



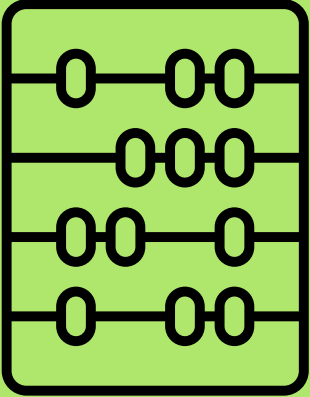
DHS Budget Overview

Senate Human Services Committee

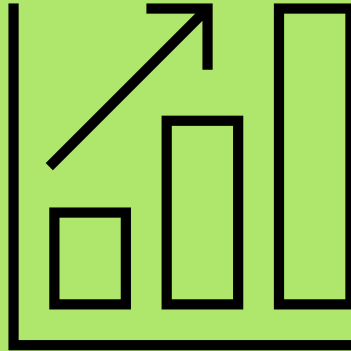
Elyse Bailey | Budget Director

February 12, 2024

DHS Budget Overview



DHS Budget



Nov. 2023 Forecast



2023 Legislation

Who we serve: Average Monthly People

1.4 Million



Medicaid Enrollees

104,000



MinnesotaCare Enrollees

12,000



People receiving LTC in
Nursing Facilities

86,000



People receiving LTC in
their homes & communities

31,000



People receiving behavioral
health services (BHF)*

883,000



Families with Children
enrollees in MA

22,000



People receiving General
Assistance (GA)

