MINNESOTA

December 5, 2019

Senator Jim Abeler
3215 Minnesota Senate Building
St. Paul, MN 55155

Senator Michelle Benson
3109 Minnesota Senate Building
St. Paul, MN 55155

Senator John Marty
2104 Minnesota Senate Building
St. Paul, MN 55155

Representative Tina Liebling
477 State Office Building
St. Paul, MN 55155

Representative Joe Schomacker
575 State Office Building
St. Paul, MN 55155

Re: Response to Senator Benson's request for additional forecast information

Dear Health & Human Services Chairs:

We are responding to your request to highlight certain forecast adjustments in conjunction with the release of our November Budget and Economic Forecast. In your letter, you requested information regarding administrative errors and corrections. We have developed a list of noteworthy adjustments to the forecast that are not driven by program use, underlying economic change, or external factors such as federal approvals.

To be more transparent and add to the understanding of forecast changes, the attached list includes three categories of items beyond what was requested:

- Language enacted in the 2019 legislative session that was not tracked consistent with a plain read of law. In certain circumstances, the language that was enacted did not reflect end of session fiscal tracking and so a change in this forecast is reflected.
- Implementation delays due to the need for additional legislative authority, or IT challenges.
- Technical update of the data that resulted in a significant change.

In addition, as we do with all forecasts, we have identified significant forecast changes in narrative documents, which are posted on MMB's and DHS's websites. The MMB forecast narrative is posted here https://mn.gov/mmb/forecast/forecast/. The DHS forecast narrative, which is more detailed, is posted here: https://mn.gov/dhs/general-public/publications-forms-resources/reports/financial-reports-and-forecasts.jsp.

If you have questions about this, please contact Alex Kotze (DHS) at alexandra.kotze@state.mn.us or Angela Vogt (MMB) at angela.vogt@state.mn.us.

Sincerely,

Jodi Harpstead
Commissioner, Department of Human Services

Myron Frans
Commissioner, Management and Budget

November 2019 Forecast
Administrative Adjustments

The following is a list of administrative adjustments in the November 2019 forecast. Administrative adjustments are defined as changes to the forecast that are not driven by updated base data, econometric and/or statistical modelling, the economy or any other external factors. The state share value of these adjustments include all fiscal years in the forecast horizon.

	State Share ($ millions)				
	FY2019	FY2020-21	FY2022-23	Budget Activity	Fund
IMD Federal Settlement:					
Adjusts federal repayment amount for CD services based on updated final settlement claims data, including recognition of reduced federal share on future CD services.*	8.3	15.8	9.2	BACT 35	General Fund
Adjusts federal repayment amount for ancillary MA services based on updated final settlement claims data.	0.0	1.9	0.3	BACT 33	General Fund
CFSS Implementation Delay:					
Delay implementation of Community First Services and Supports (CFSS) from May 2020 to June 2021. The delay is due to required systems work.	0.0	21.1	45.3	BACT 33	General Fund
CD Direct Access Implementation Delay:					
Delay implementation of Direct Access to CD services from July 2019 to July 2020. The delay is due to a lack of legislative authority.	0.0	3.9	3.5	BACT 35	General Fund
SEIU Agreement Impact on PCA Rates					
Recognizes that a PCA rate reduction accounting for the expiration of certain holiday provisions would not occur as previously expected.	0.0	4.2	4.6	BACT 33	General Fund
BHP Reconciliation:					
Recognizes that about 5% of eligible enrollees in the claims payment system (MMIS) do not have a corresponding match in the eligibility system (METS). As a result, the state is unable to submit the required data on these individuals to claim federal funding in the reconciliation process. Lower federal BHP funding leads to increased HCAF expenditures.	0.0	46.4	30.3	BACT 31	HCAF
IMD Enrollment:					
Technical change based on improved data regarding which enrollees residing in an IMD are also in managed care.	(13.4)	(36.3)	(36.7)	BACT 33	General Fund
Behavioral Health County Share					
Assumes county share remains unchanged since language intended to change the county share was not included in the enacted bill in the 2019 session.	0.0	(9.3)	0.0	BACT 35	General Fund
Tribal MAT:					
Includes federal repayment of $28.8 million in FY2021 for historical overpayments to certain tribes for MAT (Medication Assisted Therapy). Also includes a $28.8 million collection from the tribes in SFY2021 which is revenue to the CD Fund. This offsetting revenue in the same year as the federal repayment results in a zero net change in the forecast.	0.0	0.0	0.0	BACT 35	General Fund

* The End-of-Session forecast assumed a federal repayment amount of $48 million including both CD services and ancillary services provided through MA. The November forecast is updated to reflect a federal repayment amount of $61 million based on actual claims history. This $13 million forecast change includes $11 million in CD services and $2 million in MA ancillary services. The overall CD Fund forecast change of $33.3 million listed above includes the $11 million repayment adjustment plus the cost of an ongoing reduction in federal share due to fixing the problem which is partially offset by increases in the county share.

DHS-7814C-ENG 12-19

DEPARTMENT OF HUMAN SERVICES

November 2019 Forecast

Executive Summary and Trend Data

Prepared by Reports and Forecasts Division
Shawn Welch, Director
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Dec. 5, 2019

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Executive summary

The Minnesota Department of Human Services prepares a forecast of its expenditures in major programs twice annually. Forecasted programs include Medical Assistance (MA), MinnesotaCare, Minnesota Family Investment Program (MFIP), Child Care Assistance and others as described in the pages that follow. Projected expenditures are used in statewide budget forecasts that Minnesota Management and Budget releases in November and February each year. These forecasts are used to update fund balances and provide financial information to the Governor and the legislature as they work together to set budgets.

All November 2019 forecast highlights in this document represent changes from the End-of-Session 2019 forecast.

