Minnesota

Department of Human Services

November 2015 Forecast

St. Paul, Minnesota

December 3, 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.
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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 2015 forecast as compared to the end-of-session 2015 forecast. The FY 2016-2017 biennium is referred to as "the current biennium" and FY 2018-2019 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 0.5% Lower

General Fund costs for DHS medical and economic support programs for the '14-'15 biennium totaled $9.475 billion, down $47 million (0.5%) from the end-of-session 2015 forecast. The decrease comes from lower Medical Assistance expenditures, particularly from lower costs for Families with Children Basic Care.

TANF Lower

Expenditures of federal TANF (Temporary Assistance for Needy Families) funds for MFIP grants were $133 million, $6 million (4.6%) lower than the end-of-session 2015 forecast.

Health Care Access Fund Higher

Health Care Access Fund costs for MinnesotaCare and Medical Assistance for the '14-'15 biennium totaled $881 million, $7 million (0.9%) higher than the end-of-session 2015 forecast. This increase comes from higher than expected enrollment in MinnesotaCare.

FY 2016-2017 BIENNIUM SUMMARY

General Fund Costs Markedly Reduced

General Fund costs for DHS medical and economic support programs for the current biennium are projected to total $10.286 billion, down $423 million (4.0%) compared to the end-of-session 2015 forecast. Large decreases in managed care rates effective January 2016 for MA Families with Children and MA Adults with No children, plus lower than expected increases in other Medical Assistance managed care rates account for most of the reduction.

TANF Forecast Lower

Projected expenditures of federal TANF (Temporary Assistance for Needy Families) funds for MFIP grants are $151 million, $15 million (8.9%) lower than the end-of-session 2015 forecast, due mainly to reduced MFIP caseload.

Health Care Access Fund Much Lower

Health Care Access Fund costs for MinnesotaCare and Medical Assistance for the current biennium are projected to total $1.149 billion, $538 million (31.9%) lower than the end-of-session forecast. $109 million of this reduction comes from reduced funding for Medical Assistance. Most of the remainder results from lower 2016 managed care rates for MinnesotaCare.

FY 2018-2019 BIENNIUM SUMMARY

General Fund Costs Markedly Reduced

General Fund costs for DHS medical and economic support programs for the FY 2018-2019 biennium are projected to total $12.510 billion, down $542 million (4.2%) compared to the end-of-session 2015 forecast. Effects on the forecast of large decreases in managed care rates effective January 2016 for MA Families with Children and MA Adults with No Children, plus lower than expected increases in other Medical Assistance managed care rates, account the entire reduction.

TANF Forecast Higher

Projected expenditures of federal TANF (Temporary Assistance for Needy Families) funds for MFIP grants are $162 million, $28 million (21.1%) higher than the end-of-session 2015 forecast. Reduced TANF fund expenditures in the '14-'15 biennium and '16-'17 biennium lead to more TANF available for use in the MFIP program in this biennium.

Health Care Access Fund Much Lower

Health Care Access Fund costs for MinnesotaCare and Medical Assistance for the 2018-2019 biennium are projected to total $739 million, $576 million (43.8%) lower than the end-of-session forecast. $94 million of this reduction comes from lower projected funding for Medical Assistance. The remainder of the reduction comes mainly from lower projected managed care rates in MinnesotaCare, but also from higher projected federal funding.

PROGRAM DETAIL

MEDICAL ASSISTANCE	'14-'15 Biennium	'16-'17 Biennium	'18-'19 Biennium
Total forecast change for MA ($000)	-57,880	-524,137	-640,539
Total forecast percentage change this item	-0.7%	-5.0%	-5.3%

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)	-58,162	-415,114	-546,391
MA Health Care Access Fund change ($000)	282	-109,023	-94,148
Total forecast change for MA ($000)	-57,880	-524,137	-640,539

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 substantial reductions in average cost projections for MA Families with Children and reductions in the projected costs for presumptive eligibility determined by hospitals (one of the changes funded by 2013 Session appropriations).

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)	-12,102	-26,668	-27,798
Total forecast percentage change this item	-1.4%	-2.7%	-2.5%

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 has historically been funded at a larger amount than expected expenditures. 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	-644	4,568	-3,061
NF average costs	-1,902	-10,016	-13,009
NF adults with no kids share	-3,077	-4,394	-4,545
ICF/DD & DTH	-1,289	-981	-301
County share	5	-357	-315
Alternative Care offset: AC recipients	-1,509	-4,642	-2,997
Alternative Care offset: AC avg. cost	107	328	2,217
Alternative Care offset: Essential Com. Supports	-3,793	-11,174	-5,787
Activity Total	-12,102	-26,668	-27,798

Nursing Facilities (NF)

Changes in NF recipient projections in this forecast are small: biennial changes are less than 1% in either direction.

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 3.2% in FY 2015. The November forecast has a 1.1% decrease in FY 2016, followed by leveling off, as growth in the elderly population begins slowly to increase the demand for long term care services.

The average cost per day of NF case is approximately 1.3% lower in this forecast entirely because of an expected reduction in local governments' funding of an inter-governmental transfer (IGT) which permits them to pay the non-federal share of the cost of enhanced rates for NFs which they own. Markedly less funding of these higher rates is expected because of the substantial NF rate increase passed by the 2015 Legislature. Absent this change, the projected average cost of NF care would be about 0.6% higher.

(The above change in IGT funding is reflected as a reduction in MA dedicated revenue for the NF-IGT. See the table in the description of changes in the Families with Children activity.)

The proportion of NF payments for adults with no children, who have a much higher level of federal funding, is increased in this forecast from 1.0% to 1.5%.

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

Projected costs are less than 1% lower for both the current biennium and the next biennium. The decreases come from 1.5% lower cost projections for DT&H.

County Share of LTC Facility Services

County share projections are approximately 1% higher.

Alternative Care Offset
Alternative Care Program

AC recipient projections are about 10% lower for the current biennium but only 4% lower for the next biennium. The temporarily greater reduction for this biennium results from the delay in the implementation of Individual Community Living Supports (ICLS), which is expected to result in increased utilization of AC.

Based on recent trends, AC average payment projections are about 1% higher for the current biennium and 5% higher for the next biennium.

Alternative Care Offset
Essential Community Supports (ECS)

Based on recent experience, projected recipients of ECS are reduced by about 73% for the current biennium and 52% for the next biennium.

