

Medical Assistance Program: Growth by Segment

February 2015 Forecast; Total Expenditures (All Funds)

A Long Term Care (LTC) Facilities			B LTC Waivers Including Elderly Waiver Managed Care (Home & Community Based Services)		A + B = Total LTC	
Fiscal Year	Total \$	Percent Change	Total \$	Percent Change	Total \$	Percent Change
2005	\$1,074,593,579		\$1,480,003,145		\$2,554,596,724	
2006	1,051,053,819	-2.19%	1,640,829,787	10.87%	2,691,883,606	5.37%
2007	1,028,309,611	-2.16%	1,825,506,459	11.26%	2,853,816,070	6.02%
2008	1,017,926,598	-1.01%	2,004,256,324	9.79%	3,022,182,922	5.90%
2009	1,016,517,326	-0.14%	2,216,025,441	10.57%	3,232,542,767	6.96%
2010	1,000,836,209	-1.54%	2,318,602,297	4.63%	3,319,438,506	2.69%
2011	964,666,727	-3.61%	2,453,551,816	5.82%	3,418,218,543	2.98%
2012	945,566,280	-1.98%	2,497,989,347	1.81%	3,443,555,627	0.74%
2013	920,580,121	-2.64%	2,509,921,381	0.48%	3,430,501,502	-0.38%
2014	928,436,824	0.85%	2,764,473,725	10.14%	3,692,910,549	7.65%
2015 proj.	931,849,361	0.37%	3,128,973,818	13.19%	4,060,823,179	9.96%
2016 proj.	947,015,386	1.63%	3,353,813,993	7.19%	4,300,829,379	5.91%
2017 proj.	949,356,904	0.25%	3,667,365,295	9.35%	4,616,722,199	7.34%
2018 proj.	960,087,624	1.13%	3,978,409,454	8.48%	4,938,497,078	6.97%
2019 proj.	967,089,948	0.73%	4,247,480,913	6.76%	5,214,570,861	5.59%
Avg. Annual Increase '05 - '14		-1.61%		7.19%		4.18%

What: Long Term Care services include facility care and home and community based services for seniors and people with disabilities.

Explanation for growth: Overall, growth represents the shift from institutional care to home and community-based care. Growth within home and community based care is driven about equally by increases in the cost of care and increases in the number receiving service.

Medical Assistance Program: Growth by Segment

February 2015 Forecast; Total Expenditures (All Funds)

Elderly & Disabled Basic Care (less Elderly Waiver Managed Care)		
<u>Fiscal Year</u>	<u>Total \$</u>	<u>Percent Change</u>
2005	\$1,372,454,715	
2006	1,362,637,363	-0.72%
2007	1,338,277,478	-1.79%
2008	1,426,118,019	6.56%
2009	1,619,391,082	13.55%
2010	1,737,393,777	7.29%
2011 *	1,736,317,157	-0.06%
2012 *	1,843,847,125	6.19%
2013 *	1,837,935,825	-0.32%
2014 *	2,182,771,005	18.76%
2015 proj.*	2,073,805,443	-4.99%
2016 proj.*	2,428,925,677	17.12%
2017 proj.*	2,508,235,196	3.27%
2018 proj.	2,715,727,098	8.27%
2019 proj.	2,921,346,639	7.57%
Avg. Annual Increase '05 - '14		5.29%

What: Basic health care for seniors and people with disabilities.

Explanation for Growth: Growth is attributable about 50% to enrollment growth and 50% to increases in cost of care. Decreases in FY 2006 and FY 2007 resulted from Medicare Part D paying for pharmacy for enrollees with Medicare starting January 2006.

**Note: End-of-biennium payment delays in FY 2011, FY 2013, and FY 2015 cause low or negative % changes in those years and inflate the percentage increases for the following fiscal years. This also affects the % change for FY 2017, which is compared to an elevated FY 2016 expenditure.*

Families & Kids Basic Care (less HMO MERC)		
<u>Fiscal Year</u>	<u>Total \$</u>	<u>Percent Change</u>
2005	1,099,400,594	
2006	1,227,395,471	11.64%
2007	1,371,760,893	11.76%
2008	1,541,427,856	12.37%
2009	1,741,294,896	12.97%
2010	1,959,947,085	12.56%
2011 *	2,061,843,386	5.20%
2012 *	2,081,619,217	0.96%
2013 *	1,887,545,089	-9.32%
2014 *	2,398,144,471	27.05%
2015 proj.*	2,802,727,125	16.87%
2016 proj.*	3,303,297,446	17.86%
2017 proj.*	3,324,421,271	0.64%
2018 proj.	3,504,141,556	5.41%
2019 proj.	3,679,650,298	5.01%
Avg. Annual Increase '05 - '14		9.05%

What: Basic health care for low income families with children.

