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Minnesota

Department of Human Services

November 2013 Forecast

St. Paul, Minnesota

December 5, 2013

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 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 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 (MSA). Changes in SSI eligibility may leave numbers of people eligible for General Assistance (GA) instead of SSI.

The narrative section of this document provides brief explanations of the changes in forecast expenditures in the November 2013 forecast, compared to the end of session 2013 forecast. The FY 2012-2013 biennium is referred to as "the last biennium", the FY 2014-2015 biennium as "the current biennium," and FY 2016-2017 as "the next biennium."

Tables One and Two provide the new and old forecasts and changes from the previous forecast for the FY 2012-2013 biennium, and Tables Three and Four provide the same information about the FY 2014-2015 biennium, and Tables Five and Six for the FY 2016-2017 biennium.

FY 2012-2013 BIENNIUM SUMMARY

General Fund Costs Slightly Lower

Actual General Fund costs for DHS medical and economic support programs for the FY 2012-2013 biennium are \$9.082 billion, \$66 million (0.7%) lower than the end of session+A162 2013 forecast. The reduction comes from lower net expenditures in the Medical Assistance program.

TANF Forecast Little Changed

Actual expenditures of federal TANF (Temporary Assistance for Needy Families) funds for MFIP grants are \$154 million, \$1.4 million (0.9 percent) below end of session 2013 estimates.

MinnesotaCare Forecast Lower

Actual Health Care Access Fund costs for the MinnesotaCare program and the Defined Benefit Program are \$541 million, \$16 million (2.8 percent) below the end of session 2013 forecast.

FY 2014-2015 BIENNIUM SUMMARY

General Fund Costs Slightly Lower

General Fund costs for DHS medical and economic support programs for the FY 2014-2015 biennium are projected to total \$9.755 billion, down \$144 million (1.5%) from the end of session 2013 forecast. \$21 million of this reduction results from federal approval of federal funding for the Alternative Care Program and from contingent budget changes from the 2013 Session triggered by the federal funding.

TANF Forecast Lower

Projected expenditures of federal TANF (Temporary Assistance for Needy Families) funds for MFIP grants are \$154 million, \$2.9 million (1.8 percent) lower than the end of session 2013 forecast.

MinnesotaCare Forecast Higher

Forecasted Health Care Access Fund costs for the MinnesotaCare program are \$554 million, \$14 million (2.5 percent) higher than in the end of session 2013 forecast. A reduced projection of federal Basic Health Plan funding in the last six months of the biennium is the reason for the net increase.

FY 2016-2017 BIENNIUM SUMMARY

General Fund Costs Higher

General Fund costs for DHS medical and economic support programs for the FY 2016-2017 biennium are projected to total \$10.966 billion, up \$175 million (1.6 percent) compared to the end of session 2013 forecast. The increase results from a correction to the Medical Assistance forecast recognizing continued "clawback" payments to the federal government required under the federal law establishing Medicare Part D pharmacy payments.

TANF Forecast Higher

Projected expenditures of federal TANF (Temporary Assistance for Needy Families) funds for MFIP grants are \$154 million, \$13 million (9.4 percent) higher than the end of session 2013 forecast.

MinnesotaCare Forecast Much Higher

Forecasted Health Care Access Fund costs for the MinnesotaCare program are \$649 million, \$517 million (392 percent) higher than in the end of session 2013 forecast. The entire net increase comes from lower expected federal Basic Health Plan funding.

PROGRAM DETAIL

MEDICAL ASSISTANCE	'12-'13 Biennium	'14-'15 Biennium	'16-'17 Biennium
Total forecast change for MA (\$000)	-62,742	-142,313	174,670
Total forecast percentage change this item	-0.8%	-1.5%	1.7%

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

MA LTC FACILITIES	'12-'13 Biennium	'14-'15 Biennium	'16-'17 Biennium
Total forecast change this item (\$000)	-6,289	-14,612	-17,529
Total forecast percentage change this item	-0.7%	-1.7%	-2.0%

This activity includes payments to nursing facilities, to community ICF/DD facilities, for day training and habilitation services for community ICF/DD residents, and for the State Operated Services programs for the mentally ill (SOS).

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.

	'12-'13 Biennium (\$000)	'14-'15 Biennium (\$000)	'16-'17 Biennium (\$000)
Change in Projected Costs			
Alternative Care offset	-1,793	-6,272	-6,707
NF: 2013 Session contingent changes	0	-8,760	-17,789
NF recipients	1,194	9,432	13,222
NF average costs	-3,428	-2,069	2,712
ICF/DD & DTH	-3,890	-3,011	-6,309
SOS	381	200	0
County share	-60	-997	337
Delete EOS 2013 balancing adjustments	0	-1,828	-2,995
Delete separate June 2013 payment delay	1,307	-1,307	0
Activity Total	-6,289	-14,612	-17,529

Alternative Care Offset

This section describes the non-contingent forecast changes to AC. 2013 Session contingent changes are described below, after the MA changes, and are treated as changing the AC appropriation rather than the offset to MA costs. The contingent changes include the effects of gaining federal matching for the AC program.

AC expenditures were 2.9% under forecast for the last biennium. Projected expenditures are reduced by 9.9% for the current biennium and by 8.9% for the next biennium. Most of the forecast changes result from lower than expected average costs in FY 2013 and correspondingly lower average cost projections for the future. Recipient projections are about 3.2% lower for the current biennium and 1.7% higher for the next biennium.

Nursing Facilities (NF) 2013 Session Contingent Changes

The contingent changes include savings from a recipient reduction projected for Return to Community and a rate reduction from the removal of LTC screening costs from NF rates.

Nursing Facilities (NF)

NF actual payments were 0.3% lower for the last biennium and projections are 1.0% higher for the current biennium and 2.1% higher for the next biennium. These increase result from recipient projections which are 1.3% higher for the current biennium and 1.8% higher for the next biennium.

The average number of NF recipients has dropped steadily since FY 1993. In the last five years it has decreased at a rate of 3% to 4% annually, decreasing by 3.6% in FY 2013. The base forecast model for November assumes a decline of 2.2% in FY 2014, slowing to an average decline of 0.7% per year in FY 2015 and FY 2016, followed by an increase of 0.9% in FY 2017 as growth in the elderly population begins slowly to increase the demand for long term care services.

The forecast also assumes implementation in 2014 of new level of care requirements for MA payment of NF services. This change is projected to reduce the number of MA NF recipients by about 400 by FY 2017. This change, in combination with the recipient effects of other legislative changes, causes the final forecast to show a continuing decline of 2.0% to 2.5% per year in the number of NF recipients.

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

Actual expenditures for the last biennium were 2.4% lower than the previous forecast. Projected costs for the current biennium are 1.7% lower, and 3.6% lower for the next biennium. Expenditure projections for ICF/DD are 0.4% lower for the current biennium and 1.3% lower for the next biennium. Projections for DT&H are 2.6% lower for the current biennium and 3.6% lower for the next biennium. In both cases lower average cost projections are the reason for the change.