Who it serves

- Over 1.4 million people a year are served through DHS forecasted programs

How much it costs

- $14.0 billion total spending
- $6.0 billion state spending

Data for FY2019

November 2019 forecast highlights

General Fund (GF)

- Decrease of $6.3 million in 2018-2019 biennium (-0.1%)
- Decrease of $107.2 million in 2020-2021 biennium (-0.9%)
- Decrease of $24.0 million in 2022-2023 biennium (-0.2%)
- Overall decrease of $130.8 million across the entire forecast horizon

Health Care Access Fund (HCAF)

- Increase of $0.1 million in 2018-2019 biennium (+0.0%)
- Decrease of $34.5 million in 2020-2021 biennium (-2.5%)
- Increase of $86.2 million in 2022-2023 biennium (+5.7%)
- Overall increase of $51.8 million across the entire forecast horizon

Reasons: The single biggest driver of the General Fund forecast change is lower MA Disabled enrollment, which ranges from a 2.5% reduction in FY2020 to a 7.5% reduction in FY2023. This change reflects continued diversion of MA enrollees from the Disabled population to the Adults without Children population (Minnesota's Medicaid expansion group under the Affordable Care Act (ACA)). Despite declining Disabled enrollment since implementation of full Medicaid expansion in January 2014, previous forecasts assumed that enrollment would eventually revert back to its historical pre-ACA growth trend, albeit from a lower base. The November forecast instead projects further short-term decline in the Disabled population followed by long-term growth, but at a much lower trend than historical pre-ACA.

The economy also continues to impact the forecast. Updated data since the previous forecast shows further enrollment reductions in the more economically sensitive populations within Medical Assistance (Adults without Children and Families with Children). With a strong labor market, people tend to have higher earned income, which, in turn, makes more people ineligible for public programs. These economic impacts can also be seen through additional caseload reductions in non-Medical Assistance areas of the forecast such as cash assistance and child care programs.

Partially offsetting these enrollment savings are net General Fund costs in MA Long-Term Care. These projected net costs are due to higher enrollment in the Developmental Disabilities (DD) and Community Access for Disability Inclusion (CADI) waivers, which are partially offset by reductions in Personal Care Assistance (PCA) recipients and lower average cost in nursing facilities.

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The projected change in HCAF spending is the result of adjustments in federal Basic Health Program (BHP) funding which, in turn, changes the need for state HCAF funding. Incorporating the recently published final federal BHP payment methodology for 2019-2020 results in additional federal BHP funding (and lower projected HCAF expenditures) in the current biennium. Lower individual market premiums in 2020 and a technical adjustment to projected federal BHP funding from the reconciliation process results in less than expected federal BHP funding (and higher projected HCAF expenditures) in the next biennium.

Summary of forecast changes

The following is a list of the large and/or noteworthy changes in this forecast. Further detail for each change can be found on the specific budget activity pages noted below.

Forecast Increases:

- Increased disability waiver caseloads (MA Long-Term Care: Waivers and Home Care)
- Community First Services and Supports (CFSS) delayed from May 2020 to June 2021 (MA Long-Term Care: Waivers and Home Care)
- Federal BHP funding adjustments (MinnesotaCare)
- Updated federal repayment amounts for enrollees resident in an Institute for Mental Disease (IMD) (Medical Assistance and Chemical Dependency Treatment Fund)

Forecast Decreases:

- Lower projected MA enrollment of Disabled individuals (MA Basic Care: Elderly and Disabled)
- Lower projected MA enrollment of Adults and Families (MA Basic Care: Adults without Children and Families with Children)
- Adjustments to managed care rates, accounting for 2019 session trend reduction (MA Basic Care: Elderly and Disabled, Adults without Children, and Families with Children)

Other Items:

- This forecast also recognizes repayment of federal funding for Tribal Medication-Assisted Therapy (MAT) in FY2021 as well as offsetting collections from the Tribal Nations in FY2021. This anticipated revenue offsets the federal repayment and results in no net change in the forecast (Chemical Dependency Treatment Fund).
- Minnesota is currently in negotiations for an extension of the waiver which provides federal funding for the Alternative Care program. This forecast continues to assume 50% federal financial participation. (MA Long-Term Care: Facilities).

FY2020 and FY2021 Forecasted Expenditures

	FY 2020		FY 2021	
Program	**Total Dollars**	**State Share**	**Total Dollars**	**State Share**
Medical Assistance (MA)	13,693,928,970	5,748,839,711	13,748,742,181	5,890,385,060
LTC Facilities	1,211,339,554	574,652,992	1,271,601,806	603,718,308
LTC Waivers	3,987,464,947	1,975,482,702	4,375,616,039	2,168,934,796
Elderly and Disabled Basic Care[1]	3,083,491,008	1,540,266,455	3,102,888,479	1,549,701,965
Adults without Children Basic Care	2,044,094,655	172,295,527	1,879,794,236	185,204,933
Families with Children Basic Care[2]	3,367,538,807	1,486,142,036	3,118,841,621	1,382,825,057
MinnesotaCare	467,681,699	27,254,639	489,622,013	107,351,899
Chemical Dependency Treatment Fund	210,276,310	127,603,277	237,336,712	133,084,470
Minnesota Family Investment Program (MFIP)[3]	280,267,407	100,141,268	304,796,289	91,067,273
MFIP/TY Child Care Assistance	161,738,854	81,348,150	176,909,574	94,691,055
Northstar Care for Children	231,388,414	96,391,443	251,724,368	104,515,580
General Assistance	51,142,883	51,142,883	51,726,643	51,726,643
Housing Support	177,107,282	175,107,282	179,628,649	177,628,649
Minnesota Supplemental Aid	43,527,546	43,527,546	47,797,092	47,797,092
Total	15,317,059,367	6,451,356,199	15,488,283,520	6,698,247,720

1 Includes Elderly Waiver managed care

2. Includes family planning, breast and cervical cancer coverage, pharmacy rebates, special funding items and adjustments

3. Includes cash and food assistance

Medical Assistance

Medical Assistance (MA), Minnesota's Medicaid program, provides preventive and primary health care coverage for low-income Minnesotans. MA has lower income eligibility guidelines and has no premiums, which differentiates it from the state's other health care program, MinnesotaCare. Additionally, MA can pay for nursing facility care for older adults and intermediate care facilities for people with developmental disabilities. It can also cover long term care services and supports for people with disabilities and older adults so that they can continue living in the community.

Minnesota receives federal matching funds for MA. By accepting matching funds, states are subject to federal Medicaid regulations. States have some flexibility in determining what services are covered, what groups are covered and in setting payment rates to providers. The Minnesota Department of Human Services partners with all 87 Minnesota counties to administer the MA program and contracts with health plans and health care providers across the state to deliver basic health care to MA enrollees.

