

Minnesota

Department of Human Services

February 2015 Forecast

St. Paul, Minnesota

February 27, 2015

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.

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

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

The narrative section of this document provides brief explanations of the changes in forecast expenditures in the February 2015 forecast as compared to the November 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, Tables Three and Four provide the same information about the FY 2016-2017 biennium, and Tables Five and Six about the FY 2018-2019 biennium.

FY 2014-2015 BIENNIUM SUMMARY

General Fund Costs 0.2% Lower

General Fund costs for DHS medical and economic support programs for the current biennium are projected to total \$9.522 billion, down \$16 million (0.2%) from the November 2014 forecast. The decrease comes from a lower Medical Assistance forecast, particularly from reduced costs projected for Elderly & Disabled Basic Care and Families with Children Basic Care.

TANF Forecast Slightly Lower

Projected expenditures of federal TANF (Temporary Assistance for Needy Families) funds for MFIP grants are \$139 million, \$3 million (1.9%) lower than the November 2014 forecast.

Health Care Access Fund Lower

Health Care Access Fund costs for MinnesotaCare and Medical Assistance for the current biennium are projected to total \$873 million, \$18 million (2.1%) lower than the November 2014 forecast. This change comes largely from lower projected enrollment in the MinnesotaCare program.

FY 2016-2017 BIENNIUM SUMMARY

General Fund Costs Little Changed

General Fund costs for DHS medical and economic support programs for the next biennium are projected to total \$11.124 billion, up \$14 million (0.1%) compared to the November 2014 forecast. The Chemical Dependency Fund, Medical Assistance, and Child Care Assistance contribute to this tiny net change.

TANF Forecast Slightly Lower

Projected expenditures of federal TANF (Temporary Assistance for Needy Families) funds for MFIP grants are \$166 million, \$2.4 million (1.5%) lower than the November 2014 forecast.

Health Care Access Fund 8.5% Lower

Health Care Access Fund costs for MinnesotaCare and Medical Assistance for the next biennium are projected to total \$1.223 billion, \$113 million (8.5%) lower than the November forecast. Two-thirds of this change comes from lower projected enrollment in the MinnesotaCare program.

FY 2018-2019 BIENNIUM SUMMARY

General Fund Costs Little Changed

General Fund costs for DHS medical and economic support programs for the FY 2018-2019 biennium are projected to total \$12.634 billion, up \$87 million (0.7%) compared to the November 2014 forecast. Medical Assistance contributes \$72 million of this increase, but \$31 million of this amount comes from a decrease in the amount of funding for Medical Assistance projected to come from the Health Care Access Fund.

TANF Forecast Slightly Lower

Projected expenditures of federal TANF (Temporary Assistance for Needy Families) funds for MFIP grants are \$134 million, \$2 million (1.4%) lower than the November 2014 forecast.

Health Care Access Fund 3.9% Lower

Health Care Access Fund costs for MinnesotaCare and Medical Assistance for the 2018-2019 biennium are projected to total \$1.332 billion, \$206 million (13.4%) lower than the November forecast. \$31 million of this reduction comes from lower projected funding for Medical Assistance. The remainder of the reduction is divided between the projected effects of a risk-adjustment methodology recently approved for federal funding of MinnesotaCare and lower projected enrollment in the MinnesotaCare program.

PROGRAM DETAIL

MEDICAL ASSISTANCE

	'14-'15 Biennium	'16-'17 Biennium	'18-'19 Biennium
Total forecast change for MA (\$000)	-18,703	4,019	41,017
Total forecast percentage change this item	-0.2%	0.0%	0.4%

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

	'14-'15 Biennium	'16-'17 Biennium	'18-'19 Biennium
MA General Fund change (\$000)	-16,320	6,186	72,027
MA Health Care Access Fund change (\$000)	-2,383	-2,167	-31,010
Total forecast change for MA (\$000)	-18,703	4,019	41,017

The Health Care Access Fund changes in the current biennium and the next biennium represent 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. These changes are based on small reductions in average cost projections for MA Families with Children. The change for the '18-'19 biennium is based on Minnesota Management and Budget's revised interpretation of the appropriate assumption for HCAF funding of MA under current law.

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	'18-'19 Biennium
Total forecast change this item (\$000)	41	12,158	11,132
Total forecast percentage change this item	0.0%	1.4%	1.3%

This activity includes payments to nursing facilities, to community ICF/DD facilities, 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)	'18-'19 Biennium (\$000)
NF recipients	2,719	16,442	15,960
NF average costs	505	-132	-186
ICF/DD & DTH	-2,963	-3,744	-4,351
County share	-30	-205	-165
Alternative Care offset: AC recipients and average costs	-190	-175	-109
Alternative Care offset: Essential Com. Supports		-28	-17
Activity Total	41	12,158	11,132

Nursing Facilities (NF)

The change in NF recipient projections in this forecast is an increase of about 0.3% for the current biennium, and increases of approximately 2.2% for the next two biennia. This increase mainly results from a higher recipient projection for FY 2015, which produces a modestly higher base for the following years.

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 February assumes the decline slowing to 1.0% in FY 2015 and 0.3% in FY 2016, followed by increases averaging 0.3% 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 1.0% in FY 2016 and 1.7% in FY 2017, followed by increases averaging 0.4% in FY 2018 and FY 2019.

NF average cost projections are little changed.

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

Projected costs are about 1.7% lower for the current biennium, and 2.1% to 2.4% lower for the next two biennia. Projected recipients are 1% to 2% lower for both services. Average cost projections for DT&H are approximately 4.2% lower.