The change in the quality add-on from a 1% COLA effective July 2015 to a fixed value in the LTC Waivers activity contributes a 1% reduction for the next biennium in the changes cited above. See the narrative on the quality add-on change under the LTC Waivers below.

SOS RTC MI Program

MA billings for SOS MI programs on RTC campuses have nearly ceased. The newer programs in 16-bed facilities do not bill as RTC programs, which fall under Medicaid coverage limitations for IMDs.

County Share of LTC Facility Services

County-share projections are modestly higher for the current biennium and slightly lower for the next biennium.

2013 Session Balancing Adjustments Deleted

These adjustments were made to the NF forecast to balance the 2013 end of session forecast to the 2013 appropriations. The need for adjustments arose from interactions of some of the major program changes made in the 2013 Session when the changes were integrated into the forecast. Deletion of the adjustments results in small overall reductions against the MA forecast as a whole.

Delete Separate June 2013 Payment Delay

The June 2013 payment delay, which affected ICF/DD and DT&H payments was forecasted as a separate line item in the previous forecasts. The actual effects of the delay are now included in actual data for June and July 2013 used in the forecast.

MA LTC WAIVERS & HOME CARE

	'12-'13 Biennium	'14-'15 Biennium	'16-'17 Biennium
Total forecast change this item (\$000)	-16,277	-86,505	-84,566
Total forecast percentage change this item	-0.7%	-3.2%	-2.7%

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)
- Brain Injury Waiver (BI Waiver)
- Home Health Agency Services
- Private Duty Nursing (PDN) Services
- Personal Care Assistance (PCA)
- Community Choice K
- Community Choice I
- 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/DD, or acute care hospital).

Community Choice K and I services will replace PCA services during 2014 and 2015. 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:

	'12-'13 Biennium (\$000)	'14-'15 Biennium (\$000)	'16-'17 Biennium (\$000)
Change in Projected Costs			
DD Waiver: 2013 Session contingent change	0	2,431	3,070
CADI Waiver: 2013 Session contingent change		4,314	5,727
EW Waiver FFS: 2013 Session contingent change		-385	-923
DD waiver	-13,537	-27,437	-58,268
EW Waiver FFS	-910	-2,175	-2,917
CADI Waiver	-10,707	-40,510	-55,166
CAC Waiver	-346	353	429
BI Waiver	-1,902	-3,630	-5,077
Home Health	-504	-708	-927
Private Duty Nursing	-3,505	-5,222	-6,385
Personal Care Assistance	-4,915	3,027	0
Community Choice K FFS	0	2,601	0
Community Choice I FFS	0	134	0
Delete separate forecast of June 2013 payment delay	18,531	-18,531	
Quality add-on for '16 and '17 forecasted separately	0	0	35,871
Transfer to CSG	1,518	-767	0
Activity Total	-16,277	-86,505	-84,566
EW Total: FFS & Managed Care Excluding 2013 Session contingent changes	-1,194	-4,615	-10,633

Percent Change in Projected Costs

	'12-'13 Biennium	'14-'15 Biennium	'16-'17 Biennium
DD Waiver	-1.3%	-2.4%	-3.5%
EW Waiver FFS	-2.4%	-5.1%	-5.1%
CADI Waiver	-2.1%	-6.2%	-5.6%
CAC Waiver	-1.5%	1.3%	2.4%
BI Waiver	-1.9%	-3.2%	-3.0%
Home Health	-2.5%	-3.6%	-3.7%
Private Duty Nursing	-3.5%	-4.2%	-3.3%
Personal Care Assistance (Total)	-1.1%	1.3%	
Community Choice K		1.0%	1.0%
Community Choice I		1.0%	1.0%
Transfer to CSG	4.7%	-4.3%	
Activity Total	-0.7%	-3.2%	-2.7%
EW Total: FFS & Managed Care Excluding 2013 Session contingent changes	-0.4%	-1.3%	-1.6%

Note on percentage change calculations:

1. Line items' % changes exclude contingent 2013 Session changes.
2. Line items' % changes include effects of the June 2013 payment delay, which on average decreased payments for the '12 - '13 biennium by 0.35% and increased the '14 - '15 biennium payments by a similar percentage.
3. Line items' % changes for '16 - '17 are adjusted to exclude a 1 percentage point reduction resulting from changing the treatment of the quality add-on from a 1% COLA in the 2013 end of session forecast to a separate item in the forecast.
4. The Activity Total is inclusive of all dollar changes listed in the table above.

2013 Session Contingent Changes

Contingent changes to DD Waiver and CADI are partial restoration of a prior congregate care rate reductions.

The contingent EW change is a projected effect of improved counseling regarding options for long term care services.

DD Waiver

DD waiver recipient projections are practically unchanged. Average cost projections are reduced because of lower costs in FY 2013. Projected growth in the average cost of waiver services is also reduced, based on very little change in that cost from FY 2009 to FY 2013. The forecast continues to allow growth in average costs of 1.0% to 1.5% annually for increases in acuity of waiver service needs.

Elderly Waiver

Elderly waiver is forecasted in two segments, the fee for service (FFS) 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 distribution between fee-for-service EW and the managed care EW.

FFS EW expenditures in the last biennium were about 2.4% below the previous forecast. Projections for the current biennium and the next biennium are reduced by 5.1%. About half of the reduction is for fewer recipients and half for lower average costs.

CADI Waiver

CADI recipient numbers were 1.5% below the previous forecast for FY 2013. Based mainly on a lower starting point in early FY 2014, recipient projections are reduced by 3.4% for both the current biennium and the next biennium.

The average cost of CADI services in FY 2013 was 2.5% lower than the previous forecast. Largely based on recent experience, average payment projections are reduced by 2.8% for the current biennium and 2.2% for the next biennium.

CAC Waiver

Expenditures for the last biennium were 1.5% less than the previous forecast. Projections for the current biennium are increased by 1.3% and by 2.4% for the next biennium because both recipients and average payment projections are slightly higher.

BI Waiver

BI waiver expenditures for the last biennium were 1.9% below the last forecast, mostly because of lower average payments. Projected costs are 3.2% lower for the current biennium and 3.0% lower for the next biennium. About one-third of the reductions is for lower numbers of recipients, two-thirds for lower average costs.

Home Health Agency

Payments for home health agency services in the last biennium were 2.5% below previous projections because of a mix of fewer recipients and lower average costs. Projections for the current biennium are reduced by 3.6% and projections for the next biennium by 3.7%. The current biennium change is a mix of lower recipient and lower average cost projections, while the change for next biennium is mostly produced by lower projected average costs.

Private Duty Nursing (PDN)

Lower than expected average costs made PDN expenditures for last biennium 3.5% lower than the previous forecast. Based on this experience, projected costs for the current biennium are 4.2% lower and costs for the next biennium 3.3% lower.

Personal Care Assistance (PCA) / Community Choice K & I

Based on 2013 Session changes, PCA will be replaced during the current biennium by Community Choice K & I services. "K" services are for those who meet institutional level of care requirements; "I" services for those who do not.)

