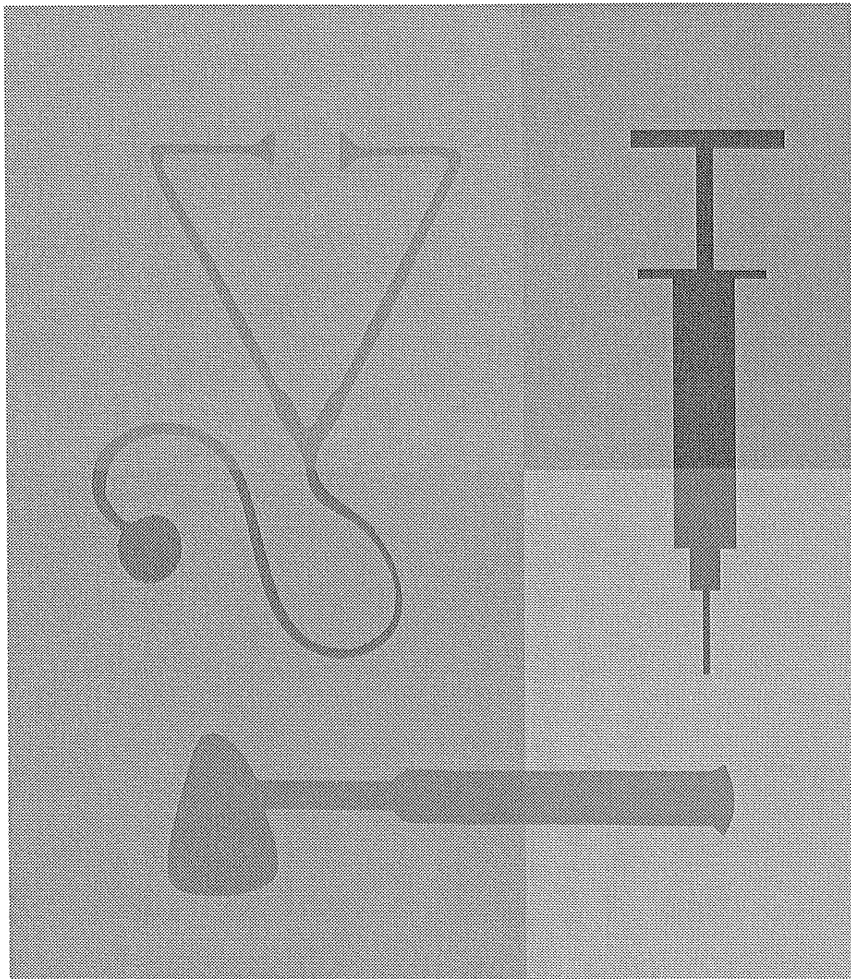


DHS FTE Requests for FY 2006-07

		Temporary Funding Ends FY	2005	2006	2007	2008	2009
Total Request	GF/HCAF		-42	68	107	112	107
	GF		-2	55	61	60	60
	HCAF		-40	13	46	52	47
Statutory & Regulatory Compliance	GF/HCAF		-2	43	43	43	43
	GF		-2	43	43	43	43
Licensing	GF			15	15	15	15
Client appeals	GF		-2	11	11	11	11
PERM	GF			10	10	10	10
MEQC	GF			7	7	7	7
New Initiatives	GF/HCAF			25	64	69	64
	GF			12	18	17	17
	HCAF			13	46	52	47
MH coverage	GF			1	1	1	1
Homelessness prevention	GF			1	1	1	1
Medicare modernization	GF			4	10	9	9
Estate recovery	GF			1	1	1	1
Medical director/support	GF			2	2	2	2
Provider fraud & abuse	GF			3	3	3	3
MNCare client fraud prevention	HCAF			3	3	3	3
MNCare eligibility audits	HCAF			3	3	3	3
Health Care BPR	HCAF			7	40	46	41
MinnesotaCare Operations	HCAF		-40				

01/28/2005
OMB: JWH

Minnesota Health Care Programs (MHCP) for families and adults under 65*



*This does not include information specific to eligibility or benefits for people with disabilities or people 65 or older.