County Share of LTC Facility Services

County share projections are less than 1% lower.

**Alternative Care Offset
Alternative Care Program**

AC recipient projections are less than 1.0% lower. Average cost projections are practically unchanged.

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

ECS recipient projections are about 0.2% lower.

MA LTC WAIVERS & HOME CARE

	'14-'15 Biennium	'16-'17 Biennium	'18-'19 Biennium
Total forecast change this item (\$000)	21,305	62,981	69,968
Total forecast percentage change this item	0.8%	2.0%	2.0%

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 in FY 2017. "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)	'18-'19 Biennium (\$000)
DD waiver	17,190	33,297	37,349
EW Waiver FFS	548	1,486	1,226
CADI Waiver	3,371	12,947	11,268
CAC Waiver	463	443	184
BI Waiver	297	1,566	3,119
Home Health	90	302	296
Private Duty Nursing	776	2,096	3,072
Personal Care Assistance	-3,520	153,642	0
Community Choice K & I FFS	0	-157,436	13,454
Transfer to CSG	2,090	14,638	0
Activity Total	21,305	62,981	69,968
EW Total: FFS & Managed Care	-2,406	-1,143	-1,762

Percent Change in Projected Costs	'14-'15 Biennium	'16-'17 Biennium	'18-'19 Biennium
DD Waiver	1.51%	2.64%	2.69%
EW Waiver FFS	1.35%	3.27%	2.34%
CADI Waiver	0.54%	1.60%	1.09%
CAC Waiver	1.63%	1.30%	0.45%
BI Waiver	0.29%	1.43%	2.66%
Home Health	0.50%	1.62%	1.62%
Private Duty Nursing	0.66%	1.52%	1.89%
Personal Care Assistance (Total)	-0.64%	65.63%	
Community Choice K & I FFS		-38.40%	1.90%
Transfer to CSG	5.15%	86.27%	
Activity Total	0.80%	2.05%	1.98%
EW Total: FFS & Managed Care	-0.69%	-0.27%	-0.36%

DD Waiver

Revised projections using data from the first half of FY 2015 put the average cost of DD Waiver services 3.1% higher for FY 2015 (about 1.5% higher for the current biennium). Projections for the next two biennia are also about 2.8% higher. These increases are slightly offset by recipient projections which are 0.2% lower.

Elderly Waiver

Elderly Population Growth Accounted For

Recipient forecasts for EW and NF are constructed to ensure that the underlying projections (before adjustments for legislative changes) account for the increasing demand for long term care services which is expected to result from the growth of the elderly population in the coming years. Projected annual increments in the total number of elderly recipients of NF and EW together are approximately 700 for FY 2015, 800 for FY 2016, and 1100 for FY 2017 through FY 2019. More than 90% of this expected growth is accommodated in the EW forecast.

Annual increments in numbers of long term care recipients are expected to continue at about 1000 to 1100 until 2022, when the annual increase will rise to 1300 to 1400 for the next ten years. The expected annual growth does not drop below 1000 until 2038.

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 increased by 1.5% for the current biennium and by 1.1% for the next two biennia. Because of slight reductions in the managed care EW forecast, there is no change in the combined recipient forecast.

EW-FFS average payment projections are practically unchanged for the current biennium, 2.1% higher for the next biennium, and 1.3% higher for the '18-'19 biennium. Small reductions in the average payment forecast for the managed care segment of EW produce combined reductions of 0.5% for the current biennium and 0.3% for the next two biennia.

CADI Waiver

Projected numbers of CADI recipients are 0.1% higher for the current biennium and 0.2% higher for the next two biennia.

Average payment projections are 0.4% higher for the current biennium, 1.4% higher for the next biennium, and 0.9% higher for the '18-'19 biennium.

CAC Waiver

CAC waiver recipient projections are slightly different in the current biennium but unchanged for the next two biennia.

Average cost projections are about 2% higher for the current biennium and about 1% higher for the next two biennia.

BI Waiver

BI waiver recipient projections are less than 1% higher across the forecast horizon. Average payment projections are 0.2% higher for the current biennium, 0.7% higher for the next biennium, and 1.9% higher for the '18-'19 biennium.

Home Health Agency (HHA)

Home health recipient projections are practically unchanged. Average payment projections are 0.5% higher for the current biennium and about 1.7% higher for the next two biennia.

Private Duty Nursing (PDN)

Private duty nursing recipient projections are practically unchanged. Average payment projections are 0.2% higher for the current biennium, 1.5% higher for the next biennium, and 1.9% higher for the '18-'19 biennium.

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.) In the November 2014 forecast implementation was assumed to be delayed until January 2016; the February forecast assumes a delay until July 2016, 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 in the next biennium, the net change being +\$3.8 million.

The change for the '18-'19 biennium represents an average increase of 2% in the average cost of service. This increase also affects the earlier years of the forecast, but it is not evident because of the big changes for the delayed implementation.

