Fund Expenditures

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

General Fund gross MFIP expenditures for the current biennium are increased \$3.4 million, mostly reflecting a higher non-MOE caseload in recent months than had been forecasted in November. Child support collections used to offset General Fund expenditures are projected to be \$0.3 million lower, resulting in net General Fund MFIP cash expenditures for the current biennium \$3.7 million higher than the November forecast, a 3.9% increase.

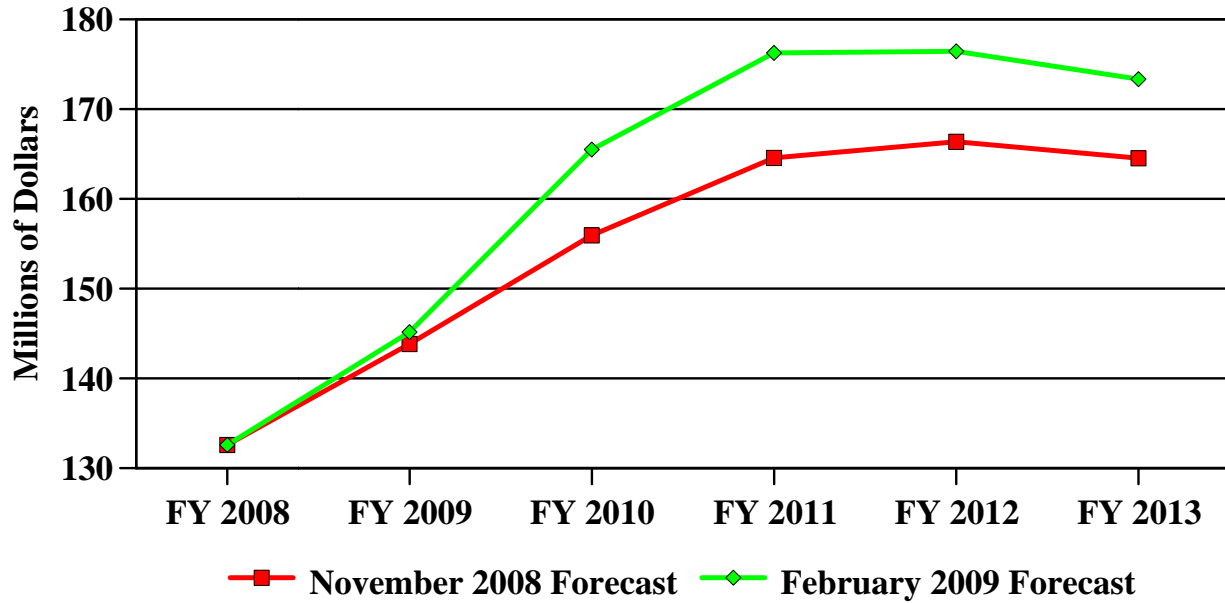
In the next biennium, there is an increase of \$24.9 million in General Fund MFIP cash relative to the November forecast. This is partly due to increased non-MOE case expenditures resulting from both the overall increase in MFIP caseload and an increased projected percentage of MFIP caseload required to be non-MOE. Part of the increase is due to the overall forecasted expenditure increase which cannot be funded with TANF because there are not enough TANF funds to do so. Child support collections are projected to be \$0.8 million higher due to the higher projected MFIP caseload. The net General Fund expenditures for the next biennium are \$24.1 million higher than the November forecast, a 16.6% increase.