January 2005



			MinnesotaCare for families	MA for families
			Income limit: 275% FPG	750% FPG kids under 2
			Parents not eligible if annual income exceeds \$50,000	Income limit: 275% FPG pregnant women
		MinnesotaCare Limited Benefit for adults w/o children		
		Income limit: 175% FPG		
		Asset limit: \$10,000 for household of one		Income limit: 150% FPG kids 2 - 18
		\$20,000 for household of two or more		
GAMC for adults w/o children	MinnesotaCare for adults w/o children			Income limit: 100% FPG kids 19 - 20 and parents
Income limit: 75% FPG	Income limit: 75% FPG			
	Asset limit: \$10,000 for household of one			
Asset limit: \$1,000	\$20,000 for household of two or more			
			Asset limit: \$20,000 for household of two or more	
			No asset limit for pregnant women children under 21	

MHCP: GAMC

Average monthly enrollment: 37,000
Total annual cost: \$238 million*

Benefits

- Alcohol & drug treatment
- Chiropractic
- Dental care
- Doctor/Clinic visits
- Emergency room & ambulance service
- Eyeglasses
- Family planning services
- Hearing aids
- Immunizations
- Inpatient hospital
- Lab/X-ray
- Medical equipment
- Mental health
- Outpatient surgery
- Prescription drugs
- Rehabilitative therapy

Cost sharing

- \$3 (brand name) or \$1 (generic) co-pay on prescriptions up to \$20/month, no co-pay on some mental health drugs
- \$3 co-pay on most non-preventive visits
- \$25 co-pay on eyeglasses
- \$25 co-pay for ER visits when it is not an emergency
- 50% co-pay on restorative dental services

Limits

- \$500 annual limit on dental services (excludes certain services)

* Total cost represents state spending; the program is ineligible for federal match. Numbers reflect projected FY 2005 enrollment and cost as reflected in Minnesota's November 2004 forecast. Numbers do not include enrollment in and cost of GAMC-Hospital Only coverage.

GAMC
for adults
w/o children

Income limit:
75% FPG

Asset limit:
\$1,000

MHCP: MinnesotaCare adults without children

Average monthly enrollment: 15,000
Total annual cost: \$65 million*

Benefits

- Alcohol & drug treatment
- Chiropractic
- Dental services
- Doctor/Clinic visits
- Emergency room
- Eye exams & glasses
- Inpatient hospital stay
- Lab & X-ray services
- Medical equipment & supplies
- Mental health services
- Outpatient surgery
- Prescription medicine
- Preventive care visits
- Rehabilitative therapy

Cost sharing

- Sliding-scale premiums
- \$3 co-pay on prescriptions
- \$25 co-pay for eye-glasses
- 50% co-pay on restorative dental services
- 10% co-pay on inpatient hospital stay (up to \$1,000)

Limits

- \$10,000 annual inpatient hospital limit
- \$500 annual limit on dental services (excludes certain services)

**MinnesotaCare
for adults
w/o children**

**Income limit:
75% FPG**

**Asset limit:
\$10,000
for household of one**

**\$20,000
for household of
two or more**

* Total cost represents state spending; this population is ineligible for federal match. Numbers reflect projected FY 2005 enrollment and cost as reflected in Minnesota's November 2004 forecast.

MHCP: MinnesotaCare Limited Benefit adults without children

Average monthly enrollment: 19,000
Total annual cost: \$57 million*

Benefits

- Chiropractic
- Doctor/Clinic visits[†]
- Emergency room
- Eye exams[†]
- Family planning services[†]
- Immunizations[†]
- Inpatient hospital stay
- Lab & X-ray services
- Mental health services[†]
- Outpatient surgery
- Prescription medicine
- Preventive care visits[†]

Cost sharing

- Sliding-scale premiums
- \$3 co-pay on prescriptions, up to \$20/month
- \$5 co-pay on most doctor/clinic visits
- \$50 co-pay for emergency room visits
- 10% co-pay on inpatient hospital stay (up to \$1,000)

Limits

- \$5,000 annual limit on all services, except inpatient hospital
- \$10,000 annual inpatient hospital limit

**MinnesotaCare
Limited Benefit
for adults
w/o children**

**Income limit:
175% FPG**

**Asset limit:
\$10,000
for household of one
\$20,000
for household of two
or more**

* Total cost represents state spending; this population is ineligible for federal match. Numbers reflect projected FY 2005 enrollment and cost as reflected in Minnesota's November 2004 forecast.

[†] When performed by a physician, advanced practice nurse or physician assistant

MHCP: MinnesotaCare Children & families

Average monthly enrollment: 111,000
Total annual cost: \$310 million*

MinnesotaCare
for families

Income limit:
275% FPG

Parents not eligible
if annual income
exceeds

\$50,000

Benefits

- Alcohol & drug treatment
- Chiropractic
- Dental services
- Doctor/Clinic visits
- Emergency room
- Eye exams & glasses
- Family planning services
- Hearing aids
- Home care
- Hospice
- Immunizations
- Inpatient hospital stay
- Lab & X-ray services
- Medical equipment & supplies
- Mental health services
- Outpatient surgery
- Prescription medicine
- Preventive care visits