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 July 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	'18-'19 Biennium
Total forecast change this item (\$000)	-34,677	-54,035	-41,451
Total forecast percentage change this item	-1.2%	-1.6%	-1.1%

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)	'18-'19 Biennium (\$000)
Elderly Waiver Managed Care: Average recipients	-910	-412	-463
Elderly Waiver Managed Care: Average cost	-2,044	-2,217	-2,525
Community Choice K & I Managed Care	0	-48,390	5,178
Elderly Basic: PCA effect of K and I delay	-868	53,761	0
Elderly Basic: Enrollment	-225	1,528	1,062
Elderly Basic: Avg. cost	-96	-962	-830
Elderly Basic: Technical fix regarding EW managed care	-3,127	-15,004	-14,068
Disabled Basic: FFS (and overall) enrollment lower	-9,012	-16,080	-17,556
Disabled Basic: FFS average payment lower	-7,876	-5,948	-1,518
Disabled Basic: SNBC enrollment & avg. cost	-27	4,622	6,016
Disabled Basic: Adjust enhanced fed. share for dis. in adult expansion	35	131	152
Disabled Basic: Managed care payments reassigned to MA Disabled	-12,974	-29,499	-21,763
Elderly & Disabled basic: Add health insurer fee for managed care	1,624	3,622	4,101
Chemical Dependency Fund share	274	412	413
IMD Program	619	95	100
Medicare Part D clawback payments	-70	306	250
Total	-34,677	-54,035	-41,451

Elderly Waiver Managed Care

Based on recent experience, recipient projections for EW managed care are 0.3% lower for the current biennium and 0.1% lower for the next two biennia.

EW managed care average payments are reduced by 0.6% across the forecast horizon.

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 July 2016, resulting in substantial forecast reductions 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 about \$5 million in the next biennium and the '18-'19 biennium.

Elderly Basic Changes

Elderly basic enrollment projections are practically unchanged for the current biennium and about 0.3% higher for the next two biennia.

Average cost projections for Elderly basic care are only slightly reduced across the forecast horizon.

Correction of a technical error which overstated the effect of EW managed care payments within Elderly basic care produces a substantial reduction in this activity.

Disabled Basic Enrollment

Projected overall Disabled basic enrollment is 0.5% lower for the current biennium and about 1.6% lower for the next two biennia. In the November forecast we recognized a larger reduction based on the diversion of new MA enrollees, who in the past would have needed a disability determination before becoming eligible for MA. Instead, these enrollees have been entering MA as adults with no children since the January 2014 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. In November we projected the ongoing shift to MA adults with no kids enrollment at about 8,000 average enrollees. This change raises that number to about 10,000 average enrollees. The magnitude of the shift is expected to be limited by transitions to MA disabled status once individuals have disability certified.

Enhanced Federal Share for Disabled with Adult Expansion Eligibility

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

This item in the table above represents a small adjustment to the portion of MA expenditures projected to qualify for the enhanced federal share.

Other Disabled Basic Changes

Disabled basic care fee for service average payments are less than 1% lower in this forecast.

Despite the lower total Disabled Basic enrollment, SNBC enrollment is about 0.5% higher across the forecast horizon. SNBC average payments are practically unchanged.

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. Recently this activity resulted 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. But with implementation of expanded MA eligibility in January 2014, this activity came to an end and has been dropped from the forecast, producing substantial reductions in this forecast segment.

Health Insurer Fee

This forecast adds 0.3% to projected managed care basic costs for the expected costs to health plans of the health insurer fee established by the Affordable Care Act.

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 increased by 3.0% for the current biennium but little changed for the next two biennia.

Medicare Part D Clawback

Clawback projections are practically unchanged.

ADULTS WITHOUT CHILDREN

	'14-'15 Biennium	'16-'17 Biennium	'18-'19 Biennium
Total forecast change this item (\$000)	-139	4,616	21,820
Total forecast percentage change this item	0.0%	7.65%	8.17%

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)	'18-'19 Biennium (\$000)
Average enrollees	156	5,140	22,277
Average cost of coverage	-295	-644	-1,077
Health insurer fee	0	120	620
Total	-139	4,616	21,820

Enrollment

Projected enrollment is increased by 6.7% for the current biennium and by 8.2% for the next two biennia. There is little effect on State costs until January 2017, when the federal share begins to be less than 100%.

The projected change in average cost of coverage is 0.1% or less.

This forecast adds 0.3% to projected managed care basic costs for the expected costs to health plans of the health insurer fee established by the Affordable Care Act.

FAMILIES WITH CHILDREN BASIC CARE

	'14-'15 Biennium	'16-'17 Biennium	'18-'19 Biennium
Total forecast change this item (\$000)	-5,233	-21,701	-20,452
Total forecast percentage change this item	-0.2%	-0.7%	-0.6%

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)	'18-'19 Biennium (\$000)
Families with Children			
Average cost of basic care	-16,194	-13,349	-13,697
Health insurer fee	3,181	6,971	7,680
Managed care: Community Choice K & I implementation delayed	-1,533	-341	1,046
CHIP enhanced federal funding	-1,166	29	0
Value of cap on HMO payment delays in '15	415	-415	0
CD Fund share	411	1,017	1,113
Rx Rebates	9,204	-14,584	-15,428
Non-citizen MA segment	1,120	-818	-946
Services w special funding	-308	0	0
Family planning waiver	-127	21	64
Breast & cerv. cancer	-236	0	0
Dedicated revenue: NF-IGT	0	-232	-284
Total	-5,233	-21,701	-20,452

Families with Children

Enrollment projections are unchanged, except for minor effects of the implementation delay for Community Choice K and I services. Those small fiscal effects are included in the Community Choice K & I change item.

Average cost projections are 0.4% to 0.5% lower across the forecast horizon, reflecting actual managed care costs to date, which are about 1% lower than in the previous forecast. This lowers the starting point of average cost projections for future years.