PCA costs were 1.1% under forecast last biennium, but based on recent experience are expected to be 1.3% higher for the current biennium. Based on the PCA change, the end of session forecast for K and I services is increased by 1%.

Transfer to Consumer Support Grants (CSG)

The Consumer Support Grants program is funded through transfers from the MA account. Like PCA, the CSG caseload will be folded into the Community Choice K & I services.

The CSG transfers for last biennium were \$1.5 million higher than the previous forecast, but they are approximately \$800 lower for the current biennium, because of a slightly lower CSG forecast.

Delete Separate June 2013 Payment Delay

The June 2013 payment delay, which affected all the services in this activity was forecasted as a separate line item in the previous forecasts. The actual effects of the delay are now included in actual data for June and July 2013 used in the forecast.

Quality Add-on for '16 and '17 Forecasted Separately

The quality add-on for the next biennium was treated in the end of session 2013 forecast as a 1% COLA effective July 2015 for all the services in this activity plus ICF/MR and DT&H. Because of issues around the interpretation of the legislative language for the quality add-on, the amounts in the 2013 Session tracking for this purpose are now carried as fixed items in the forecast.

MA ELD. & DISABLED BASIC CARE

	'12-'13 Biennium	'14-'15 Biennium	'16-'17 Biennium
Total forecast change this item (\$000)	2,833	11,211	303,681
Total forecast percentage change this item	0.1%	0.4%	9.4%

This activity funds general medical care for elderly and disabled Medical Assistance enrollees. For almost all of the elderly and for about 50 percent of the disabled who have Medicare coverage, Medical Assistance acts as a Medicare supplement. For those who are not eligible for Medicare, Medical Assistance pays for all their medical care. 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 2014 it is 76.67%, and the amount billed per dual eligible each month is \$127.30.

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

	'12-'13 Biennium (\$000)	'14-'15 Biennium (\$000)	'16-'17 Biennium (\$000)
Elderly Waiver Managed Care: 2013 Session contingent change	0	-3,116	-7,465
Elderly Basic: 2013 Session contingent change	0	-2,067	-5,351
Elderly Waiver Managed Care: Forecast	-284	-2,441	-7,716
Community Choice K Managed Care	0	2,379	-716
Elderly Basic: Enrollment forecast	-353	-2,493	-4,374
Elderly Basic: Avg. cost forecast	894	3,281	1,257
Disabled Basic: Enrollment shift to SNBC	2,049	27,060	38,490
Disabled Basic: Other SNBC and FFS avg. cost changes	-1,502	10,531	18,105
Disabled Basic: Managed Care Payments Reassigned to MA Disabled	1,578	2,019	1,919
Chemical Dependency Fund share	1,376	3,688	3,885
IMD Program	-267	-718	-787
Medicare Part D clawback payments	-658	-26,912	266,434
Total			
	-2,833	-11,211	-303,681

2013 Session Contingent Changes

The contingent changes in EW and Elderly Basic Care are projected reductions in the number of people using EW and eligible for MA, as a result of improved counseling regarding options for long term care services.

Elderly Waiver Managed Care

Actual expenditures for EW managed care for the last biennium were within 0.1% of forecast. Projected payments for EW Managed Care are 0.8% lower for the current biennium and 2.1% lower for the next biennium.

Overall EW payment projections, excluding contingent 2013 Session changes, are 1.3% lower for the current biennium and 1.6% lower for the next biennium. This includes the effect of recipient projections which are about 1.0% lower for both the current and the next biennium.

Community Choice K Managed Care

This adjustment recognizes that in managed care Minnesota's claim for the enhanced federal matching for "K" services will be delayed by six months because it will depend on the submission of actual payment data on "K" services from the health plans.

Elderly Basic Changes

Elderly basic average cost projections are less than 1.0% higher and enrollment projections less than 1.0% lower, for little net change in the forecast.

Disabled Basic Changes

Disabled basic enrollment is unchanged from the end of session forecast.

Disabled basic average cost projections are 2.4% higher for the current biennium and 3.0% higher for the next biennium, mainly because of an increase in May and June 2013 of about 4,500 in SNBC enrollment. This new group proved to have a higher risk profile than existing SNBC recipients and so raised the average capitation payment for SNBC overall. Their previous FFS costs, however, were markedly lower than the SNBC rates paid on their behalf, with the result that FFS reductions only partially offset the new SNBC costs.

The table above breaks out the projected effects of this shift to SNBC enrollment vs. various other changes affecting Disabled basic average costs.

Managed Care Payments Reassigned to MA Disabled

In the past this activity consisted mainly of GAMC payment reassigned to MA when GAMC recipients got retroactive disability certifications. Currently this activity results from payment reassignment within MA, from MA adults with no children or parents or children getting disability certification and have MA eligibility established retroactively.

CD Fund Share

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

IMD Program

This segment covers people eligible for MA but for residence in an IMD facility. This forecast is reduced by about 3.0% for the current biennium and the next biennium.

Medicare Part D Clawback

Projections for the Clawback, based on new information from CMS on the amount per recipient which Minnesota will be billed in CY 2014, are 6.7% lower for the current biennium.

The very large increase for the next biennium reflects correction of a mistaken assumption in the previous forecast, that the clawback would cease with the end of CY 2015. In fact the clawback is permanent, and the forecast change is the value of 17 additional months of clawback payments.

ADULTS WITHOUT CHILDREN

	'12-'13 Biennium	'14-'15 Biennium	'16-'17 Biennium
Total forecast change this item (\$000)	-3,951	-666	-199
Total forecast percentage change this item	-0.5%	-0.2%	-0.48%

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

	'12-'13 Biennium (\$000)	'14-'15 Biennium (\$000)	'16-'17 Biennium (\$000)
Enrollment	5,220	274	70
Average cost	-8,046	295	-156
Chemical Dependency Fund share	-1,125	-1,235	-113
Total	-3,951	-666	-199

Enrollment & Average Cost

Enrollment in FY 2013 was 1.3% higher than the previous forecast, but the average cost of coverage was 2.0% lower resulting in net expenditures less than 1% below forecast.

The net change in the forecast for the current biennium and the next biennium is a decrease of less than 1%.

CD Fund Share

Changes in the portion of MA services covered by the CD Fund produce opposite changes 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

	'12-'13 Biennium	'14-'15 Biennium	'16-'17 Biennium
Total forecast change this item (\$000)	-39,058	-51,741	-26,717
Total forecast percentage change this item	-2.2%	-2.1%	-0.8%

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 Medicaid 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:

	'12-'13 Biennium (\$000)	'14-'15 Biennium (\$000)	'16-'17 Biennium (\$000)
Families with Children	0	0	0
Enrollment			
Average cost of basic care	-3,526	-8,067	6,973
Managed care: Community Choice K		437	219
CHIP enhanced matching	663	-3,039	-18,029
Value of cap on HMO payment delays in '13 and '15	-4,200	7,777	-3,577
CD Fund share	385	1,002	632
Other	-11,572		
Rx Rebates	18,101	-3,595	36,877
Non-citizen MA segment	392	1,193	1,347
2013 Session contingent changes: MnChoices funding		6,954	6,954
Services w special funding	-3,237	-4,353	-6,292
Family planning waiver	51	210	228
Breast & cerv. cancer	-289	20	-95
Dedicated revenue	-35,826	-50,280	-51,954
Total	-39,058	-51,741	-26,717

Families with Children

Enrollment projections are unchanged.