Decreased TANF Expenditures

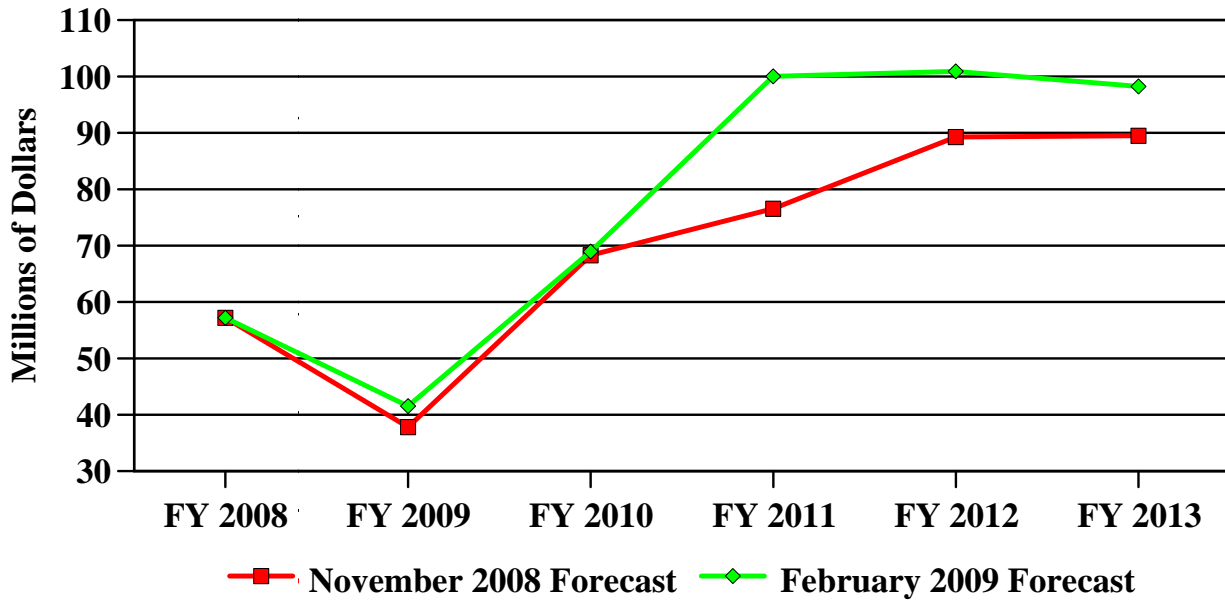
For the current biennium, the gross MFIP cash grant forecast increases \$1.1 million. Together with the increased gross General Fund expenditures of \$3.4 million-- and a small projected decrease in TANF expenditures for Child Support pass-through, there is a forecast decrease for federal TANF fund expenditures of \$2.4 million for the current biennium. This change represents a 1.3% decrease from the November forecast.

For the next biennium, the gross MFIP cash grant forecast increases \$21.9 million, while gross General Fund expenditures increase by \$24.9 million. With a small projected increase in TANF expenditures for Child Support pass-through, expenditures from TANF funds are projected to decrease \$2.9 million. This change is a 1.6% decrease from the November forecast.

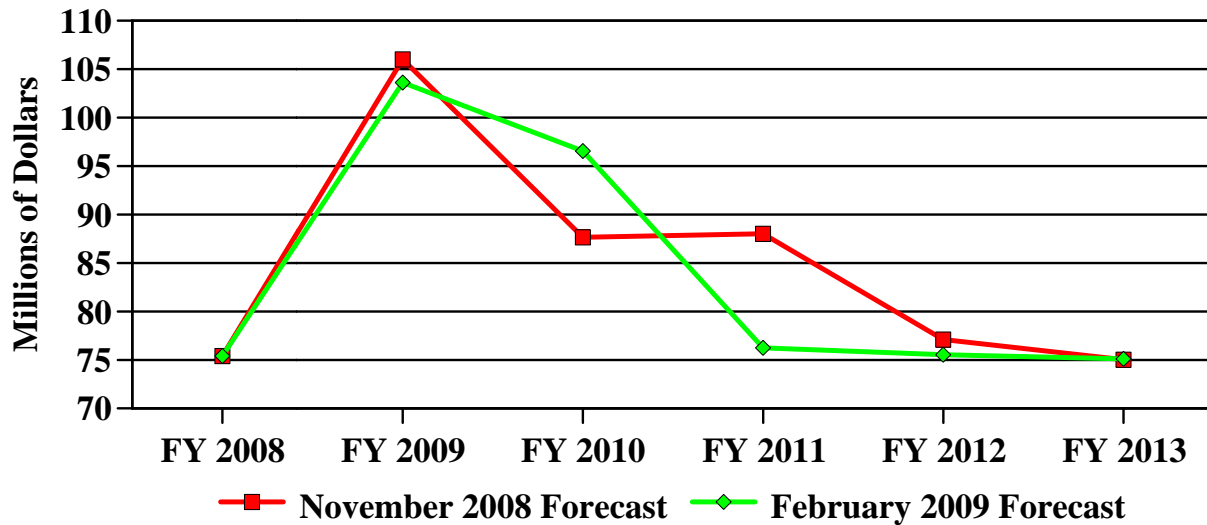
MFIP Grant Payments Total Net Expenditures (State + Federal)



MFIP Grant Payments Net State General Fund Expenditures



MFIP Grant Payments Net Federal TANF Expenditures



MFIP CHILD CARE ASSISTANCE

	'08-'09 Biennium	'10-'11 Biennium	'12-'13 Biennium
Share of DHS Gen. Fund programs forecast	1.4%	1.3%	1.1%
Forecast change this item (\$000)	1,631	14,059	9,674
Forecast percentage change this item	1.5%	10.8%	7.4%

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).