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 MA. The enhancement is the difference between the 65% federal CHIP share and the current 50% Medicaid share.

A higher than expected claim for enhanced federal matching in recent actual data results in the State savings in the current biennium.

Cap on HMO Payment Delay

Legislation in 2011 delayed capitation payments for May 2013 and May 2015 until the following July. For managed care for the disabled, which already had May and June payments delayed in law, payments for April 2013 and April 2015 were delayed until the following July. The value of each year's delay was capped at \$135 million of state funds for MA and MinnesotaCare combined. 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	415	Biennium	415
FY 2016	-415		
FY 2017	0	Biennium	-415

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.

Pharmacy Rebates

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

Lower actual rebate receipts in recent data lead to a reduction of about 3% in projected receipts for the current biennium, but higher recent billing amounts for rebates result in an increase of 5.3% in projected receipts for the next two biennia.

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.

The February forecast recognizes higher managed care costs for non-citizen pregnant women, the cost of which is partially offset by lower projected enrollment. The net effect of these changes is reflected in a 5.4% increase in projected state share costs for the current biennium. A roughly 10% increase would continue into the next two biennia for these reasons, but recent data corrections in the other (non pregnant) segment of Non-Citizen MA offset those increases and produce a net decrease of about 3.5%.

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).

Only minor changes are made to this segment.

Family Planning Waiver

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

Projected expenditures are about 2% lower for the current biennium and 1% to 2% higher for the next two biennia.

Breast & Cervical Cancer

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

Projected expenditures are 2% lower for the current biennium and unchanged for the next two biennia.

Dedicated Revenue: NF-IGT

Revenue projections are between 1% and 2% higher, resulting in small cost reductions.

ALTERNATIVE CARE

	'14-'15 Biennium	'16-'17 Biennium	'18-'19 Biennium
Forecast change this item (\$000)	0	0	0
Forecast percentage change this item	0.0%	0.0%	0.0%

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

CHEMICAL DEPENDENCY FUND

	'14-'15 Biennium	'16-'17 Biennium	'18-'19 Biennium
Forecast change this item (\$000)	3,097	6,820	10,067
Forecast percentage change this item	2.0%	4.2%	5.9%

State cost projections are 2.0% higher for the current biennium, 4.2% higher for the next biennium, and 6.0% higher for the '18-'19 biennium. These increases are the net of higher projections of average cost per recipient and recipient projections which are 2% to 3% lower. The increased costs which are evident in recent data come from changes in payment methodologies for tribal programs and changes in vendors' billing practices for outpatient therapy.

MFIP NET CASH (STATE AND FEDERAL)	'14-'15 Biennium	'16-'17 Biennium	'18-'19 Biennium
Forecast change this item (\$000)	-4,238	-3,460	-1,084
Forecast percentage change this item	-1.5%	-1.0%	-0.5%
GENERAL FUND SHARE OF MFIP			
Forecast change this item (\$000)	-1,486	-1,012	816
Forecast percentage change this item	-1.0%	-0.5%	0.4%
FEDERAL TANF FUNDS FOR MFIP			
Forecast change this item (\$000)	-2,752	-2,448	-1,900
Forecast percentage change this item	-1.9%	-1.5%	-1.4%

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 November 2014 forecast:

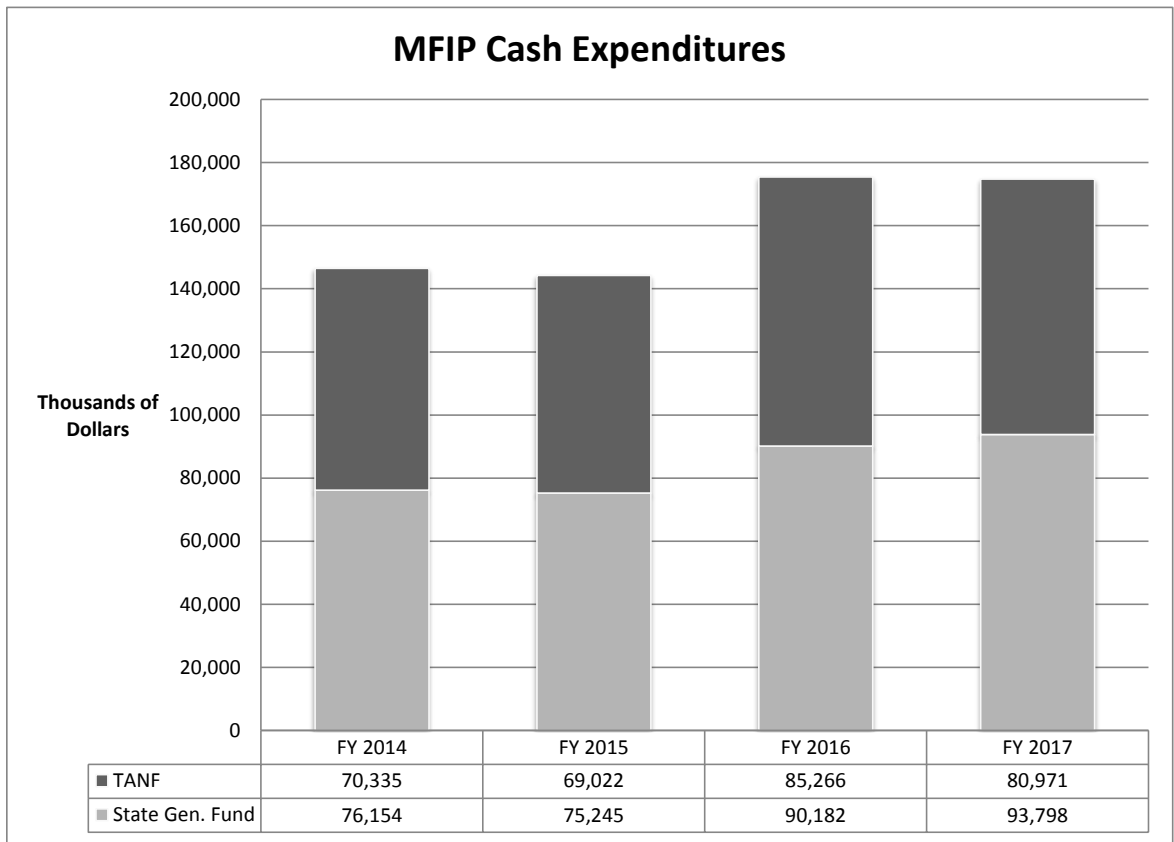
Summary of Forecast Changes	'14-'15 Biennium (\$000)	'16-'17 Biennium (\$000)	'18-'19 Biennium (\$000)
Gross MFIP cash grant forecast change	-4,139	-3,461	-1,083
Gross General Fund forecast change	-1,387	-1,012	816
Child Support/recoveries offset	-98	0	0
Net General Fund forecast change	-1,486	-1,012	816
Gross TANF forecast change	-2,752	-2,449	-1,899
Child Support pass-through/recoveries offset	0	0	0
Net TANF forecast change	-2,752	-2,449	-1,899