Average cost projections are modified only slightly. They are 0.3% lower for the current biennium and 0.2% higher for the next biennium.

Community Choice K Managed Care

As in Elderly & Disabled basic care, this adjustment recognizes that Minnesota's claim for enhanced federal matching for "K" services under managed care will be delayed by six months because it will depend on the submission of actual payment data on "K" services from the health plans.

CHIP Enhanced Funding for MA Children Over 133% FPG

Minnesota is able to claim federal CHIP funds as enhanced matching on costs for children with family income over 133% FPG, in both MA and MinnesotaCare. The enhancement is the difference between the 65% federal CHIP share and the current 50% Medicaid share.

This change recognizes an increase in Minnesota's CHIP allocation, assuming that the allocation will continue at the increased level. The projection of CHIP enhanced funding is 14% higher for the current biennium and 155% higher for the next biennium.

Cap on HMO Payment Delay

Legislation in 2011 delayed capitation payments for May 2013 and May 2015 until the following July. For managed care for the disabled, which already had May and June payments delayed in law, payments for April 2013 and April 2015 were delayed until the following July. The value of each year's delay was capped at \$135 million of state funds for MA and MinnesotaCare combined. In the previous forecast we assumed that the entire delay occurred in MA.

The June 2013 delay has already occurred and has affected actual data for FY 2013 and actual data for early FY 2014 which is used in the November forecast. So for this delay we show the cancellation of the delay projected in the previous forecast.

For the June 2015 delay we show the marginal effect of additional projected payments above the capped amount of the delay in the MA forecast.

	State Share (\$000)		State Share (\$000)
FY 2013	-4,200	Biennium	-4,200
FY 2014	4,200		
FY 2015	3,577	Biennium	7,777
FY 2016	-3,577		
FY 2017	0	Biennium	-3,577

CD Fund Share

Small decreases in the share of MA 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.

Other Changes

Reconciliation to actual FY 2013 MA state share costs leads to recongition of this reduction.

Pharmacy Rebates

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

Projected state share rebate collections for the previous biennium were 14% lower than projected in the previous forecast because collections projected to occur late in FY 2013 actually occurred in FY 2014. State share rebate collections for the next biennium are reduced by 12% because of a revised projection of the federal share of those rebates. For the current biennium the two changes just described nearly cancel out, resulting in an increase of 1.0% in projected rebate collections.

Non-Citizen MA

The Non-Citizen segment of MA includes federal Children's Health Insurance Program (CHIP) coverage for pregnant women through the month in which they give birth. Two months of post-partum coverage were at 100% state cost until July 2009, when Minnesota began to claim CHIP coverage for those months.

State share costs in FY 2013 were 5.6% above earlier projections. Costs for the current biennium and the next biennium are increased by approximately 7% mainly because of higher average costs per person.

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%, 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 DD waiver screenings.

The decreases shown in the table represent reductions of 8% to 10% in costs for Access Services.

2013 Session Contingent Funding for MnCHOICES

The category formerly labeled "Waiver Screenings" is now called "MnCHOICES."

The funding provided by the 2013 Session contingency is \$3,477,000 per year.

Family Planning Waiver

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

The forecast for this category is about 6% higher for the current biennium and the next biennium, reflecting a higher cost per enrollee.

Breast & Cervical Cancer

This coverage applies on average to between 400 and 500 women.

Actual expenditures for last biennium were about 5% lower than the previous forecast. The forecast for the current biennium is almost unchanged.

For the next biennium the forecast is about 1% lower than the previous forecast.

Dedicated Revenue

This change reflects the recognition of dedicated revenue from intergovernmental transfers (IGT) not previously recognized in the MA forecast. The two revenue items are the Managed Care IGT from Hennepin and Ramsey Counties and the Nursing Facility IGT from various local government entities.

ALTERNATIVE CARE

	'12-'13 Biennium	'14-'15 Biennium	'16-'17 Biennium
Forecast change this item (\$000)	0	-20,196	-29,088
Forecast percentage change this item	0.0%	-19.1%	-25.6%

These changes are the result of gaining 50% federal matching funds for the AC program effective November 2013, minus contingent AC increases from the 2013 Session amounting to approximately \$900,000 in the current biennium and \$2.2 million in the next biennium.

CHEMICAL DEPENDENCY FUND

	'12-'13 Biennium	'14-'15 Biennium	'16-'17 Biennium
Forecast change this item (\$000)	103	11,767	19,110
Forecast percentage change this item	0.1%	7.5%	12.8%

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

	'12-'13 Biennium (\$000)	'14-'15 Biennium (\$000)	'16-'17 Biennium (\$000)
More CD Fund placements	842	6,221	13,097
County share and misc. revenue offset	-2,844	-2,192	-2,602
Federal share revenue offset	-120	2,605	1,569
Increased Room & Board payments to Health Plans	2,225	5,133	7,046
Total	103	11,767	19,110

The number of CD Fund placements in FY 2013 was 7.1% higher than the previous forecast, but because of a lower average cost per placement, total payments for FFS placements were only slightly higher (0.1%) than the earlier forecast. The November forecast has the annual number of placements about 8.5% higher, but because of lower average costs the increase in projected payments is 2.4% for the current biennium and 5.0% for the next biennium.

County share offsets are higher partly because of higher county share payments in FY 2013 and partly because of the increase in projected placement costs. County share projections are about 8% higher for the current biennium.

Offsets from MA federal share revenue to the CD Fund have been reduced slightly because a review of data on the income distribution of CD Fund recipients suggests that there are fewer CD Fund recipients who will gain MA eligibility under the MA expansion of eligibility for adults to 138% FPG than assumed in the previous forecast. Projected federal revenue is reduced by 3.5% for the current biennium and 1.5% for the next biennium.

Room & board payments to health plans are made on behalf of recipients of CD services under managed care contracts. Room & board payments are made by the CD Fund because they are not eligible for federal Medicaid matching and so cannot be included in managed care capitation rates. Room and board payments were 16.9% over the previous forecast in FY 2013. Based on recent experience projected payments are increased by 24% for the current biennium and by 31% for the next biennium.

MFIP NET CASH (STATE AND FEDERAL)	'12-'13 Biennium	'14-'15 Biennium	'16-'17 Biennium
Forecast change this item (\$000)	573	2,318	3,906
Forecast percentage change this item	0.2%	0.8%	1.1%
GENERAL FUND SHARE OF MFIP			
Forecast change this item (\$000)	1,999	5,178	-9,327
Forecast percentage change this item	1.2%	3.5%	-4.5%
FEDERAL TANF FUNDS FOR MFIP			
Forecast change this item (\$000)	-1,426	-2,860	13,233
Forecast percentage change this item	-0.9%	-1.8%	9.4%

This activity provides cash and food for families with children until they reach approximately 115% 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 2013 forecast.