MA LTC WAIVERS & HOME CARE	**'14-'15 Biennium**	**'16-'17 Biennium**	**'18-'19 Biennium**
Total forecast change this item ($000)	-21,072	6,668	48,471
Total forecast percentage change this item	-0.8%	0.2%	1.3%

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
- Home Care Nursing (HCN) 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	-5,962	111	15,356
EW Waiver FFS	-386	2,439	2,745
CADI Waiver	-5,034	1,818	13,667
CAC Waiver	-114	-502	-404
BI Waiver	-1,308	-3,085	-2,952
Home Health	-411	-418	-177
Home Care Nursing	-3,208	-1,222	0
Personal Care Assistance	-5,275	555	0
Community Choice K & I FFS	0	520	5,827
Transfer to CSG	0	-1,225	0
Moving Home Minnesota	626	7,677	14,409
Activity Total	-21,072	6,668	48,471
EW Total: FFS & Managed Care	5,755	-23,764	-49,813

Percent Change in Projected Costs	'14-'15 Biennium	'16-'17 Biennium	'18-'19 Biennium
DD Waiver	-0.51%	0.01%	1.08%
EW Waiver FFS	-0.94%	5.08%	4.65%
CADI Waiver	-0.80%	0.22%	1.30%
CAC Waiver	-0.40%	-1.45%	-0.99%
BI Waiver	-1.27%	-2.77%	-2.45%
Home Health	-2.30%	-2.19%	-0.95%
Home Care Nursing	-2.72%	-0.87%	0.00%
Personal Care Assistance (Total)	-0.97%	0.14%	
Community Choice K & I FFS		0.20%	0.79%
Transfer to CSG	0.00%	-3.83%	
Activity Total	-0.78%	0.21%	1.34%
EW Total: FFS & Managed Care	1.67%	-5.72%	-9.09%

DD Waiver

DD Waiver projections are practically unchanged for the current biennium. Projections are about 1% higher for the next biennium because of slightly higher projections of both recipients and average costs.

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 about 16% higher for the current biennium and the next biennium, but combined recipient projections are only about 2.5% higher for the current biennium and 1.2% higher for the next biennium. The overall change results from several months of actual experience since implementation in January 2015 of level of care changes, compared to previously anticipated effects on the number of recipients.

EW-FFS average payment projections are are about 11% lower for the current biennium and the next biennium. Combined average payment projections are about 8% lower for the current biennium and 10% lower for the next biennium. Lower 2016 rates for EW managed care and changes in the effects of level of care changes on numbers of EW recipients contribute roughly equally to the reduced average payment projections.

CADI Waiver

Projected numbers of CADI recipients are about 1.0% higher for the current biennium and the next biennium. This change is net of the projected future impacts of Moving Home Minnesota on the number of CADI recipients. Without this offset the increase would be about 1.5%.

Average payment projections are slightly higher for the current biennium and slightly lower for the next biennium, resulting in little net change in expenditure projections for the current biennium and an increase of 1.3% for the next biennium.

CAC Waiver

CAC waiver expenditure projections are about 1.5% lower in the current biennium and 1.0% lower in the next biennium because of lower average payments.

BI Waiver

BI waiver expenditure projections are reduced by 2.8% for the current biennium and 2.5% for the next biennium. Lower recipient projections contribute approximately 1.7 percentage points to these decreases, with the balance of the decreases coming from lower average payments.

Home Health Agency (HHA)

HHA expenditure projections are reduced by 2.2% for the current biennium and by 1.0% for the next biennium. Lower recipient projections account for approximately a 1% reduction across the forecast horizon, with slightly lower average payment projections accounting for the additional decrease in the current biennium.

Home Care Nursing

The Home care Nursing forecast is unchanged except for recognition of slightly lower expenditures to date in the current biennium, reducing the current biennium forecast by 0.9%.

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

Based on 2013 Session changes, PCA will be replaced 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.) This change is expected to be implemented effective July 2016.
The November forecast has a small increase in the PCA forecast for the current biennium and less than 1% increases in Community Choice K & I services for the current and 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. The residual CSG forecast is reduced by 3.8% for the current biennium.

Moving Home Minnesota Waiver

Moving Home Minnesota (MHM) is a federal waiver, funded with federal grant money. Its purpose is to provide person-centered services to assist people to return to living in the community who have resided for at least 90 days in a nursing home or hospital. MHM began assisting with transitions to the community in 2014. Federal funding for MHM is special grant funding rather than Medicaid funding. State funding comes from the MA account.

MHM is added to the DHS forecast with the November 2015 forecast. State MA funding is treated as part of the LTC Waivers budget sub-activity. (This is only one aspect of MHM fiscal activity; other aspects are managed by DHS outside of the forecast.)

Offsetting effects of MHM on other MA services are recognized only for the CADI waiver, and only future expected effects on CADI are explicitly estimated, some effects of past and current MHM services being already part of actual data through September 2015. We assume that MHM, to the extent that it substitutes for already available home and community-based services, will affect CADI because MHM services are focused on the under-65 population. MHM aims to support people in moving out of nursing homes and hospitals. We have not explicitly accounted in the forecast for effects on these services because, with MHM's slow growth and modest number of recipients expected to be served at its peak (200 to 250 average monthly recipients in FY 2017 and FY 2018), impacts on the month-by-month number of NF recipients are expected to be very subtle and not able to be tracked with any reliability.

MA ELD. & DISABLED BASIC CARE	**'14-'15 Biennium**	**'16-'17 Biennium**	**'18-'19 Biennium**
Total forecast change this item ($000)	-5,606	-144,029	-186,222
Total forecast percentage change this item	-0.2%	-4.5%	-4.9%

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 2016 the amount billed per dual eligible each month is approximately $144.

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	538	3,780	-1,093
Elderly Waiver Managed Care: Average cost	5,603	-29,983	-51,465
Community Choice K & I Managed Care		-9,125	2,676
Elderly Basic: PCA	868	103	-12,703
Elderly Basic: Enrollment	4,257	-1,643	-3,327
Elderly Basic: Avg. cost	-6,972	-37,527	-45,862
Disabled Basic: FFS (and overall) enrollment lower	-8,547	-35,115	-40,007
Disabled Basic: FFS average payment lower	-4,758	-54,964	-63,350
Disabled Basic: SNBC enrollment	-607	-3,982	-3,590
Disabled Basic: SNBC avg. cost	-2,130	-18,814	-34,952
Disabled Basic: SNBC technical correction re: pmt. timing	0	0	-5,233
Disabled Basic: Adjust enhanced fed. share for dis. in adult expansion	3,822	5,103	6,267
Disabled Basic: Managed care payments reassigned to MA Disabled	1,001	-5,720	0
Elderly & Disabled basic: Medicare Part B premiums		20,163	30,156
Chemical Dependency Fund share	969	1,541	2,167
IMD Program	1,287	6,867	6,990
Medicare Part D clawback payments	-937	15,287	27,104
Total	-5,606	-144,029	-186,222

Elderly Waiver Managed Care

Based on recent experience, recipient projections for EW managed care are 1.0% higher for the current biennium and 0.2% lower for the next biennium.