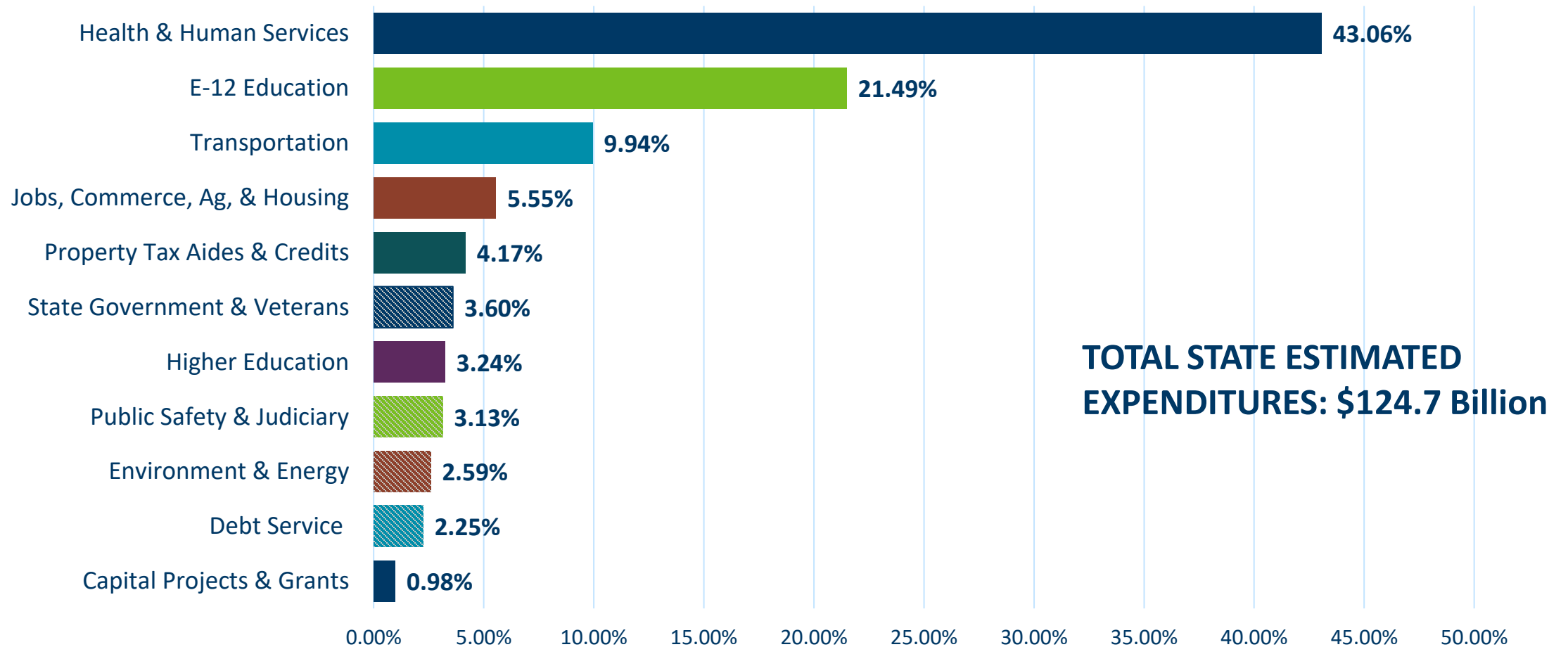
20,000



People receiving Housing
Support

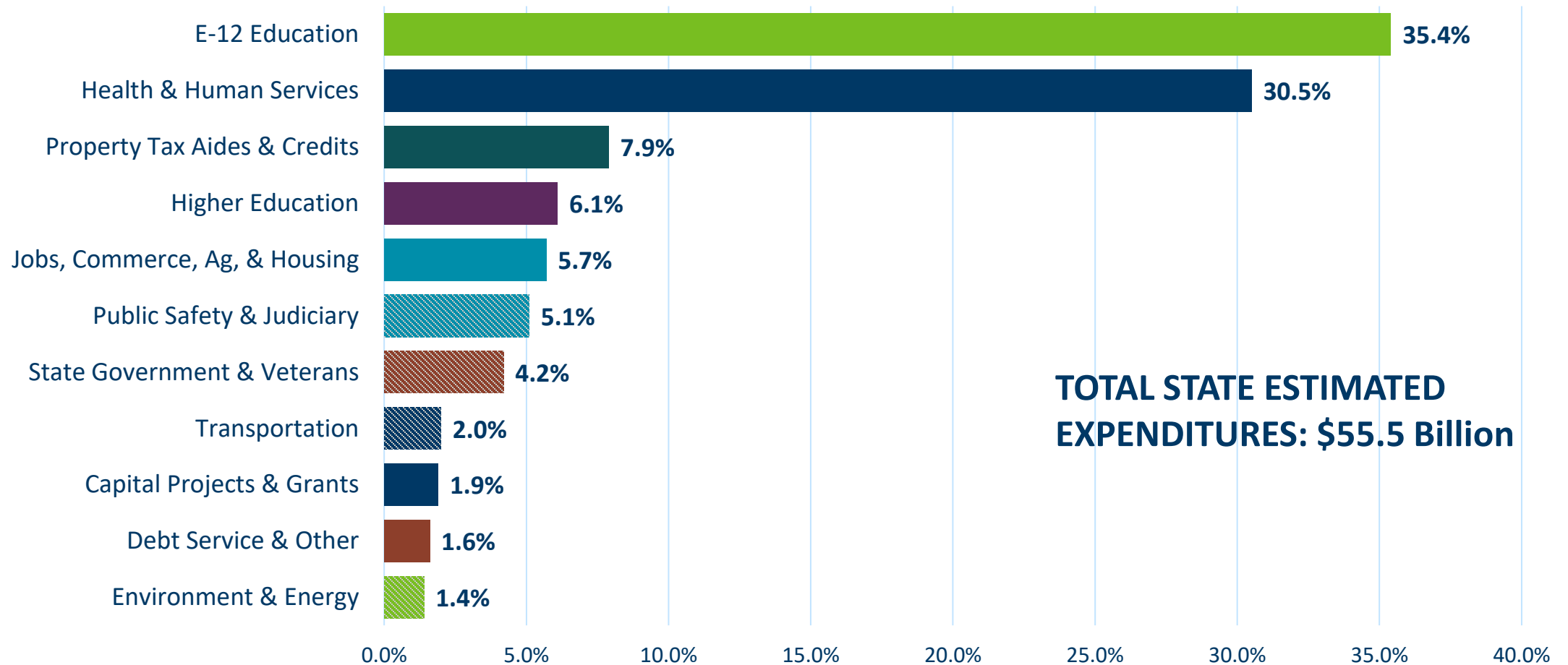
*Annual unduplicated recipients

FY 2024-2025 biennium – All funds enacted budget



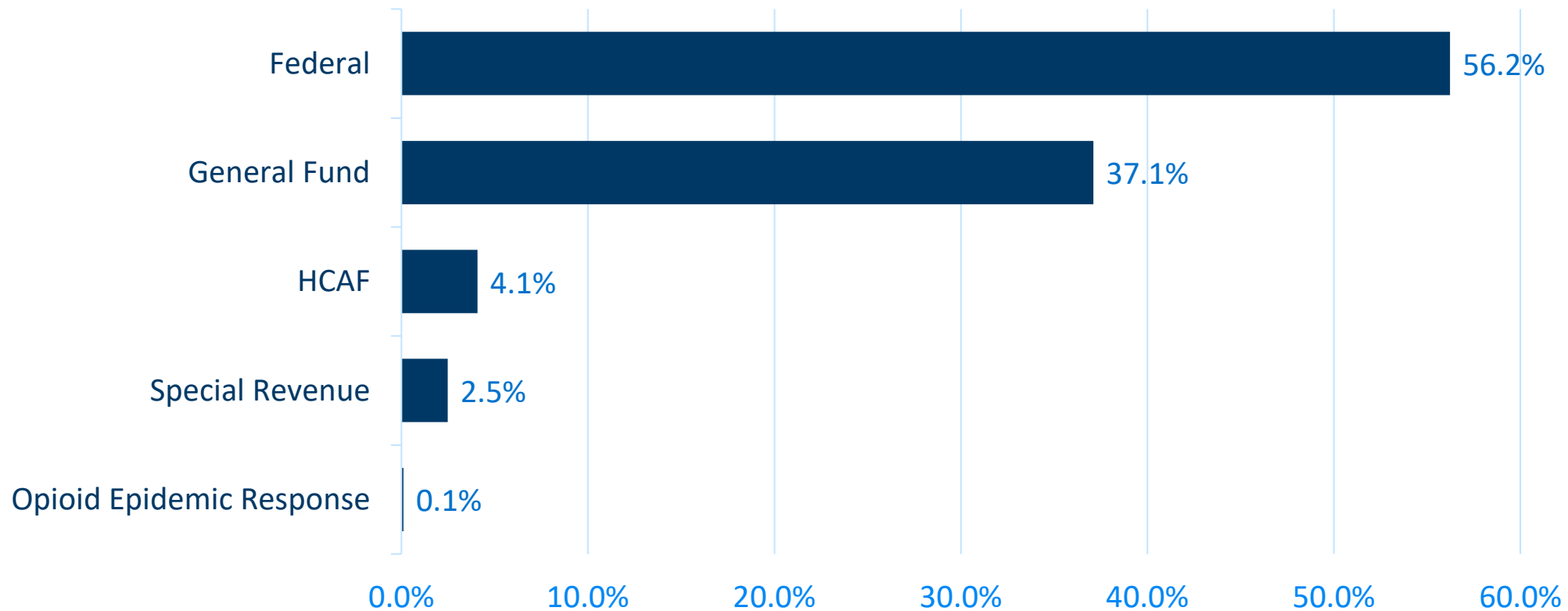
Data from MMB Consolidated Fund Statement (November 2023)

