

**Minnesota**

**Department of Human Services**

**February 2017 Forecast**

St. Paul, Minnesota

February 28, 2017

## THE DHS FORECAST

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

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

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

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

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

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

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

The narrative section of this document provides brief explanations of the changes in forecast expenditures in the February 2017 forecast as compared to the November 2016 forecast. The FY 2016-2017 biennium is referred to as "the current biennium", the FY 2018-2019 biennium is referred to as "the next biennium", and the FY 2020-2021 biennium is referred to as "the '20-'21 biennium."

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

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

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

General Fund costs for DHS medical and economic support programs for the current biennium are projected to total \$9.918 billion, down \$42.3 million (0.4%) compared to the November 2016 forecast. More than 98% of the reduction comes from lower Medical Assistance costs.

### **TANF Forecast Lower**

Projected expenditures of federal TANF (Temporary Assistance for Needy Families) funds for MFIP grants are \$146 million, \$2.6 million (1.8%) lower than the November 2016 forecast due to reduced MFIP program expenditures.

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

Health Care Access Fund costs for MinnesotaCare and Medical Assistance for the current biennium are projected to total \$955 million, which is \$1.8 million (0.2%) higher than the November 2016 forecast due to enrollment increases in state-only funded MinnesotaCare populations.

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

### **General Fund Costs Slightly Higher**

General Fund costs for DHS medical and economic support programs for the next biennium are projected to total \$12.440 billion, up \$72.8 million (0.6%) compared to the November 2016 forecast. All of the net increase comes from higher Medical Assistance costs.

### **TANF Forecast Higher**

Projected expenditures of federal TANF (Temporary Assistance for Needy Families) funds for MFIP grants are \$172.6 million, \$8.5 million (5.2%) higher than the November 2016 forecast. This results from less TANF funding being used outside MFIP.

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

Health Care Access Fund costs for MinnesotaCare and Medical Assistance for the next biennium are projected to total \$460.2 million, \$5.3 million (1.2%) higher than the November 2016 forecast due to enrollment increases in state-only funded MinnesotaCare populations.

## FY 2020-2021 BIENNIUM SUMMARY

### **General Fund Costs Slightly Higher**

General Fund costs for DHS medical and economic support programs for the '20-'21 biennium are projected to total \$14.123 billion, up \$46.0 million (0.3%) compared to the November 2016 forecast. All of the net increase comes from higher Medical Assistance costs.

### **TANF Forecast Higher**

Projected expenditures of federal TANF (Temporary Assistance for Needy Families) funds for MFIP grants are \$131.2 million, \$2.7 million (2.1%) higher than the November 2016 forecast. This results from less TANF funding being used outside MFIP.

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

Health Care Access Fund costs for MinnesotaCare and Medical Assistance for the next biennium are projected to total \$477.7 million, \$5.7 million (1.2%) higher than the November 2016 forecast due to enrollment increases in state-only funded MinnesotaCare populations.

**PROGRAM DETAIL**

**MEDICAL ASSISTANCE**

	<b>'16-'17 Biennium</b>	<b>'18-'19 Biennium</b>	<b>'20-'21 Biennium</b>
Total forecast change for MA (\$000)	-41,596	75,928	46,430
Total forecast percentage change this item	-0.4%	0.7%	0.4%

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

	<b>'16-'17 Biennium</b>	<b>'18-'19 Biennium</b>	<b>'20-'21 Biennium</b>
MA General Fund change (\$000)	-41,596	75,928	46,430
MA Health Care Access Fund change (\$000)	0	0	0
Total forecast change for MA (\$000)	-41,596	75,928	46,430

Any Health Care Access Fund changes in the forecast represents an appropriation pursuant to Minnesota Laws 2013, Chapter 108, Article 14, Section 12. This section in effect requires a portion of any forecast reduction in areas for which expansion costs were budgeted in the 2013 Session to be assigned to the Health Care Access Fund. There are no such HCAF appropriation adjustments in the February forecast.

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

**MA LTC FACILITIES**

	<b>'16-'17 Biennium</b>	<b>'18-'19 Biennium</b>	<b>'20-'21 Biennium</b>
Total forecast change this item (\$000)	-1,182	-151	-241
Total forecast percentage change this item	-0.1%	0.0%	0.0%

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

The net cost of this activity is also affected by the amount of Alternative Care (AC) funds expected to cancel to the Medical Assistance account. Alternative Care has historically been funded at a larger amount than expected expenditures. The amount which is expected to be unspent is deducted from the funding of the Medical Assistance program in the budget process.

<b>Change in Projected Costs</b>	<b>'16-'17 Biennium (\$000)</b>	<b>'18-'19 Biennium (\$000)</b>	<b>'20-'21 Biennium (\$000)</b>
NF recipients & average costs	248	170	54
ICF/DD & DTH	-1,521	-65	-67
County share	338	-1	2
Alternative Care offset: AC program	-62	-79	-36
Alternative Care offset: Essential Com. Supports	-185	-176	-194
Activity Total	-1,182	-151	-241

### **Nursing Facilities (NF)**

Only slight adjustments to the previous forecast are made in the February forecast. Changes for each biennium are less than 0.1%.

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

ICF/DD recipient projections are reduced by less than 1.0% for the current biennium. For the remainder of the forecast horizon, the forecast is practically unchanged.

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

Projected county share of LTC services are reduced by about 1.0% for the current biennium but remain practically unchanged for the next four years of the forecast.

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

AC recipient projections are about 2.0% lower across the forecast horizon, but the effect of these reductions is substantially offset by average cost projections, resulting in minimal overall change in the expenditure forecast.

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

Based on recent experience, projected expenditures for ECS are reduced by 11% for the current biennium and by 7% for the next two biennia.