EW managed care average payments are reduced by 8.2% for the current biennium and by 10.5% for the next biennium. The two factors in these decreases are lower than expected rates for CY 2016 (increasing 0.6% vs. 5.0% in previous forecast) and reduced estimates of the caseload effects of level of care changes (which were expected to increase average costs by eliminating lower-cost recipients from EW).

Community Choice K & I and PCA in Managed Care

The net of these two line items represents a small reduction in projections for this service based on lower overall Elderly Basic Care rates. A technical adjustment recognizing the payment delay from May 2017 to July 2017 also affects these changes.

Elderly Basic Changes

Elderly basic enrollment projections are 0.4% lower for the current biennium and 0.8% lower for the next biennium.

Average cost projections for Elderly basic care are reduced about 4.8% for both the current biennium and the next biennium, because of both lower than expected 2016 rates and similarly low fee for service costs.

Disabled Basic Enrollment

Projected overall Disabled basic enrollment is 4.2% lower for the current biennium and 4.0% lower for the next biennium. This change results from continued 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. Accumulated forecast reductions for disabled MA recipients for this reason now amount to about 15,000 average enrollees.

Disabled Basic average Payment

Based on recent cost experience, fee for service average payment projections are 6.2% lower both for the current biennium and the next biennium. SNBC rates are also lower, by about 2.5% for the current biennium and 3.7% for the next biennium.

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 represent a downward adjustment of about 63% in the expected value of enhanced federal share funds.

Medicare Part B Premiums +18%

MA pays Medicare premiums for MA enrollees with income up to 120% FPG who are also Medicare enrollees. This item repesents the added cost of the large Medicare Part B premium increases expected in January 2016.

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, either to or from MA Disabled status, based on changes in individuals' disability status. The changes shown in the table reflect actual data through September 2015.

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

Projected payments for this segment are approximately 30% higher because of increased enrollment in this segment. This segment currently has about 2,000 enrollees and is subject to dramatic fluctuations.

Medicare Part D Clawback

The per person per month charge for the Medicare clawback effective in January 2016 will be about 6% higher than anticipated in the previous forecast. As a result, MA cost for the clawback are increased by 4.0% for the current biennium and by 6.5% for the next biennium.

ADULTS WITHOUT CHILDREN

	'14-'15 Biennium	'16-'17 Biennium	'18-'19 Biennium
Total forecast change this item ($000)	53,596	-10,555	-40,022
Total forecast percentage change this item	16.3%	-16.89%	-14.99%

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	556	3,539	18,672
HMO rates: Competitive bidding for 2016 contracts		-3,885	-21,189
HMO payments: Actual data / other changes	53,040	-6,101	-32,809
FFS payments lower		-4,108	-4,696
Total	53,596	-10,555	-40,022

Projected enrollment is increased by 4.7% for the current biennium and by 6.8% for the next biennium. There is little effect on state costs until January 2017, when the federal share begins to be less than 100%.

Average cost projections are about 20% lower for the current biennium and 22% lower for the next biennium. This change results from HMO rates effective January 2016 being about 23% lower than expected in the previous forecast. Average FFS cost projections are about 1% lower in each biennium based on updated actual experience.

FAMILIES WITH CHILDREN BASIC CARE

	'14-'15 Biennium	'16-'17 Biennium	'18-'19 Biennium
Total forecast change this item ($000)	-72,696	-349,553	-434,969
Total forecast percentage change this item	-3.3%	-11.7%	-13.0%

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% (88% effective January 2016).

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 enhanced 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			
Enrollment	-35,178	-1,741	49,770
Average cost of basic care			
HMO rates: Competitive bidding for 2016 contracts		-154,548	-253,016
HMO payments: Actual data / other changes	-23,266	-198,528	-273,439
FFS payments higher	17,653	47,744	52,102
Presumptive elig. determined by hospitals: cost revised	-11,180	-47,220	-43,720
Managed care: PCA & Community Choice K & I		-1,113	-2,082
CHIP enhanced federal funding	4,928	11,144	1,087
Value of cap on HMO payment delays in '15 and '17	-21,490	-20,041	20,041
CD Fund share	-1,406	-3,012	-3,630
Rx Rebates	-6,906	-233	-5,038
Adjustments excl. rebates	-8,071	2,000	2,000
Non-citizen MA segment: Increased fed. share		-9,641	-12,362
Non-citizen MA segment: Lower avg. pmt.	-1,002	-2,244	-3,491
Services w special funding	13,126	14,356	14,718
Family planning waiver	-75	-401	-318
Breast & cerv. cancer	-427	-1,543	-1,488
Dedicated revenue: NF IGT	-893	12,700	20,460
Dedicated revenue: DOC	1,491	2,768	3,437
Total	-72,696	-349,553	-434,969

Families with Children

Enrollment projections are practically unchanged for the current biennium and approximately 1.4% higher for the next biennium.

Average cost projections, in the aggregate, are 9.2% lower for the current biennium, and 12.9% lower for the next biennium. All of the reduction comes from lower HMO payments. HMO rates for 2016 will be approximately 18.4% lower than anticipated in the previous forecast. About half of the 18% reduction is attributed to competitive bidding for the 2016 rates; most of the other half comes from acuity adjustments, recognizing that the risk scores of the population added to the program by the January 2014 expansion were markedly lower than those of the pre-expansion enrollment.

HMO reductions are partially offset by higher average fee for service payments, which are approximately 8.5% higher both for the current biennium and the next biennium.

Community Choice K & I and PCA in Managed Care

These small changes reflect slightly lower costs for PCA and Community Choice K and I benefits under managed care for families with children.

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.

The cost increases in this item result from the use of additional CHIP funding for non-citizen pregnant women, as explained below, under Non-Citizen MA.

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. 2015 legislation extended this capped payment delay to April / May 2017.