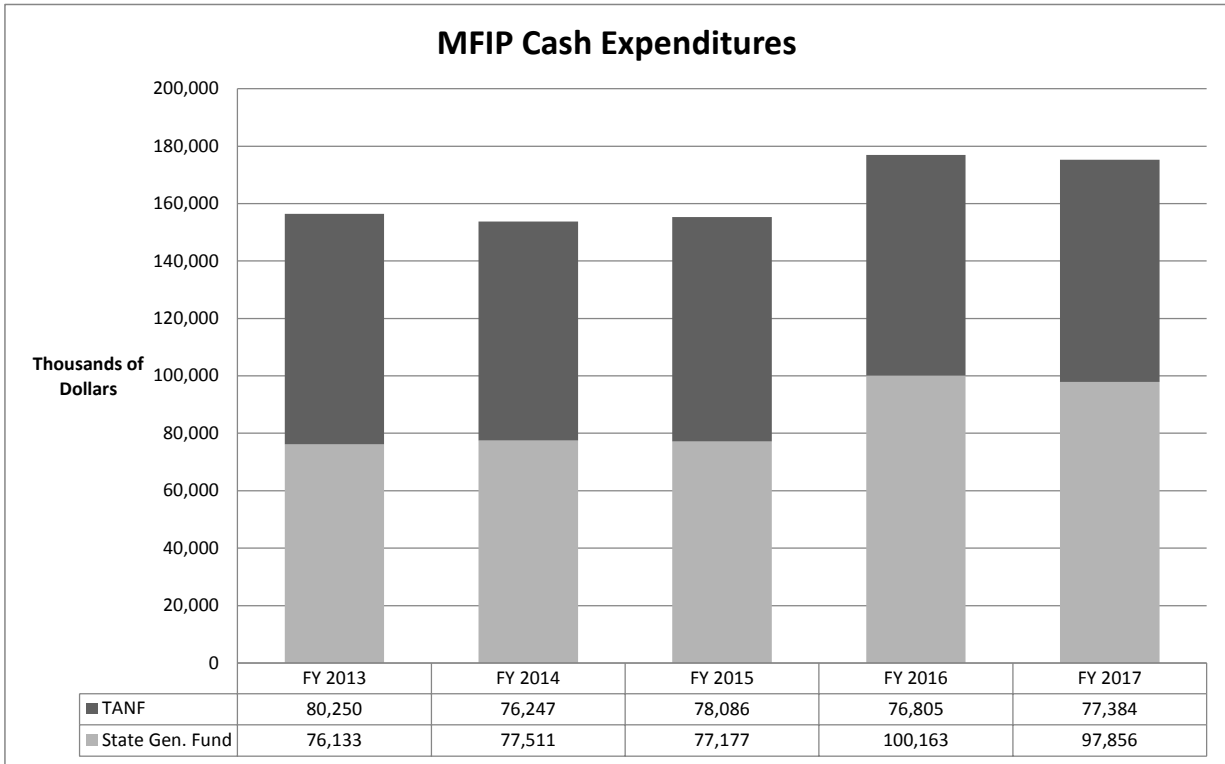
Summary of Forecast Changes	'12-'13 Biennium (\$000)	'14-'15 Biennium (\$000)	'16-'17 Biennium (\$000)
Gross MFIP cash grant forecast change	-662	-2,612	-2,468
Gross General Fund forecast change	1,054	701	-15,420
Child Support/recoveries offset	945	4,477	6,093
Net General Fund forecast change	1,999	5,178	-9,327
Gross TANF forecast change	-1,717	-3,312	12,952
Child Support pass-through/recoveries offset	291	452	281
Net TANF forecast change	-1,426	-2,860	13,233

Decreased Expenditures Due to Lower MFIP Caseload

Based on recent data, the forecasted MFIP caseload has been adjusted downward. This results in decreased expenditures of \$0.8 million (0.2%) in the current biennium, \$4.1 million (1.2%) in the next biennium, and \$4.7 million (1.4%) in the FY 2016-2017 biennium.

Decreases in General Fund and Increases in TANF expenditures in MFIP

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, 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 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.



Increased MOE available from Child Care Assistance Program expenditures in this forecast results in less need for MOE from General Fund expenditures in MFIP. Gross General Fund expenditures are decreased by \$1.8 million in the current biennium, \$4.9 million in the next biennium, and \$11.5 million in the FY 2016-2017 biennium, due mostly to this increased MOE from Child Care Assistance Program expenditures. Based on recent data, the expected collections from publicly assigned child support are reduced by \$0.5 million in each biennium, resulting in decreases in net General Fund MFIP cash expenditures of \$1.4 million (0.8%) in the current biennium, \$4.4 million (2.9%) in the next biennium, and \$11 million (5.0%) in the FY 2016-2017 biennium.

These General Fund reductions in MFIP result in a need for increased use of TANF funds, even though overall spending in MFIP is reduced in this forecast. In the current biennium, the MFIP gross cash forecast is decreased \$0.8 million, but General Fund expenditures decrease \$1.8 million, leading to an increase in TANF expenditures of \$1.0 million, a 0.7% increase over the November forecast. In the next biennium, MFIP gross cash is decreased \$4.1 million, while General Fund expenditures decrease \$4.9 million, resulting in increased TANF of \$0.9 million, a 0.6% increase over the November forecast. In the FY 2016-2017 biennium, MFIP gross cash is decreased \$4.7 million, while General Fund expenditures decrease \$11.5 million, resulting in increased TANF of \$6.8 million, an 8.6% increase over the November forecast.

MFIP / TY CHILD CARE ASSISTANCE

	'12-'13 Biennium	'14-'15 Biennium	'16-'17 Biennium
Forecast change this item (\$000)	0	8,598	20,403
Forecast percentage change this item	0.0%	6.6%	13.4%

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).

MFIP/TY child care expenditures in the FY 2012-2013 biennium were \$3.7 million lower (1.6%) than projected. General fund expenditures were unchanged as all savings were taken from federal funds. The program expenditure decrease was due to caseloads being lower than projected. Average payments were slightly higher than projected, and appear to be continuing on a higher trend than projected in the End of Session forecast. Increased usage of center care rather than less expensive types of care appears to be the main driver. This forecast continues the increasing average payment trend through FY 2014, and assumes the provider mix (and average payments) will stabilize during FY 2015. Decreased caseload projections based on recent data result in some offsetting expenditure decrease. The program expenditures increase in the FY 2014-2015 biennium is \$12.3 million (4.8%). Federal funds are used for \$3.7 million of the increase and the rest (\$8.6 million) is General Fund increase. Program expenditures increase \$20.4 million (7.3%) in the FY 2016-2017 biennium with no change in federal funds.