Medical Assistance is forecasted in five segments: Long-Term Care Facilities, Long-Term Care Waivers, Elderly and Disabled Basic Care, Adults without Children Basic Care and Families with Children Basic Care. Each of these segments is discussed in the following pages.

Who it serves

- 1.1 million average monthly enrollees

How much it costs

- $12.3 billion total spending
- $5.2 billion state funds

Data for FY2019

November 2019 forecast highlights

General Fund

- Decrease of $13.7 million in 2018-2019 biennium (-0.1%)
- Decrease of $118.3 million in 2020-2021 biennium (-1.0%)
- Decrease of $36.8 million in 2022-2023 biennium (-0.3%)

Health Care Access Fund (HCAF)

- There are no changes to the HCAF share of MA in the November forecast.

Reasons: Overall General Fund MA forecast adjustments are the result of decreases in Basic Care partially offset by increases in Long-Term Care. Basic Care forecast reductions result from lower enrollment of Disabled, Families with Children, and residents in an Institute for Mental Disease (IMD). These reductions are partially offset by lower projected pharmacy rebates, which is a cost to the state.

Long-Term Care forecast increases result from recipient increases in the DD and CADI waivers, which are partially offset by lower recipients in PCA/CFSS and lower projected average cost in nursing facilities.

This forecast also includes a set of MA managed care rate adjustments that are required to be compared in the aggregate to $145 million in savings from the 2019 legislative session based on a projected 0.8 percentage point trend reduction. If the set of managed care rate adjustments in the November forecast result in savings less than $145 million, then a contingent transfer from the premium security account would be triggered to account for the difference. The set of managed care changes in the November forecast include updating to 2020 contract rates and a reduction of the future trend assumption from 4% to 3% for MA Adults without Children and MA Families with Children. This baseline trend adjustment is due to improved health plan cost data in the rate setting process which is expected to reduce volatility in annual rate changes for these eligibility groups. Overall, these managed care rate adjustments result in aggregate savings of $177 million in the November forecast. Compared to the $145 million savings taken in the 2019 session, the net forecast reduction is $32 million and no transfer from the premium security account is needed.

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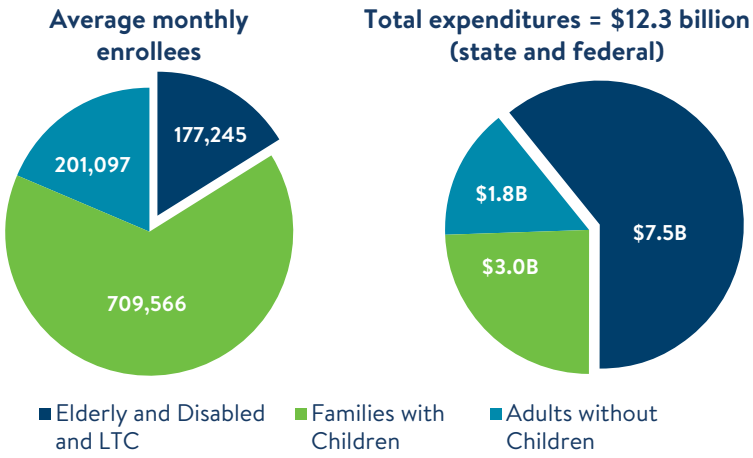
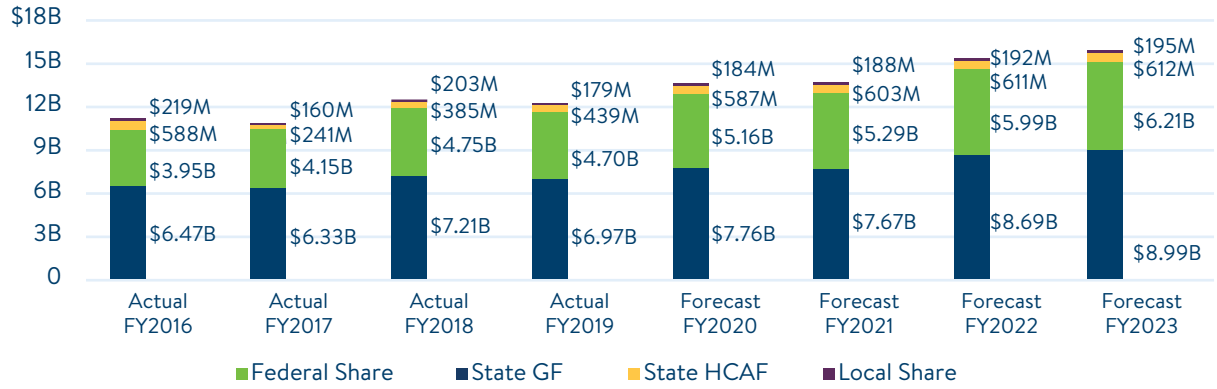
The November forecast also accounts for an update to the repayment amount owed to the federal government for federal funding incorrectly claimed on payments to IMDs. The majority of this federal repayment is for CD services paid out of the CD Fund, but also included are claims for ancillary medical services covered by MA. Based on historical claims data, the federal repayment amount for MA ancillary services is $13 million, which is an increase of $2 million from the $11 million amount assumed in the prior forecast.

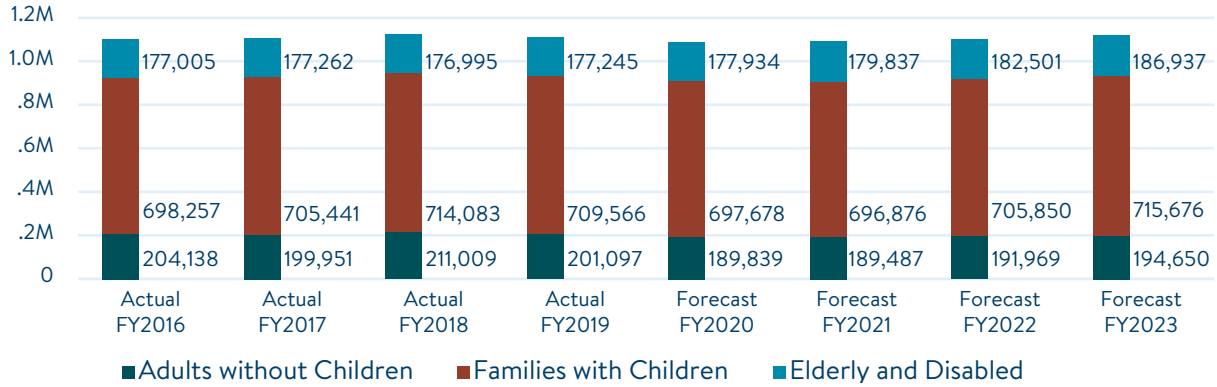
Medical Assistance Enrollment and Expenditures: SFY2019