Increases in MFIP Forecasted Caseload

The increases in MFIP Child Care expenditures in the current biennium and next biennium are caused mainly by increases in the projected MFIP Child Care caseload due to higher MFIP caseloads. The caseload is projected to be 1% greater than forecast in November in the current biennium and 6% greater in the next biennium. Together with adjustments in the average payment forecasts, this leads to a \$1.6 million (0.8%) increase in the current biennium and a \$14.1 million (6.1%) increase in the next biennium. All expenditure changes affect the General Fund; federal expenditures are unchanged from the November forecast.

GENERAL ASSISTANCE

	'08-'09 Biennium	'10-'11 Biennium	'12-'13 Biennium
Share of DHS Gen. Fund programs forecast	1.1%	1.0%	0.8%
Forecast change this item (\$000)	(206)	(1)	207
Forecast percentage change this item	-0.2%	-0.0%	0.2%

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 changes in this activity result from small projected caseload increases resulting from the higher unemployment forecast, offset in FY 2009 and FY 2010 by recent data which have caseloads below the November forecast.

GROUP RESIDENTIAL HOUSING

	'08-'09 Biennium	'10-'11 Biennium	'12-'13 Biennium
Share of DHS Gen. Fund programs forecast	2.3%	2.2%	2.2%
Forecast change this item (\$000)	811	12,209	13,045
Forecast percentage change this item	0.4%	5.5%	5.2%

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

The increases in projected GRH expenditures come mainly from higher GRH rates expected to result from the 13% increase in the Thrifty Food Plan mandated by the American Recovery and Reinvestment Act of 2009. The GRH base rate is linked to the Thrifty Food Plan, and the 13% increase is expected to increase GRH average monthly payments by \$23, resulting in an additional cost of approximately \$5 million per year.

MINNESOTA SUPPLEMENTAL AID	'08-'09 Biennium	'10-'11 Biennium	'12-'13 Biennium
Share of DHS Gen. Fund programs forecast	0.8%	0.7%	0.6%
Forecast change this item (\$000)	199	2,390	4,085
Forecast percentage change this item	0.3%	3.6%	5.9%

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

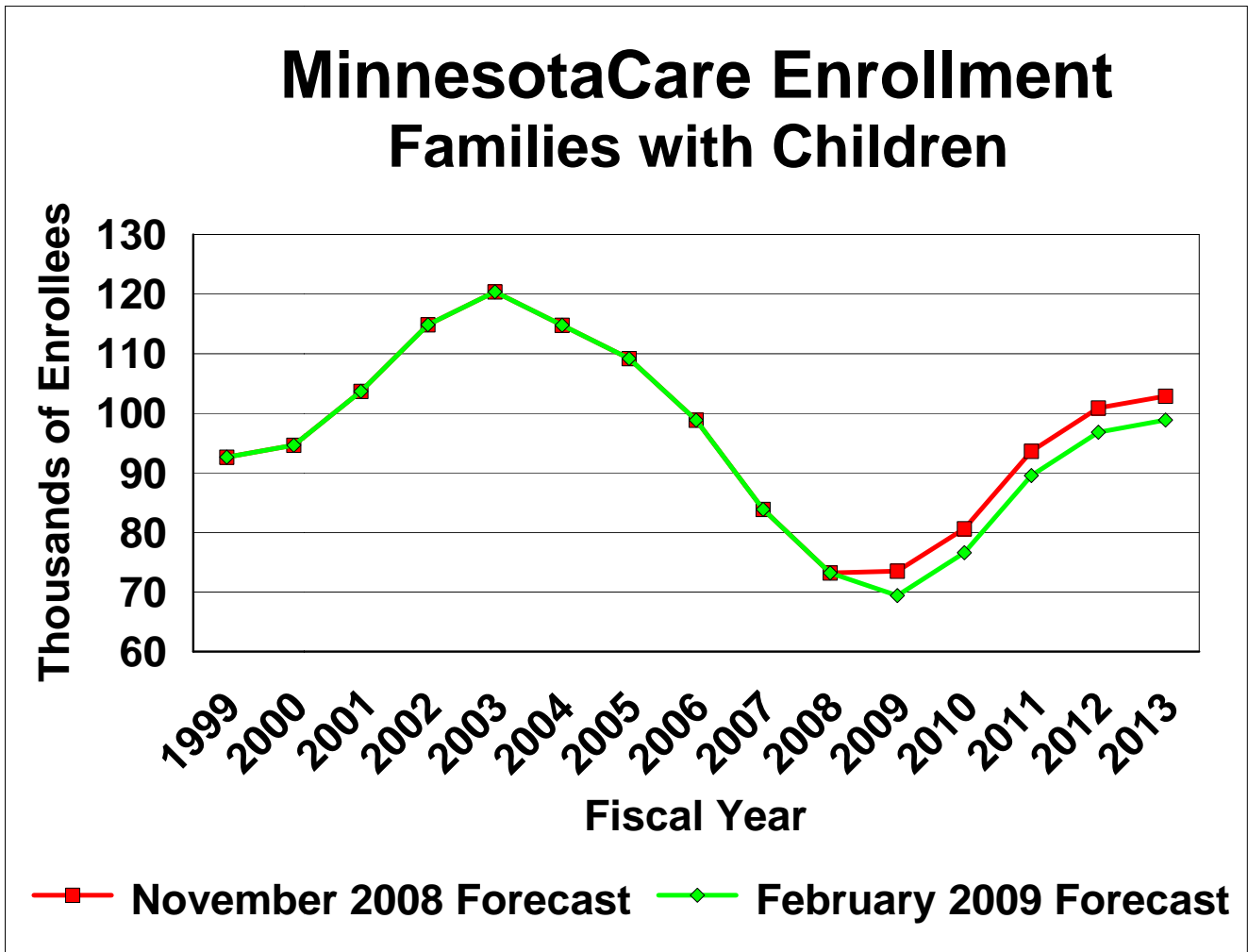
The increases in this activity come from higher average cost projections. These result mainly from increases in standards for MSA special diets owing to increases in the Thrifty Food Plan in October 2008 and additional 13% increase prescribed by the recently passed American Recovery and Reinvestment Act (ARRA). The 13% increase has an expected cost of about \$500,000 per year in MSA.