GENERAL ASSISTANCE

	'12-'13 Biennium	'14-'15 Biennium	'16-'17 Biennium
Forecast change this item (\$000)	-1,739	-1,843	802
Forecast percentage change this item	-1.7%	-1.7%	0.7%

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.

Both caseload and average payments in the FY 2012-2013 biennium were lower than projected. Average payments are expected to be about 1% lower than previously forecast due to the recent experience. The GA caseload is projected to increase at a slightly higher trend than in the End of Session 2013 forecast, resulting in an increased GA forecast in the FY 2016-2017 biennium.

GROUP RESIDENTIAL HOUSING

	'12-'13 Biennium	'14-'15 Biennium	'16-'17 Biennium
Forecast change this item (\$000)	-1,729	-4,235	-1,058
Forecast percentage change this item	-0.7%	-1.4%	-0.3%

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.

Average payments for both MSA and GA-type recipients are forecasted to be lower throughout the forecast period, due mainly to recent data. The lower expenditures due to lower average payments are offset somewhat by a higher GA-type recipient forecast.

MINNESOTA SUPPLEMENTAL AID

	'12-'13 Biennium	'14-'15 Biennium	'16-'17 Biennium
Forecast change this item (\$000)	-1,475	-1,083	-709
Forecast percentage change this item	-2.0%	-1.4%	-0.9%

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

The MSA caseload is projected to be slightly lower based on recent data.

MINNESOTACARE	'12-'13 Biennium	'14-'15 Biennium	'16-'17 Biennium
Forecast change this item (\$000)	-15,597	13,774	516,943
Forecast percentage change this item	-2.8%	2.5%	391.6%

Summary of Forecast Changes	'12-'13 Biennium (\$000)	'14-'15 Biennium (\$000)	'16-'17 Biennium
Enrollment changes	0	-90,269	-139,117
Managed care rate changes	0	47,722	126,243
BHP federal funding changes	0	68,350	539,899
Other changes	-15,597	-12,029	-10,082
Total Program	-15,597	13,774	516,943

During the 2013 legislative session, significant changes were made to MinnesotaCare program eligibility effective January 2014. These changes include 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 Plan (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 subsidy 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. The final BHP funding amount is then subject to a risk adjustment on the assumption that the BHP population is relatively more expensive than the overall exchange population.

Enrollment Changes

Relative to the End of Session forecast, new actual enrollment data for MinnesotaCare families with children and adults without children are running about 0.5% below forecast. As a result, there is no base change in MinnesotaCare enrollment in the November forecast.

The End of Session MinnesotaCare forecast included an estimate of expansion enrollment based on modelling from the State's consultant on the health insurance exchange. This expansion enrollment is expected to come through MnSure and was estimated to reach a maximum of 165,000 additional adults, phased-in over roughly 2 years. When combined with base enrollment of about 30,000, this resulted in overall average monthly MinnesotaCare enrollment of about 195,000 beginning January 2016.

Since the end of session, DHS has received additional information on the potential Minnesota adult population with income between 138%-200% FPG. Based on this population data, the expansion enrollment estimate was reduced by about 20% in the November forecast. This results in an estimated expansion population that reaches a maximum of 132,000 additional adults with an extended phase-in over roughly 3 years. When combined with base enrollment of about 30,000, the November forecast reflects an overall average monthly MinnesotaCare enrollment of about 162,000 beginning January 2017.

This combination of lower expected enrollment and a slower phase-in leads to a \$90 million forecast reduction in the FY2014-2015 biennium and \$139 million forecast reduction in the FY2016-2017 biennium.

Managed Care Rate Changes

The End of Session MinnesotaCare forecast also included a per person cost estimate based on modelling from the State's consultant on the health insurance exchange. This cost estimate implicitly assumed that the expansion population would be significantly less expensive than the base MinnesotaCare population.

Since the end of session, DHS has learned that the federal government is requiring states to rate expansion populations based on actual data on comparable populations. This requirement does not permit broad assumptions about the relative cost levels of expansion populations, such as were implicit in the projections from the State's consultant. Assuming that MinnesotaCare managed care rates will be based on actual MinnesotaCare experience with enrollees in the relevant 138% to 200% FPG income bracket, we are projecting higher managed care rates in the November forecast relative to those assumed in the End of Session forecast. Managed care rates in the November forecast are roughly 13% higher in CY2014, 12% higher in CY2015, and about 8% higher in both CY2016 and CY2017.

These relatively higher rates lead to a \$48 million forecast increase in the FY2014-2015 biennium and \$126 million forecast increase in the FY2016-2017 biennium.

BHP Federal Funding Changes

As explained above, effective January 2015, federal funding in MinnesotaCare shifts from a percentage expenditure match to a per person subsidy. This per person BHP funding is equal to 95% of what the individual would have received in subsidies through MnSure. The End of Session forecast relied on a BHP funding estimate for 2016 from the State's health insurance exchange consultant based on his overall micro simulation model. The projected BHP funding amount in the End of Session forecast was implicitly based on a benchmark premium of about \$370 in 2016.

Since the end of session, MnSure has published actual rates for 2014. Based on these rates, the benchmark premium is estimated to be about \$230 on average for the BHP population in 2014. Assuming 10% growth per year in the benchmark premium, the projected benchmark premium in 2016 in the November forecast is about \$280, or about \$90 less than what was assumed in the End of Session forecast. Factoring in a corresponding adjustment to the cost sharing subsidy and an increase in the assumed risk adjustment factor results in BHP federal funding in the November forecast about \$100 per person per month less than that assumed in the End of Session forecast. The table below provides a detailed comparison of the 2016 BHP funding estimates in the End of Session and November forecasts.

This relatively lower level of federal funding leads to a \$68 million forecast increase in the FY2014-2015 biennium and \$540 million forecast increase in the FY2016-2017 biennium.

	End of Session	November	Difference
Estimated Benchmark Premium	\$366.75	\$278.21	-\$88.55
Estimated BHP Recipient Contribution (based on MnCare income distribution)	\$98.73	\$98.73	\$0.00
Estimated MnSure Premium Tax Credit	\$268.03	\$179.48	-\$88.55
Federal Premium Subsidy (95% of tax credit)	\$254.62	\$170.50	-\$84.12
Federal Cost Sharing Subsidy (from 70% to 90% AV)*	\$104.79	\$75.51	-\$29.27
Estimated BHP Funding	\$359.41	\$246.02	-\$113.39
Risk Adjustment Factor	3%	10%	7%
Estimated BHP Funding Plus Risk Adjustment	\$370.17	\$270.62	-\$99.55

* Cost sharing subsidy calculated as $(.9 / .7 - 1) * \text{benchmark premium} * .95$. The End of Session calculation did not have the .95 adjustment based on a different interpretation of the law.

Other Changes

The majority of the forecast reduction in FY2013 is due to a reduction in the expected payment to the federal government of the enhanced federal share of premiums paid by children eligible for CHIPRA. This change resulted in a \$12.1 million reduction in the FY2012-2013 biennium.