Total MA expenditures by fund



MA enrollment by eligibility category



Historical table

	Medical Assistance Program: Total Expenditures (All Funds)	
FY	Total $	% Change
2010	$7,235,667,652	
2011	7,530,059,117	4.07%
2012	8,241,120,196	9.44%
2013	8,045,603,494	(2.37%)
2014	9,265,114,945	15.16%
2015	10,584,571,411	14.24%
2016	11,225,214,682	6.05%
2017	10,888,487,327	(3.00%)
2018	12,554,155,248	15.30%
2019	12,294,477,339	(2.07%)
2020*	13,693,928,970	11.38%
2021*	13,748,742,181	0.40%
2022*	15,468,650,538	12.51%
2023*	16,009,663,201	3.50%
Avg. Annual Increase 2010-2019		6.41%

**Projected*

Beginning in FY2011 there are managed care payment delays from odd years to even years which impact the annual percent change.

Medical Assistance Long-Term Care:

Facilities

Medical Assistance pays for long-term care services for people who live in facilities that provide 24-hour care and supervision. Nursing facilities across Minnesota provide all-inclusive packages of services including nursing care, help with activities of daily living, medication administration, meals and housing. Care provided under this segment of MA also includes intermediate care facilities and day training and habilitation for people with developmental disabilities.

Who it serves

- 15,400 average monthly recipients

How much it costs

- $1.1 billion total spending
- $547 million state funds

Data for FY2019

Alternative Care

The Alternative Care (AC) waiver provides home and community based services for people 65 years old and older at risk of Nursing Facility placement who do not currently meet financial eligibility requirements for Medical Assistance, but would be expected to spend down to Medical Assistance eligibility within 135 days after entering a Nursing Facility. The state share of AC is financed through a fixed appropriation with unspent funds cancelling to Medical Assistance.

November 2019 forecast highlights

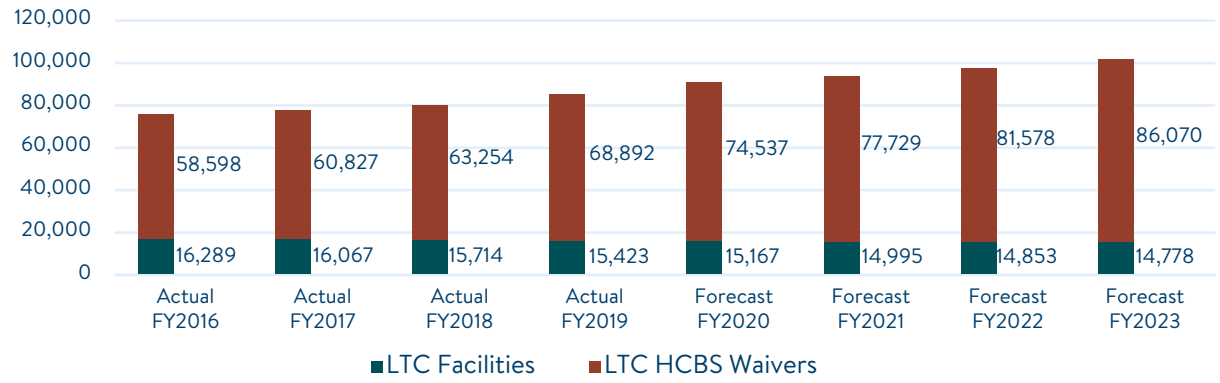
General Fund

- Decrease of $11.4 million in 2018-2019 biennium (-1.1%)
- Decrease of $39.8 million in 2020-2021 biennium (-3.4%)
- Decrease of $67.3 million in 2022-2023 biennium (-5.1%)

Reasons: Most of the forecast reduction is due to lower than expected Nursing Facility rate increases in CY2020. The rates that MA pays Nursing Facilities are largely based on facility-reported costs two years prior. Based on past rate increases, the previous forecast had projected annual increases in the 6-7% range. With the 2018 reporting process now mostly complete, actual facility-reported operating costs are estimated to have increased by an average of 4.45% in 2018. This directly reduces rates in CY2020 relative to the prior forecast, and also reduces projected rate increases beginning in CY2022 to the 5-6% range. Lower recipient forecasts for Intermediate Care Facilities and the Alternative Care waiver based on recent data also contribute to the forecast decreases.

Alternative Care expenditures have been eligible for 50% federal financial participation under an 1115 waiver since 2013. Minnesota is currently in negotiations for a 5-year extension of this waiver, under a new budget neutrality model, which is likely to result in federal funding limits based on total Elderly Waiver and AC program expenditures. This forecast continues to assume a projected 50% federal match; however, the potential exists for reductions or even discontinuation of federal funding. If federal funding were to be discontinued, the General Fund cost is estimated to be around $17M in FY2021, and over $20M per year beginning in FY2022.

Long-term care facilities and waivers: Average monthly recipients



Medical Assistance Long-Term Care: Waivers and Home Care

Medical Assistance also pays for people to receive long-term care waivers, long-term care services and supports, or home care services in their homes and communities. Long-Term Care waivers, also known as Home and Community-Based Services waivers, are an alternative for people who need long-term care services but who do not choose to live in a nursing facility, intermediate care facilities or hospital. The federal government allows states to apply for long-term care waivers, which provide a variety of services that help people live in the community instead of in a facility or institution. Waivers include the Elderly Waiver (EW) and the four disability waivers: Developmental Disabilities (DD), Community Access for Disability Inclusion (CADI), Community Alternative Care (CAC) and Brain Injury (BI). Care provided under this segment of MA also includes Personal Care Assistance, Home Care Nursing and Home Health Agency.