FY 2024-25 biennium – General Fund enacted budget

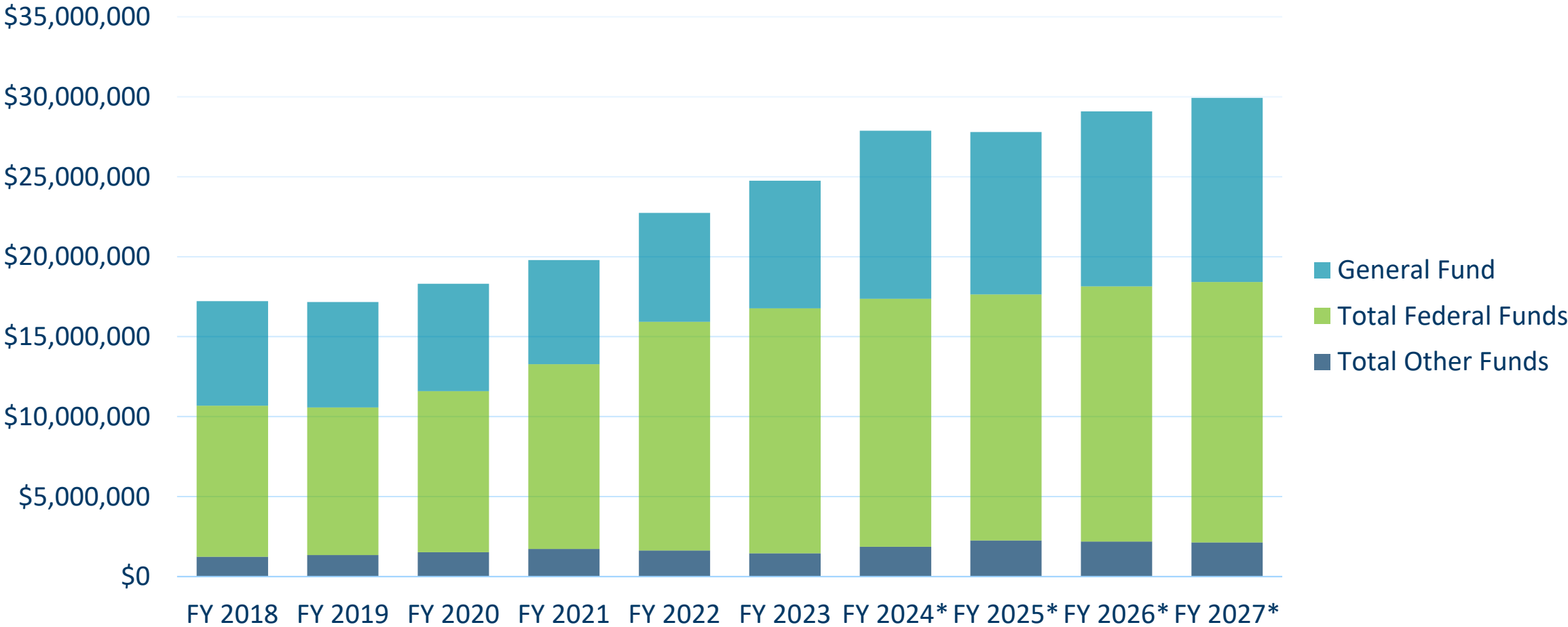


Data from MMB Consolidated Fund Statement (November 2023)

