Minnesota

Department of Human Services

November 2014 Forecast

St. Paul, Minnesota

December 4, 2014

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.
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> 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.
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> 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 2014 forecast, compared to the End of Session 2014 forecast. The FY 2014-2015 biennium is referred to 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 2014-2015 biennium, and Tables Three and Four provide the same information about the FY 2016-2017 biennium.

FY 2014-2015 BIENNIUM SUMMARY

General Fund Costs 2.6% Lower

General Fund costs for DHS medical and economic support programs for the FY 2014-2015 biennium are projected to total $9.538 billion, down $260 million (2.6%) from the End of Session 2014 forecast. The decrease comes from a lower Medical Assistance forecast, particularly from reduced costs projected for Disabled Basic Care and Families with Children Basic Care.

TANF Forecast Lower

Projected expenditures of federal TANF (Temporary Assistance for Needy Families) funds for MFIP grants are $142 million, $8 million (5.2%) lower than 2014 End of Session estimates.

Health Care Access Fund 11.3% Lower

Health Care Access Fund costs for MinnesotaCare and Medical Assistance for the 2014-2015 biennium are projected to total $892 million, $114 million (11.3%) lower than End of Session 2014 estimates. About 60% of the reduction comes from a lower MinnesotaCare forecast and and 40% from a lower Medical Assistance forecast for families with children.

FY 2016-2017 BIENNIUM SUMMARY

General Fund Costs 3.9% Lower

General Fund costs for DHS medical and economic support programs for the FY 2016-2017 biennium are projected to total $11.110 billion, down $446 million (3.9 %) compared to the End of Session 2014 forecast. As in the 2014-2015 biennium, the decrease results from a lower Medical Assistance forecast, particularly in Disabled Basic Care and Families with Children Basic Care.

TANF Forecast Higher

Projected expenditures of federal TANF (Temporary Assistance for Needy Families) funds for MFIP grants are $169 million, $10 million (6.4%) higher than 2014 End of Session estimates.

Health Care Access Fund 3.9% Lower

Health Care Access Fund costs for MinnesotaCare and Medical Assistance for the 2016-2017 biennium are projected to total $1.337 billion, $54 million (3.9%) lower than End of Session 2014 estimates. Of this reduction, 73% comes from a lower Medical Assistance forecast for families with children and 27% from a lower MinnesotaCare forecast.

PROGRAM DETAIL

MEDICAL ASSISTANCE	'14-'15 Biennium	'16-'17 Biennium
Total forecast change for MA ($000)	-290,431	-481,070
Total forecast percentage change this item	-3.2%	-4.4%

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:

	'14-'15 Biennium	'16-'17 Biennium
MA General Fund change ($000)	-245,376	-441,836
MA Health Care Access Fund change ($000)	-45,055	-39,234
Total forecast change for MA ($000)	-290,431	-481,070

The Health Care Access Fund change represents an appropriation change 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. This change is based on reductions in cost projections for MA Families with Children.

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

MA LTC FACILITIES	'14-'15 Biennium	'16-'17 Biennium
Total forecast change this item ($000)	-21,501	-22,065
Total forecast percentage change this item	-2.5%	-2.5%

This activity includes payments to nursing facilities, to community ICF/DD facilities, and 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.

Change in Projected Costs	'14-'15 Biennium ($000)	'16-'17 Biennium ($000)
NF recipients	-9,954	-1,804
NF average costs	2,745	-7,206
NF: Higher federal share for adults with no kids	-7,523	-7,371
ICF/DD & DTH	-4,009	-2,103
SOS	-22	0
County share	518	1,555
Alternative Care offset: AC recipients	-1,968	-4,094
Alternative Care offset: AC average costs, premiums, recoveries	-965	-605
Alternative Care offset: Essential Com. Supports	-323	-437
Activity Total	-21,501	-22,065

Nursing Facilities (NF)

The change in NF recipient projections in the November forecast is a reduction of about 1.3% for the current biennium, based largely on actual FY 2014 experience, and a reduction of 0.2% for the next biennium. Average cost projections are about 0.3% higher for the current biennium and about 0.9% lower 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 4.3% in FY 2014. The base forecast model for November assumes a decline of 1.6% in FY 2015, slowing to a decline of 0.7% in FY 2016, followed by increases averaging 0.6% in FY 2017 through FY 2019, as growth in the elderly population begins slowly to increase the demand for long term care services.

The forecast assumes implementation of new level of care requirements for MA payment of NF services effective in January 2015. This change is projected to reduce the number of MA NF recipients by about 400 by FY 2018. This change, in combination with the recipient effects of other legislative changes included in the forecast, causes the final forecast to show a continuing decline of 3.0% in FY 2016 and 1.0% in FY 2017, followed by 0.6% increases in FY 2018 and FY 2019.

This forecast recognizes that about 1.0% of NF service costs are for MA adults with no children, for whom the federal share is 100% through CY 2016.

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

Projected costs are about 2.3% lower for the current biennium, and 1.2% lower for the next biennium. The reductions result from lower ICF/DD recipient projections, partially offset by slightly higher ICF/DD average costs. There is little net change in DT&H cost projections.

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 2.0% lower for the current biennium and 5.8% lower for the next biennium, partly because of the small forecast reduction for NF and ICF/DD. Reductions in projected county share result in increases in state-share costs.

Alternative Care Offset
Alternative Care Program

Based on recent trends, recipient projections are about 7% lower for the current biennium and about 10% lower for the next biennium. For FY 2015 to FY 2017 this is a decrease of about 340 average recipients. The forecast allows for an annual increment of about 100 recipients, which is the projected effect of growth in the elderly population using long term care services.