Who it serves

- 68,900 average monthly recipients

How much it costs

- $3.6 billion total spending
- $1.8 billion state funds

Data for FY2019

November 2019 forecast highlights

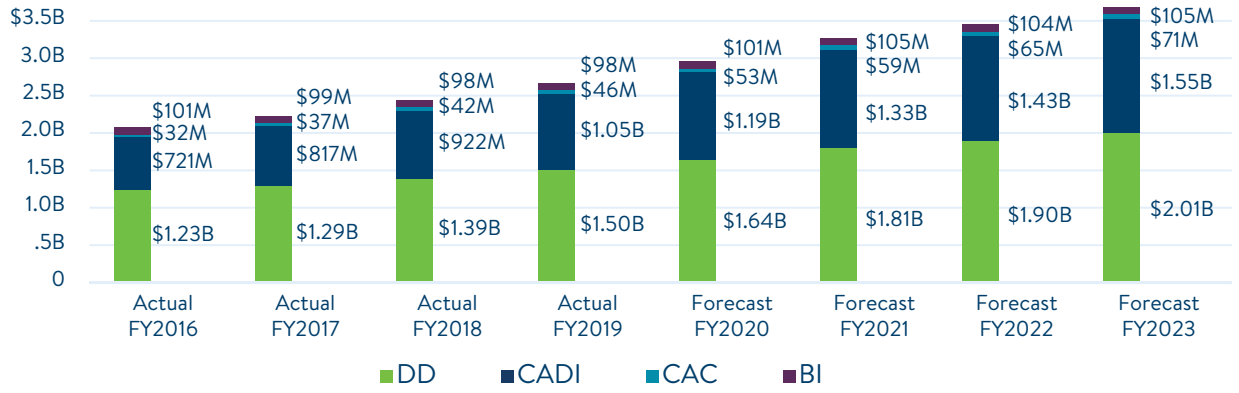
General Fund

- Decrease of $13.4 million in 2018-2019 biennium (-0.4%)
- Increase of $94.6 million in 2020-2021 biennium (+2.3%)
- Increase of $138.1 million in 2022-2023 biennium (+3.0%)

Reasons: Most of the forecast change is due to increased disability waiver recipient projections. The DD recipient forecast is 3% higher and the CADI recipient forecast is 2.5% higher than the prior forecast. This is due to adjusting the forecast base to the higher caseloads observed in recent data and allowing for higher growth in the near term: 5.7% annual growth for the DD waiver and 7.9% for the CADI waiver in FY2020. Both programs are still expected to exhibit decreasing annual growth rates. These increases are partially offset by a 4% lower PCA Fee for Service recipient forecast due to lack of growth in PCA use by the MA Disabled population. Increases seen in CADI average costs in 2019 result in an additional CADI forecast increase of 2.5%.

Forecast costs also result from recognizing an implementation delay of Community First Services and Supports (CFSS) from May 2020 to June 2021. The delay is due to updated timelines to complete necessary system changes. The primary forecast impact is a loss of the enhanced federal funds for PCA services provided through CFSS, with a net cost of $21 million in the 2020-2021 biennium and $25 million in the 2022-2023 biennium (and an additional $20M cost in Elderly and Disabled Basic managed care). An additional forecast change to PCA of about $2.2 million per year results from an implementation change with respect to the 2017 Service Employees International Union (SEIU) agreement.

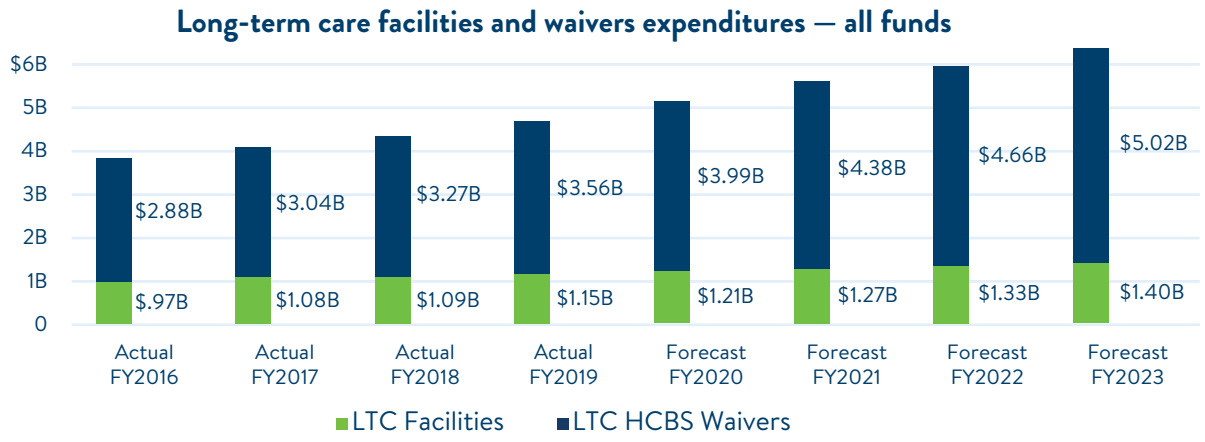
Disability waivers expenditures — all funds



Historical table

	A: Long Term Care (LTC) Facilities		B: LTC Waivers (Home & Community Based Services)		A + B = Total LTC	
FY	Total $	% Change	Total $	% Change	Total $	% Change
2010	$1,000,836,209		$2,053,318,327		$3,054,154,537	
2011	964,666,727	(3.61%)	2,179,651,151	6.15%	3,144,317,878	2.95%
2012	945,566,280	(1.98%)	2,223,655,096	2.02%	3,169,221,376	0.79%
2013	920,580,121	(2.64%)	2,260,064,090	1.64%	3,180,644,211	0.36%
2014	928,436,824	0.85%	2,446,905,605	8.27%	3,375,342,429	6.12%
2015	924,087,037	(0.47%)	2,797,274,346	14.32%	3,721,361,383	10.25%
2016	974,634,622	5.47%	2,878,037,420	2.89%	3,852,672,043	3.53%
2017	1,078,833,590	10.69%	3,040,609,756	5.65%	4,119,443,345	6.92%
2018	1,087,985,308	0.85%	3,270,556,814	7.56%	4,358,542,122	5.80%
2019	1,154,228,650	6.09%	3,558,835,259	8.81%	4,713,063,909	8.13%
2020*	1,211,339,554	4.95%	3,987,464,947	12.04%	5,198,804,501	10.31%
2021*	1,271,601,806	4.97%	4,375,616,039	9.73%	5,647,217,845	8.63%
2022*	1,333,060,373	4.83%	4,663,913,579	6.59%	5,996,973,952	6.19%
2023*	1,397,602,151	4.84%	5,018,817,435	7.61%	6,416,419,586	6.99%
Avg. Annual Increase 2010-2019		1.60%		6.30%		4.94%

**Projected*



Medical Assistance Basic Care:
Elderly and Disabled

This program covers general medical care for elderly and disabled Medical Assistance enrollees. People eligible to receive basic care services are 65 years or older, blind or have a disability. Their income and assets must also fall below allowable limits. 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 segment are MA enrollees who are residents in an Institute for Mental Disease (IMD). Covered services for these individuals would be eligible for federally-matched MA if they did not reside in a facility which is designated by federal regulations as an IMD. Being a resident in an IMD makes covered services for these individuals ineligible for federal matching. Elderly Waiver managed care is also included in this section because it is an add-on to the Elderly Basic Care capitation payment.