**MA LTC WAIVERS & HOME CARE**

	<b>'16-'17 Biennium</b>	<b>'18-'19 Biennium</b>	<b>'20-'21 Biennium</b>
Total forecast change this item (\$000)	-19,323	-12,864	5,558
Total forecast percentage change this item	-0.6%	-0.4%	0.1%

This activity includes the following components:

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

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

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

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

<b>Change in Projected Costs</b>	<b>'16-'17 Biennium (\$000)</b>	<b>'18-'19 Biennium (\$000)</b>	<b>'20-'21 Biennium (\$000)</b>
DD waiver	-4,459	-1,109	3,527
Elderly Waiver FFS	5	0	0
CADI Waiver	-3,435	1,000	11,700
CAC Waiver	351	1,077	139
BI Waiver	181	1,560	2,177
Home Health	-43	0	0
Home Care Nursing	-1,392	-2,900	-3,426
Personal Care Assistance	-10,761	-11,040	-91
CFSS FFS	0	-538	-7,993
Transfer to CSG	460	-258	-436
Moving Home Minnesota	-230	-656	-39
Activity Total	-19,323	-12,864	5,558
EW Total: FFS & Managed Care	-419	-218	-250

<b>Percent Change in Projected Costs</b>	<b>'16-'17 Biennium</b>	<b>'18-'19 Biennium</b>	<b>'20-'21 Biennium</b>
DD Waiver	-0.35%	-0.08%	0.22%
Elderly Waiver FFS	0.01%	0.00%	0.00%
CADI Waiver	-0.44%	0.10%	0.96%
CAC Waiver	1.03%	2.70%	0.29%
BI Waiver	0.18%	1.42%	1.81%
Home Health	-0.28%	0.00%	0.00%
Home Care Nursing	-1.12%	-1.95%	-1.95%
Personal Care Assistance (Total)	-1.72%	-1.66%	
CFSS K & I FFS		-0.94%	-0.95%
Transfer to CSG	0.89%	-0.49%	
Moving Home Minnesota	-7.28%	-11.73%	-11.27%
Activity Total	-0.63%	-0.36%	0.14%
EW Total: FFS & Managed Care	-0.11%	-0.04%	-0.04%

### **DD Waiver**

DD Waiver recipient projections are increased by 0.9% for the current biennium and by about 2.5% for the next two biennia. These increases are fully offset by reductions in average payment projections, resulting in little net forecast change.

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

Recipient forecasts for EW and NF are constructed to ensure that the underlying projections (before adjustments for legislative changes) account for the increasing demand for long term care services which is expected to result from the growth of the elderly population in the coming years. Projected annual increments in the total number of elderly recipients of NF and EW together are approximately 1000 for FY 2017, 1200 for FY 2018 and FY 2019, and 1100 for FY 2020 and FY 2021. The current forecast assumes almost all of the annual increase will be in EW.

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

### **Elderly Waiver**

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



There is no change in the EW-FFS forecast except minor effects from a few more months of actual data in the current biennium. The same is true of the combined FFS / managed care EW projections.

### **CADI Waiver**

Projected numbers of CADI recipients are about 0.3% higher for the current biennium and about 0.5% higher for the next two biennia.

Average payment projections are about 0.7% lower for the current biennium, 0.5% lower for the next biennium, and 0.5% higher for the '20-'21 biennium.

### **CAC Waiver**

CAC waiver recipient projections are about 2.6% higher for the current biennium and 5.0% higher for the next two biennia. These increase are offset about 50% by lower average payments in the current biennium and the next biennium, and entirely offset in the '20-'21 biennium.

### **BI Waiver**

BI waiver expenditure projections are 0.2% higher for the current biennium, 1.4% higher for the next biennium, and 1.8% higher for the '20-'21 biennium because of higher average payments.

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

HHA expenditure projections are practically unchanged.

### **Home Care Nursing**

Home Care Nursing expenditure reductions of 1% to 2% are equally divided between slightly lower recipient and slightly lower average payment projections.

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

Based on 2013 Session changes, PCA will be replaced by CFSS K & I services. ("K" services are for those who meet institutional level of care requirements; "I" services for those who do not.)

The combined forecast for PCA and successor services is 1.7% lower for the current biennium, 1.5% lower for the next biennium, and 1.0% lower for the '20-'21 biennium, mostly resulting from slightly lower recipient projections.

### **Transfer to Consumer Support Grants (CSG)**

The Consumer Support Grants program is funded through transfers from the MA account. Like PCA, the CSG caseload is to be folded into the CFSS K & I services. The small forecast reductions result from a technical change recognizing a base appropriation of \$443,000 in the next biennium and the '20-'21 biennium.

## Moving Home Minnesota Waiver

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

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

Offsetting effects of MHM on other MA services are recognized only for the CADI and DD waivers, and only future expected effects on those waivers are explicitly estimated, some effects of past and current MHM services being already part of actual data through December 2016. We assume that MHM, to the extent that it substitutes for already available home and community-based services, will mainly affect CADI because MHM services are focused on the under-65 population. MHM aims to support people in moving out of nursing homes and hospitals. We have not explicitly accounted in the forecast for effects on these services because, with MHM's slow growth and modest number of recipients expected to be served at its peak (250 average monthly recipients in FY 2018), impacts on the month-by-month number of NF recipients are expected to be very subtle and not able to be tracked with any reliability.

State share cost projections for MHM are reduced by 7.3% for the current biennium and by 11% to 12% for the next two biennia resulting from lower average payment projections.

### MA ELD. & DISABLED BASIC CARE

	'16-'17 Biennium	'18-'19 Biennium	'20-'21 Biennium
Total forecast change this item (\$000)	-2,177	14,363	9,190
Total forecast percentage change this item	-0.1%	0.4%	0.2%

This activity funds general medical care for elderly and disabled Medical Assistance enrollees. For almost all of the elderly and for about 50 percent of the disabled who have Medicare coverage, Medical Assistance acts as a Medicare supplement. For those who are not eligible for Medicare, Medical Assistance pays for all their medical care.

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

Also included in this activity is the IMD group, which was part of GAMC until October 2003 and is funded without federal matching. Enrollees in this group are individuals who would be eligible for federally-matched MA but for the fact of residence in a facility which is designated by federal regulations as an "Institute for Mental Diseases." Residents of such facilities are ineligible for federal matching.

This activity also accounts for "clawback" payments to the federal agency which are required by federal law, to return most of the MA pharmacy savings resulting from implementation of Medicare Part D in January 2006. The federal agency bills the state monthly for each Medicare-MA dual eligible who is enrolled in a Part D plan. The proportion of estimated savings which the state is required to pay decreased by 1.67 percentage points each year until it reached 75% in CY 2015. For CY 2017 the amount billed per dual eligible is approximately \$161 each month.