Average cost projections for AC are about 2% lower for both the current biennium and the next biennium.

Alternative Care Offset
Essential Community Supports (ECS)

ECS recipient projections are reduced based on updated projections of the numbers of AC and Elderly Waiver recipients who will fail to meet the required level of care requirements effective January 2015. Recipient projections are reduced by 8.3% for the current biennium and by 2.8% for the next biennium.

MA LTC WAIVERS & HOME CARE	'14-'15 Biennium	'16-'17 Biennium
Total forecast change this item ($000)	-32,505	-82,065
Total forecast percentage change this item	-1.2%	-2.6%

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:

Change in Projected Costs	'14-'15 Biennium ($000)	'16-'17 Biennium ($000)
DD waiver	-24,463	-38,611
EW Waiver FFS	-2,190	-1,838
CADI Waiver	-13,419	-32,668
CAC Waiver	-1,022	-731
BI Waiver	-6,928	-17,564
Home Health	-262	-109
Private Duty Nursing	-8,297	-16,147
Personal Care Assistance	290,921	234,098
Community Choice K & I FFS	-289,032	-225,463
Transfer to CSG	22,692	16,968
Performance incentive change to state-only funding	-505	0
Activity Total	-32,505	-82,065
EW Total: FFS & Managed Care	-23,803	-23,880

Percent Change in Projected Costs	'14-'15 Biennium	'16-'17 Biennium
DD Waiver	-2.10%	-2.98%
EW Waiver FFS	-5.13%	-3.88%
CADI Waiver	-2.09%	-3.89%
CAC Waiver	-3.47%	-2.10%
BI Waiver	-6.33%	-13.78%
Home Health	-1.48%	-0.59%
Private Duty Nursing	-6.61%	-10.47%
Personal Care Assistance (Total)	113.65%	
Community Choice K & I FFS	-100.00%	-35.48%
Transfer to CSG	126.31%	
Activity Total	-1.21%	-2.60%
EW Total: FFS & Managed Care	-3.31%	-2.74%

DD Waiver

Based on actual data for FY 2014, DD Waiver recipient projections are reduced slightly in the short term, but projected recipients return to the level of the previous forecast by the end of FY 2017. The reduction for the current biennium is 1.2%, with a 0.5% reduction for the next biennium.

Based on recent experience, average cost projections are reduced 0.8% for the current biennium and 2.4% for the next biennium.

Elderly Demographic Projections 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 700 for FY 2015, 800 for FY 2016, and 1100 for FY 2017 through FY 2019. More than 90% of this growth is accomodated in the EW forecast.

Projected annual increments in numbers of long term care recipients grow to 1600 in 2025, 1800 in 2030, and 2800 in 2035 as the baby boom population reaches ages where a need for long term care services is increasingly likely.

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.

Recipient projections for EW-FFS are reduced by 2.3% for the current biennium and by 0.3% for the next biennium. Reductions for the combined EW are similar: 2.4% for the current biennium and 0.4% for the next biennium.

EW-FFS average payment projections are also reduced modestly: by 2.8% for the current biennium and by 3.6% for the next biennium. Reductions for the combined program are 3.3% for the current biennium and 2.7% for the next biennium. An increase of 3.7% in EW managed care rates, instead of the expected 5% increase, contributes to the overall average payment reductions.

CADI Waiver

Projected numbers of CADI recipients are 1.5% lower for the current biennium and 1.7% lower for the next biennium.

Average payment projections are 0.6% lower for the current biennium and 2.2% lower for the next biennium. Assessment costs shifted to MnChoices are estimated to account for the current biennium reduction and to contribute 1.5 percentage points of the reduction for the next biennium.

CAC Waiver

CAC waiver recipient projections are reduced by 3.9% (13 recipients) for the current biennium and by 4.4% (18 recipients) for the next biennium.

Average cost projections are little changed for the current biennium and are reduced by 2.2% for the next biennium.

BI Waiver

BI waiver recipients numbers have shown little change for the past five years, so we have taken most of the forecasted growth out of BI recipient projections, which are reduced by 2.7% for the current biennium and 6.7% for the next biennium.

BI waiver average payments are reduced by 3.3% for the current biennium and by 7.0% for the next biennium.

Home Health Agency (HHA)

The home health forecast is little changed except for the recognition that about 1.8% of service costs are for adults with no children, with 100% federal funding through CY 2016, resulting in a decrease of 0.9% in state share costs.

Private Duty Nursing (PDN)

Based on recent data, PDN cost projections are reduced by 6.6% for the current biennium and by 10.5% for the next biennium. Reductions in recipient projections contribute about 1 percentage point to these overall reductions; the remainder results from lower average cost projections.

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

Based on 2013 Session changes, PCA was to 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.) The November forecast deals with the delay until January 2016 of implementation of this change, resulting in large increases in the PCA forecast, because PCA continues for a longer time, and corresponding decreases in the forecast of Community Choice K and I services. As can be seen from the table above, the forecast changes in these two areas substantially offset each other, the net change being +$1.9 million in the current biennium and +$8.6 million in the next biennium.

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 Community Choice K & I services; and this change is delayed until January 2016, resulting in continuation of CSG until that time. The resulting increases in transfers to CSG are shown in the table above.

MA ELD. & DISABLED BASIC CARE	**'14-'15 Biennium**	**'16-'17 Biennium**
Total forecast change this item ($000)	-135,713	-214,410
Total forecast percentage change this item	-4.6%	-6.1%

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 2015 the amount billed per dual eligible each month is $129.54.