Who it serves

- 177,200 average monthly enrollees

How much it costs

- $2.8 billion total spending
- $1.4 billion state funds

Data for FY2019

November 2019 forecast highlights

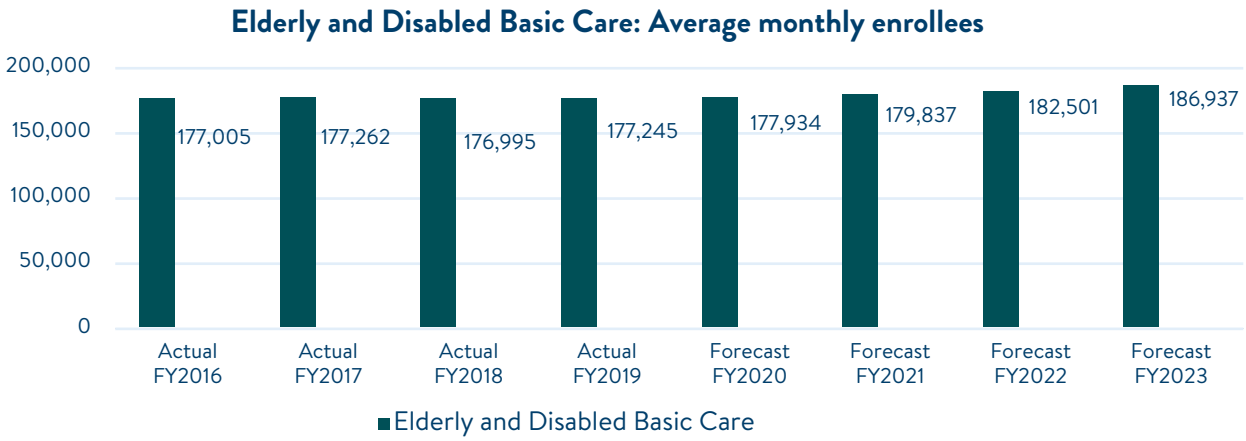
General Fund

- Decrease of $18.0 million in 2018-2019 biennium (-0.5%)
- Decrease of $66.3 million in 2020-2021 biennium (-1.8%)
- Decrease of $61.6 million in 2022-2023 biennium (-1.4%)

Reasons: The biggest driver in the Elderly and Disabled Basic Care forecast is lower projected enrollment of Disabled individuals and individuals resident in an IMD. Prior to the ACA, Disabled enrollment had been steadily trending upward for years. Upon implementation of full Medicaid expansion in January 2014, this upward trend turned negative and Disabled enrollment has been generally declining ever since. This is due to a diversion of individuals who, prior to the ACA, would have accessed MA through a disability certification, but now enroll directly in the Medicaid expansion group (MA Adults without Children) instead. Previous forecasts assumed that Disabled enrollment would eventually revert back to its historical growth trend, albeit from a lower base. The November forecast instead projects further short-term decline in the Disabled population followed by long-term growth, but at a much lower trend than historical pre-ACA. IMD enrollment is lower due primarily to a technical change based on improved data on managed care enrollees who are resident in an IMD.

Partially offsetting these enrollment reductions are three other forecast increases. The first includes managed care rate adjustments which result in a net cost because 2020 contract rates for the elderly population are 7.1% higher than 2019 rates, which is more than 2 percentage points above the trend assumption of 5% for this group, while contract rates for the disabled population are 3.3% higher than 2019 rates, which is 1.7 percentage points below the trend assumption of 5% for this group. Since these adjustments result in a net forecast increase, the savings from the 0.8 percentage point trend reduction included in the 2019 session are not realized for this eligibility group and eliminating these savings in the forecast produces an additional cost.

The second is a technical correction that shifts the costs of an autism fiscal note to disabled children from the Families with Children segment where it had been incorrectly applied. (Note that this adjustment has equivalent offsetting savings in Families with Children Basic Care.) The third reflects a one-year delay of enhanced federal match on payments related to the Community First Services and Supports (CFSS) program. This delay effectively reduces the value of enhanced federal share in the 2022-2023 biennium.