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

	'16-'17 Biennium (\$000)	'18-'19 Biennium (\$000)	'20-'21 Biennium (\$000)
Elderly Waiver Managed Care: Average recipients	161	0	0
Elderly Waiver Managed Care: Average cost	-585	-218	-250
PCA & CFSS Managed Care:	0	2	-162
Elderly Basic: Enrollment	-58	-138	-151
Elderly Basic: Avg. cost	2,117	7,355	8,350
Elderly Basic: Medicare upper payment limit on DME	0	0	-2,466
Disabled Basic: FFS (and overall) enrollment lower	-2,936	-7,228	-8,130
Disabled Basic: FFS average payment lower	-87	-1,868	-2,164
Disabled Basic: Medicare upper payment limit on DME	0	0	-2,849
Disabled Basic: SNBC enrollment	1,489	2,173	2,516
Disabled Basic: SNBC avg. cost	-771	7,750	8,687
Disabled Basic: Adjust enhanced fed. share for dis. in adult expansion	9	0	0
Disabled Basic: Managed care payments reassigned to MA disabled	-2,986	0	0
Chemical Dependency Fund share	17	94	105
IMD Program	1,650	5,827	5,379
Medicare Part D clawback payments	-197	614	325
<b>Total</b>	<b>-2,177</b>	<b>14,363</b>	<b>9,190</b>

## **Elderly Waiver Managed Care**

Projections for EW managed care are reduced by less than 0.3% across the forecast horizon because of slightly lower payment projections.

## **Community Choice Services and Supports (CFSS) K & I and PCA in Managed Care**

These elements of the elderly basic care forecast are practically unchanged.

## **Elderly Basic Changes**

Elderly basic enrollment projections are practically unchanged.

Average cost projections for elderly basic care are increased by about 0.3% for the current biennium and by 0.7% for the next two biennia. This results from slightly higher average payments for managed care in recent data.

## **Disabled Basic Enrollment**

Projected overall disabled basic enrollment is 0.2% lower for the current biennium and 0.4% lower for the next two biennia. This change, like earlier reductions, likely results from continued diversion of new MA enrollees who in the past would have needed a disability determination before becoming eligible for MA. Instead, these enrollees have been entering MA as adults without children since the January 2014 expansion of the income limit for adults without children to 138% FPG (nominal 133% FPG). These are individuals who may have an application for Social Security Disability pending but have not yet had disability certified. Accumulated forecast reductions for MA disabled enrollment for this reason are now estimated to amount to around 20,000 average enrollees.

SNBC enrollment projections, which are included in the overall enrollment change described above, are less than 0.3% higher, indicating a slightly higher proportion of disabled basic enrollees in managed care.

## **Disabled Basic Average Payment**

Based on recent cost experience, fee for service average payment projections are unchanged in the current biennium and 0.2% lower in the next two biennia. SNBC average payments are practically unchanged in the current biennium but 0.9% higher for the next two biennia.

## **Medicare Upper Payment Limits for Durable Medical Equipment (DME)**

Recent federal legislation imposes the Medicare rate as an upper payment limit for certain items of DME effective January 2018. Because current Minnesota law provides payments that are in excess of these limits, the February forecast assumes recovery of the resulting overpayments. The assumed timing is for payment recovery in FY 2020 for CY 2018 services and in FY 2021 for CY 2019 services.

### **Enhanced Federal Share for Disabled with Adult Expansion Eligibility**

After individuals have disability certified, they can continue to take advantage of the higher income standard of the MA adult expansion until they get Medicare coverage (which happens after two years on Social Security Disability). We categorize individuals in this status as MA disabled enrollees, but Minnesota receives enhanced federal matching on this group, at 75% federal share in CY 2014 to CY 2016 and gradually climbing to the same 90% federal share as the adult expansion in CY 2020.

This item in the table represents little change in the expected value of enhanced federal share funds from this source.

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

In the past, this activity consisted mainly of GAMC payments reassigned to MA when GAMC recipients got retroactive disability certifications. Currently this activity results from payment reassignment within MA, either to or from MA disabled status, based on changes in individuals' disability status. The changes shown in the table reflect updated actual data through December 2016.

### **CD Fund Share**

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

### **IMD Program**

In 2016, DHS declared that about two-dozen CD treatment facilities were IMDs, in compliance with federal law. This means that residents of those facilities are ineligible for federal Medicaid matching thereby shifting the cost of their medical services to the state-funded IMD program. This item adds to the costs already recognized for this reason in the previous forecast based on updated expenditure data. The increase in overall IMD cost projections is about 3.0% in the current biennium, 7.7% in the next biennium, and 7.2% in the '20-'21 biennium.

### **Medicare Part D Clawback**

Adjustments to this segment of the forecast are less than 0.2%.

**ADULTS WITHOUT CHILDREN**

	<b>'16-'17 Biennium</b>	<b>'18-'19 Biennium</b>	<b>'20-'21 Biennium</b>
Total forecast change this item (\$000)	-230	16,235	16,123
Total forecast percentage change this item	-0.5%	7.58%	4.51%

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

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

	<b>'16-'17 Biennium (\$000)</b>	<b>'18-'19 Biennium (\$000)</b>	<b>'20-'21 Biennium (\$000)</b>
Average enrollees	850	3,515	5,674
HMO rate change due to Medica	-58	2,839	4,500
Other average cost changes	-1,022	2,373	5,304
Medicare upper payment limit on DME			-117
Periodic data matching delay		7,508	762
Total	-230	16,235	16,123

Projected enrollment is increased by about 1.6% over the forecast horizon due to higher than expected enrollment through the 2017 open enrollment period.

Average cost projections are practically unchanged for the current biennium and are increased by 0.7% for the next two biennia.

The November forecast assumed a July 1, 2017 implementation date for the periodic data matching process. Relative to an annual review, this process is expected to provide earlier identification of changes in circumstance that makes a person ineligible. The February forecast assumes a delayed implementation date of July 1, 2018 for the periodic data matching process. This results in additional enrollee months relative to the November forecast assumptions with most of those additional months occurring in the next biennium.

<b>FAMILIES WITH CHILDREN BASIC CARE</b>	<b>'16-'17 Biennium</b>	<b>'18-'19 Biennium</b>	<b>'20-'21 Biennium</b>
Total forecast change this item (\$000)	-18,684	58,346	15,800
Total forecast percentage change this item	-0.7%	2.0%	0.5%

This activity funds general medical care for children, parents, and pregnant women, including families receiving MFIP and those with transition coverage after exiting MFIP. It also includes non-citizens who are ineligible for federal Medicaid matching, but almost all of whom are eligible for federal CHIP funding at 65% (88% effective January 2016).