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

	'14-'15 Biennium ($000)	'16-'17 Biennium ($000)
Elderly Waiver Managed Care: Average recipients	-6,764	-1,872
Elderly Waiver Managed Care: Average cost	-2,947	-8,230
Elderly Waiver Managed Care:		
Community Choice K Managed Care	-71,745	-48,597
Community Choice I Managed Care	-2,199	-7,595
Elderly Basic: PCA effect of K and I delay	77,118	60,376
Elderly Basic: Enrollment	7,737	3,751
Elderly Basic: Avg. cost	-30,289	-54,015
Disabled Basic: FFS (and overall) enrollment lower	-70,195	-126,052
Disabled Basic: FFS average payment lower	-21,748	-41,276
Disabled Basic: SNBC enrollment higher	12,256	43,685
Disabled Basic: 2015 SNBC rates lower	-3,993	-19,741
Disabled Basic: Enhanced federal share for disabled in adult expansion	-4,158	-8,238
Disabled Basic: Managed care payments reassigned to MA Disabled	-6,159	0
Elderly & Disabled Basic: Federal funding for ACA primary care rate increase	-7,173	0
Chemical Dependency Fund share	2,334	3,573
IMD Program	-2,055	-1,961
Medicare Part D clawback payments lower	-5,733	-8,218
Total	-135,713	-214,410

Elderly Waiver Managed Care

Based on recent experience, recipient projections for EW managed care are 2.1% lower for the current biennium but only 0.4% lower for the next biennium. The reason for the difference is that some EW recipient effects anticipated from legislative changes are treated as having occurred earlier.

EW managed care average payments are reduced by 0.9% for the current biennium and by 2.1% for the next biennium, mainly because managed care rates for CY 2015 are approximately 2.0% lower than anticipated in the previous forecast.

Community Choice K & I and PCA in Managed Care

As explained in the LTC Waivers section above, the expected implementation of Community Choice K & I services is delayed until January 2016, resulting in substantial forecast reduction in K and I services and corresponding increases in managed care PCA costs. The net fiscal effects of these changes in this activity are increases of $3.2 million in the current biennium and $4.2 million in the next biennium.

Elderly Basic Changes

Elderly basic enrollment projections are increased by 1.1% for the current biennium and by 0.5% for the next biennium.

Average cost projections for Elderly basic care are substantially reduced because managed care rate increases for CY 2015 are 0.5%, compared to 7.5% anticipated in the previous forecast. Projected increases for CY 2016 and the following years are also reduced, from 7.5% to 5.0%.

Disabled Basic Changes

Projected overall Disabled basic enrollment is 4.1% lower for the current biennium and 5.7% lower for the next biennium. A change in the previously regularly increasing Disabled enrollment trend occurred beginning in January 2014. Substantial numbers of new MA enrollees, who in the past would have needed a disability determination before becoming eligible for MA, are now entering MA as adults with no children since the increase in the income limit for adults with no 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. We project the ongoing shift to MA adults with no kids enrollment at about 8,000 average enrollees. The magnitude of the shift is expected to be limited by transitions into MA disabled status as individuals have disability certified.

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 we recently learned that the federal agency will pay enhanced matching on this group, at 75% federal share in CY 2014 to CY 2016 and gradually changing to the same 90% federal share as the adult expansion in CY 2020.

SNBC rates for CY 2015 are approximately 3.0% lower than expected in the previous forecast, resulting in reductions in projected SNBC payments of 0.8% for the current biennium and 3.0% for the next biennium.

Reductions in projected average costs for fee for service coverage of the disabled are similar at -2.4% for the current biennium and -4.0% for the next biennium.

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 having MA Disabled eligibility established retroactively.

This projection is reduced by 3.5% for the current biennium.

Federal Funding for Mandatory Primary Care Rate Increase

This change results from recognition of 100% federal funding for temporary rate increases for primary care services, which were required by the Affordable care Act (ACA). These increases end effective for services rendered after December 31, 2014.

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 8.8% for the current biennium and 8.2% for the next biennium.

Medicare Part D Clawback

Based mainly on information about the per-person per-month that CMS will charge Minnesota for the clawback, projected state costs are reduced by 1.6% for the current biennium and 3.9% for the next biennium.

ADULTS WITHOUT CHILDREN

	'14-'15 Biennium	'16-'17 Biennium
Total forecast change this item ($000)	37,194	19,518
Total forecast percentage change this item	12.8%	47.86%

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

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

	'14-'15 Biennium ($000)	'16-'17 Biennium ($000)
Federal share limited to 50% for July 2014 withhold payments and FFS inpatient DPA (disproportionate population adjustment	37,270	10,715
Average enrollees	0	9,574
Other	-76	-771
Total	37,194	19,518

Enrollment

Projected enrollment is increased by about 21% for both the current biennium and the next biennium. This has no consequential effect on State costs until January 2017, when the federal share begins to be less than 100%.

FAMILIES WITH CHILDREN BASIC CARE

	'14-'15 Biennium	'16-'17 Biennium
Total forecast change this item ($000)	-137,905	-182,048
Total forecast percentage change this item	-5.9%	-5.6%

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%.