In FY 2015, a "not-shifted" amount was included in the previous forecast in anticipation that the total available to be shifted would exceed the capped $135 million state share. Because the actual sum of all MA HMO payments subject to delay only marginally exceeded the capped delay amount, most all the expected "not-shifted" amount was not actually paid in FY 2015, causing a reduction from forecast.

For the 2017 delay a lower forecast of HMO payments results in a reduction in the amount not delayed because of the cap which leads to a corresponding shift of costs to FY 2018.

	State Share ($000)		State Share ($000)
FY 2015	-21,490		
FY 2016	0		
FY 2017	-20,041	**Biennium**	-20,041
FY 2018	20,041		
FY 2019	0	**Biennium**	20,041

CD Fund Share

Small increases in the share of MA services covered by the CD Fund produce corresponding decreases 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.)

Projected rebates are practically unchanges for the current biennium and about 1.7% higher for the next biennium.

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.

Effective January 2016 Minnesota is able to claim 88% federal funding for CHIP Unborn coverage, compared to 65% prior to January 2016. This is the source of most of the forecast change for this segment. The other change results from managed care rates for non-citizen pregnant women being reduced about 18% effective January 2016, partially offset by 2% to 3% higher enrollment.

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).

This segment of the forecast is increased approximately 12% mainly because of higher projected costs for MnChoices, based on higher actual costs in FY 2015.

Family Planning Waiver

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

Based on recent cost experience, these projections are about 13% lower for the current biennium and 9.7% lower for the next biennium. Both enrollment and average cost projections are lower.

Breast & Cervical Cancer

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

Projected expenditures are 22% lower for the current biennium and 19% lower for the next biennium. Lower enrollment is the reason for the change.

Dedicated Revenue: NF IGT

Projected revenue from this source is reduced dramatically because, with substantial increases in NF rates approved by the 2015 Legislature, there is less opportunity for local governments to use their own funds to pay for the non-federal share of higher NF rates for facilities they own.

This change can be viewed as offsetting the NF reductions in the LTC Facilities budget activity. The NF inter-governmental transfer is cost-neutral for the MA budget.

Dedicated Revenue: Department of Corrections

This change reflects a reduction in expected revenue from the Department of Corrections, because non-federal costs for prisoners covered by this arrangement have been less than expected. This funding arrangement, like the NF IGT, is cost-neutral for the MA budget.

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)	17,136	27,851	39,976
Forecast percentage change this item	10.6%	16.3%	22.1%

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)
Recipients	-6,091	-9,023	-7,452
Average cost per placement	-2,610	-6,074	-6,967
Room & board for managed care	15,237	22,931	26,841
Federal revenue share adjusted	10,600	11,513	11,763
IMD change effect on federal revenue		10,954	20,428
IMD change effect on county share		-2,450	-4,637
Total	17,136	27,851	39,976

Projections of fee for service costs for CD placements are reduced by 9.4% for the current biennium and by 8.6% for the next biennium. Reductions are divided (as shown in the table) between fewer recipients and lower average costs.

Payments for room and board for managed care recipients exceeded the forecast for last biennium by 60% and are 16% to 17% higher for the current biennium and the next biennium. A new system of direct payment from DHS to the service provider was implemented in July 2014. The forecast was dramatically exceeded because (1) the backlog of old-system payments was much greater than was projected in the previous forecast, and (2) more reimbursement is being paid out under the new system than the old. The forecast increase of 16% to 17% is representative of the latter difference.

The federal revenue change results from a reduced projection of the proportion of CD Fund payments which will qualify for federal matching. This is based on FY 2015 actual experience.

A change in the IMD status of approximately 30 facilities in November 2015 is also projected to reduce federal revenue, as shown above. It will also increase county share obligations.

MFIP NET CASH (STATE AND FEDERAL)	'14-'15 Biennium	'16-'17 Biennium	'18-'19 Biennium
Forecast change this item ($000)	-6,409	-18,737	-19,967
Forecast percentage change this item	-2.2%	-5.2%	-5.5%
GENERAL FUND SHARE OF MFIP			
Forecast change this item ($000)	0	-3,893	-48,225
Forecast percentage change this item	0.0%	-2.0%	-21.3%
FEDERAL TANF FUNDS FOR MFIP			
Forecast change this item ($000)	-6,409	-14,844	28,258
Forecast percentage change this item	-4.6%	-8.9%	21.1%

This activity provides cash and food for low-income families with children. 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 2015 forecast:

Summary of Forecast Changes	'14-'15 Biennium ($000)	'16-'17 Biennium ($000)	'18-'19 Biennium ($000)
Gross MFIP cash grant forecast change	-6,425	-18,624	-19,857
Gross General Fund forecast change	-280	-4,541	-48,926
Child Support/recoveries offset	280	648	701
Net General Fund forecast change	0	-3,893	-48,225
Gross TANF forecast change	-6,145	-14,083	29,070
Child Support pass-through/recoveries offset	-265	-762	-812
Net TANF forecast change	-6,409	-14,844	28,258