MINNESOTACARE	'08-'09 Biennium	'10-'11 Biennium	'12-'13 Biennium
Forecast change this item (\$000)	(18,817)	(99,031)	(74,641)
Forecast percentage change this item	-2.8%	-9.8%	-5.8%

Summary of Forecast Changes	'08-'09 Biennium (\$000)	'10-'11 Biennium (\$000)	'12-'13 Biennium (\$000)
<i>Families with Children</i>			
Enrollment changes	(2,785)	(17,114)	(34,933)
Average payment changes	289	1,646	2,127
Delay MA transition kids implementation	0	(5,384)	(4,843)
SCHIP changes	1,585	(7,986)	(34,727)
Economic stimulus FMAP increase	(13,052)	(53,548)	0
Families with Children Subtotal	(13,963)	(82,386)	(72,376)
<i>Adults without Children</i>			
Enrollment changes	(6,732)	(28,301)	(19,288)
Average payment changes	1,878	11,656	17,023
Adults without Children Subtotal	(4,854)	(16,645)	(2,265)
Total Program	(18,817)	(99,031)	(74,641)

Families with Children

Average monthly enrollment of children and parents fell by 13% in FY 2008 compared with the previous fiscal year. Despite this drop, enrollment stabilized at about 73,000 enrollees during the last half of FY 2008. Based on this trend, continued stable enrollment was projected for FY 2009 in the November forecast. However, enrollment dropped by 2,000 enrollees between September and December 2008 effectively reducing base enrollment for the February forecast. Thus, while the projected year on year enrollment increases are similar to the November forecast, the level of projected enrollment of MinnesotaCare children and parents is below the November forecast through the forecast period. Relative to the November forecast, enrollment projections for children and parents in the February forecast are 3% lower for the current biennium and about 6.5% lower in the next biennium.



HMO rates effective January 2009 have been adjusted due to updated risk adjustment factors for the first quarter of CY2009. This results in a cost increase for MinnesotaCare families with children of about 0.5% relative to November forecast projections.

The 2007 Legislature passed language that provides automatic MnCare eligibility to children who become ineligible for MA due to income. These children receiving automatic MnCare eligibility are known as MA Transition Kids. Due to a delay in federal approval and subsequent systems changes that are required to implement MnCare eligibility for these kids, the effective date for this policy has been delayed in the February forecast from January 2010 to July 2010. This implementation delay results in fewer children enrolled in MinnesotaCare and a forecast reduction of about 2% in the next biennium.

As part of negotiations to renew the MinnesotaCare waiver, Minnesota agreed to terminate SCHIP coverage of MinnesotaCare parents and instead to cover these parents under the MinnesotaCare waiver at the Medicaid matching rate. This resulted in the loss of enhanced federal match on these parents. The November forecast assumed SCHIP parents coverage would be terminated effective April 1, 2009. The actual termination date was February 1, 2009, and this adjustment in the February forecast results in a loss of two additional months of enhanced federal match on these parents (about \$2 million) in FY 2009.