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 15% 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:

	'14-'15 Biennium ($000)	'16-'17 Biennium ($000)
Families with Children		
Enrollment slightly lower	-70,236	-19,718
Average cost of basic care: Lower 2015 HMO rates	-39,094	-189,048
Managed care: Community Choice K & I implementation delayed	-116	58
CHIP enhanced federal funding	-1,614	-15,380
Value of cap on HMO payment delays in '15	-9,524	9,524
CD Fund share	1,140	1,565
Federal funding for ACA primary care rate increase	-8,818	0
Rx Rebates	-30,498	-16,307
Non-citizen MA segment: Lower caseload	-1,183	-477
Services w special funding: MnChoices	41,787	59,949
Family planning waiver	-555	-663
Breast & cerv. cancer	-1,398	-1,255
Dedicated revenue: NF-IGT	-1,269	-2,608
Dedicated revenue: MA-EPD premiums	726	312
Other Adjustments	-17,253	-8,000
Total	-137,905	-182,048

Families with Children

Enrollment projections are reduced by 2.5% for the current biennium but only 0.5% for the next biennium. These adjustments are relatively minor since average enrollment for the current biennium is still expected to be 29% higher than enrollment in the previous biennium, mostly because of federal and state legislative changes.

Average cost projections are 1.3% lower for the current biennium and 5.2% lower for the next biennium. Lower capitation rates for CY 2015 and lower fee for service cost experience both contribute to these reductions.

Community Choice K & I and PCA in Managed Care

These small changes reflect the net fiscal effect of the delay in the implementation of Community Choice K and I services, as described above under MA Waivers and Home Care.

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.

Projected enhanced funding is 5.0% higher for the current biennium and 51% higher for the next biennium. Lower use of CHIP funding for non-citizen pregnant women, because of lower projected enrollment, explains the change for the current biennium and about a 10% increase in the next biennium. The remainder of the change for the next biennium results from fixing a technical error in the projection for FY 2017.

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 2013 delay has already occurred and does not change in this forecast.

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

	State Share ($000)		State Share ($000)
FY 2014	0		
FY 2015	-9,524	**Biennium**	-9,524
FY 2016	9,524		
FY 2017	0	**Biennium**	9,524

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.

Federal Funding for Mandatory Primary Care Rate Increase

This change results from recognition of 100% federal funding for temporary rate increases for primary care services, which were required by the Affordable care Act (ACA). These increases end effective for services rendered after December 31, 2014.

Pharmacy Rebates

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

Projected state share rebate collections for the current biennium are about 8.7% higher and 6.3% higher for the next biennium. Most of the increase comes from higher projected managed care rebates, but fee for service rebate projections are also modestly higher.

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 are decreased by 5.8% for the current biennium and 1.9% for the next biennium. Both lower enrollment and lower average costs contribute to these reductions.

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 MnChoices (taking the place of DD waiver screenings and other LTC screenings).

Projected costs for this category of services are increased by about 80% for the current biennium and by about 109% for the next biennium because of higher than expected costs for MnChoices. MnChoices is a long term care assessment process operated by counties, for which reimbursement is determined by four different administrative time studies. MnChoices has replaced the former process under which individual claims were submitted for reimbursement by the counties. The new process replaces claims formerly reimbursed as part of the service costs of MA waivers and PCA.

Reductions in MA waiver and PCA projections above include offsets to the MnChoices increases amounting to $16.4 million in the current biennium and $18.1 million in the next biennium, for the reduction in assessment costs treated as services. (These offsets are not explicitly identified in the MA waiver and PCA detail in this document.) These amount to approximately a 35% offset of the increases identified here. Actual offsets across the entire MA program may be a somewhat larger proportion of the increases, but it was not possible to identify all offsets with reasonable accuracy.

Family Planning Waiver

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

Projected expenditures are reduced by 15% to 18% because of a decline in enrollment which may be a result of expanded MA eligibility effective January 2014.

Breast & Cervical Cancer

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

Projected expenditures are reduced by 15% to 20% because of a decline in enrollment which may be a result of expanded MA eligibility effective January 2014.

Dedicated Revenue: NF-IGT

Revenue projections are 12% to 16% higher based on new information about changes in local options to use this method of increasing revenue to publicly owned facilities.

MA-EPD Premiums

Small reduction in premium revenue projections produce equal increases in state share costs.

Other Adjustments

This category includes all cash-flow and state / federal share issues not explained in other sections of this narrative. Approximately 50% of the change for the current biennium involves a technical issue regarding a transfer from the University of Minnesota.

ALTERNATIVE CARE	**'14-'15 Biennium**	**'16-'17 Biennium**
Forecast change this item ($000)	0	0
Forecast percentage change this item	0.0%	0.0%

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

CHEMICAL DEPENDENCY FUND	'14-'15 Biennium	'16-'17 Biennium
Forecast change this item ($000)	-9,117	-6,537
Forecast percentage change this item	-5.4%	-3.9%

Enrollment projections are changed less than 1% from the previous forecast, while average cost projections are 3% to 5% higher. Despite higher service costs, higher actual county share dollars in FY 2014 and improved, higher projections of county share funding result in the decreases shown for this activity.

MFIP NET CASH (STATE AND FEDERAL)	'14-'15 Biennium	'16-'17 Biennium
Forecast change this item ($000)	-8,350	-4,774
Forecast percentage change this item	-2.8%	-1.3%

GENERAL FUND SHARE OF MFIP		
Forecast change this item ($000)	-491	-14,968
Forecast percentage change this item	-0.3%	-7.5%

FEDERAL TANF FUNDS FOR MFIP		
Forecast change this item ($000)	-7,859	10,194
Forecast percentage change this item	-5.2%	6.4%

This activity provides cash and food for families with children where the entry and exit level is specific to family size and income level. Beginning October 2014, MFIP no longer has an exit level of 115% of FPG and the earned income disregard is not calculated but fixed at 50%. 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 2014 forecast.