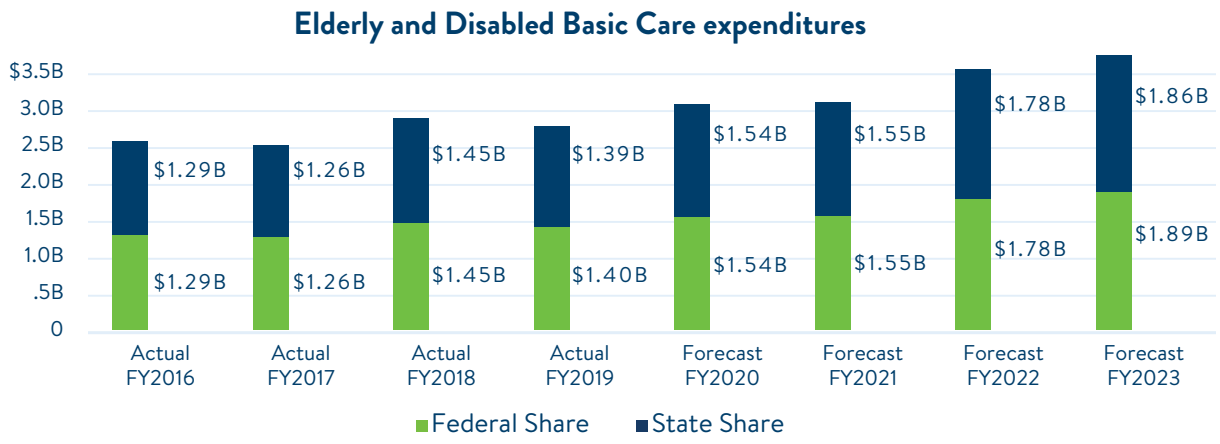


Historical Table

	Elderly & Disabled Basic Care	
FY	Total $	% Change
2010	$2,002,677,746	
2011	2,010,217,822	0.38%
2012	2,118,181,376	5.37%
2013	2,087,793,116	(1.43%)
2014	2,500,339,126	19.76%
2015	2,343,980,418	(6.25%)
2016	2,580,811,749	10.10%
2017	2,525,666,619	(2.14%)
2018	2,896,454,495	14.68%
2019	2,784,883,900	(3.85%)
2020*	3,083,491,008	10.72%
2021*	3,102,888,479	0.63%
2022*	3,557,858,899	14.66%
2023*	3,750,733,857	5.42%
Avg. Annual Increase 2010-2019		3.95%

**Projected*

Beginning in FY2011 there are managed care payment delays from odd years to even years which impact the annual percent change.


Elderly and Disabled Basic Care expenditures
$3.5B
3.0B
2.5B
2.0B
1.5B
1.0B
.5B
0
$1.29B
$1.29B
$1.26B
$1.26B
$1.45B
$1.45B
$1.39B
$1.40B
$1.54B
$1.54B
$1.55B
$1.55B
$1.78B
$1.78B
$1.86B
$1.89B
Actual FY2016
Actual FY2017
Actual FY2018
Actual FY2019
Forecast FY2020
Forecast FY2021
Forecast FY2022
Forecast FY2023
Federal Share
State Share

Medical Assistance Basic Care:
Adults without Children

In March 2011, Minnesota elected to implement the early expansion of MA eligibility for Adults without Children with income up to 75% of the federal poverty level under the Affordable Care Act. In January 2014, Minnesota implemented full expansion of MA eligibility up to 138% of the federal poverty level for this population. Currently, at 138% federal poverty levels, the income eligibility limit for a single adult to be covered under this program is $17,236 per year.

As Minnesota's newly eligible expansion population under the Affordable Care Act, this segment of MA received 100% federal match from Calendar Year (CY) 2014 through CY2016. Beginning in CY2017, the federal match rate steps down each year until it hits 90% in CY2020, which becomes the ongoing fixed federal match rate for this expansion population.

Who it serves

- 201,000 average monthly enrollees

How much it costs

- $1.8 billion total spending
- $116 million state funds

Data for FY2019

November 2019 forecast highlights

General Fund

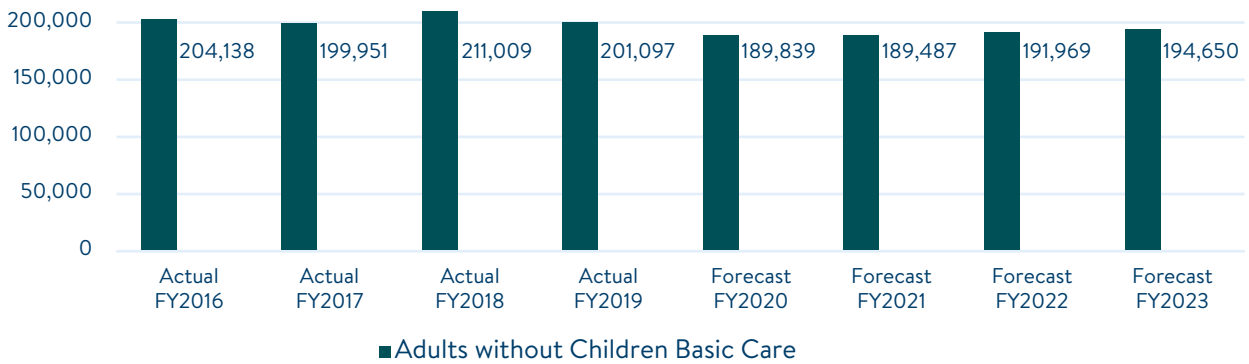
- Decrease of $2.1 million in 2018-2019 biennium (-0.9%)
- Decrease of $6.9 million in 2020-2021 biennium (-1.9%)
- Decrease of $8.5 million in 2022-2023 biennium (-1.9%)

Reasons: The General Fund reduction in MA Adults without Children Basic Care is primarily the result of two forecast adjustments. The first is a 2.5% base reduction in enrollment due to the continued strength of the economy and the labor market in particular.

The second includes a set of managed care rate adjustments that produces savings due to 2020 contract rates that are only 2.1% higher than 2019 rates (which is below the 4% trend assumption in the prior forecast), and a reduction of the future trend assumption from 4% to 3% for this group. This baseline trend adjustment is due to improved health plan cost data in the rate setting process which is expected to reduce volatility in annual rate changes for Adults without Children. The forecast reduction from these managed care rate adjustments is greater than the savings from the 0.8 percentage point trend reduction included in the 2019 session. As a result, the managed care rate adjustments in the November forecast produce a net savings in the MA Adults without Children eligibility group.

These forecast reductions are partially offset by a 1% increase in FFS average payments based on actual experience during the past nine months