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

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

	<b>'16-'17 Biennium (\$000)</b>	<b>'18-'19 Biennium (\$000)</b>	<b>'20-'21 Biennium (\$000)</b>
<b>Families with Children</b>			
Enrollment	-13,653	-55,066	-68,944
HMO rate change due to Medica	-1,726	46,277	50,472
Other average cost changes	12,253	14,764	20,101
Periodic data matching delay	0	38,392	3,001
Managed care: PCA & CFSS	0	4	-167
Medicare upper payment limit on DME	0	0	-1,388
CHIP enhanced federal funding	-9,586	14,391	10,033
Value of cap on HMO payment delays in 2017	860	-860	0
CD Fund share	-489	-391	-124
Non-citizen MA segment	16	181	194
Services w special funding	3,972	6,613	6,613
Family planning waiver	-69	147	219
Breast & cerv. cancer	-65	0	0
Rx Rebates	-9,197	-6,106	-4,210
Other adjustments	-1,000	0	0
<b>Total</b>	<b>-18,684</b>	<b>58,346</b>	<b>15,800</b>

## **Families with Children Enrollment**

Enrollment projections are about 0.5% lower for the current biennium, 1.7% lower for the next biennium, and 1.9% lower for the '20-'21 biennium. These changes are the result of lower base enrollment in actual data through December 2016, plus preliminary data on January 2017 enrollment.

## **Average Payment Adjustments**

Medica's cancellation of its contract with DHS effective May 2017 has the following effects on the forecast: (A) a small reduction in the current biennium, because Medica gets lower 2016 rates for the January to April 2017 coverage months, followed by (B) somewhat higher rates for the next two biennia. The decrease in the current biennium amounts to less than 0.1% of total basic care payments for families with children. The increase amounts to an average 1.8% increase in managed care payments and 1.4% increase in overall basic care payments.

Other changes in the average cost of coverage for families with children amount to an increase of 0.5% across the entire forecast horizon.

## **Periodic Data Matching Delay**

The November forecast assumed a July 1, 2017 implementation date for the periodic data matching process. Relative to an annual review, this process is expected to provide earlier identification of changes in circumstance that makes a person ineligible. The February forecast assumes a delayed implementation date of July 1, 2018 for the periodic data matching process. This results in additional enrollee months relative to the November forecast assumptions with most of those additional months occurring in the next biennium.

## **Community Choice Services and Supports (CFSS) K & I and PCA in Managed Care**

This segment of the forecast is little changed.

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

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

A technical reassessment of the methodology for projecting the available funding results in the following adjustments: 5.7% increase for the current biennium, 9.3% decrease for the next biennium, and 28% decrease for the '20-'21 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. Legislation in 2015 extended this capped payment delay to include April / May 2017 to be paid in July 2017.

For the 2017 delay an overall increase in projected managed care spending (not limited to MA Families) results in an increase in the amount not delayed due to the cap, which leads to a corresponding shift of costs from FY 2018.

	<b>State Share (\$000)</b>		<b>State Share (\$000)</b>
<b>FY 2016</b>	0		
<b>FY 2017</b>	860	<b>Biennium</b>	860
<b>FY 2018</b>	-860		
<b>FY 2019</b>	0	<b>Biennium</b>	-860

## CD Fund Share

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

## Pharmacy Rebates

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

Rebate projections are 2.8% higher for the current biennium, 1.9% higher for the next biennium, and 1.3% higher for the '20-'21 biennium, due in part to higher than expected actual collections at the end of 2016 and higher than expected invoices for future 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.

Projected costs are practically unchanged for the current biennium and about 2.0% higher for the next two biennia because of slightly higher average costs.

## **Services with Special Funding**

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

This segment of the forecast is increased by 2.5% for the current biennium and by about 4.0% for the next two biennia mainly because of higher projected costs for MnChoices (LTC screening activity) based on higher actual costs through December 2016.

## **Family Planning Waiver**

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

Projected expenditures are 3.4% lower for the current biennium but 6.8% higher for the next biennium and 9.5% higher for the '20-'21 biennium.

## **Breast & Cervical Cancer**

This coverage applies currently to between 200 and 300 women.

This forecast is reduced by 1.8% for the current biennium but otherwise unchanged.

## **Other Adjustments**

The MA forecast allows for the net effect of payment transactions that occur outside of the MMIS claims payment system. These transactions have historically amounted to a substantial negative adjustment, in recent years averaging about \$36 million.

The change in this segment of the forecast represents increased negative payment activity in the second quarter of FY 2017.

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

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

<b>CHEMICAL DEPENDENCY FUND</b>	<b>'16-'17 Biennium</b>	<b>'18-'19 Biennium</b>	<b>'20-'21 Biennium</b>
Forecast change this item (\$000)	4,746	8,012	4,937
Forecast percentage change this item	2.3%	3.3%	2.0%

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

	<b>'16-'17 Biennium (\$000)</b>	<b>'18-'19 Biennium (\$000)</b>	<b>'20-'21 Biennium (\$000)</b>
CD Placements	973	0	0
Avg. cost per placement	6,905	8,072	3,074
Federal and county shares offset higher costs	-4,357	-2,912	-1,098
Room & board for managed care	1,225	2,852	2,961
Total	4,746	8,012	4,937

Projections of CD Fund placements change only to recognize a few more months of actual data in the current biennium.

Based on recent data, the average cost per placement is 2.5% higher for the current biennium, 2.7% higher for the next biennium, and 1.0% higher for the '20-'21 biennium. These effects are produced by a higher base cost in the current biennium, followed by less increase in the subsequent biennia.

Higher placement costs result in higher federal share and county share revenue, partially offsetting those costs.

Payment projections for room and board for managed care recipients are increased by 2.5% for the current biennium and by 5.1% for the next two biennia.

<b>MFIP NET CASH (STATE AND FEDERAL)</b>	<b>'16-'17 Biennium</b>	<b>'18-'19 Biennium</b>	<b>'20-'21 Biennium</b>
Forecast change this item (\$000)	-3,424	0	0
Forecast percentage change this item	-1.0%	0.0%	0.0%
<b>GENERAL FUND SHARE OF MFIP</b>			
Forecast change this item (\$000)	-779	-8,489	-2,662
Forecast percentage change this item	-0.4%	-4.3%	-1.1%
<b>FEDERAL TANF FUNDS FOR MFIP</b>			
Forecast change this item (\$000)	-2,645	8,489	2,662
Forecast percentage change this item	-1.8%	5.2%	2.1%

This activity provides cash and food for low-income families with children. The MFIP program is Minnesota's TANF program. MFIP cash is therefore funded with a mixture of federal TANF Block Grant and state General Fund dollars.