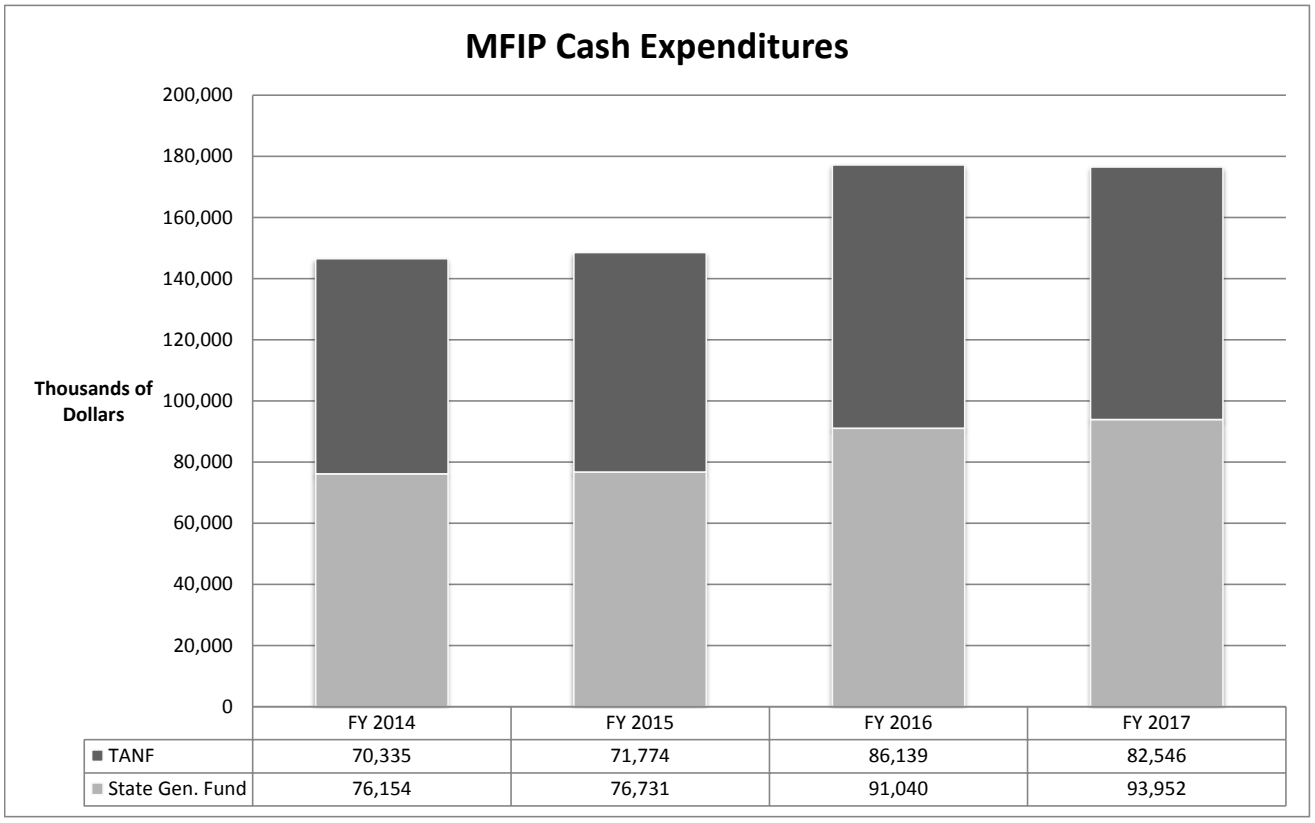
Summary of Forecast Changes	**'14-'15 Biennium ($000)**	**'16-'17 Biennium ($000)**
Gross MFIP cash grant forecast change	-9,584	-6,422
Gross General Fund forecast change	-1,658	-16,481
Child Support/recoveries offset	1,167	1,513
Net General Fund forecast change	-491	-14,968
Gross TANF forecast change	-7,926	10,059
Child Support pass-through/recoveries offset	67	135
Net TANF forecast change	-7,859	10,194

Decreased Program Expenditures

Based on recent data, the forecasted MFIP caseload and average payment have been adjusted downward. This results in decreased gross expenditures of $9.5 million (3%) in the current biennium and $6.4 million (1.7%) in the next biennium.

Changes in General Fund and 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.



	FY 2014	FY 2015	FY 2016	FY 2017
TANF	70,335	71,774	86,139	82,546
State Gen. Fund	76,154	76,731	91,040	93,952

Gross General Fund expenditures are decreased by $1.7 million in the current biennium and $16.5 million in the next biennium, due mostly to increased MOE from Child Care Assistance Program expenditures. Based on recent data, expected collection from publicly assigned child support are reduced by $1.2 million in the current biennium and $1.5 million in the next biennium.
This results in decreases in net General Fund MFIP cash expenditures of $ 0.5 million (0.3%) in the current biennium and $15 million (7.5%) in the next biennium.

MFIP gross cash forecasts are lower in both biennia. In the current biennium, it results in a decreased use of TANF funds. However, in the next biennium TANF funds increase to offset the significant decrease in General Fund requirements due to increased MOE from Child Care Assistance Program expenditures. MFIP gross cash is forecasted to decrease by $9.6 million in the current biennium and General Funds expenditures are expected to decrease by $1.7 million, leading to a decrease in TANF expenditures of $7.9 million, a 5.2% decline from the End of Session 2014 forecast. In the next biennium, MFIP gross cash is forecasted to decrease by $6.4 million and General Funds expenditures are expected to decrease by $16.5 million, leading to an increase in TANF expenditures of $10 million, a 6.4% increase from the End of Session 2014 forecast.