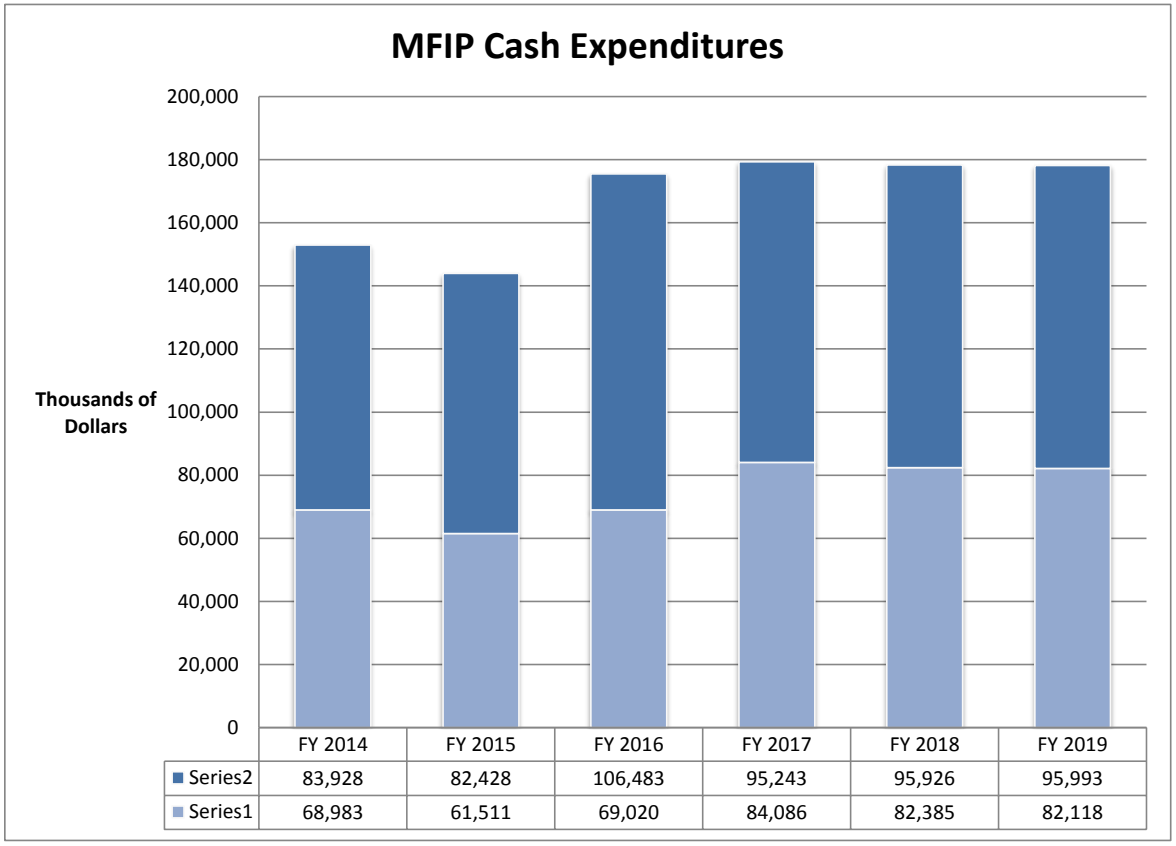
Decreased Program Expenditures

Based on recent data, the MFIP forecast has been adjusted downward. Primarily this is based on MFIP caseload being less than forecast in FY 2015; the MFIP caseload decreased 6.1% in FY 2015 relative to FY 2014. Together with decreases in the projected average payment per family, this results in decreased gross expenditures of $18.6 million (-5%) in the current biennium, and $19.9 million (-5.3%) in the '18-'19 biennium.

Decreases in General Fund Expenditures

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 primarily 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 MOE 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	FY 2018	FY 2019
Series2	83,928	82,428	106,483	95,243	95,926	95,993
Series1	68,983	61,511	69,020	84,086	82,385	82,118

Projected expenditures on the non-MOE caseload decrease by 3-4% in the current and next biennium; these decreases are entirely General Fund. In addition, there is more TANF available to fund MFIP in the '18-'19 biennium than there had been in the end-of-session forecast. This accounts for a corresponding General Fund decrease. These decreases are slightly offset by reduced child support arrearage collections used to offset general fund expenditures in MFIP. The change in net General Fund are decreases of 2% in the current biennium and 21.3% in the '18-'19 biennium.

Reduced TANF expenditures of $14 million in the current biennium (an 8.4% decrease from the end-of-session forecast) result mainly from the decreased MFIP gross cash forecast. As noted above, there is an increase in TANF used in the MFIP in the '18-'19 biennium as the TANF was available and all MOE requirements were still met with the amount of General Fund used. TANF funds in MFIP increase $29.1 million, a 21.5% increase over the end-of-session forecast. Small decreases in federal payments for child support pass-through further decrease TANF expenditures. The change in net TANF are a decrease of 8.9% in the current biennium, and an increase of 21.1% in the '18-'19 biennium.

MFIP / TY CHILD CARE ASSISTANCE	**'14-'15 Biennium**	**'16-'17 Biennium**	**'18-'19 Biennium**
Forecast change this item ($000)	0	-22,059	-3,746
Forecast percentage change this item	0.0%	-10.5%	-1.6%

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 decrease 2.8% in the current biennium and 1% in the next biennium. This is due to a decreased caseload forecast of 7% in the current biennium and 5% in the next biennium, offset somewhat by higher average payment projections. CCDF funding of $12 million is carried forward from FY 2015 to FY 2016, resulting in a 10.5% decrease in General Fund expenditures in the current biennium. The General Fund decrease of 1.6% in the '18-'19 biennium reflects the program forecast reduction only.

NORTHSTAR CARE FOR CHILDREN	'14-'15 Biennium	'16-'17 Biennium	'18-'19 Biennium
Forecast change this item ($000)		8,777	39,741
Forecast percentage change this item		10.0%	36.1%

This activity combines Foster Care, Adoption Assistance, and Relative Custody Assistance programs into a single program Northstar Care for Children, to support permanency for children. The Northstar Care program is funded with a mixture of federal, state General Fund dollars, county and tribal dollars.

Increases in Foster Care caseload account for most of the increase in '16-'17 biennium. In the '18-'19 biennium, higher Foster Care and Adoption Assistance caseload account for approximately half of the increase, while higher Kinship Assistance average payments account for the remainder.

GENERAL ASSISTANCE	'14-'15 Biennium	'16-'17 Biennium	'18-'19 Biennium
Forecast change this item ($000)	-1,290	-2,345	-1,504
Forecast percentage change this item	-1.2%	-2.1%	-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 2% in the current biennium and 1% in the '18-'19 biennium, based on recent data. Similarly, average payments are expected to be 0.1% lower in the current and next biennia.

GROUP RESIDENTIAL HOUSING	'14-'15 Biennium	'16-'17 Biennium	'16-'17 Biennium
Forecast change this item ($000)	-3,752	-14,572	-19,644
Forecast percentage change this item	-1.3%	-4.5%	-5.3%

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. Average payments for both types are also slightly lower (less than 1%). This results in decreased GRH cash payments of 5% in the current and next biennia.

MINNESOTA SUPPLEMENTAL AID	'14-'15 Biennium	'16-'17 Biennium	'16-'17 Biennium
Forecast change this item ($000)	-1,019	-1,988	-2,341
Forecast percentage change this item	-1.4%	-2.5%	-2.7%

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

The projected MSA caseload is decreased based on recent data, resulting in decreased MSA cash payments of 2.5% in the current biennium, and 2.7% in the '18-'19 biennium.