Human Services Budget – FY24/25 by fund



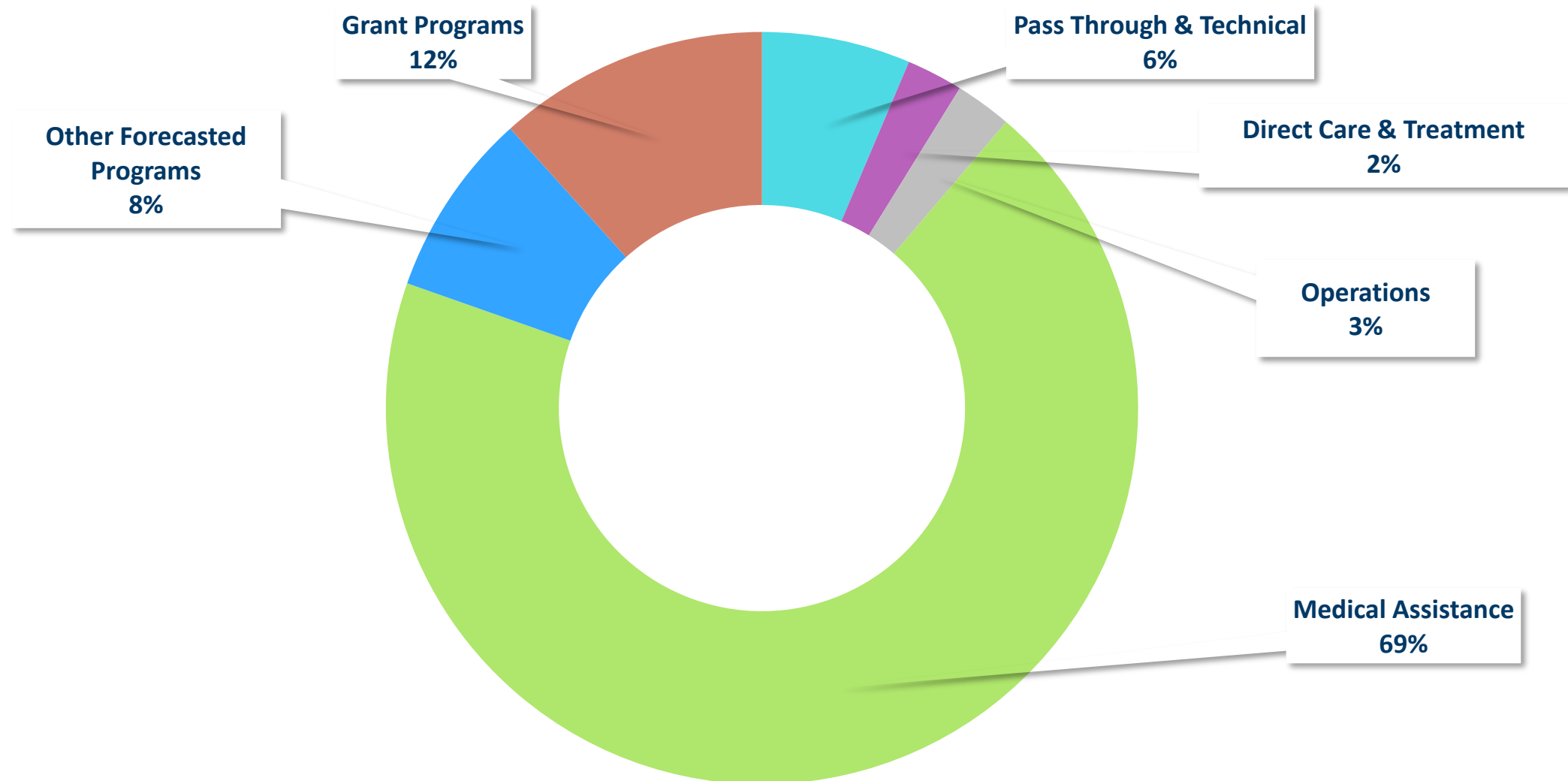
Expenditure Trends over Time, by Fund



Data from MMB Consolidated Fund Statement, November 2023

* Budgeted

DHS FY2024 Budget: \$27.3 billion



DHS FY2024 Budget: \$27.3 billion

	FY2024
Central Office	664,854,261
Forecast Spending	21,074,020,408
Alternative Care	49,141,644
Behavioral Health Fund	212,140,000
Medical Assistance	18,900,749,422
All Other	1,911,989,342
Grants	3,189,907,674
Adult Mental Health Grants	145,957,910
Aging & Adult Services Grants	70,923,748
CD Treatment Support Grants	137,133,000
Child Mental Health Grants	42,994,000
Disabilities Grants	166,055,430
Other Long-Term Grants	25,518,600
All Other	2,601,324,986
Direct Care & Treatment	662,880,560
Fiduciary Activities	851,627,000
Technical Activities	895,675,116
Grand Total	27,338,965,019

DHS Forecasted Programs

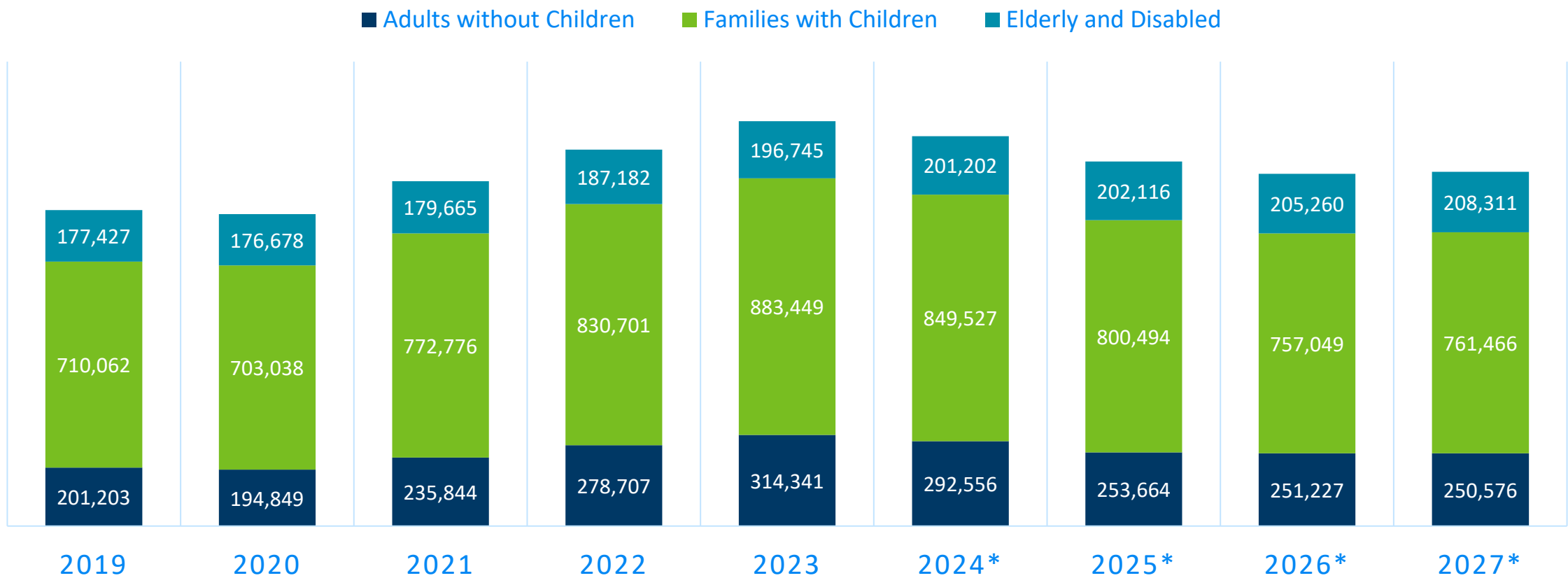


November 2023 Forecast

- Projections for spending on MA services under the disability waivers increased compared to previous estimates (higher average payments and increased number of people)
- MA and MinnesotaCare enrollment estimates updated based on experience in the return to normal eligibility processes (unwinding)
- Reduced federal funding in the Basic Health Plan (BHP) funding formula, resulting in increased costs in the Health Care Access Fund (HCAF)