MFIP / TY CHILD CARE ASSISTANCE	'14-'15 Biennium	'16-'17 Biennium
Forecast change this item ($000)	8,246	29,654
Forecast percentage change this item	5.8%	16.8%

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 forecasted expenditures increase due to higher average payments. Recent months of data show a substantial increase in average payment over the previous forecast. Based on the data experience, this forecast has an average payment 8% higher in the next biennium and 16% higher in the FY2016-2017 biennium. The increased expenditures which result are offset somewhat by lower caseload projections. Compared to the End of Session forecast, program expenditures are 3% higher in this biennium and 9.7% higher in the next. CCDF funding is unchanged; therefore all increases come from General Fund expenditures.

GENERAL ASSISTANCE	'14-'15 Biennium	'16-'17 Biennium
Forecast change this item ($000)	-1,846	-1,414
Forecast percentage change this item	-1.7%	-1.2%

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 is decreased by 1% in the current biennium and 1% in the next biennium due to recent experience. Similarly, average payments are expected to be 0.6% lower in the current biennium and 0.3% lower in the next biennium

GROUP RESIDENTIAL HOUSING	'14-'15 Biennium	'16-'17 Biennium
Forecast change this item ($000)	-8,493	-9,324
Forecast percentage change this item	-2.9%	-2.8%

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.

Caseload and average payments for both MSA and GA-type recipients are forecasted to be lower throughout the forecast period, due mainly to recent data. This results in decreased GRH cash payments close to 3% in both biennia.

MINNESOTA SUPPLEMENTAL AID	'14-'15 Biennium	'16-'17 Biennium
Forecast change this item ($000)	-2,440	-1,892
Forecast percentage change this item	-3.2%	-2.3%

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

The MSA caseload and average payments are projected to be slightly lower in both biennia based on recent data.

MINNESOTACARE	'14-'15 Biennium	'16-'17 Biennium
Forecast change this item ($000)	-69,583	-14,521
Forecast percentage change this item	-11.6%	-1.5%

Summary of Forecast Changes	'14-'15 Biennium ($000)	'16-'17 Biennium ($000)
Enrollment changes	-92,382	-199,474
Managed care rate changes	14,558	133,224
BHP federal funding changes	-2,114	18,625
Premium revenue changes	6,024	21,314
Other changes	4,331	11,790
Total Program	-69,583	-14,521

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 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 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 potentially subject to a risk adjustment on the assumption that the BHP population is relatively more expensive than the overall exchange population.

Enrollment Changes

New actual enrollment for MA and MinnesotaCare combined varies from February forecast projections by less than 1% as of September 2014. However, it appears that the case mix of this additional actual enrollment is different relative to February projections. Specifically, we are seeing more actual enrollment than anticipated in MA and less in MinnesotaCare. Actual MinnesotaCare enrollment is about 34,000 enrollees less than projected in September 2014. This results in a base change in the November forecast which reduces projected enrollment by about 31,000 enrollees.

This enrollment change leads to a $92.4 million forecast reduction in the current biennium and a $199.5 million forecast reduction in the next biennium.

Managed Care Rate Changes

Managed care rates for MinnesotaCare parents and children are down about 1% and rates for MinnesotaCare adults without children are up about 13% relative to the projected CY2015 rates in the end-of-session forecast. Overall, CY2015 managed care rates in MinnesotaCare are about 6% higher than expected in the End of Session forecast. This increase in managed care rates is the result of an updated cost experience that is higher than expected for the adults remaining in MinnesotaCare.

Overall, these relatively higher rates result in a $14.6 million forecast increase in the current biennium and a $133 million forecast increase in the next 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 February forecast assumptions around federal BHP funding were based on the proposed methodology outlined by CMS in December 2013. This proposed payment rule required that 2015 benchmark premiums be set at 2014 benchmark premiums plus 3.5%. Since the February forecast, the federal government has published a final payment rule which allows use of actual 2015 benchmark premiums in the funding formula instead of the 3.5% trend assumption. The November forecast assumes actual 2015 benchmark premiums which are about 10% higher than 2014. The relatively higher 2015 benchmark premiums in the November forecast result in additional federal BHP funding in CY2015.

Based in part on the low 2014 benchmark premiums, the February forecast assumed actual growth in benchmark premiums would be 10% each year for purposes of estimating 2016 and 2017 rates. Since actual growth in benchmark premiums between 2014 and 2015 turned out to be about 10%, the 2016 and 2017 benchmark premiums in the November forecast are very close to those in the February forecast. Thus, there is very little change in federal BHP funding in the FY2016-2017 biennium due to benchmark premiums.

The primary reason for the reduction in federal BHP funding in the FY2016-2017 biennium is a different case mix of additional BHP enrollees. The February forecast implicitly assumed that the additional BHP enrollees anticipated to enroll in 2014 would be distributed over the rate cells similarly to the base BHP population on whom we had detailed data from 2013. In the actual 2014 enrollment data, it appears that significantly more enrollment happened in the metro rate region than elsewhere in the state. Since the metro rate region has the lowest premiums in the state by a wide margin, this case mix adjustment reduces the overall per member per month BHP funding in the November forecast and results in lower relative federal BHP funding levels.