The remainder of the FY2013 change is a lower actual average payment for legal noncitizens than was expected in the End of Session forecast. This reduces the base average payment and results in forecast reductions of \$3.5 million in the FY2012-2013 biennium, \$12 million in the FY2014-2015 biennium, and \$10 million in the FY2016-2017 biennium.

Healthy MN Defined Benefit Program

	'12-'13 Biennium	'14-'15 Biennium	'16-'17 Biennium
Forecast change this item (\$000)	-348	748	0
Forecast percentage change this item	-6.7%	16.9%	0.0%

Legislation in 2011 created a defined benefit program for MinnesotaCare adults without children above 200% FPG effective July 2012. Under the new defined benefit program, adults above 200% FPG will receive a monthly defined contribution from the state with which to purchase health coverage from the individual private market. The Healthy MN program will sunset effective January 2014 and the Healthy MN enrollees will be transitioned to MnSure.

The November forecast reflects the first fourteen months of actual data on the Healthy MN program. The forecast reduction in the FY2012-2013 biennium results from a slightly lower average defined benefit payment than previously anticipated. The forecast increase in the FY2014-2015 biennium results from higher than expected payments to MCHA.

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

GENERAL FUND	End of Session 2013 Forecast FY 2012 - FY 2013 Biennium (\$ in thousands)			November 2013 Forecast FY 2012 - FY 2013 Biennium (\$ in thousands)		
	FY 2012	FY 2013	Biennium	FY 2012	FY 2013	Biennium
Medical Assistance						
LTC Facilities	438,629	432,068	870,697	438,629	425,779	864,408
LTC Waivers	1,126,883	1,164,781	2,291,664	1,126,883	1,148,504	2,275,387
Elderly & Disabled Basic	1,236,001	1,228,754	2,464,755	1,236,001	1,231,587	2,467,588
Adults with No Children	398,626	388,627	787,253	398,626	384,676	783,302
Families w. Children Basic	941,636	846,317	1,787,953	941,636	807,259	1,748,895
MA Total	4,141,775	4,060,547	8,202,322	4,141,775	3,997,805	8,139,580
Alternative Care	46,421	46,035	92,456	46,421	46,035	92,456
Chemical Dependency Fund	78,991	85,892	164,883	78,991	85,995	164,986
Minnesota Family Inv. Program	86,397	74,134	160,531	86,397	76,133	162,530
Child Care Assistance	56,843	43,749	100,592	56,843	43,749	100,592
General Assistance	49,553	53,359	102,912	49,553	51,620	101,173
Group Residential Housing	120,798	130,322	251,120	120,798	128,593	249,391
Minnesota Supplemental Aid	35,768	37,514	73,282	35,768	36,039	71,807
Total General Fund	4,616,546	4,531,552	9,148,098	4,616,546	4,465,969	9,082,515
TANF funds for MFIP Grants	73,323	81,676	154,999	73,323	80,250	153,573
MinnesotaCare	263,973	293,000	556,973	263,973	277,403	541,376
Defined Benefit Program	0	5,197	5,197	0	4,849	4,849
T. HCA Fund Expenditures	263,973	298,197	562,170	263,973	282,252	546,225

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

GENERAL FUND	November 2013 Forecast Change from End of Session 2013 Forecast FY 2012 - FY 2013 Biennium (\$ in thousands)			November 2013 Forecast Change from End of Session 2013 Forecast FY 2012 - FY 2013 Biennium (Percent Change)		
	FY 2012	FY 2013	Biennium	FY 2012	FY 2013	Biennium
Medical Assistance						
LTC Facilities	0	-6,289	-6,289	0.0%	-1.5%	-0.7%
LTC Waivers	0	-16,277	-16,277	0.0%	-1.4%	-0.7%
Elderly & Disabled Basic	0	2,833	2,833	0.0%	0.2%	0.1%
Adults with No Children	0	-3,951	-3,951	0.0%	-1.0%	-0.5%
Families w. Children Basic	0	-39,058	-39,058	0.0%	-4.6%	-2.2%
MA Total	0	-62,742	-62,742	0.0%	-1.5%	-0.8%
Alternative Care	0	0	0	0.0%	0.0%	0.0%
Chemical Dependency Fund	0	103	103	0.0%	0.1%	0.1%
Minnesota Family Inv. Program	0	1,999	1,999	0.0%	2.7%	1.2%
Child Care Assistance	0	0	0	0.0%	0.0%	0.0%
General Assistance	0	-1,739	-1,739	0.0%	-3.3%	-1.7%
Group Residential Housing	0	-1,729	-1,729	0.0%	-1.3%	-0.7%
Minnesota Supplemental Aid	0	-1,475	-1,475	0.0%	-3.9%	-2.0%
Total General Fund	0	-65,583	-65,583	0.0%	-1.4%	-0.7%
TANF funds for MFIP Grants	0	-1,426	-1,426	0.0%	-1.7%	-0.9%
MinnesotaCare	0	-15,597	-15,597	0.0%	-5.3%	-2.8%
Defined Benefit Program	0	-348	-348		-6.7%	-6.7%
T. HCA Fund Expenditures	0	-15,945	-15,945	0.0%	-5.3%	-2.8%

**TABLE THREE
FY 2014-2015 BIENNIUM SUMMARY**

	End of Session 2013 Forecast FY 2014 - FY 2015 Biennium			November 2013 Forecast FY 2014 - FY 2015 Biennium		
	(\$ in thousands)			(\$ in thousands)		
GENERAL FUND	FY 2014	FY 2015	Biennium	FY 2014	FY 2015	Biennium
Medical Assistance						
LTC Facilities	448,674	431,216	879,890	437,381	427,897	865,278
LTC Waivers	1,294,806	1,407,476	2,702,282	1,246,442	1,369,335	2,615,777
Elderly & Disabled Basic	1,510,972	1,471,116	2,982,088	1,527,390	1,465,909	2,993,299
Adults with No Children	290,975	0	290,975	290,309	0	290,309
Families w. Children Basic	1,077,891	1,347,884	2,425,775	1,029,751	1,344,283	2,374,034
MA Total	4,623,318	4,657,692	9,281,010	4,531,273	4,607,424	9,138,697
General Fund	4,443,768	4,431,611	8,875,379	4,351,723	4,381,343	8,733,066
HCA Fund	179,550	226,081	405,631	179,550	226,081	405,631
Alternative Care	50,776	54,922	105,698	43,840	41,662	85,502
Chemical Dependency Fund	81,440	74,875	156,315	85,147	82,935	168,082
Minnesota Family Inv. Program	72,583	76,927	149,510	77,511	77,177	154,688
Child Care Assistance	61,701	69,294	130,995	60,375	79,218	139,593
General Assistance	54,787	56,068	110,855	53,657	55,355	109,012
Group Residential Housing	141,138	150,988	292,126	140,037	147,854	287,891
Minnesota Supplemental Aid	38,646	39,821	78,467	38,177	39,207	77,384
Total General Fund	4,944,839	4,954,506	9,899,345	4,850,467	4,904,751	9,755,218
TANF funds for MFIP Grants	80,342	76,851	157,193	76,247	78,086	154,333
MinnesotaCare	293,290	247,284	540,574	267,344	287,004	554,348
Defined Benefit Program	4,417	0	4,417	5,165	0	5,165
MA funding from HCA Fund	179,550	226,081	405,631	179,550	226,081	405,631
T. HCA Fund Expenditures	477,257	473,365	950,622	452,059	513,085	965,144