Explanation for Growth: Historical growth is attributable about 60% to enrollment, 40% to cost of care. Enrollment trends with the economy. FY 2012 shows little growth and FY 2013 shows a decrease partly because of limited change in managed care rates for those years. Growth during FYs 2014, 2015 and 2016 result from enrollment increases under the Affordable Care Act, including enrollment shifts from MinnesotaCare.

**Note: End-of-biennium payment delays in FY 2011, FY 2013, and FY 2015 cause low or negative % changes in those years and inflate the percentage increases for the following fiscal years. This also affects the % change for FY 2017, which is compared to an elevated FY 2016 expenditure.*

Adults with No Children Basic Care		
<u>Fiscal Year</u>	<u>Total \$</u>	<u>Percent Change</u>
2005		
2006		
2007		
2008		
2009		
2010		
2011	106,865,468	
2012	819,539,240	666.89%
2013*	792,232,465	-3.33%
2014*	1,063,752,126	34.27%
2015 proj.*	1,651,908,038	55.29%
2016 proj.*	2,189,087,141	32.52%
2017 proj.*	2,195,091,707	0.27%
2018 proj.	2,308,009,805	5.14%
2019 proj.	2,419,943,644	4.85%
Avg. Annual Increase '12 - '14		13.93%

What: Basic health care for adults with no children (effective March 2011)

Explanation for Growth: Growth from the FY 2012 level is attributable almost entirely to increased enrollment. Growth during FYs 2014, 2015, and 2016 result from enrollment increases under the Affordable Care Act, including the impact of income eligibility expansion from 75% to 138% FPG and enrollment shifts from MinnesotaCare.

**Note: End-of-biennium payment delays in FY 2013 and FY 2015 cause lower or negative % changes in those years and inflate the percentage increases for the following fiscal years. This also affects the % change for FY 2017, which is compared to an elevated FY 2016 expenditure.*

MinnesotaCare Program

February 2015 Forecast; Total Expenditures (All Funds)

MinnesotaCare Total Expenditures		
Fiscal Year	Total \$	Percent Change
2005	\$408,614,190	
2006	437,811,269	7.15%
2007	434,283,984	-0.81%
2008	462,880,358	6.58%
2009	526,687,328	13.78%
2010	665,498,191	26.36%
2011	737,952,071	10.89%
2012	551,090,615	-25.32%
2013	569,928,239	3.42%
2014	520,005,344	-8.76%
2015 proj.	546,617,635	5.12%
2016 proj.	686,802,141	25.65%
2017 proj.	824,290,503	20.02%
2018 proj.	880,411,733	6.81%
2019 proj.	926,469,584	5.23%
Avg. Annual Increase '05 - '14		2.71%

What: Basic health care for low income families with children and adults with no children. Adults and higher income children pay a premium. Effective January 2014, the program covers adults without children, parents, and 19-20 year olds with income between 138%-200% FPG and legal noncitizens with income under 200% FPG.

Explanation for Growth: FY 2012 shows the full effect of shifting 50,000 adults with no children to MA. Additional movement of adults and children to MA in FY2014 results in another decline. Additional growth between FY2015 and FY2017 is due to expected enrollment increases under the Affordable Care Act.

Cash Assistance Programs

February 2015 Forecast; Total Expenditures (All Funds)

Minnesota Family Investment Program (MFIP)		
<u>Fiscal Year</u>	<u>Total \$</u>	<u>Percent Change</u>
2005	\$161,678,339	
2006	152,945,135	-5.40%
2007	144,880,617	-5.27%
2008	146,178,422	0.90%
2009	157,678,829	7.87%
2010	166,558,213	5.63%
2011	173,118,725	3.94%
2012	168,195,269	-2.84%
2013	163,548,149	-2.76%
2014	152,911,117	-6.50%
2015 proj.	150,364,150	-1.67%
2016 proj.	181,314,244	20.58%
2017 proj.	180,625,892	-0.38%
2018 proj.	181,384,307	0.42%
2019 proj.	181,703,608	0.18%
Avg. Annual Increase '05 - '14		-0.62%

What: Time-limited cash assistance to low-income families with children.