In the current biennium, the relatively high CY2015 benchmark premiums in the November forecast are offset somewhat by the case mix adjustment but still results in a net increase in federal funding of $2.1 million which translates to a state forecast reduction. In the next biennium, the case mix adjustment in the November forecast (with relatively similar 2016 and 2017 benchmark premiums) results in an $18.6 million reduction in federal funding which translates to a state forecast increase.

Premium Revenue Changes

The end-of-session forecast projected average monthly premium revenue collections of about $35 PMPM (per person per month). Actual premium revenue collections in FY 2014 were about $25 PMPM. The November forecast reduces projected average monthly revenue to the FY2014 level of about $25 PMPM. This reduction in revenue results in a state cost of about $6 million in the current biennium and a cost of about $21.3 million in the next biennium.

Other Changes

The remaining forecast change is due to recognition that MinnesotaCare enrollees age 65 and older are not eligible for federal funding and are therefore state-only funded. Recognizing the loss of federal funding on this group of enrollees results in a cost of about $4.3 million in the current biennium and a cost of about $11.8 million in the next biennium.

Healthy MN Defined Benefit Program	**'14-'15 Biennium**	**'16-'17 Biennium**
Forecast change this item ($000)	894	0
Forecast percentage change this item	14.8%	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 increase results from a higher than expected payment to MCHA.

TABLE ONE
FY 2014-2015 BIENNIUM SUMMARY

GENERAL FUND	End of Session 2014 Forecast FY 2014 - FY 2015 Biennium ($ in thousands)			November 2014 Forecast FY 2014 - FY 2015 Biennium ($ in thousands)		
	FY 2014	FY 2015	Biennium	FY 2014	FY 2015	Biennium
Medical Assistance						
LTC Facilities	432,194	436,135	868,329	421,613	425,215	846,828
LTC Waivers	1,255,681	1,441,553	2,697,234	1,242,082	1,422,647	2,664,729
Elderly & Disabled Basic	1,464,872	1,497,593	2,962,465	1,429,634	1,397,118	2,826,752
Adults with No Children	291,280	0	291,280	291,204	37,270	328,474
Families w. Children Basic	1,025,172	1,328,153	2,353,325	947,527	1,267,893	2,215,420
MA Total	**4,469,199**	**4,703,435**	**9,172,634**	**4,332,060**	**4,550,143**	**8,882,203**
General Fund	4,291,344	4,482,400	8,773,744	4,154,205	4,374,163	8,528,368
HCA Fund	177,855	221,035	398,890	177,855	175,980	353,835
Alternative Care	43,840	42,627	86,467	43,840	42,627	86,467
Chemical Dependency Fund	84,495	82,935	167,430	78,726	79,587	158,313
Minnesota Family Inv. Program	76,154	77,222	153,376	76,154	76,731	152,885
Child Care Assistance	61,017	80,408	141,425	61,215	88,456	149,671
General Assistance	52,218	54,149	106,367	51,125	53,396	104,521
Group Residential Housing	141,388	149,929	291,317	137,032	145,792	282,824
Minnesota Supplemental Aid	37,956	39,207	77,163	36,479	38,244	74,723
Total General Fund	**4,788,412**	**5,008,877**	**9,797,289**	**4,638,776**	**4,898,996**	**9,537,772**
TANF funds for MFIP Grants	73,867	76,101	149,968	70,335	71,774	142,109
MinnesotaCare	256,814	343,624	600,438	246,889	283,966	530,855
Defined Benefit Program	6,055	0	6,055	6,949	0	6,949
MA funding from HCA Fund	177,855	221,035	398,890	177,855	175,980	353,835
T. HCA Fund Expenditures	**440,724**	**564,659**	**1,005,383**	**431,693**	**459,946**	**891,639**

TABLE TWO
FY 2014-2015 BIENNIUM SUMMARY

	November 2014 Forecast Change from End of Session 2014 Forecast FY 2014 - FY 2015 Biennium ($ in thousands)			November 2014 Forecast Change from End of Session 2014 Forecast FY 2014 - FY 2015 Biennium (Percent Change)		
GENERAL FUND	FY 2014	FY 2015	Biennium	FY 2014	FY 2015	Biennium
Medical Assistance						
LTC Facilities	-10,581	-10,920	-21,501	-2.4%	-2.5%	-2.5%
LTC Waivers	-13,599	-18,906	-32,505	-1.1%	-1.3%	-1.2%
Elderly & Disabled Basic	-35,238	-100,475	-135,713	-2.4%	-6.7%	-4.6%
Adults with No Children	-76	37,270	37,194	0.0%		12.8%
Families w. Children Basic	-77,645	-60,260	-137,905	-7.6%	-4.5%	-5.9%
MA Total	**-137,139**	**-153,292**	**-290,431**	**-3.1%**	**-3.3%**	**-3.2%**
General Fund	-137,139	-108,237	-245,376	-3.2%	-2.4%	-2.8%
HCA Fund	0	-45,055	-45,055	0.0%	-20.4%	-11.3%
Alternative Care	0	0	0	0.0%	0.0%	0.0%
Chemical Dependency Fund	-5,769	-3,348	-9,117	-6.8%	-4.0%	-5.4%
Minnesota Family Inv. Program	0	-491	-491	0.0%	-0.6%	-0.3%
Child Care Assistance	198	8,048	8,246	0.3%	10.0%	5.8%
General Assistance	-1,093	-753	-1,846	-2.1%	-1.4%	-1.7%
Group Residential Housing	-4,356	-4,137	-8,493	-3.1%	-2.8%	-2.9%
Minnesota Supplemental Aid	-1,477	-963	-2,440	-3.9%	-2.5%	-3.2%
Total General Fund	-149,636	-109,881	-259,517	-3.1%	-2.2%	-2.6%
TANF funds for MFIP Grants	-3,532	-4,327	-7,859	-4.8%	-5.7%	-5.2%
MinnesotaCare	-9,925	-59,658	-69,583	-3.9%	-17.4%	-11.6%
Defined Benefit Program	894	0	894	14.8%	0.0%	14.8%
MA funding from HCA Fund	0	-45,055	-45,055	0.0%	-20.4%	-11.3%
T. HCA Fund Expenditures	-9,031	-104,713	-113,744	-2.0%	-18.5%	-11.3%