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 \$4.1 million (1%) in the current biennium, \$3.5 million (1%) in the next biennium, and \$1.1 million (0.3%) in the '18-'19 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.



Gross General Fund expenditures are decreased in the first two biennia: \$1.4 million in the current biennium, \$1 million in the next biennium; but they are increased by \$ 0.8 million in the '18-'19 biennium. Decreases in General Fund expenditures in the first two biennia are due mainly to decreased non-MOE expenditures. In the '18-'19 biennium decreased available TANF requires an increase in General Fund expenditures. Expected collections from publicly assigned child support are reduced by around \$100,000 in the current biennium but remain at the same level in the next two biennia. This results in decreases in net General Fund MFIP cash expenditures of \$1.5 million (1%) in the current biennium and \$1 million (0.5%) in the next biennium, but an increase of \$0.8 million (0.4%) in the '18-'19 biennium.

MFIP gross cash forecasts are lower in all three biennia. In the current biennium, MFIP gross cash is decreased by \$4.1 million and General Fund projected expenditures are decreased by \$1.4 million, leading to a decrease in TANF expenditures of \$2.8 million, a 2% decline from the November 2014 forecast. In the next biennium, MFIP gross cash is forecasted \$3.5 million lower and General Fund expenditures are expected to decrease by \$1 million, leading to a decrease in TANF expenditures of \$2.5 million, a 1.5% decrease from the November 2014 forecast. In the '18-'19 biennium, MFIP gross cash is forecasted \$1.1 million lower, but projected General Fund expenditures increase by \$0.8 million because of limited availability of TANF funds. TANF expenditures decrease by of \$1.9 million, a 1.4% decrease from the November 2014 forecast.

MFIP / TY CHILD CARE ASSISTANCE

	'14-'15 Biennium	'16-'17 Biennium	'18-'19 Biennium
Forecast change this item (\$000)	1,685	4,603	5,093
Forecast percentage change this item	1.1%	2.2%	2.3%

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 increases of about 2% in average payments per family. This is mostly due to a small increase in the number of children per family receiving CCAP subsidies, based on recent data. CCDF funding is unchanged; therefore all increases come from General Fund expenditures.

GENERAL ASSISTANCE

	'14-'15 Biennium	'16-'17 Biennium	'18-'19 Biennium
Forecast change this item (\$000)	-670	-1,541	-540
Forecast percentage change this item	-0.6%	-1.3%	-0.4%

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 0.5% in the current biennium, 1% in the next biennium and 0.2% in the '18-'19 biennium based on recent data. Similarly, average payments are expected to be 0.1% lower in the current biennium and 0.3% lower in the next two biennia.

GROUP RESIDENTIAL HOUSING

	'14-'15 Biennium	'16-'17 Biennium	'16-'17 Biennium
Forecast change this item (\$000)	-2,177	-1,161	-75
Forecast percentage change this item	-0.8%	-0.4%	0.0%

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

Caseload for both MSA and GA-type recipients is forecasted to be lower throughout the forecast period, based mainly on recent data. This results in decreased GRH cash payments of 0.8% in the current biennium, 0.4% in the next biennium.

MINNESOTA SUPPLEMENTAL AID

	'14-'15 Biennium	'16-'17 Biennium	'16-'17 Biennium
Forecast change this item (\$000)	-158	0	0
Forecast percentage change this item	-0.2%	0.0%	0.0%

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

The MSA forecast is only slightly changed, only in the current biennium, based on a few more months of actual data.

MINNESOTACARE	'14-'15 Biennium	'16-'17 Biennium	'18-'19 Biennium
Forecast change this item (\$000)	-15,896	-110,943	-174,868
Forecast percentage change this item	-3.0%	-11.9%	-16.0%

Summary of Forecast Changes	'14-'15 Biennium (\$000)	'16-'17 Biennium (\$000)	'18-'19 Biennium (\$000)
Enrollment changes	-17,288	-77,910	-84,440
BHP federal funding changes	0	-33,371	-88,814
Other changes	1,392	338	-1,614
Total Program	-15,896	-110,943	-174,868

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 0.25% as of December 2014. However, it appears that the mix by program of this additional actual enrollment is different relative to what was expected. Specifically, we are seeing more actual enrollment than anticipated in MA and less in MinnesotaCare.