Cost sharing

- Sliding-scale premiums
- \$3 co-pay for prescriptions
- \$25 co-pay on eye-glasses
- 50% co-pay on restorative dental for parents with income at or below 175% FPG
- Children under 21 & pregnant women do not have co-pays or limits on covered services

Limits

- \$10,000 annual inpatient hospital limit (does not apply to pregnant women, children under 21, or parents with income at or below 175% FPG)
- \$500 annual limit on dental services; excludes certain services (does not apply to pregnant women or children under 21)

Asset limit:

\$20,000

for household of two
or more

No asset limit

for pregnant women
for children under 21

* Total cost represents total state and federal spending. Numbers reflect projected FY 2005 enrollment and cost as reflected in Minnesota's November 2004 forecast.

MHCP: Medical Assistance children & families

Average monthly enrollment: 336,000

Total annual cost: \$1.120 billion*

Benefits

- Alcohol & drug treatment
- Chiropractic
- Dental services
- Doctor/Clinic visits
- Emergency room
- Eye exams & glasses
- Family planning services
- Hearing aids
- Home care
- Hospice
- Immunizations
- Inpatient hospital
- Lab & X-ray services
- Medical equipment & supplies
- Mental health services
- Outpatient surgery
- Prescriptions
- Preventive care visits
- Rehabilitative therapy

Cost sharing

- \$3 (brand name) or \$1 (generic) co-pay for prescriptions, up to \$20/month
- \$3 co-pay for most non-preventive visits
- \$3 co-pay for eyeglasses
- \$6 co-pay for ER visits when it is not an emergency
- Children under 21 & pregnant women do not have co-pays or limits on covered services

Limits

- \$500 annual limit on dental services; excludes certain services (does not apply to pregnant women or children under 21)

NOTE: Some residents with

income above the limit may become eligible for MA after incurring a certain amount of medical bills each month. This is called a "spenddown." Once enrolled in MA, all cost-sharing features noted above apply.

* Total cost represents total state and federal spending. Numbers reflect projected FY 2005 enrollment and cost as reflected in Minnesota's November 2004 forecast.

MA for families
280% FPG - kids under 2
Income limit:
275% FPG
pregnant
women

Income limit:
150% FPG
kids 2 - 18

Income limit:
100% FPG
kids 19 - 20
and parents

Asset limit:
\$10,000
for household of one
\$20,000
for household of two or more
No asset limit
for pregnant women or children under 21



FYI

Memo

Minnesota Department of **Human Services**

DATE: February 8, 2005

TO: Senator Linda Berglin and Members
Health, Human Services and Corrections Budget Division

FROM: Jen Augustson
Finance and Management Operations

SUBJECT: Lease Costs - responses to questions asked at hearing on 1/31/2005

At a committee hearing on Monday, January 31, 2005, committee members asked the Department of Human Services to follow up on the questions below. Accompanying the questions is the department's response. Please contact the staff person listed above or Steve Barta (296-5685) if you require further clarification.

How is the rent allocation to the Health Care Access Fund determined?

Rent is allocated across DHS funds based on the percentage of total budgeted FTEs, which we have found to be directly related and an accurate surrogate for the amount of space occupied. The Health Care Access Fund is currently allocated 12.85 percent of the total rent paid by DHS.

What is the debt service on the Andersen Building Project?

The St. Paul Port Authority financed the Andersen building with two bond issues. Each issue consisted of several coupons of differing amounts and interest rates. The first bond issue was for a total of \$31.165 million with a net interest cost of 4.847 percent. The second bond issue was for a total of \$79.665 million with a net interest cost of 4.616 percent. Therefore, the total bond amount for the Andersen building project was \$110.83 million with a net interest cost of 4.681 percent.

What happens to the rent after 20 years when the bonds are paid off?

The Department of Human Services' rent rate (paid to the Department of Administration) is based on the cost to repay debt and accrue ownership, as well as the costs to maintain and operate the building. We understand from the Department of Administration that it is likely that the rent rate will be reduced as a result of paying off the bonds after 20 years, but that the ongoing life-cycle replacement cost for the building and all associated equipment as well as operating costs will still be included in the rate.



F Y I

Memo

Minnesota Department of **Human Services**

DATE: February 8, 2005

TO: Senator Linda Berglin and Members
Health, Human Services and Corrections Budget Division

FROM: Jen Augustson
Finance and Management Operations

SUBJECT: Fee increases in the Governor's Proposed Budget for Human Services

At a committee hearing on Monday, January 31, 2005, Senator Koering asked the Department of Human Services to follow up on the questions below. Accompanying the questions is the department's response. Please contact the staff person listed above or Steve Barta (296-5685) if you require further clarification.