MA Enrollment

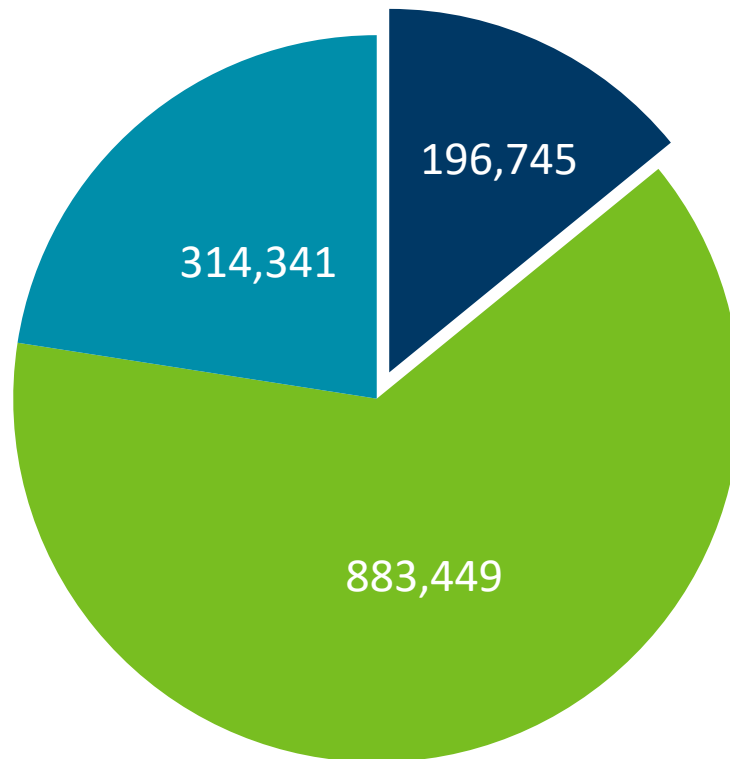
MA ENROLLMENT BY ELIGIBILITY CATEGORY



*forecasted

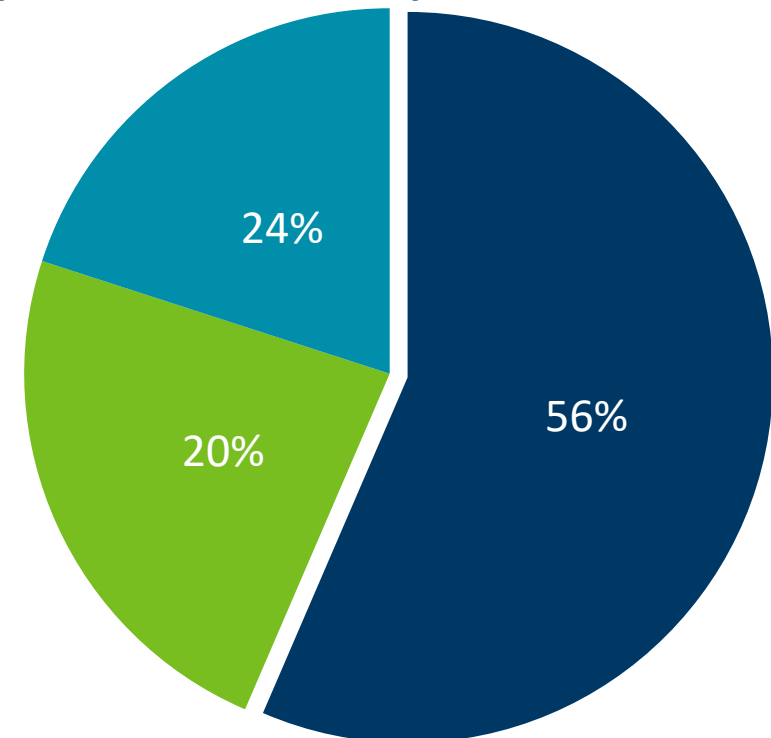
Medical Assistance Enrollees & Expenditures