The November forecast projected an additional 20,000 MinnesotaCare enrollees beginning with the January service month due to the recent MNsure open enrollment period. From actual enrollment data for January and February service months, it appears that the impact of open enrollment on MinnesotaCare is about half of what was anticipated. As a result, the February forecast recognizes a reduction of close to 10,000 enrollees to reflect the portion of the open enrollment impact that did not materialize.

This enrollment change leads to a \$17.3 million forecast reduction in the current biennium, a \$77.9 million forecast reduction in the next biennium, and a \$84.4 million forecast reduction in the '18-'19 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 change in BHP funding in the February forecast is due to adding a risk adjustment factor in the federal BHP funding formula. Risk adjustment is meant to account for the relative cost difference between the insured population in MNsure with and without inclusion of the BHP population. To the extent that the BHP population is more expensive than the balance of the MNsure population, exclusion of the BHP population from MNsure (because they are in a BHP) would make the benchmark premiums in MNsure lower than they would have been had the BHP population been included. Since federal BHP funding is based on these MNsure benchmark premiums, an adjustment is needed to account for this cost difference.

The November 2013 forecast included a 10% risk adjustment factor, but it was removed from the February 2014 forecast after preliminary federal regulations for BHP funding did not allow for the inclusion of risk adjustment in the federal formula. The final rules allowed for states to propose a risk adjustment methodology that would involve a retrospective settle-up process. In December, the federal government approved Minnesota's proposed risk adjustment methodology so the 10% risk adjustment factor has been added back into the February 2015 forecast. It is assumed that Minnesota would submit data for CY2015 in early 2016 with the settle-up to be included in the BHP funding for the quarter ending September 2016 (SFY 2017), and that this process would repeat for future years.

The risk adjustment factor results in a \$33.4 million forecast reduction in the next biennium and a \$88.8 million forecast reduction in the '18-'19 biennium.

Healthy MN Defined Benefit Program

	'14-'15 Biennium	'16-'17 Biennium	'18-'19 Biennium
Forecast change this item (\$000)	0	0	0
Forecast percentage change this item	0.0%	0.0%	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.

There is no change to this program in the February forecast as this program has effectively ended.

**TABLE ONE
FY 2014-2015 BIENNIUM SUMMARY**

	November 2014 Forecast			February 2015 Forecast		
	FY 2014 - FY 2015 Biennium			FY 2014 - FY 2015 Biennium		
	(\$ in thousands)			(\$ in thousands)		
GENERAL FUND	FY 2014	FY 2015	Biennium	FY 2014	FY 2015	Biennium
Medical Assistance						
LTC Facilities	421,613	425,215	846,828	421,613	425,256	846,869
LTC Waivers	1,242,082	1,422,647	2,664,729	1,242,082	1,443,952	2,686,034
Elderly & Disabled Basic	1,429,634	1,397,118	2,826,752	1,429,634	1,362,441	2,792,075
Adults with No Children	291,204	37,270	328,474	291,240	37,095	328,335
Families w. Children Basic	947,527	1,267,893	2,215,420	947,491	1,262,696	2,210,187
MA Total	4,332,060	4,550,143	8,882,203	4,332,060	4,531,440	8,863,500
General Fund	4,154,205	4,374,163	8,528,368	4,154,205	4,357,843	8,512,048
HCA Fund	177,855	175,980	353,835	177,855	173,597	351,452
Alternative Care	43,840	42,627	86,467	43,840	42,627	86,467
Chemical Dependency Fund	78,726	79,587	158,313	78,726	82,684	161,410
Minnesota Family Inv. Program	76,154	76,731	152,885	76,154	75,245	151,399
Child Care Assistance	61,215	88,456	149,671	61,215	90,141	151,356
General Assistance	51,125	53,396	104,521	51,125	52,726	103,851
Group Residential Housing	137,032	145,792	282,824	137,032	143,615	280,647
Minnesota Supplemental Aid	36,479	38,244	74,723	36,479	38,086	74,565
Total General Fund	4,638,776	4,898,996	9,537,772	4,638,776	4,882,967	9,521,743
TANF funds for MFIP Grants	70,335	71,774	142,109	70,335	69,022	139,357
MinnesotaCare	246,889	283,966	530,855	247,010	267,949	514,959
Defined Benefit Program	6,949	0	6,949	6,949	0	6,949
MA funding from HCA Fund	177,855	175,980	353,835	177,855	173,597	351,452
T. HCA Fund Expenditures	431,693	459,946	891,639	431,814	441,546	873,360