MINNESOTACARE	'14-'15 Biennium	'16-'17 Biennium	'18-'19 Biennium
Forecast change this item ($000)	7,143	-428,670	-481,543
Forecast percentage change this item	1.4%	-57.3%	-61.3%

Summary of Forecast Changes	'14-'15 Biennium ($000)	'16-'17 Biennium ($000)	'18-'19 Biennium ($000)
Enrollment	26,806	36,742	0
HMO rates: Competitive bidding on 2016 contracts	0	-75,107	-125,968
HMO payments: Actual data / other changes	-23,845	-258,858	-251,702
Federal BHP funding	18,971	-175,740	-215,123
Federal BHP risk adjustment	0	33,371	88,814
Premium revenue	0	13,347	15,711
Other adjustments	-14,789	-2,425	6,725
Total Program	7,143	-428,670	-481,543

During the 2013 legislative session, significant changes were made to MinnesotaCare program eligibility effective January 2014. These changes included 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 premium tax credits and cost sharing reductions 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

During most of CY2015, MNsure was unable to process renewals for MinnesotaCare enrollees. This resulted in an unexpected enrollment increase as enrollees who would have had eligibility terminated at renewal persisted on the caseload during the renewals process delay. All 2015 renewals were processed by the end of September for October eligibility but the new eligibility information has not yet been completely passed from MNsure to MMIS (the claims payment system). Further, it is still not clear what impact the impending 2016 renewals process and the 2016 open enrollment period will ultimately have on MinnesotaCare enrollment.

As a result, the November forecast recognizes the temporary increase in enrollment during CY2015 due to the delay in processing renewals. This leads to a $26.8 million forecast increase in FY2015 and a $36.7 million forecast increase in FY2016.

Projected enrollment for future months is unchanged until the February forecast when more is known about how 2016 renewals and 2016 open enrollment play out.

Average Payment Reductions

Managed care rates in MinnesotaCare for the 2016 contract year are about 23% lower than expected in the end-of-session forecast. About one-third of this average payment reduction is attributed to competitive bidding by the plans on 2016 managed care contracts, and the remaining two-thirds is from acuity adjustments, recognizing that the risk scores of the population added to the program since January 2014 were significantly lower than those of the existing population.

The overall reduction in managed care rates leads to a $334.0 million forecast reduction in the current biennium and a $377.7 million forecast reduction in the next biennium.

BHP Federal Funding Increase

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. Calculation of the exchange subsidy involves a comparison between the benchmark premium in MNsure and the individual's maximum contribution toward health coverage.

In FY2015, actual cash flows resulted in lower actual federal funding expended from the BHP trust fund relative to end-of-session projections. The end-of-session forecast assumed all federal funds accrued in the first two quarters of the BHP program would be expended in FY2015. Instead, approximately one month of federal funding was not spent until FY2016 to cover June managed care capitation payments that are delayed until July.

The primary reason for the increase in projected federal BHP funding is that 2016 benchmark premiums in the private market are about 27% higher than 2015 benchmark premiums. Based on estimated trend in the 2015 federal BHP payment methodology, the end-of-session forecast assumed a 6% increase in benchmark premiums between the 2015 and 2016 calendar years. Given very little increase in the required individual contribution toward health coverage, the relatively higher benchmark premiums result in a substantial increase in exchange subsidies and corresponding federal BHP funding.

The increase in federal BHP funding leads to a $175.7 million forecast reduction in the current biennium and a $215.1 million forecast reduction in the next biennium.

Risk Adjustment

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 or less 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 or higher than they would have been had the BHP population been included. Since federal BHP funding is based on these private market benchmark premiums in MNsure, an adjustment is needed to account for the possible cost difference.

Given that the rates in the private market are increasing substantially while the managed care rates to cover the BHP population are decreasing substantially, it is now doubtful whether the BHP population is relatively more expensive than the private market population. As a result, the risk adjustment settle-up methodology has been removed from the state's BHP blueprint effective for CY2016 and therefore the projected impact of this settle-up has been removed from the November forecast.

Removing the projected risk adjustment settle-up results in a $33.4 million forecast increase in the current biennium and an $88.8 million increase in the next biennium.

Premium Revenue

The end-of-session forecast projected average base premium revenue collections of about $25 PMPM (per person per month) based on actual premium revenue collections of $25 PMPM in FY2014. Actual premium revenue collections in FY2015 were about $15 PMPM. The November forecast assumes base premium revenue collections at the average of actual FY2014 and FY2015 levels. This results in projected base premium revenue of $20 PMPM, a reduction of $5 PMPM relative to the end-of-session forecast.

On top of base revenue collections, the end-of-session forecast also includes increased monthly collections of about $10 PMPM due to the higher premium schedule passed in the 2015 legislative session. The estimated $10 PMPM increase due to the higher premium schedule is unchanged in the November forecast, resulting in projected average premium revenue of $30 PMPM compared to $35 PMPM in the end-of-session forecast.

The projected reduction in premium revenue results in a state cost of about $13.3 million in the current biennium and a cost of about $15.7 million in the next biennium.

TABLE ONE
FY 2014-2015 BIENNIUM SUMMARY

	End of Session 2015 Forecast FY 2014 - FY 2015 Biennium ($ in thousands)			November 2015 Forecast FY 2014 - FY 2015 Biennium ($ in thousands)		
GENERAL FUND	FY 2014	FY 2015	Biennium	FY 2014	FY 2015	Biennium
Medical Assistance						
LTC Facilities	421,613	425,256	846,869	421,613	413,154	834,767
LTC Waivers	1,242,082	1,443,952	2,686,034	1,242,082	1,422,880	2,664,962
Elderly & Disabled Basic	1,429,634	1,362,442	2,792,076	1,429,634	1,356,836	2,786,470
Adults with No Children	291,240	37,095	328,335	291,240	90,691	381,931
Families w. Children Basic	947,491	1,262,696	2,210,187	947,491	1,190,000	2,137,491
MA Total	**4,332,060**	**4,531,441**	**8,863,501**	**4,332,060**	**4,473,561**	**8,805,621**
General Fund	4,154,205	4,357,844	8,512,049	4,154,205	4,299,682	8,453,887
HCA Fund	177,855	173,597	351,452	177,855	173,879	351,734
Alternative Care	43,840	42,627	86,467	43,840	42,627	86,467
Chemical Dependency Fund	78,726	82,684	161,410	78,726	99,820	178,546
Minnesota Family Inv. Program	76,154	75,245	151,399	76,154	75,245	151,399
Child Care Assistance	61,215	90,141	151,356	61,215	90,141	151,356
General Assistance	51,125	52,726	103,851	51,125	51,436	102,561
Group Residential Housing	137,032	143,615	280,647	137,032	139,863	276,895
Minnesota Supplemental Aid	36,479	38,086	74,565	36,479	37,067	73,546
Total General Fund	**4,638,776**	**4,882,968**	**9,521,744**	**4,638,776**	**4,835,881**	**9,474,657**
TANF funds for MFIP Grants	70,335	69,022	139,357	70,335	62,613	132,948
MinnesotaCare	253,959	267,949	521,908	253,959	275,092	529,051
MA funding from HCA Fund	177,855	173,597	351,452	177,855	173,879	351,734
T. HCA Fund Expenditures	**431,814**	**441,546**	**873,360**	**431,814**	**448,971**	**880,785**