The following table summarizes the changes in MFIP cash expenditures by source, relative to the November 2016 forecast:

<b>Summary of Forecast Changes</b>	<b>'16-'17 Biennium (\$000)</b>	<b>'18-'19 Biennium (\$000)</b>	<b>'20-'21 Biennium (\$000)</b>
Gross MFIP cash grant forecast change	-3,517	0	0
Gross General Fund forecast change	-873	-8,489	-2,662
Child Support pass-through / recoveries offset	94	0	0
Net General Fund forecast change	-779	-8,489	-2,662
Gross TANF forecast change	-2,645	8,489	2,662
Child Support pass-through / recoveries offset	0	0	0
Net TANF forecast change	-2,645	8,489	2,662

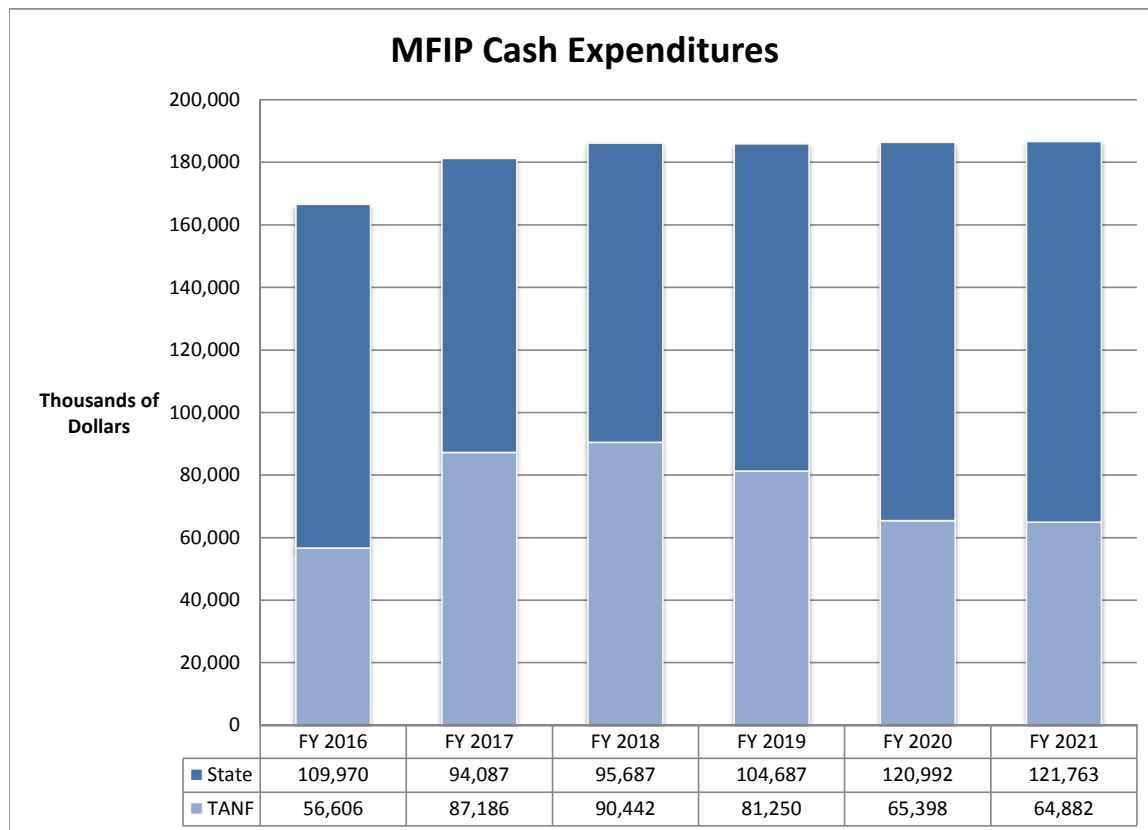
#### *Change in Program Expenditures*

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

#### *Increases in General Fund Expenditures*

Most of the MFIP caseload is funded with a mixture of state and federal block grant funds. The amount of state funds in this mixture is determined primarily by the federally mandated Maintenance of Effort (MOE) requirement for state (i.e., General Fund) spending on its TANF program. The state must meet this minimum MOE requirement to draw its entire federal TANF block grant allotment.

Certain components of the overall MOE requirement are forecasted separately from MFIP (child care is the primary example). Required gross General Fund spending in the MFIP forecast will vary with the forecasted expenditure levels in these external MOE components, though it must be at least 16% of the MOE requirement. In addition, if there are not enough TANF funds available to pay the portion of expenditures which do not have to be paid from the General Fund, then General Fund MOE is used to make up the difference. The General Fund must also fund "non-MOE" cases: cases with two parents and cases eligible for Family Stabilization Services. These expenditures cannot be used as MOE and cannot be funded with federal funds. Net General Fund expenditures are adjusted for child support collections and the counties' share of recoveries.



Gross General Fund expenditures are reduced by \$0.9 million in the current biennium due to decreased non-MOE expenditures. In the next two biennia, decreases in the Working Family Credit (WFC) transfers free up more TANF for MFIP, reducing Gross General Fund expenditures by \$8.5 million in the next biennium and \$2.7 million in the '20-'21 biennium. There is no change in the forecast for collections from publicly assigned child support except updating for a few months of actual data in the current fiscal year. This results in a decrease in Net General Fund expenditures of \$0.8 million (0.4%) in the current biennium, \$8.5 million (4.3%) in the next biennium, and \$2.7 million (1.1%) in the '20-'21 biennium.

In the current biennium, decreases in General Fund expenditures are smaller than the decrease in gross forecast, which results in a decline in TANF expenditures in MFIP of \$2.6 million. In the next two biennia, with more TANF available due to lower WFC transfers, TANF replaces some General Fund expenditures in MFIP, resulting in an increase in TANF expenditures of \$8.5 million in the '18-'19 biennium and \$2.7 million in the '20-'21 biennium. There is no change in the child support pass-through in all three biennia.

**MFIP / TY CHILD CARE ASSISTANCE**

	<b>'16-'17 Biennium</b>	<b>'18-'19 Biennium</b>	<b>'20-'21 Biennium</b>
Forecast change this item (\$000)	-1,905	0	0
Forecast percentage change this item	-1.1%	0.0%	0.0%

This activity provides child care assistance to MFIP families who are employed or are engaged in other work activities or education as part of their MFIP employment plan. This activity also provides transition year (TY) child care assistance for former MFIP families. As with the MFIP grant program, child care assistance is funded with a mixture of federal and state General Fund dollars. The federal child care funding comes from the Child Care & Development Fund (CCDF).

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

**NORTHSTAR CARE FOR CHILDREN**

	<b>'16-'17 Biennium</b>	<b>'18-'19 Biennium</b>	<b>'20-'21 Biennium</b>
Forecast change this item (\$000)	-359	-354	-358
Forecast percentage change this item	-0.4%	-0.2%	-0.2%

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

Northstar Care forecasted expenditures decrease slightly in all three biennia due to decreased Adoption Assistance and Kinship Assistance payments.