**TABLE TWO
FY 2014-2015 BIENNIUM SUMMARY**

	February 2015 Forecast Change from November 2014 Forecast FY 2014 - FY 2015 Biennium (\$ in thousands)			February 2015 Forecast Change from November 2014 Forecast FY 2014 - FY 2015 Biennium (Percent Change)		
	FY 2014	FY 2015	Biennium	FY 2014	FY 2015	Biennium
GENERAL FUND						
Medical Assistance						
LTC Facilities	0	41	41	0.0%	0.0%	0.0%
LTC Waivers	0	21,305	21,305	0.0%	1.5%	0.8%
Elderly & Disabled Basic	0	-34,677	-34,677	0.0%	-2.5%	-1.2%
Adults with No Children	36	-175	-139	0.0%		0.0%
Families w. Children Basic	-36	-5,197	-5,233	0.0%	-0.4%	-0.2%
MA Total	0	-18,703	-18,703	0.0%	-0.4%	-0.2%
General Fund	0	-16,320	-16,320	0.0%	-0.4%	-0.2%
HCA Fund	0	-2,383	-2,383	0.0%	-1.4%	-0.7%
Alternative Care	0	0	0	0.0%	0.0%	0.0%
Chemical Dependency Fund	0	3,097	3,097	0.0%	3.9%	2.0%
Minnesota Family Inv. Program	0	-1,486	-1,486	0.0%	-1.9%	-1.0%
Child Care Assistance	0	1,685	1,685	0.0%	1.9%	1.1%
General Assistance	0	-670	-670	0.0%	-1.3%	-0.6%
Group Residential Housing	0	-2,177	-2,177	0.0%	-1.5%	-0.8%
Minnesota Supplemental Aid	0	-158	-158	0.0%	-0.4%	-0.2%
Total General Fund	0	-16,029	-16,029	0.0%	-0.3%	-0.2%
TANF funds for MFIP Grants	0	-2,752	-2,752	0.0%	-3.8%	-1.9%
MinnesotaCare	121	-16,017	-15,896	0.0%	-5.6%	-3.0%
Defined Benefit Program	0	0	0	0.0%	0.0%	0.0%
MA funding from HCA Fund	0	-2,383	-2,383	0.0%	-1.4%	-0.7%
T. HCA Fund Expenditures	121	-18,400	-18,279	0.0%	-4.0%	-2.1%

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

	November 2014 Forecast			February 2015 Forecast		
	FY 2016 - FY 2017 Biennium			FY 2016 - FY 2017 Biennium		
	(\$ in thousands)			(\$ in thousands)		
GENERAL FUND	FY 2016	FY 2017	Biennium	FY 2016	FY 2017	Biennium
Medical Assistance						
LTC Facilities	430,149	433,756	863,905	436,750	439,313	876,063
LTC Waivers	1,484,326	1,588,916	3,073,242	1,515,435	1,620,788	3,136,223
Elderly & Disabled Basic	1,616,704	1,666,436	3,283,140	1,589,617	1,639,488	3,229,105
Adults with No Children	5,400	54,901	60,301	5,672	59,245	64,917
Families w. Children Basic	1,531,271	1,541,054	3,072,325	1,519,771	1,530,853	3,050,624
MA Total	5,067,850	5,285,063	10,352,913	5,067,245	5,289,687	10,356,932
General Fund	4,871,664	5,078,413	9,950,077	4,872,106	5,084,157	9,956,263
HCA Fund	196,186	206,650	402,836	195,139	205,530	400,669
Alternative Care	43,934	43,124	87,058	43,934	43,124	87,058
Chemical Dependency Fund	79,528	81,786	161,314	82,439	85,695	168,134
Minnesota Family Inv. Program	91,040	93,952	184,992	90,182	93,798	183,980
Child Care Assistance	99,523	106,605	206,128	101,769	108,962	210,731
General Assistance	55,884	58,587	114,471	55,117	57,813	112,930
Group Residential Housing	156,761	168,448	325,209	156,027	168,021	324,048
Minnesota Supplemental Aid	39,668	41,169	80,837	39,668	41,169	80,837
Total General Fund	5,438,002	5,672,084	11,110,086	5,441,242	5,682,739	11,123,981
TANF funds for MFIP Grants	86,139	82,546	168,685	85,266	80,971	166,237
MinnesotaCare	420,714	513,447	934,161	384,689	438,529	823,218
Defined Benefit Program	0	0	0	0	0	0
MA funding from HCA Fund	196,186	206,650	402,836	195,139	205,530	400,669
T. HCA Fund Expenditures	616,900	720,097	1,336,997	579,828	644,059	1,223,887

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

	February 2015 Forecast Change from November 2014 Forecast FY 2016 - FY 2017 Biennium (\$ in thousands)			February 2015 Forecast Change from November 2014 Forecast FY 2016 - FY 2017 Biennium (Percent Change)		
	FY 2016	FY 2017	Biennium	FY 2016	FY 2017	Biennium
GENERAL FUND						
Medical Assistance						
LTC Facilities	6,601	5,557	12,158	1.5%	1.3%	1.4%
LTC Waivers	31,109	31,872	62,981	2.1%	2.0%	2.0%
Elderly & Disabled Basic	-27,087	-26,948	-54,035	-1.7%	-1.6%	-1.6%
Adults with No Children	272	4,344	4,616	0.0%	7.9%	7.7%
Families w. Children Basic	-11,500	-10,201	-21,701	-0.8%	-0.7%	-0.7%
MA Total	-605	4,624	4,019	0.0%	0.1%	0.0%
General Fund	442	5,744	6,186	0.0%	0.1%	0.1%
HCA Fund	-1,047	-1,120	-2,167	-0.5%	-0.5%	-0.5%
Alternative Care	0	0	0	0.0%	0.0%	0.0%
Chemical Dependency Fund	2,911	3,909	6,820	3.7%	4.8%	4.2%
Minnesota Family Inv. Program	-858	-154	-1,012	-0.9%	-0.2%	-0.5%
Child Care Assistance	2,246	2,357	4,603	2.3%	2.2%	2.2%
General Assistance	-767	-774	-1,541	-1.4%	-1.3%	-1.3%
Group Residential Housing	-734	-427	-1,161	-0.5%	-0.3%	-0.4%
Minnesota Supplemental Aid	0	0	0	0.0%	0.0%	0.0%
Total General Fund	3,240	10,655	13,895	0.1%	0.2%	0.1%
TANF funds for MFIP Grants	-873	-1,575	-2,448	-1.0%	-1.9%	-1.5%
MinnesotaCare	-36,025	-74,918	-110,943	-8.6%	-14.6%	-11.9%
Defined Benefit Program	0	0	0			
MA funding from HCA Fund	-1,047	-1,120	-2,167	-0.5%	-0.5%	-0.5%
T. HCA Fund Expenditures	-37,072	-76,038	-113,110	-6.0%	-10.6%	-8.5%