However, the federal CHIP bill signed by the President in January allows Minnesota to claim enhanced federal match on MinnesotaCare children above 133% FPG. This enhanced match reduces the state share of MinnesotaCare expenditures by about \$0.5 million in the current biennium and about \$8 million in the next biennium. This constitutes a forecast reduction of about 0.5% in the current biennium and about 2.5% in the next biennium.

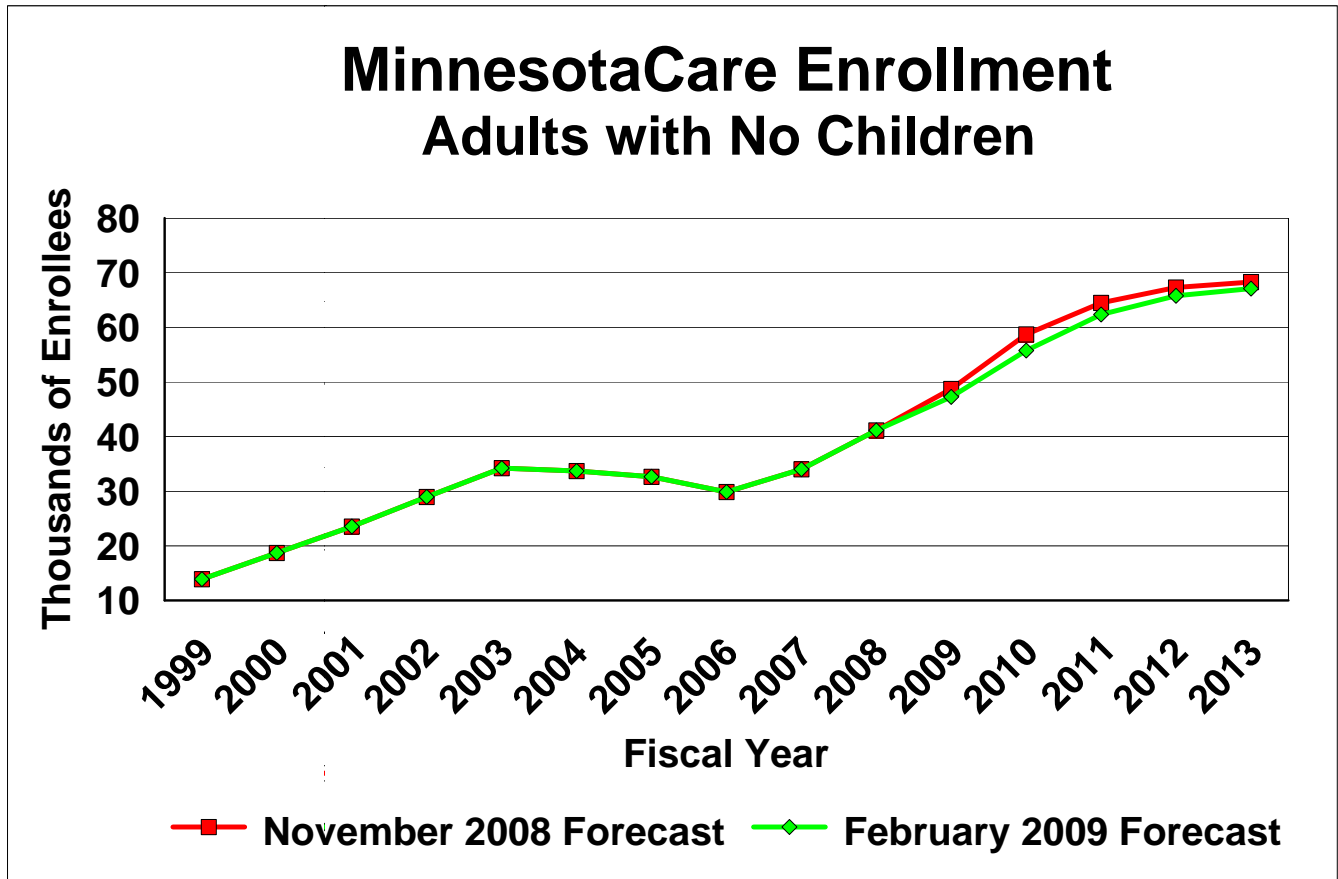
Finally, the American Recovery and Reinvestment Act (ARRA) signed by the President in February provides a temporary increase in the FMAP rate. This additional federal match reduces the state share of MinnesotaCare expenditures by about \$13 million in the current biennium and about \$33 million in the next biennium. This constitutes a forecast reduction of about 10% in the current biennium and about 16% in the next biennium.