**GENERAL ASSISTANCE**

	<b>'16-'17 Biennium</b>	<b>'18-'19 Biennium</b>	<b>'20-'21 Biennium</b>
Forecast change this item (\$000)	-1,099	-2,258	-2,369
Forecast percentage change this item	-1.1%	-2.0%	-2.0%

This activity provides state-funded cash assistance for single adults and couples without children, provided they meet one of the specific General Assistance (GA) eligibility criteria. Typically, meeting one or more of the GA eligibility criteria indicates that the individual is mentally or physically unable to participate long-term in the labor market.

The projected GA caseload and average payments are decreased based on recent data, resulting in lower GA forecasted expenditures for all three biennia.

**GROUP RESIDENTIAL HOUSING**

	<b>'16-'17 Biennium</b>	<b>'18-'19 Biennium</b>	<b>'20-'21 Biennium</b>
Forecast change this item (\$000)	-983	0	0
Forecast percentage change this item	-0.3%	0.0%	0.0%

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

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

**MINNESOTA SUPPLEMENTAL AID**

	<b>'16-'17 Biennium</b>	<b>'18-'19 Biennium</b>	<b>'20-'21 Biennium</b>
Forecast change this item (\$000)	-365	0	0
Forecast percentage change this item	-0.5%	0.0%	0.0%

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

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

<b>MINNESOTACARE</b>	<b>'16-'17 Biennium</b>	<b>'18-'19 Biennium</b>	<b>'20-'21 Biennium</b>
Forecast change this item (\$000)	1,810	5,255	5,739
Forecast percentage change this item	1.5%	26.4%	25.9%

<b>Summary of Forecast Changes</b>	<b>'16-'17 Biennium (\$000)</b>	<b>'18-'19 Biennium (\$000)</b>	<b>'20-'21 Biennium (\$000)</b>
State-only funded enrollment	1,866	5,131	5,622
Other adjustments	-56	124	117
<b>Total Program</b>	<b>1,810</b>	<b>5,255</b>	<b>5,739</b>

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

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

In CY 2017, benchmark premiums in the private insurance market increased substantially. Given very little change in the required individual contribution toward health coverage, the relatively higher benchmark premiums resulted in a substantial increase in exchange subsidies and corresponding federal BHP funding. As a result, all projected BHP enrollees in MinnesotaCare are now fully covered with federal BHP funding. The only remaining populations in MinnesotaCare funded with Health Care Access Funds are DACA enrollees and the elderly population who are not BHP eligible. The elderly population consists of individuals who do not qualify for premium-free Part A Medicare and have income too high to qualify for Medicaid to buy them into Part A coverage.

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



## **Enrollment**

MinnesotaCare enrollment projections are up about 525 average monthly enrollees due higher than expected enrollment of elderly in the last three months of 2016 and adding eligibility for DACA enrollees effective January 2017. About half this increase is due to additional elderly enrollment and about half the increase is due to adding DACA eligibility. This enrollment change leads to a \$1.8 million forecast increase in the current biennium, a \$5.1 million forecast increase in the next biennium, and a \$5.6 million forecast increase in the '20-'21 biennium.

## **Other Adjustments**

This category reflects very small changes in enrollee premiums and average payments.

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

	<b>November 2016 Forecast FY 2016 - FY 2017 Biennium (\$ in thousands)</b>			<b>February 2017 Forecast FY 2016 - FY 2017 Biennium (\$ in thousands)</b>		
<b>GENERAL FUND</b>	FY 2016	FY 2017	Biennium	FY 2016	FY 2017	Biennium
Medical Assistance						
LTC Facilities	434,317	501,663	935,980	434,317	500,481	934,798
LTC Waivers	1,463,088	1,592,351	3,055,439	1,463,088	1,573,028	3,036,116
Elderly & Disabled Basic	1,514,850	1,497,645	3,012,495	1,514,850	1,495,468	3,010,318
Adults with No Children	1,932	48,350	50,282	1,932	48,120	50,052
Families w. Children Basic	1,303,569	1,188,192	2,491,761	1,303,569	1,169,508	2,473,077
<b>MA Total</b>	<b>4,717,756</b>	<b>4,828,201</b>	<b>9,545,957</b>	<b>4,717,756</b>	<b>4,786,605</b>	<b>9,504,361</b>
General Fund	4,129,568	4,587,481	8,717,049	4,129,568	4,545,885	8,675,453
HCA Fund	588,188	240,720	828,908	588,188	240,720	828,908
Alternative Care	43,997	43,590	87,587	43,997	43,590	87,587
Chemical Dependency Fund	94,853	110,374	205,227	94,853	115,120	209,973
Minnesota Family Inv. Program	103,453	88,321	191,774	103,453	87,542	190,995
Child Care Assistance	78,221	96,153	174,374	78,221	94,248	172,469
Northstar Care for Children	42,250	53,805	96,055	42,250	53,446	95,696
General Assistance	50,444	53,649	104,093	50,444	52,550	102,994
Group Residential Housing	147,461	159,690	307,151	147,461	158,707	306,168
Minnesota Supplemental Aid	37,735	39,303	77,038	37,735	38,938	76,673
<b>Total General Fund</b>	<b>4,727,982</b>	<b>5,232,366</b>	<b>9,960,348</b>	<b>4,727,982</b>	<b>5,190,026</b>	<b>9,918,008</b>
<b>TANF funds for MFIP Grants</b>	58,558	90,407	148,965	58,558	87,762	146,320
<b>MinnesotaCare</b>	114,907	9,394	124,301	114,907	11,204	126,111
MA funding from HCA Fund	588,188	240,720	828,908	588,188	240,720	828,908
<b>T. HCA Fund Expenditures</b>	<b>703,095</b>	<b>250,114</b>	<b>953,209</b>	<b>703,095</b>	<b>251,924</b>	<b>955,019</b>

