



Minnesota Department of **Human Services**

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March 29, 2013

Jim Schowalter, Commissioner  
Department of Management and Budget  
400 Centennial Building  
658 Cedar Street  
St. Paul, MN 55155

Dear Commissioner Schowalter:

In accordance with Minnesota Statutes, Section 16A.725, subdivision 2, I hereby certify the following amounts as tobacco-use attributable costs for fiscal year 2012 for Medical Assistance and MinnesotaCare.

General Fund	\$355.0 million
Health care Access Fund	\$46.1 million
Total	\$401.1 million

This certification is based on a methodology developed by Miller, Zhang, Novotny, Rice and Max and published in the March/April 1998 edition of the journal "Public Health Reports" to determine public expenditures attributable to smoking.

Consistent with this methodology, smoking attributable factors have been applied to fiscal year 2012 service expenditures for Medical Assistance and MinnesotaCare divided into five categories: ambulatory care, pharmacy, hospital, home health and skilled nursing facility. The State cost was subsequently determined for each program by reducing the total by the amount of federal funding, enrollee premiums, and pharmacy rebates.

State funding is appropriated from the General Fund for Medical Assistance and from the Health Care Access Fund for MinnesotaCare, so tobacco-use attributable costs have been attributed to the funds accordingly.

Sincerely,

Lucinda Jesson  
Commissioner