Average monthly enrollees

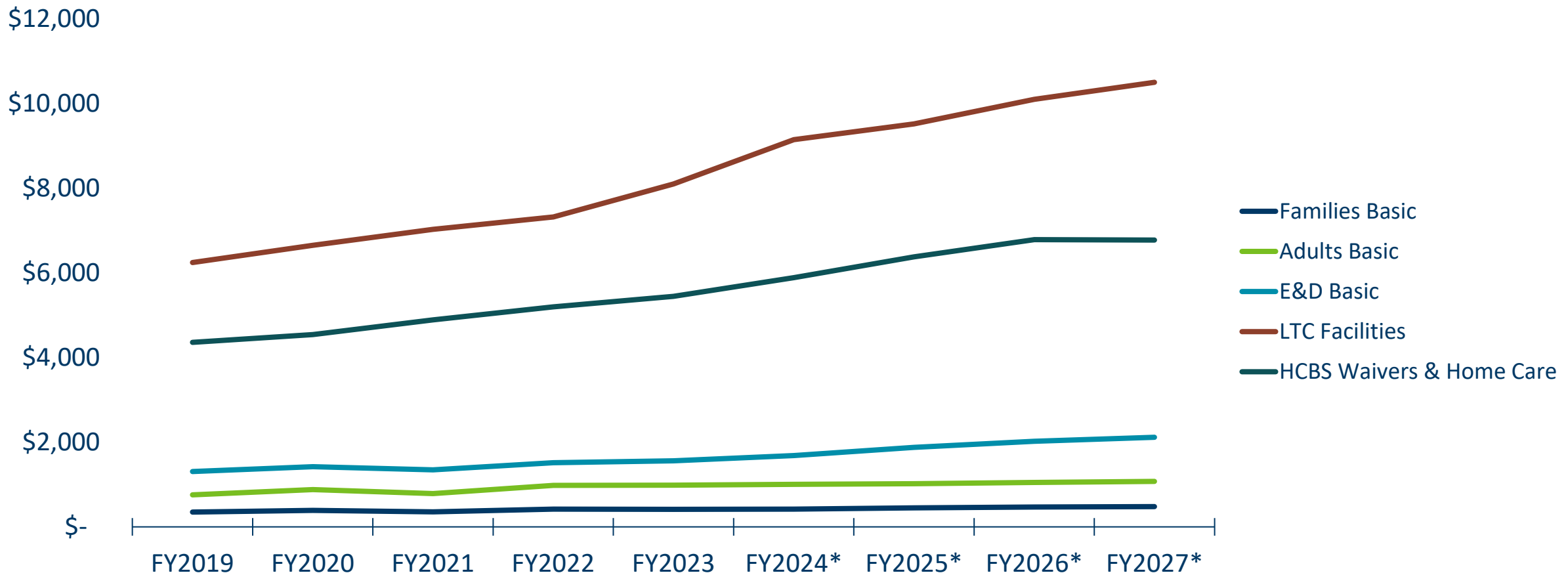


Total expenditures
(state and federal) = \$18.9 billion

- Elderly & Disabled (inc. LTC)
- Children & Families
- Adults w/o Children



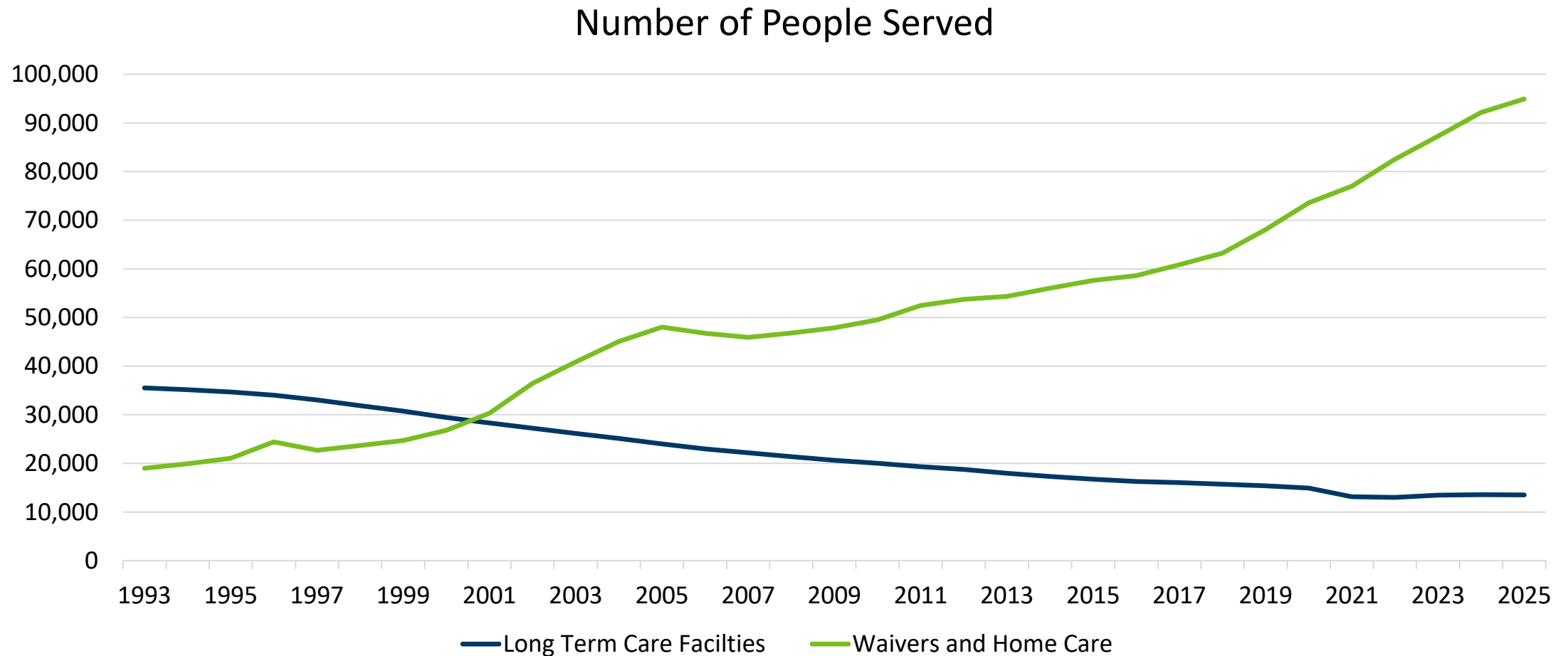
MA Average Monthly Cost Per Enrollee



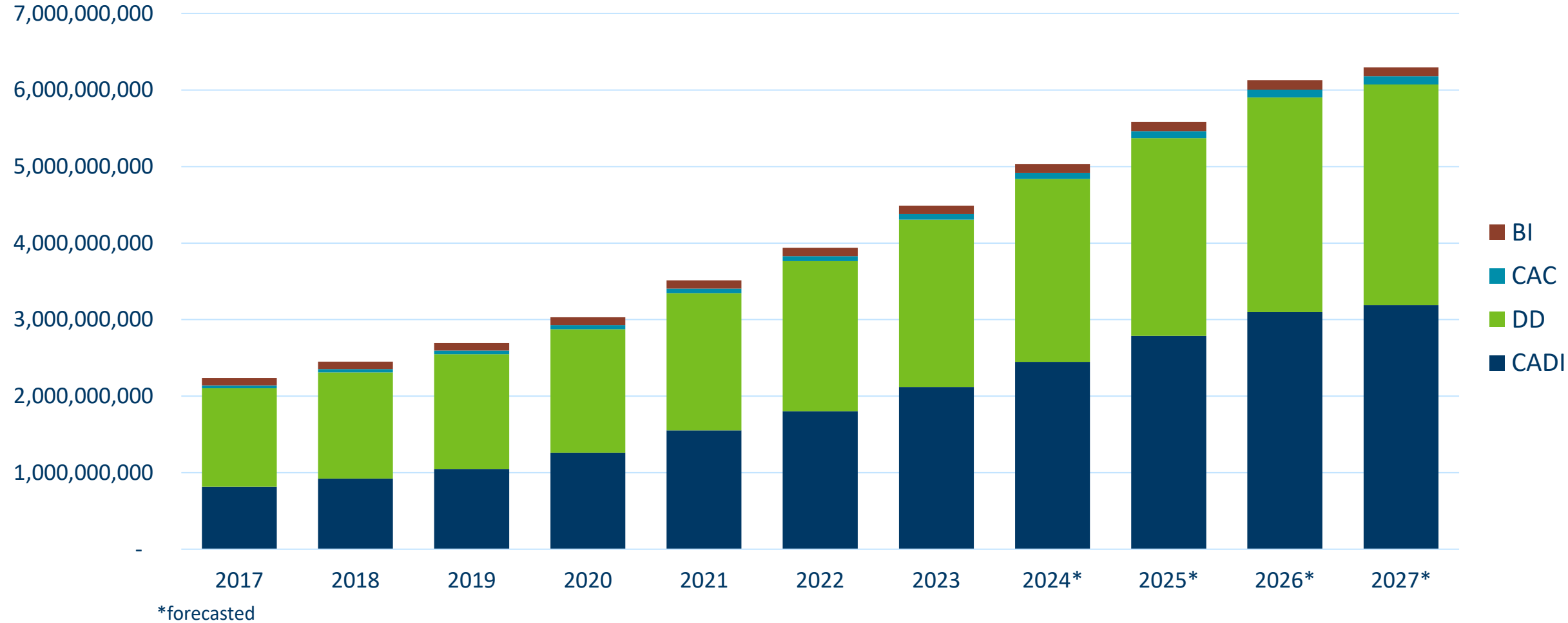
*Projected

DHS November 2023 Forecast

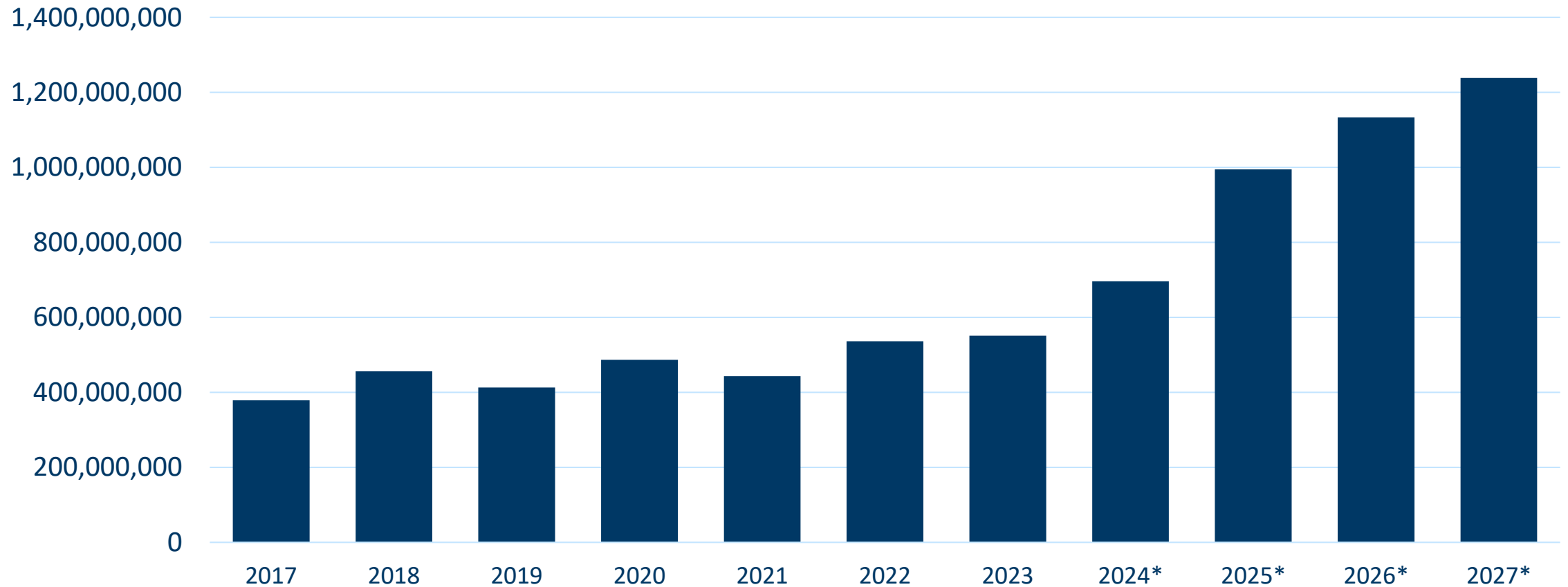
Changes in how long-term care services are delivered



Disability Waivers forecast trend (all funds)



Elderly Waiver forecast trend (all funds)



*forecasted

Factors Impacting Spending Trends



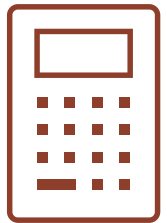
People Served

- Growth in the number of people receiving services
- Changes in who is being served (growth in younger & older; more diverse)



Services Provided

- Growth in the volume of services delivered
- Changes in available services and how people choose to receive services



Payments

- Growth in the service rates paid to providers
- Changes in billable service units