Explanation for growth: Enrollment tends to follow economic cycles. Housing Assistance will increase average grant beginning 2016.

MFIP/TY Child Care Assistance		
<u>Fiscal Year</u>	<u>Total \$</u>	<u>Percent Change</u>
2005	\$91,624,101	
2006	98,352,497	7.34%
2007	101,695,373	3.40%
2008	101,570,190	-0.12%
2009	106,017,275	4.38%
2010	113,435,302	7.00%
2011	118,621,823	4.57%
2012	116,728,218	-1.60%
2013	118,035,920	1.12%
2014	128,982,296	9.27%
2015 proj.	154,517,773	19.80%
2016 proj.	166,829,521	7.97%
2017 proj.	174,545,755	4.63%
2018 proj.	178,690,193	2.37%
2019 proj.	183,299,378	2.58%
Avg. Annual Increase '05 - '14		3.87%

What: Subsidies to pay for child care for families on MFIP or who have recently exited MFIP.

Explanation for growth: Increased use of center-based care and legislative changes have contributed to higher average payments in 2014 and 2015.

Cash Assistance Programs

February 2015 Forecast; Total Expenditures (All Funds)

General Assistance (GA)		
Fiscal Year	Total \$	Percent Change
2005	\$31,938,078	
2006	35,479,378	11.09%
2007	38,535,797	8.61%
2008	41,999,363	8.99%
2009	45,184,134	7.58%
2010	42,712,048	-5.47%
2011	48,045,075	12.49%
2012	49,552,612	3.14%
2013	51,620,198	4.17%
2014	51,124,719	-0.96%
2015 proj.	52,726,452	3.13%
2016 proj.	55,116,778	4.53%
2017 proj.	57,813,229	4.89%
2018 proj.	59,804,090	3.44%
2019 proj.	61,445,634	2.74%
Avg. Annual Increase '05 - '14		5.37%

What: Cash assistance to low income single individuals and childless couples who are experiencing illness or disability that prevents them from working.

Explanation for growth: Steady increase in enrollment over time. Emergency General Assistance partially unallotted 2010.

Minnesota Supplemental Aid (MSA)		
Fiscal Year	Total \$	Percent Change
2005	\$29,159,570	
2006	29,948,060	2.70%
2007	30,695,271	2.50%
2008	30,829,796	0.44%
2009	32,028,580	3.89%
2010	33,296,630	3.96%
2011	35,748,140	7.36%
2012	35,767,568	0.05%
2013	36,038,980	0.76%
2014	36,478,561	1.22%
2015 proj.	38,086,023	4.41%
2016 proj.	39,667,666	4.15%
2017 proj.	41,169,428	3.79%
2018 proj.	42,441,618	3.09%
2019 proj.	43,722,909	3.02%
Avg. Annual Increase '05 - '14		2.52%

What: Cash supplement for seniors and people with disabilities who receive federal Supplemental Security Income (SSI).

Explanation for growth: Small enrollment growth over time and cost-of-living adjustments to special needs benefits.

Group Residential Housing (GRH)		
Fiscal Year	Total \$	Percent Change
2005	\$79,407,477	
2006	75,709,231	-4.66%
2007	80,318,342	6.09%
2008	85,504,943	6.46%
2009**	98,549,989	15.26%
2010**	112,922,066	14.58%
2011	117,140,667	3.74%
2012	121,678,773	3.87%
2013	130,187,929	6.99%
2014	138,708,619	6.54%
2015 proj.	145,114,527	4.62%
2016 proj.	157,527,398	8.55%
2017 proj.	169,521,330	7.61%
2018 proj.	181,027,323	6.79%
2019 proj.	191,980,832	6.05%
Avg. Annual Increase '05 - '14		6.39%

What: Room and board payments for people with disabilities and seniors to live in the community; includes service payments for recipients not eligible for waivers.

Explanation for growth: Steady increase in enrollment and growth in costs per case. Reduction in 2006 resulted from a law change shifting some costs to MA for GRH recipients who were also MA recipients.

****Note:** Effects of a technical change in the accounting treatment of recoveries distort the % changes in 2009 and 2010.