Adults without Children

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

Excluding Transitional MinnesotaCare enrollment, average monthly enrollment of adults without children was about 1,000 enrollees (2%) below the November forecast in December 2008. This reduces base enrollment in the February forecast and leads to a forecast reduction of about 2.5% in the next biennium. Similarly, Transitional MinnesotaCare enrollment was about 500 enrollees (5%) below November projections leading to a forecast reduction of about 10% in the next biennium.

HMO rates effective January 2009 have been adjusted due to updated risk adjustment factors for the first quarter of CY 2009. This results in a cost increase for MinnesotaCare adults without children of about 2% relative to November forecast projections.



**TABLE ONE
CURRENT BIENNIUM SUMMARY**

GENERAL FUND	November 2008 Forecast FY 2008 - FY 2009 Biennium (\$ in thousands)			February 2009 Forecast FY 2008 - FY 2009 Biennium (\$ in thousands)		
	FY 2008	FY 2009	Biennium	FY 2008	FY 2009	Biennium
Medical Assistance						
LTC Facilities	471,915	494,364	966,279	471,915	419,769	891,684
LTC Waivers	925,598	1,030,064	1,955,662	925,598	881,906	1,807,504
Elderly & Disabled Basic	974,678	1,090,142	2,064,820	974,678	960,706	1,935,384
Families w. Children Basic	762,666	892,022	1,654,688	762,666	724,887	1,487,553
Total	3,134,857	3,506,592	6,641,449	3,134,857	2,987,268	6,122,125
Alternative Care Program	49,858	51,560	101,418	49,858	51,560	101,418
General Assistance Medical Care	262,835	292,208	555,043	262,835	292,855	555,690
Chemical Dependency Fund	81,909	90,004	171,913	81,909	80,191	162,100
Subtotal: Health Care	3,529,459	3,940,364	7,469,823	3,529,459	3,411,874	6,941,333
Minnesota Family Inv. Program	57,190	37,814	95,004	57,190	41,540	98,730
Child Care Assistance	45,833	64,543	110,376	45,833	66,174	112,007
General Assistance	39,263	45,950	85,213	39,263	45,744	85,007
Group Residential Housing	83,984	98,732	182,716	83,984	99,543	183,527
Minnesota Supplemental Aid	30,830	31,827	62,657	30,830	32,026	62,856
Subtotal: Economic Support	257,100	278,866	535,966	257,100	285,027	542,127
Total General Fund	3,786,559	4,219,230	8,005,789	3,786,559	3,696,901	7,483,460
TANF funds for MFIP Grants	75,406	106,021	181,427	75,406	103,628	179,034
MinnesotaCare	303,929	364,626	668,555	303,929	345,809	649,738

**TABLE TWO
CURRENT BIENNIUM SUMMARY**

GENERAL FUND	February 2009 Forecast Change from November 2008 Forecast FY 2008 - FY 2009 Biennium (\$ in thousands)			February 2009 Forecast Change from November 2008 Forecast FY 2008 - FY 2009 Biennium (Percent Change)		
	FY 2008	FY 2009	Biennium	FY 2008	FY 2009	Biennium
Medical Assistance						
LTC Facilities	0	(74,595)	(74,595)	0.0%	-15.1%	-7.7%
LTC Waivers	0	(148,158)	(148,158)	0.0%	-14.4%	-7.6%
Elderly & Disabled Basic	0	(129,436)	(129,436)	0.0%	-11.9%	-6.3%
Families w. Children Basic	0	(167,135)	(167,135)	0.0%	-18.7%	-10.1%
Total	0	(519,324)	(519,324)	0.0%	-14.8%	-7.8%
Alternative Care program	0	0	0	0.0%	0.0%	0.0%
General Assistance Medical Care	0	647	647	0.0%	0.2%	0.1%
Chemical Dependency Fund	0	(9,813)	(9,813)	0.0%	-10.9%	-5.7%
Subtotal: Health Care	0	(528,490)	(528,490)	0.0%	-13.4%	-7.1%
Minnesota Family Inv. Program	0	3,726	3,726	0.0%	9.9%	3.9%
Child Care Assistance	0	1,631	1,631	0.0%	2.5%	1.5%
General Assistance	0	(206)	(206)	0.0%	-0.4%	-0.2%
Group Residential Housing	0	811	811	0.0%	0.8%	0.4%
Minnesota Supplemental Aid	0	199	199	0.0%	0.6%	0.3%
Subtotal: Economic Support	0	6,161	6,161	0.0%	2.2%	1.1%
Total General Fund	0	(522,329)	(522,329)	0.0%	-12.4%	-6.5%
TANF funds for MFIP Grants	0	(2,393)	(2,393)	0.0%	-2.3%	-1.3%
MinnesotaCare	0	(18,817)	(18,817)	0.0%	-5.2%	-2.8%