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

<b>GENERAL FUND</b>	<b>February 2017 Forecast Change from November 2016 Forecast FY 2016 - FY 2017 Biennium (\$ in thousands)</b>			<b>February 2017 Forecast Change from November 2016 Forecast FY 2016 - FY 2017 Biennium (Percent Change)</b>		
	FY 2016	FY 2017	Biennium	FY 2016	FY 2017	Biennium
Medical Assistance						
LTC Facilities	0	-1,182	-1,182	0.0%	-0.2%	-0.1%
LTC Waivers	0	-19,323	-19,323	0.0%	-1.2%	-0.6%
Elderly & Disabled Basic	0	-2,177	-2,177	0.0%	-0.1%	-0.1%
Adults with No Children	0	-230	-230	0.0%	-0.5%	-0.5%
Families w. Children Basic	0	-18,684	-18,684	0.0%	-1.6%	-0.7%
<b>MA Total</b>	<b>0</b>	<b>-41,596</b>	<b>-41,596</b>	<b>0.0%</b>	<b>-0.9%</b>	<b>-0.4%</b>
General Fund	0	-41,596	-41,596	0.0%	-0.9%	-0.5%
HCA Fund	0	0	0	0.0%	0.0%	0.0%
Alternative Care	0	0	0	0.0%	0.0%	0.0%
Chemical Dependency Fund	0	4,746	4,746	0.0%	4.3%	2.3%
Minnesota Family Inv. Program	0	-779	-779	0.0%	-0.9%	-0.4%
Child Care Assistance	0	-1,905	-1,905	0.0%	-2.0%	-1.1%
Northstar Care for Children	0	-359	-359	0.0%	-0.7%	-0.4%
General Assistance	0	-1,099	-1,099	0.0%	-2.0%	-1.1%
Group Residential Housing	0	-983	-983	0.0%	-0.6%	-0.3%
Minnesota Supplemental Aid	0	-365	-365	0.0%	-0.9%	-0.5%
<b>Total General Fund</b>	<b>0</b>	<b>-42,340</b>	<b>-42,340</b>	<b>0.0%</b>	<b>-0.8%</b>	<b>-0.4%</b>
<b>TANF funds for MFIP Grants</b>	0	-2,645	-2,645	0.0%	-2.9%	-1.8%
<b>MinnesotaCare</b>	0	1,810	1,810	0.0%	19.3%	1.5%
MA funding from HCA Fund	0	0	0	0.0%	0.0%	0.0%
<b>T. HCA Fund Expenditures</b>	<b>0</b>	<b>1,810</b>	<b>1,810</b>	<b>0.0%</b>	<b>0.7%</b>	<b>0.2%</b>

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

	<b>November 2016 Forecast FY 2018 - FY 2019 Biennium</b>			<b>February 2017 Forecast FY 2018 - FY 2019 Biennium</b>		
	(\$ in thousands)			(\$ in thousands)		
<b>GENERAL FUND</b>	FY 2018	FY 2019	Biennium	FY 2018	FY 2019	Biennium
Medical Assistance						
LTC Facilities	517,905	538,729	1,056,634	517,847	538,636	1,056,483
LTC Waivers	1,728,765	1,841,641	3,570,406	1,719,144	1,838,398	3,557,542
Elderly & Disabled Basic	1,776,170	1,852,257	3,628,427	1,783,346	1,859,444	3,642,790
Adults with No Children	98,147	116,120	214,267	103,824	126,678	230,502
Families w. Children Basic	1,417,470	1,441,084	2,858,554	1,444,990	1,471,910	2,916,900
<b>MA Total</b>	<b>5,538,458</b>	<b>5,789,832</b>	<b>11,328,289</b>	<b>5,569,151</b>	<b>5,835,066</b>	<b>11,404,217</b>
General Fund	5,328,299	5,564,903	10,893,201	5,358,992	5,610,137	10,969,129
HCA Fund	210,159	224,929	435,088	210,159	224,929	435,088
Alternative Care	44,250	44,833	89,083	44,250	44,833	89,083
Chemical Dependency Fund	111,844	132,876	244,720	116,213	136,519	252,732
Minnesota Family Inv. Program	88,930	106,340	195,270	88,930	97,851	186,781
Child Care Assistance	108,428	113,247	221,675	108,428	113,247	221,675
Northstar Care for Children	80,679	96,569	177,248	80,502	96,392	176,894
General Assistance	56,650	58,365	115,015	55,536	57,221	112,757
Group Residential Housing	169,261	179,295	348,556	169,261	179,295	348,556
Minnesota Supplemental Aid	40,484	41,634	82,118	40,484	41,634	82,118
<b>Total General Fund</b>	<b>6,028,825</b>	<b>6,338,061</b>	<b>12,366,886</b>	<b>6,062,596</b>	<b>6,377,129</b>	<b>12,439,725</b>
<b>TANF funds for MFIP Grants</b>	90,932	73,225	164,157	90,932	81,714	172,646
<b>MinnesotaCare</b>	9,665	10,238	19,903	12,241	12,917	25,158
MA funding from HCA Fund	210,159	224,929	435,088	210,159	224,929	435,088
<b>T. HCA Fund Expenditures</b>	<b>219,824</b>	<b>235,167</b>	<b>454,991</b>	<b>222,400</b>	<b>237,846</b>	<b>460,246</b>

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

<b>GENERAL FUND</b>	<b>February 2017 Forecast Change from November 2016 Forecast FY 2018 - FY 2019 Biennium (\$ in thousands)</b>			<b>February 2017 Forecast Change from November 2016 Forecast FY 2018 - FY 2019 Biennium (Percent Change)</b>		
	<b>FY 2018</b>	<b>FY 2019</b>	<b>Biennium</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>Biennium</b>
Medical Assistance						
LTC Facilities	-58	-93	-151	0.0%	0.0%	0.0%
LTC Waivers	-9,621	-3,243	-12,864	-0.6%	-0.2%	-0.4%
Elderly & Disabled Basic	7,176	7,187	14,363	0.4%	0.4%	0.4%
Adults with No Children	5,677	10,558	16,235	0.0%	9.1%	7.6%
Families w. Children Basic	27,520	30,826	58,346	1.9%	2.1%	2.0%
<b>MA Total</b>	<b>30,693</b>	<b>45,234</b>	<b>75,928</b>	<b>0.6%</b>	<b>0.8%</b>	<b>0.7%</b>
General Fund	30,693	45,234	75,928	0.6%	0.8%	0.7%
HCA Fund	0	0	0	0.0%	0.0%	0.0%
Alternative Care	0	0	0	0.0%	0.0%	0.0%
Chemical Dependency Fund	4,369	3,643	8,012	3.9%	2.7%	3.3%
Minnesota Family Inv. Program	0	-8,489	-8,489	0.0%	-8.0%	-4.3%
Child Care Assistance	0	0	0	0.0%	0.0%	0.0%
Northstar Care for Children	-177	-177	-354	-0.2%	-0.2%	-0.2%
General Assistance	-1,114	-1,144	-2,258	-2.0%	-2.0%	-2.0%
Group Residential Housing	0	0	0	0.0%	0.0%	0.0%
Minnesota Supplemental Aid	0	0	0	0.0%	0.0%	0.0%
<b>Total General Fund</b>	<b>33,771</b>	<b>39,068</b>	<b>72,839</b>	<b>0.6%</b>	<b>0.6%</b>	<b>0.6%</b>
<b>TANF funds for MFIP Grants</b>	<b>0</b>	<b>8,489</b>	<b>8,489</b>	<b>0.0%</b>	<b>11.6%</b>	<b>5.2%</b>
<b>MinnesotaCare</b>	<b>2,576</b>	<b>2,679</b>	<b>5,255</b>	<b>26.7%</b>	<b>26.2%</b>	<b>26.4%</b>
MA funding from HCA Fund	0	0	0	0.0%	0.0%	0.0%
<b>T. HCA Fund Expenditures</b>	<b>2,576</b>	<b>2,679</b>	<b>5,255</b>	<b>1.2%</b>	<b>1.1%</b>	<b>1.2%</b>