TABLE TWO
FY 2014-2015 BIENNIUM SUMMARY

GENERAL FUND	November 2015 Forecast Change from End of Session 2015 Forecast FY 2014 - FY 2015 Biennium ($ in thousands)			November 2015 Forecast Change from End of Session 2015 Forecast FY 2014 - FY 2015 Biennium (Percent Change)		
	FY 2014	FY 2015	Biennium	FY 2014	FY 2015	Biennium
Medical Assistance						
LTC Facilities	0	-12,102	-12,102	0.0%	-2.8%	-1.4%
LTC Waivers	0	-21,072	-21,072	0.0%	-1.5%	-0.8%
Elderly & Disabled Basic	0	-5,606	-5,606	0.0%	-0.4%	-0.2%
Adults with No Children	0	53,596	53,596	0.0%		16.3%
Families w. Children Basic	0	-72,696	-72,696	0.0%	-5.8%	-3.3%
MA Total	**0**	**-57,880**	**-57,880**	**0.0%**	**-1.3%**	**-0.7%**
General Fund	0	-58,162	-58,162	0.0%	-1.3%	-0.7%
HCA Fund	0	282	282	0.0%	0.2%	0.1%
Alternative Care	0	0	0	0.0%	0.0%	0.0%
Chemical Dependency Fund	0	17,136	17,136	0.0%	20.7%	10.6%
Minnesota Family Inv. Program	0	0	0	0.0%	0.0%	0.0%
Child Care Assistance	0	0	0	0.0%	0.0%	0.0%
General Assistance	0	-1,290	-1,290	0.0%	-2.4%	-1.2%
Group Residential Housing	0	-3,752	-3,752	0.0%	-2.6%	-1.3%
Minnesota Supplemental Aid	0	-1,019	-1,019	0.0%	-2.7%	-1.4%
Total General Fund	0	-47,087	-47,087	0.0%	-1.0%	-0.5%
TANF funds for MFIP Grants	0	-6,409	-6,409	0.0%	-9.3%	-4.6%
MinnesotaCare	0	7,143	7,143	0.0%	2.7%	1.4%
MA funding from HCA Fund	0	282	282	0.0%	0.2%	0.1%
T. HCA Fund Expenditures	0	7,425	7,425	0.0%	1.7%	0.9%

TABLE THREE
FY 2016-2017 BIENNIUM SUMMARY

	End of Session 2015 Forecast FY 2016 - FY 2017 Biennium ($ in thousands)			November 2015 Forecast FY 2016 - FY 2017 Biennium ($ in thousands)		
GENERAL FUND	FY 2016	FY 2017	Biennium	FY 2016	FY 2017	Biennium
Medical Assistance						
LTC Facilities	471,486	530,759	1,002,245	453,707	521,870	975,577
LTC Waivers	1,520,149	1,629,141	3,149,290	1,510,033	1,645,925	3,155,958
Elderly & Disabled Basic	1,595,717	1,591,888	3,187,605	1,520,510	1,523,066	3,043,576
Adults with No Children	5,667	56,810	62,477	3,784	48,138	51,922
Families w. Children Basic	1,525,209	1,456,863	2,982,072	1,384,558	1,247,961	2,632,519
MA Total	**5,118,228**	**5,265,461**	**10,383,689**	**4,872,592**	**4,986,960**	**9,859,552**
General Fund	4,468,089	4,977,237	9,445,326	4,284,402	4,745,810	9,030,212
HCA Fund	650,139	288,224	938,363	588,190	241,150	829,340
Alternative Care	43,997	43,590	87,587	43,997	43,590	87,587
Chemical Dependency Fund	83,868	86,962	170,830	92,708	105,973	198,681
Minnesota Family Inv. Program	93,620	98,452	192,072	99,623	88,556	188,179
Child Care Assistance	101,315	108,521	209,836	84,256	103,521	187,777
Northstar Care for Children	41,096	46,337	87,433	43,427	52,783	96,210
General Assistance	55,117	57,847	112,964	53,850	56,769	110,619
Group Residential Housing	155,753	167,194	322,947	149,320	159,055	308,375
Minnesota Supplemental Aid	39,668	41,169	80,837	38,795	40,054	78,849
Total General Fund	**5,082,523**	**5,627,309**	**10,709,832**	**4,890,378**	**5,396,111**	**10,286,489**
TANF funds for MFIP Grants	85,266	80,971	166,237	68,413	82,980	151,393
MinnesotaCare	361,114	387,081	748,195	161,767	157,758	319,525
MA funding from HCA Fund	650,139	288,224	938,363	588,190	241,150	829,340
T. HCA Fund Expenditures	**1,011,253**	**675,305**	**1,686,558**	**749,957**	**398,908**	**1,148,865**