**TABLE FOUR
FY 2014-2015 BIENNIUM SUMMARY**

GENERAL FUND	November 2013 Forecast Change from End of Session 2013 Forecast FY 2014 - FY 2015 Biennium (\$ in thousands)			November 2013 Forecast Change from End of Session 2013 Forecast FY 2014 - FY 2015 Biennium (Percent Change)		
	FY 2014	FY 2015	Biennium	FY 2014	FY 2015	Biennium
Medical Assistance						
LTC Facilities	-11,293	-3,319	-14,612	-2.5%	-0.8%	-1.7%
LTC Waivers	-48,364	-38,141	-86,505	-3.7%	-2.7%	-3.2%
Elderly & Disabled Basic	16,418	-5,207	11,211	1.1%	-0.4%	0.4%
Adults with No Children	-666	0	-666	-0.2%		-0.2%
Families w. Children Basic	-48,140	-3,601	-51,741	-4.5%	-0.3%	-2.1%
MA Total	-92,045	-50,268	-142,313	-2.0%	-1.1%	-1.5%
General Fund	-92,045	-50,268	-142,313			
HCA Fund	0	0	0			
Alternative Care	-6,936	-13,260	-20,196	-13.7%	-24.1%	-19.1%
Chemical Dependency Fund	3,707	8,060	11,767	4.6%	10.8%	7.5%
Minnesota Family Inv. Program	4,928	250	5,178	6.8%	0.3%	3.5%
Child Care Assistance	-1,326	9,924	8,598	-2.1%	14.3%	6.6%
General Assistance	-1,130	-713	-1,843	-2.1%	-1.3%	-1.7%
Group Residential Housing	-1,101	-3,134	-4,235	-0.8%	-2.1%	-1.4%
Minnesota Supplemental Aid	-469	-614	-1,083	-1.2%	-1.5%	-1.4%
Total General Fund	-94,372	-49,755	-144,127	-1.9%	-1.0%	-1.5%
TANF funds for MFIP Grants	-4,095	1,235	-2,860	-5.1%	1.6%	-1.8%
MinnesotaCare	-25,946	39,720	13,774	-8.8%	16.1%	2.5%
Defined Benefit Program	748	0	748	16.9%	0.0%	16.9%
MA funding from HCA Fund	0	0	0	0.0%	0.0%	0.0%
T. HCA Fund Expenditures	-25,198	39,720	14,522	-5.3%	8.4%	1.5%

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

	End of Session 2013 Forecast FY 2016 - FY 2017 Biennium			November 2013 Forecast 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	430,544	441,353	871,897	424,730	429,638	854,368
LTC Waivers	1,485,302	1,599,685	3,084,987	1,441,722	1,558,699	3,000,421
Elderly & Disabled Basic	1,650,212	1,564,816	3,215,028	1,740,618	1,778,091	3,518,709
Adults with No Children	0	41,305	41,305	0	41,106	41,106
Families w. Children Basic	1,642,432	1,634,370	3,276,802	1,627,462	1,622,623	3,250,085
MA Total	5,208,490	5,281,529	10,490,019	5,234,532	5,430,157	10,664,689
General Fund	4,784,228	4,855,754	9,639,982	4,810,270	5,004,382	9,814,652
HCA Fund	424,262	425,775	850,037	424,262	425,775	850,037
Alternative Care	56,993	56,531	113,524	42,642	41,794	84,436
Chemical Dependency Fund	73,769	74,972	148,741	82,673	85,178	167,851
Minnesota Family Inv. Program	105,414	101,932	207,346	100,163	97,856	198,019
Child Care Assistance	74,757	77,141	151,898	85,050	87,251	172,301
General Assistance	57,544	58,682	116,226	57,448	59,580	117,028
Group Residential Housing	160,238	169,569	329,807	159,036	169,713	328,749
Minnesota Supplemental Aid	41,070	42,330	83,400	40,596	42,095	82,691
Total General Fund	5,354,013	5,436,911	10,790,924	5,377,878	5,587,849	10,965,727
TANF funds for MFIP Grants	69,772	71,184	140,956	76,805	77,384	154,189
MinnesotaCare	63,711	68,297	132,008	314,355	334,596	648,951
Defined Benefit Program	0	0	0	0	0	0
MA funding from HCA Fund	424,262	425,775	850,037	424,262	425,775	850,037
T. HCA Fund Expenditures	487,973	494,072	982,045	738,617	760,371	1,498,988

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

GENERAL FUND	November 2013 Forecast Change from End of Session 2013 Forecast FY 2016 - FY 2017 Biennium (\$ in thousands)			November 2013 Forecast Change from End of Session 2013 Forecast FY 2016 - FY 2017 Biennium (Percent Change)		
	FY 2016	FY 2017	Biennium	FY 2016	FY 2017	Biennium
Medical Assistance						
LTC Facilities	-5,814	-11,715	-17,529	-1.4%	-2.7%	-2.0%
LTC Waivers	-43,580	-40,986	-84,566	-2.9%	-2.6%	-2.7%
Elderly & Disabled Basic	90,406	213,275	303,681	5.5%	13.6%	9.4%
Adults with No Children	0	-199	-199	0.0%	-0.5%	-0.5%
Families w. Children Basic	-14,970	-11,747	-26,717	-0.9%	-0.7%	-0.8%
MA Total	26,042	148,628	174,670	0.5%	2.8%	1.7%
General Fund	26,042	148,628	174,670			
HCA Fund	0	0	0			
Alternative Care	-14,351	-14,737	-29,088	-25.2%	-26.1%	-25.6%
Chemical Dependency Fund	8,904	10,206	19,110	12.1%	13.6%	12.8%
Minnesota Family Inv. Program	-5,251	-4,076	-9,327	-5.0%	-4.0%	-4.5%
Child Care Assistance	10,293	10,110	20,403	13.8%	13.1%	13.4%
General Assistance	-96	898	802	-0.2%	1.5%	0.7%
Group Residential Housing	-1,202	144	-1,058	-0.8%	0.1%	-0.3%
Minnesota Supplemental Aid	-474	-235	-709	-1.2%	-0.6%	-0.9%
Total General Fund	23,865	150,938	174,803	0.4%	2.8%	1.6%
TANF funds for MFIP Grants	7,033	6,200	13,233	10.1%	8.7%	9.4%
MinnesotaCare	250,644	266,299	516,943	393.4%	389.9%	391.6%
Defined Benefit Program	0	0	0			
MA funding from HCA Fund	0	0	0			
T. HCA Fund Expenditures	250,644	266,299	516,943	51.4%	53.9%	52.6%