**TABLE THREE
NEXT BIENNIUM SUMMARY**

GENERAL FUND	November 2008 Forecast FY 2010 - FY 2011 Biennium (\$ in thousands)			February 2009 Forecast FY 2010 - FY 2011 Biennium (\$ in thousands)		
	FY 2010	FY 2011	Biennium	FY 2010	FY 2011	Biennium
Medical Assistance						
LTC Facilities	506,249	513,045	1,019,294	386,995	448,824	835,819
LTC Waivers	1,136,801	1,240,585	2,377,386	878,890	1,098,464	1,977,354
Elderly & Disabled Basic	1,223,444	1,345,074	2,568,518	985,278	1,209,052	2,194,330
Families w. Children Basic	1,041,015	1,180,190	2,221,205	830,971	1,066,320	1,897,291
Total	3,907,509	4,278,894	8,186,403	3,082,134	3,822,660	6,904,794
Alternative Care Program	52,120	52,277	104,397	52,120	52,277	104,397
General Assistance Medical Care	343,920	387,531	731,451	350,382	397,983	748,365
Chemical Dependency Fund	115,206	128,216	243,422	113,093	127,927	241,020
Subtotal: Health Care	4,418,755	4,846,918	9,265,673	3,597,729	4,400,847	7,998,576
Minnesota Family Inv. Program	68,305	76,550	144,855	68,945	100,018	168,963
Child Care Assistance	64,474	65,261	129,735	71,771	72,023	143,794
General Assistance	48,201	48,623	96,824	48,215	48,608	96,823
Group Residential Housing	107,298	114,497	221,795	113,298	120,706	234,004
Minnesota Supplemental Aid	32,874	33,857	66,731	33,930	35,191	69,121
Subtotal: Economic Support	321,152	338,788	659,940	336,159	376,546	712,705
Total General Fund	4,739,907	5,185,706	9,925,613	3,933,888	4,777,393	8,711,281
TANF funds for MFIP Grants	87,648	88,016	175,664	96,561	76,250	172,811
MinnesotaCare	465,001	547,053	1,012,054	415,419	497,604	913,023

**TABLE FOUR
NEXT BIENNIUM SUMMARY**

GENERAL FUND	February 2009 Forecast Change from November 2008 Forecast FY 2010 - FY 2011 Biennium (\$ in thousands)			February 2009 Forecast Change from November 2008 Forecast FY 2010 - FY 2011 Biennium (Percent Change)		
	FY 2010	FY 2011	Biennium	FY 2010	FY 2011	Biennium
Medical Assistance						
LTC Facilities	(119,254)	(64,221)	(183,475)	-23.6%	-12.5%	-18.0%
LTC Waivers	(257,911)	(142,121)	(400,032)	-22.7%	-11.5%	-16.8%
Elderly & Disabled Basic	(238,166)	(136,022)	(374,188)	-19.5%	-10.1%	-14.6%
Families w. Children Basic	(210,044)	(113,870)	(323,914)	-20.2%	-9.6%	-14.6%
Total	(825,375)	(456,234)	(1,281,609)	-21.1%	-10.7%	-15.7%
Alternative Care program	0	0	0	0.0%	0.0%	0.0%
General Assistance Medical Care	6,462	10,452	16,914	1.9%	2.7%	2.3%
Chemical Dependency Fund	(2,113)	(289)	(2,402)	-1.8%	-0.2%	-1.0%
Subtotal: Health Care	(821,026)	(446,071)	(1,267,097)	-18.6%	-9.2%	-13.7%
Minnesota Family Inv. Program	640	23,468	24,108	0.9%	30.7%	16.6%
Child Care Assistance	7,297	6,762	14,059	11.3%	10.4%	10.8%
General Assistance	14	(15)	(1)	0.0%	-0.0%	-0.0%
Group Residential Housing	6,000	6,209	12,209	5.6%	5.4%	5.5%
Minnesota Supplemental Aid	1,056	1,334	2,390	3.2%	3.9%	3.6%
Subtotal: Economic Support	15,007	37,758	52,765	4.7%	11.1%	8.0%
Total General Fund	(806,019)	(408,313)	(1,214,332)	-17.0%	-7.9%	-12.2%
TANF funds for MFIP Grants	8,913	(11,766)	(2,853)	10.2%	-13.4%	-1.6%
MinnesotaCare	(49,582)	(49,449)	(99,031)	-10.7%	-9.0%	-9.8%