TABLE FOUR
FY 2016-2017 BIENNIUM SUMMARY

GENERAL FUND	November 2015 Forecast Change from End of Session 2015 Forecast FY 2016 - FY 2017 Biennium ($ in thousands)			November 2015 Forecast Change from End of Session 2015 Forecast FY 2016 - FY 2017 Biennium (Percent Change)		
	FY 2016	FY 2017	Biennium	FY 2016	FY 2017	Biennium
Medical Assistance						
LTC Facilities	-17,779	-8,889	-26,668	-3.8%	-1.7%	-2.7%
LTC Waivers	-10,116	16,784	6,668	-0.7%	1.0%	0.2%
Elderly & Disabled Basic	-75,207	-68,822	-144,029	-4.7%	-4.3%	-4.5%
Adults with No Children	-1,883	-8,672	-10,555	0.0%	-15.3%	-16.9%
Families w. Children Basic	-140,651	-208,902	-349,553	-9.2%	-14.3%	-11.7%
MA Total	**-245,636**	**-278,501**	**-524,137**	**-4.8%**	**-5.3%**	**-5.0%**
General Fund	-183,687	-231,427	-415,114	-4.1%	-4.6%	-4.4%
HCA Fund	-61,949	-47,074	-109,023	-9.5%	-16.3%	-11.6%
Alternative Care	0	0	0	0.0%	0.0%	0.0%
Chemical Dependency Fund	8,840	19,011	27,851	10.5%	21.9%	16.3%
Minnesota Family Inv. Program	6,003	-9,896	-3,893	6.4%	-10.1%	-2.0%
Child Care Assistance	-17,059	-5,000	-22,059	-16.8%	-4.6%	-10.5%
Northstar Care for Children	2,331	6,446	8,777	5.7%	13.9%	10.0%
General Assistance	-1,267	-1,078	-2,345	-2.3%	-1.9%	-2.1%
Group Residential Housing	-6,433	-8,139	-14,572	-4.1%	-4.9%	-4.5%
Minnesota Supplemental Aid	-873	-1,115	-1,988	-2.2%	-2.7%	-2.5%
Total General Fund	**-192,145**	**-231,198**	**-423,343**	**-3.8%**	**-4.1%**	**-4.0%**
TANF funds for MFIP Grants	-16,853	2,009	-14,844	-19.8%	2.5%	-8.9%
MinnesotaCare	-199,347	-229,323	-428,670	-55.2%	-59.2%	-57.3%
MA funding from HCA Fund	-61,949	-47,074	-109,023	-9.5%	-16.3%	-11.6%
T. HCA Fund Expenditures	-261,296	-276,397	-537,693	-25.8%	-40.9%	-31.9%

TABLE FIVE
FY 2018-2019 BIENNIUM SUMMARY

	End of Session 2015 Forecast FY 2018 - FY 2019 Biennium ($ in thousands)			November 2015 Forecast FY 2018 - FY 2019 Biennium ($ in thousands)		
GENERAL FUND	FY 2018	FY 2019	Biennium	FY 2016	FY 2017	Biennium
Medical Assistance						
LTC Facilities	552,503	576,434	1,128,937	538,801	562,338	1,101,139
LTC Waivers	1,752,108	1,865,646	3,617,754	1,774,272	1,891,953	3,666,225
Elderly & Disabled Basic	1,868,608	1,936,580	3,805,188	1,779,395	1,839,571	3,618,966
Adults with No Children	120,033	147,001	267,034	101,668	125,344	227,012
Families w. Children Basic	1,661,965	1,688,295	3,350,260	1,446,958	1,468,333	2,915,291
MA Total	**5,955,216**	**6,213,956**	**12,169,172**	**5,641,094**	**5,887,539**	**11,528,633**
General Fund	5,697,909	5,941,840	11,639,749	5,430,861	5,662,497	11,093,358
HCA Fund	257,307	272,116	529,423	210,233	225,042	435,275
Alternative Care	44,250	44,833	89,083	44,250	44,833	89,083
Chemical Dependency Fund	89,104	91,476	180,580	108,775	111,781	220,556
Minnesota Family Inv. Program	113,389	113,403	226,792	89,251	89,316	178,567
Child Care Assistance	112,687	117,308	229,995	110,257	115,992	226,249
Northstar Care for Children	51,913	58,142	110,055	68,029	81,767	149,796
General Assistance	59,843	61,486	121,329	58,957	60,868	119,825
Group Residential Housing	178,628	189,510	368,138	169,143	179,351	348,494
Minnesota Supplemental Aid	42,442	43,723	86,165	41,270	42,554	83,824
Total General Fund	**6,390,165**	**6,661,721**	**13,051,886**	**6,120,793**	**6,388,959**	**12,509,752**
TANF funds for MFIP Grants	66,817	67,130	133,947	81,237	80,968	162,205
MinnesotaCare	387,164	398,024	785,188	150,009	153,636	303,645
MA funding from HCA Fund	257,307	272,116	529,423	210,233	225,042	435,275
T. HCA Fund Expenditures	**644,471**	**670,140**	**1,314,611**	**360,242**	**378,678**	**738,920**

TABLE SIX
FY 2018-2019 BIENNIUM SUMMARY

GENERAL FUND	November 2015 Forecast Change from End of Session 2015 Forecast FY 2018 - FY 2019 Biennium ($ in thousands)			November 2015 Forecast Change from End of Session 2015 Forecast FY 2018 - FY 2019 Biennium (Percent Change)		
	FY 2016	FY 2017	Biennium	FY 2016	FY 2017	Biennium
Medical Assistance						
LTC Facilities	-13,702	-14,096	-27,798	-2.5%	-2.4%	-2.5%
LTC Waivers	22,164	26,307	48,471	1.3%	1.4%	1.3%
Elderly & Disabled Basic	-89,213	-97,009	-186,222	-4.8%	-5.0%	-4.9%
Adults with No Children	-18,365	-21,657	-40,022	0.0%	-14.7%	-15.0%
Families w. Children Basic	-215,007	-219,962	-434,969	-12.9%	-13.0%	-13.0%
MA Total	**-314,122**	**-326,417**	**-640,539**	**-5.3%**	**-5.3%**	**-5.3%**
General Fund	-267,048	-279,343	-546,391	-4.7%	-4.7%	-4.7%
HCA Fund	-47,074	-47,074	-94,148	-18.3%	-17.3%	-17.8%
Alternative Care	0	0	0	0.0%	0.0%	0.0%
Chemical Dependency Fund	19,671	20,305	39,976	22.1%	22.2%	22.1%
Minnesota Family Inv. Program	-24,138	-24,087	-48,225	-21.3%	-21.2%	-21.3%
Child Care Assistance	-2,430	-1,316	-3,746	-2.2%	-1.1%	-1.6%
Northstar Care for Children	16,116	23,625	39,741	31.0%	40.6%	36.1%
General Assistance	-886	-618	-1,504	-1.5%	-1.0%	-1.2%
Group Residential Housing	-9,485	-10,159	-19,644	-5.3%	-5.4%	-5.3%
Minnesota Supplemental Aid	-1,172	-1,169	-2,341	-2.8%	-2.7%	-2.7%
Total General Fund	**-269,372**	**-272,762**	**-542,134**	**-4.2%**	**-4.1%**	**-4.2%**
TANF funds for MFIP Grants	14,420	13,838	28,258	21.6%	20.6%	21.1%
MinnesotaCare	-237,155	-244,388	-481,543	-61.3%	-61.4%	-61.3%
MA funding from HCA Fund	-47,074	-47,074	-94,148	-18.3%	-17.3%	-17.8%
T. HCA Fund Expenditures	**-284,229**	**-291,462**	**-575,691**	**-44.1%**	**-43.5%**	**-43.8%**