How many fee increases are there in the Governor's proposed budget for human services? How much revenue is generated, and what portion of the additional funding requests does this revenue offset?

The Governor's proposed budget for Human Services includes increased revenues from restructuring or modifying two types of fees; both are included in the proposal entitled "Meeting Statutory Requirements for Licensing and Background Studies" on page 8 in the human services budget book.

The first fee proposal relates to the license fee paid by home and community based service providers (currently \$400 annually). The Governor's budget would restructure this fee to charge providers a base rate of \$250 per license plus \$38 per client served. This would decrease fees for providers serving three or fewer clients, and increase fees for providers serving more than four clients. Approximately \$292,000 in additional revenue would be generated each year from this fee increase. Revenues from license fees are returned to the general fund; the additional revenue would offset approximately one-half of the requested increase in funding for licensing activities.

The second fee proposal relates to background study fees paid by supplemental nursing service agencies, personal care providers, and court-appointed guardians required to have a background study completed by the Department. The background study fees currently paid by these entities are \$8, \$12, and \$12, respectively. The Governor's budget would increase these fees to \$20, generating an additional \$167,000 per year in revenue. Revenues from background study fees are dedicated to that activity; this additional revenue would fully fund the direct costs of conducting background studies for supplemental nursing service agencies, personal care providers, and court-appointed guardians. In addition, the fee increase allows for the general fund to be reimbursed for the indirect costs of this activity.

**Mental Health Treatment Related Medications Provided through Pre-Paid Health Plans (PPHP)
Prescriptions During FY04 for GAMC and MinnesotaCare Adults without Children Enrollees**

**Number of Clients- All Ages
MHCP**

Type of Medication**	MNCare Adults		Total*
	GAMC	without Children***	
Stimulants- Mainly for ADHD	451	453	904
Antidepressants	12,974	11,689	24,663
Antimanic Agents	377	209	586
Antipsychotic Agents	3,199	1,273	4,472
Benzodiazepines- Anti-Anxiety Medications	3,140	3,000	6,140
Anticonvulsants- for Mood Disorders	3,465	2,012	5,477
Sedatives - Anxiety Disorders	2,789	2,049	4,838
Miscellaneous Central Nervous System Agents	318	205	523
Unduplicated Count of Persons	15,912	14,268	30,180
Percent of those enrolled in Program anytime during FY04	33%	28%	

*Note: The totals for rows contains duplication for those persons who were in both programs during the year.
 **Note: Medications chosen are those often used to treat mental health symptoms, but may be used for other purposes.
 ***Note: MinnesotaCare program (BB) Adults without children was used for this category of MinnesotaCare.



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Comprehensive Proposal to Preserve Independence of Minnesotans with Disabilities

The Minnesota Consortium of Citizens with Disabilities, a coalition of more than 40 statewide provider and advocacy organizations committed to advancing the state's public policies and programs for individuals of all abilities, has adopted a comprehensive legislative proposal to guide policymakers during the 2005 Session.

The plan, forged by seven subcommittees and adopted unanimously by all member organizations, is designed to ensure the health, safety, and independence of Minnesotans with disabilities. It recognizes that individuals with disabilities often rely on a complex array of government programs that span multiple state and federal agencies. While many positive advances have been enacted at the state level over the last several years that foster greater economic and social independence and self-sufficiency, continuing budgetary pressures significantly threaten these gains.

Three guiding principles were used in formulating the package: access to needed services; empowerment and choice; and quality of care. Included in the legislative proposals addressing health care, transportation, employment, housing, and education:

- A state-level commission to formulate a plan in response to the *Olmstead* decision. This body, similar in composition to the Long-Term Care Task force of 2001, would formulate a comprehensive plan to meet the program and policy needs of the non-elderly disabled;
 - De-institutionalizing the non-elderly population of individuals with disabilities in nursing homes. Currently, there are 2,800 Minnesotans under the age of 65 who call a nursing home their home;
 - Greater access to transit in Greater Minnesota. Currently, several counties have no form of accessible transportation for people with disabilities. Transit funding remains static or declining. People with disabilities in rural Minnesota need transit options;
 - Expansion of Minnesota Disability Health Options (MnDHO), the state's voluntary managed care program for people with physical disabilities. Currently, it's available only to Medical Assistance recipients in five Metro Area counties. This program saves money and produces better health outcomes. More people – and other disability populations – need access to it;
 - Modified parental fees for families with children with disabilities enrolled in the TEFRA program. Premium increases in 2003 were too steep and too punitive;
 - Additional protections for special education students, including additional certification of qualified teachers and standards on the use of locked time out rooms.
-