2023 Legislative Changes



2023 Legislative Changes

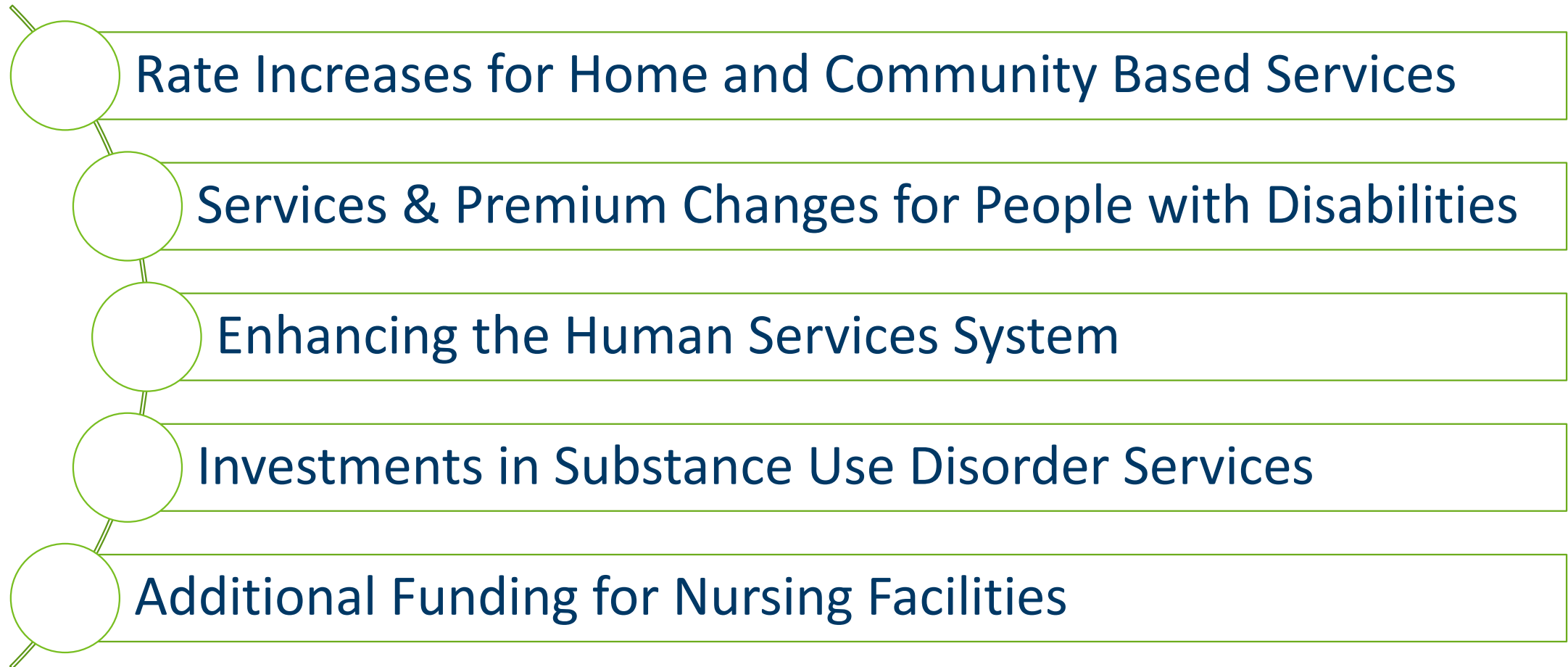
Historic investments in human services making impactful changes for Minnesotans

- Across all bills, total DHS FY24/25 additional funding was over \$3B (6% increase)
- Human Services omnibus provided DHS \$1.35B in FY24/25 and \$1.56B in FY26/27 in additional state funding

Complex dynamics for implementation:

- DHS is transforming into three separate state agencies
- Many provisions in the 2023 session were funded with one-time funding
- Many provisions have the same or similar effective date
- Many provisions require federal approval processes or grant requirement processes
- Tight labor market impacts hiring

2023 Legislative Changes



2023 Legislation: Rate Increases

PCA/CFSS (21.3%)*

Disability Waiver
Rate System
Services (6.63%)*

Elderly Waiver
(51%)*

Disability Waiver
Customized Living
(12%)

Disability Waiver
Homemaker
Services (71%)

Other HCBS
Services (14.99%)

Home Care Nursing
(25%)

ICF/DD Services
(20.49%)*

Consumer Directed
Community
Supports (13.41%)

EIDBI Services
(14.99%)

NEMT Services
(10% plus Fuel
adjuster)

MA Enteral Feeding
Products

2023 Legislation: Service & Premium Changes

Increase Paid Hours
Limit Provided by
Parents and
Spouses

PCA Driving

Grants Supporting
Employment for
People with
Disabilities

Disability Waiver
Shared Services

Establish a Hospice
Respite and End-of-
Life Care MA
Benefit

Eliminate Parental
Fees for TEFRA

Eliminate MA-EPD
Asset Limits

2023 Legislation: Enhancing the Human Services System

DCT as a New
Agency

DCT Electronic
Health Record

Workforce
Incentive Fund

New Americans
& Provider
Capacity Grants

Presumptive
Eligibility Study

Acute Care
Transitions
Advisory Council

HCBS Licensing
Resources

48-Hour Rule
Task Force

Vulnerable Adult
Act Redesign

2023 Legislation: Investments in SUD Services

Requiring Naloxone
Onsite for SUD Treatment
Facilities, Schools,
Publicly-Funded Housing
Programs, and Jails

Overdose Surge Alert
System & Public
Awareness Campaign

Safe Recovery Sites &
Harm Reduction

OERAC Membership and
Grant Funding Changes

Opioid Treatment
Program Rate
Methodology
Modification

Medical Assistance
Demonstration Waiver
Study

Family Treatment Start-
Up and Capacity-Building
Grants

Enhancing Quality (ASAM
Standards/Direct Access)

2023 Legislation: Funding for Nursing Facilities

Critical Access Nursing
Facilities

Workforce Incentive
Grants

Nursing Facility Loan
Program for
Financially- Distressed
Nursing Facilities

Nursing Facilities Rate
Study

Nursing Facility
Payment Program

Temporary Daily Rate
Add-on

- [Department of Human Services November 2023 Forecast](#)
- [MMB November 2023 Consolidated Fund Statement](#)
- [DHS Fiscal Reports & Forecasts](#)
- [DHS Legislative Information](#)