TABLE THREE
FY 2016-2017 BIENNIUM SUMMARY

	End of Session 2014 Forecast FY 2016 - FY 2017 Biennium ($ in thousands)			November 2014 Forecast FY 2016 - FY 2017 Biennium ($ in thousands)		
GENERAL FUND	FY 2016	FY 2017	Biennium	FY 2016	FY 2017	Biennium
Medical Assistance						
LTC Facilities	440,797	445,173	885,970	430,149	433,756	863,905
LTC Waivers	1,515,674	1,639,633	3,155,307	1,484,326	1,588,916	3,073,242
Elderly & Disabled Basic	1,718,522	1,779,028	3,497,550	1,616,704	1,666,436	3,283,140
Adults with No Children	0	40,783	40,783	5,400	54,901	60,301
Families w. Children Basic	1,622,282	1,632,091	3,254,373	1,531,271	1,541,054	3,072,325
MA Total	**5,297,274**	**5,536,709**	**10,833,983**	**5,067,850**	**5,285,063**	**10,352,913**
General Fund	5,076,239	5,315,674	10,391,913	4,871,664	5,078,413	9,950,077
HCA Fund	221,035	221,035	442,070	196,186	206,650	402,836
Alternative Care	43,934	43,124	87,058	43,934	43,124	87,058
Chemical Dependency Fund	82,673	85,178	167,851	79,528	81,786	161,314
Minnesota Family Inv. Program	100,266	99,694	199,960	91,040	93,952	184,992
Child Care Assistance	86,521	89,953	176,474	99,523	106,605	206,128
General Assistance	56,564	59,321	115,885	55,884	58,587	114,471
Group Residential Housing	161,405	173,128	334,533	156,761	168,448	325,209
Minnesota Supplemental Aid	40,596	42,133	82,729	39,668	41,169	80,837
Total General Fund	**5,648,198**	**5,908,204**	**11,556,402**	**5,438,002**	**5,672,084**	**11,110,086**
TANF funds for MFIP Grants	78,465	80,026	158,491	86,139	82,546	168,685
MinnesotaCare	450,174	498,508	948,682	420,714	513,447	934,161
Defined Benefit Program	0	0	0	0	0	0
MA funding from HCA Fund	221,035	221,035	442,070	196,186	206,650	402,836
T. HCA Fund Expenditures	**671,209**	**719,543**	**1,390,752**	**616,900**	**720,097**	**1,336,997**

TABLE FOUR
FY 2016-2017 BIENNIUM SUMMARY

	November 2014 Forecast Change from End of Session 2014 Forecast FY 2016 - FY 2017 Biennium ($ in thousands)				November 2014 Forecast Change from End of Session 2014 Forecast FY 2016 - FY 2017 Biennium (Percent Change)		
GENERAL FUND	FY 2016	FY 2017	Biennium		FY 2016	FY 2017	Biennium
Medical Assistance							
LTC Facilities	-10,648	-11,417	-22,065		-2.4%	-2.6%	-2.5%
LTC Waivers	-31,348	-50,717	-82,065		-2.1%	-3.1%	-2.6%
Elderly & Disabled Basic	-101,818	-112,592	-214,410		-5.9%	-6.3%	-6.1%
Adults with No Children	5,400	14,118	19,518		0.0%	34.6%	47.9%
Families w. Children Basic	-91,011	-91,037	-182,048		-5.6%	-5.6%	-5.6%
MA Total	**-229,424**	**-251,646**	**-481,070**		**-4.3%**	**-4.5%**	**-4.4%**
General Fund	-204,575	-237,261	-441,836		-4.0%	-4.5%	-4.3%
HCA Fund	-24,849	-14,385	-39,234		-11.2%	-6.5%	-8.9%
Alternative Care	0	0	0		0.0%	0.0%	0.0%
Chemical Dependency Fund	-3,145	-3,392	-6,537		-3.8%	-4.0%	-3.9%
Minnesota Family Inv. Program	-9,226	-5,742	-14,968		-9.2%	-5.8%	-7.5%
Child Care Assistance	13,002	16,652	29,654		15.0%	18.5%	16.8%
General Assistance	-680	-734	-1,414		-1.2%	-1.2%	-1.2%
Group Residential Housing	-4,644	-4,680	-9,324		-2.9%	-2.7%	-2.8%
Minnesota Supplemental Aid	-928	-964	-1,892		-2.3%	-2.3%	-2.3%
Total General Fund	**-210,196**	**-236,120**	**-446,316**		**-3.7%**	**-4.0%**	**-3.9%**
TANF funds for MFIP Grants	7,674	2,520	10,194		9.8%	3.1%	6.4%
MinnesotaCare	-29,460	14,939	-14,521		-6.5%	3.0%	-1.5%
Defined Benefit Program	0	0	0				
MA funding from HCA Fund	-24,849	-14,385	-39,234	73%			
T. HCA Fund Expenditures	-54,309	554	-53,755		-8.1%	0.1%	-3.9%