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

	November 2014 Forecast FY 2018 - FY 2019 Biennium			February 2015 Forecast FY 2018 - FY 2019 Biennium		
	(\$ in thousands)			(\$ in thousands)		
GENERAL FUND	FY 2018	FY 2019	Biennium	FY 2016	FY 2017	Biennium
Medical Assistance						
LTC Facilities	438,880	442,970	881,850	444,620	448,362	892,982
LTC Waivers	1,708,961	1,818,891	3,527,852	1,742,002	1,855,818	3,597,820
Elderly & Disabled Basic	1,777,716	1,907,020	3,684,736	1,758,613	1,884,672	3,643,285
Adults with No Children	119,848	147,311	267,159	129,588	159,391	288,979
Families w. Children Basic	1,632,501	1,717,814	3,350,315	1,622,632	1,707,231	3,329,863
MA Total	5,677,906	6,034,006	11,711,912	5,697,455	6,055,474	11,752,929
General Fund	5,456,871	5,812,971	11,269,842	5,491,925	5,849,944	11,341,869
HCA Fund	221,035	221,035	442,070	205,530	205,530	411,060
Alternative Care	43,124	43,124	86,248	43,124	43,124	86,248
Chemical Dependency Fund	84,202	86,161	170,363	88,889	91,541	180,430
Minnesota Family Inv. Program	108,500	108,182	216,682	108,734	108,764	217,498
Child Care Assistance	110,563	115,167	225,730	113,107	117,716	230,823
General Assistance	60,175	61,615	121,790	59,804	61,446	121,250
Group Residential Housing	179,962	190,121	370,083	179,527	190,481	370,008
Minnesota Supplemental Aid	42,442	43,723	86,165	42,442	43,723	86,165
Total General Fund	6,085,839	6,461,064	12,546,903	6,127,552	6,506,739	12,634,291
TANF funds for MFIP Grants	67,917	67,930	135,847	66,817	67,130	133,947
MinnesotaCare	536,224	559,490	1,095,714	452,961	467,885	920,846
Defined Benefit Program	0	0	0	0	0	0
MA funding from HCA Fund	221,035	221,035	442,070	205,530	205,530	411,060
T. HCA Fund Expenditures	757,259	780,525	1,537,784	658,491	673,415	1,331,906

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

	February 2015 Forecast Change from November 2014 Forecast FY 2018 - FY 2019 Biennium (\$ in thousands)			February 2015 Forecast Change from November 2014 Forecast FY 2018 - FY 2019 Biennium (Percent Change)		
	FY 2016	FY 2017	Biennium	FY 2016	FY 2017	Biennium
GENERAL FUND						
Medical Assistance						
LTC Facilities	5,740	5,392	11,132	1.3%	1.2%	1.3%
LTC Waivers	33,041	36,927	69,968	1.9%	2.0%	2.0%
Elderly & Disabled Basic	-19,103	-22,348	-41,451	-1.1%	-1.2%	-1.1%
Adults with No Children	9,740	12,080	21,820	0.0%	8.2%	8.2%
Families w. Children Basic	-9,869	-10,583	-20,452	-0.6%	-0.6%	-0.6%
MA Total	19,549	21,468	41,017	0.3%	0.4%	0.4%
General Fund	35,054	36,973	72,027	0.6%	0.6%	0.6%
HCA Fund	-15,505	-15,505	-31,010	-7.0%	-7.0%	-7.0%
Alternative Care	0	0	0	0.0%	0.0%	0.0%
Chemical Dependency Fund	4,687	5,380	10,067	5.6%	6.2%	5.9%
Minnesota Family Inv. Program	234	582	816	0.2%	0.5%	0.4%
Child Care Assistance	2,544	2,549	5,093	2.3%	2.2%	2.3%
General Assistance	-371	-169	-540	-0.6%	-0.3%	-0.4%
Group Residential Housing	-435	360	-75	-0.2%	0.2%	0.0%
Minnesota Supplemental Aid	0	0	0	0.0%	0.0%	0.0%
Total General Fund	41,713	45,675	87,388	0.7%	0.7%	0.7%
TANF funds for MFIP Grants	-1,100	-800	-1,900	-1.6%	-1.2%	-1.4%
MinnesotaCare	-83,263	-91,605	-174,868	-15.5%	-16.4%	-16.0%
Defined Benefit Program	0	0	0			
MA funding from HCA Fund	-15,505	-15,505	-31,010	-7.0%	-7.0%	-7.0%
T. HCA Fund Expenditures	-98,768	-107,110	-205,878	-13.0%	-13.7%	-13.4%