**TABLE FIVE
FY 2012 - FY 2013 BIENNIUM SUMMARY**

GENERAL FUND	November 2008 Forecast FY 2012 - FY 2013 Biennium (\$ in thousands)			February 2009 Forecast FY 2012 - FY 2013 Biennium (\$ in thousands)		
	FY 2012	FY 2013	Biennium	FY 2012	FY 2013	Biennium
Medical Assistance						
LTC Facilities	529,517	548,175	1,077,692	526,833	545,498	1,072,331
LTC Waivers	1,341,312	1,456,891	2,798,203	1,348,779	1,464,302	2,813,081
Elderly & Disabled Basic	1,504,037	1,642,314	3,146,351	1,509,660	1,648,273	3,157,933
Families w. Children Basic	1,295,158	1,377,218	2,672,376	1,318,221	1,402,250	2,720,471
Total	4,670,024	5,024,598	9,694,622	4,703,493	5,060,323	9,763,816
Alternative Care Program	52,277	52,277	104,554	52,277	52,277	104,554
General Assistance Medical Care	432,777	463,554	896,331	444,660	476,551	921,211
Chemical Dependency Fund	136,567	143,581	280,148	135,558	142,727	278,285
Subtotal: Health Care	5,291,645	5,684,010	10,975,655	5,335,988	5,731,878	11,067,866
Minnesota Family Inv. Program	89,258	89,502	178,760	100,903	98,236	199,139
Child Care Assistance	65,823	65,634	131,457	71,160	69,971	141,131
General Assistance	48,262	47,755	96,017	48,300	47,924	96,224
Group Residential Housing	122,392	129,945	252,337	128,815	136,567	265,382
Minnesota Supplemental Aid	34,330	34,692	69,022	36,095	37,012	73,107
Subtotal: Economic Support	360,065	367,528	727,593	385,273	389,710	774,983
Total General Fund	5,651,710	6,051,538	11,703,248	5,721,261	6,121,588	11,842,849
TANF funds for MFIP Grants	77,107	75,033	152,140	75,541	75,104	150,645
MinnesotaCare	613,457	663,320	1,276,777	575,999	626,137	1,202,136

**TABLE SIX
FY 2012 - FY 2013 BIENNIUM SUMMARY**

GENERAL FUND	February 2009 Forecast Change from November 2008 Forecast FY 2012 - FY 2013 Biennium (\$ in thousands)			February 2009 Forecast Change from November 2008 Forecast FY 2012 - FY 2013 Biennium (Percent Change)		
	FY 2012	FY 2013	Biennium	FY 2012	FY 2013	Biennium
Medical Assistance						
LTC Facilities	(2,684)	(2,677)	(5,361)	-0.5%	-0.5%	-0.5%
LTC Waivers	7,467	7,411	14,878	0.6%	0.5%	0.5%
Elderly & Disabled Basic	5,623	5,959	11,582	0.4%	0.4%	0.4%
Families w. Children Basic	23,063	25,032	48,095	1.8%	1.8%	1.8%
Total	33,469	35,725	69,194	0.7%	0.7%	0.7%
Alternative Care program	0	0	0	0.0%	0.0%	0.0%
General Assistance Medical Care	11,883	12,997	24,880	2.7%	2.8%	2.8%
Chemical Dependency Fund	(1,009)	(854)	(1,863)	-0.7%	-0.6%	-0.7%
Subtotal: Health Care	44,343	47,868	92,211	0.8%	0.8%	0.8%
Minnesota Family Inv. Program	11,645	8,734	20,379	13.0%	9.8%	11.4%
Child Care Assistance	5,337	4,337	9,674	8.1%	6.6%	7.4%
General Assistance	38	169	207	0.1%	0.4%	0.2%
Group Residential Housing	6,423	6,622	13,045	5.2%	5.1%	5.2%
Minnesota Supplemental Aid	1,765	2,320	4,085	5.1%	6.7%	5.9%
Subtotal: Economic Support	25,208	22,182	47,390	7.0%	6.0%	6.5%
Total General Fund	69,551	70,050	139,601	1.2%	1.2%	1.2%
TANF funds for MFIP Grants	(1,566)	71	(1,495)	-2.0%	0.1%	-1.0%
MinnesotaCare	(37,458)	(37,183)	(74,641)	-6.1%	-5.6%	-5.8%