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

	<b>November 2016 Forecast</b>			<b>February 2017 Forecast</b>		
	<b>FY 2020 - FY 2021 Biennium</b>			<b>FY 2020 - FY 2021 Biennium</b>		
	(\$ in thousands)			(\$ in thousands)		
<b>GENERAL FUND</b>	FY 2020	FY 2021	Biennium	FY 2020	FY 2021	Biennium
Medical Assistance						
LTC Facilities	558,008	577,198	1,135,206	557,914	577,051	1,134,965
LTC Waivers	1,961,349	2,098,170	4,059,519	1,963,305	2,101,772	4,065,077
Elderly & Disabled Basic	1,971,053	2,088,245	4,059,297	1,975,656	2,092,831	4,068,487
Adults with No Children	160,164	197,595	357,759	167,610	206,272	373,882
Families w. Children Basic	1,600,024	1,677,109	3,277,133	1,604,572	1,688,361	3,292,933
<b>MA Total</b>	<b>6,250,598</b>	<b>6,638,316</b>	<b>12,888,914</b>	<b>6,269,057</b>	<b>6,666,287</b>	<b>12,935,344</b>
General Fund	6,025,669	6,413,387	12,439,056	6,044,128	6,441,358	12,485,486
HCA Fund	224,929	224,929	449,858	224,929	224,929	449,858
Alternative Care	44,833	44,833	89,666	44,833	44,833	89,666
Chemical Dependency Fund	123,932	127,823	251,755	126,834	129,858	256,692
Minnesota Family Inv. Program	115,714	115,982	231,696	114,133	114,901	229,034
Child Care Assistance	120,222	126,060	246,282	120,222	126,060	246,282
Northstar Care for Children	108,335	114,300	222,635	108,157	114,120	222,277
General Assistance	59,907	61,341	121,248	58,736	60,143	118,879
Group Residential Housing	189,116	198,825	387,941	189,116	198,825	387,941
Minnesota Supplemental Aid	42,843	44,064	86,907	42,843	44,064	86,907
<b>Total General Fund</b>	<b>6,830,571</b>	<b>7,246,615</b>	<b>14,077,186</b>	<b>6,849,002</b>	<b>7,274,162</b>	<b>14,123,164</b>
<b>TANF funds for MFIP Grants</b>	64,289	64,281	128,570	65,869	65,362	131,231
<b>MinnesotaCare</b>	10,783	11,360	22,143	13,588	14,294	27,882
MA funding from HCA Fund	224,929	224,929	449,858	224,929	224,929	449,858
<b>T. HCA Fund Expenditures</b>	<b>235,712</b>	<b>236,289</b>	<b>472,001</b>	<b>238,517</b>	<b>239,223</b>	<b>477,740</b>

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

<b>GENERAL FUND</b>	<b>February 2017 Forecast Change from November 2016 Forecast FY 2020 - FY 2021 Biennium (\$ in thousands)</b>			<b>February 2017 Forecast Change from November 2016 Forecast FY 2020 - FY 2021 Biennium (Percent Change)</b>		
	FY 2020	FY 2021	Biennium	FY 2020	FY 2021	Biennium
Medical Assistance						
LTC Facilities	-94	-147	-241	0.0%	0.0%	0.0%
LTC Waivers	1,956	3,602	5,558	0.1%	0.2%	0.1%
Elderly & Disabled Basic	4,603	4,586	9,190	0.2%	0.2%	0.2%
Adults with No Children	7,446	8,677	16,123	0.0%	4.4%	4.5%
Families w. Children Basic	4,548	11,252	15,800	0.3%	0.7%	0.5%
<b>MA Total</b>	<b>18,459</b>	<b>27,971</b>	<b>46,430</b>	<b>0.3%</b>	<b>0.4%</b>	<b>0.4%</b>
General Fund	18,459	27,971	46,430	0.3%	0.4%	0.4%
HCA Fund	0	0	0	0.0%	0.0%	0.0%
Alternative Care	0	0	0	0.0%	0.0%	0.0%
Chemical Dependency Fund	2,902	2,035	4,937	2.3%	1.6%	2.0%
Minnesota Family Inv. Program	-1,581	-1,081	-2,662	-1.4%	-0.9%	-1.1%
Child Care Assistance	0	0	0	0.0%	0.0%	0.0%
Northstar Care for Children	-178	-180	-358	-0.2%	-0.2%	-0.2%
General Assistance	-1,171	-1,198	-2,369	-2.0%	-2.0%	-2.0%
Group Residential Housing	0	0	0	0.0%	0.0%	0.0%
Minnesota Supplemental Aid	0	0	0	0.0%	0.0%	0.0%
<b>Total General Fund</b>	<b>18,431</b>	<b>27,547</b>	<b>45,978</b>	<b>0.3%</b>	<b>0.4%</b>	<b>0.3%</b>
<b>TANF funds for MFIP Grants</b>	<b>1,581</b>	<b>1,081</b>	<b>2,662</b>	<b>2.5%</b>	<b>1.7%</b>	<b>2.1%</b>
<b>MinnesotaCare</b>	<b>2,805</b>	<b>2,934</b>	<b>5,739</b>	<b>26.0%</b>	<b>25.8%</b>	<b>25.9%</b>
MA funding from HCA Fund	0	0	0	0.0%	0.0%	0.0%
<b>T. HCA Fund Expenditures</b>	<b>2,805</b>	<b>2,934</b>	<b>5,739</b>	<b>1.2%</b>	<b>1.2%</b>	<b>1.2%</b>