Adults without Children Basic Care: Average monthly enrollees



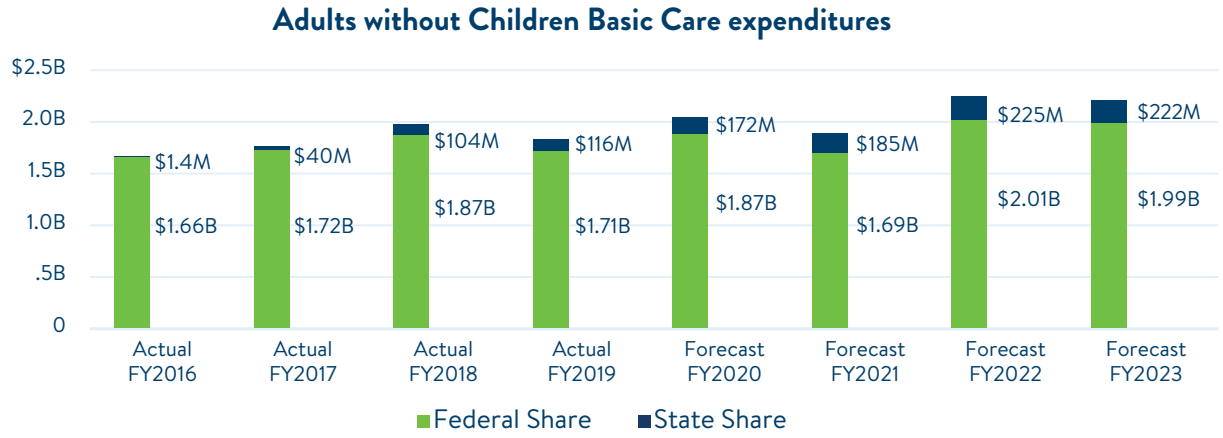
Historical table

	Adults without Children Basic Care	
FY	Total $	% Change
2011	$106,865,468	
2012	819,539,240	666.89%
2013	792,232,465	(3.33%)
2014[1]	1,063,752,126	34.27%
2015	1,694,519,567	59.30%
2016	1,658,897,539	(2.10%)
2017	1,756,135,556	5.86%
2018	1,971,255,023	12.25%
2019	1,825,471,894	(7.40%)
2020*	2,044,094,655	11.98%
2021*	1,879,794,236	(8.04%)
2022*	2,236,895,690	19.00%
2023*	2,208,531,224	(1.27%)
Avg. Annual Increase 2012-2019		13.16%

**Projected*

1 2014 and 2015 reflect increases due to implementation of full expansion for this population

Beginning in FY2011 there are managed care payment delays from odd years to even years which impact the annual percent change.



Medical Assistance Basic Care:
Families with Children

This activity funds general medical care for children, parents and pregnant women, including families receiving Minnesota Family Investment Program (MFIP) and those with transition coverage after exiting MFIP. This segment also includes funding for Family Planning Services and for Breast and Cervical Cancer coverage. This segment also includes non-citizens who are ineligible for federal Medicaid match, but almost all of whom are eligible for enhanced federal Children's Health Insurance Program (CHIP) funding.

Enhanced federal CHIP funding is also available for children with family income over 133% of the federal poverty level. This funding supplements the regular 50% Medicaid match with an additional enhanced federal match, within the limits of Minnesota's CHIP allocation from the federal government.

Who it serves

- 709,600 average monthly enrollees

How much it costs

- $3.0 billion total spending
- $1.4 billion state funds

Data for FY2019

November 2019 forecast highlights

General Fund

- Increase of $31.1 million in 2018-2019 biennium (+1.2%)
- Decrease of $99.9 million in 2020-2021 biennium (-3.5%)
- Decrease of $37.5 million in 2022-2023 biennium (-1.1%)

Reasons: The General Fund reduction in MA Families with Children Basic Care is the result of a handful of forecast adjustments each of which produces savings. The first is a 1% reduction in enrollment due to the continued strength of the labor market and a greater than expected impact from the periodic data matching (PDM) process on this population.

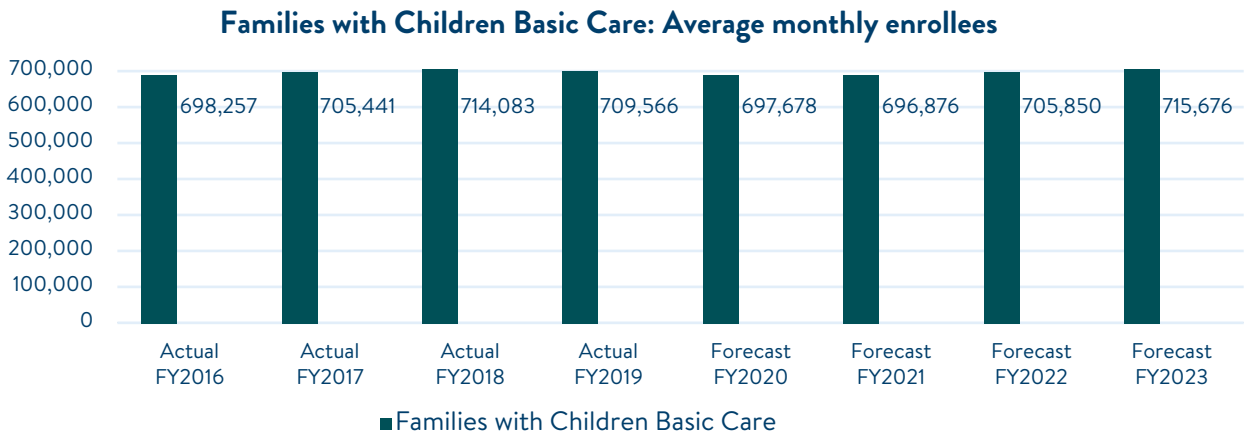
The second is a 1% decrease in FFS average payments based on actual experience during the past nine months.

The third adjustment includes a set of managed care rate adjustments that produces a net savings due to 2020 contract rates that are only 1.3% higher than 2019 rates (which is below the 4% trend assumption in the prior forecast), and a reduction of the future trend assumption from 4% to 3% for this group. This baseline trend adjustment is due to improved health plan cost data in the rate setting process which is expected to reduce volatility in annual rate changes for Families with Children. The forecast reduction from these managed care rate adjustments is greater than the savings from the 0.8 percentage point trend reduction included in the 2019 session. As a result, the managed care rate adjustments in the November forecast produce a net savings in the MA Families with Children eligibility group.

The fourth is recognition of a one-time remittance from managed care plans in FY2020 due to Minimum Medical Loss Ratio (MMLR) language in the 2018 contracts.

The final savings adjustment is a technical correction that shifts the costs of an autism fiscal note to disabled children from the Families with Children segment where it had been incorrectly applied. (Note that this adjustment has equivalent offsetting costs in Elderly and Disabled Basic Care.)

Two other forecast adjustments partially offset these forecast savings. The first is a 12% reduction in projected pharmacy rebates due to lower collections and a lower average state share of collections based on updated data since the previous forecast. The second is a recognition that the percentage of MA children who are eligible for CHIP enhanced match has declined over the past year, which reduces the state's ability to spend its federal CHIP allotment. Since CHIP eligible children are in households with relatively high income, it is likely that the decline in this population is related to the overall enrollment decline due to the strong labor market.



HISTORICAL TABLE

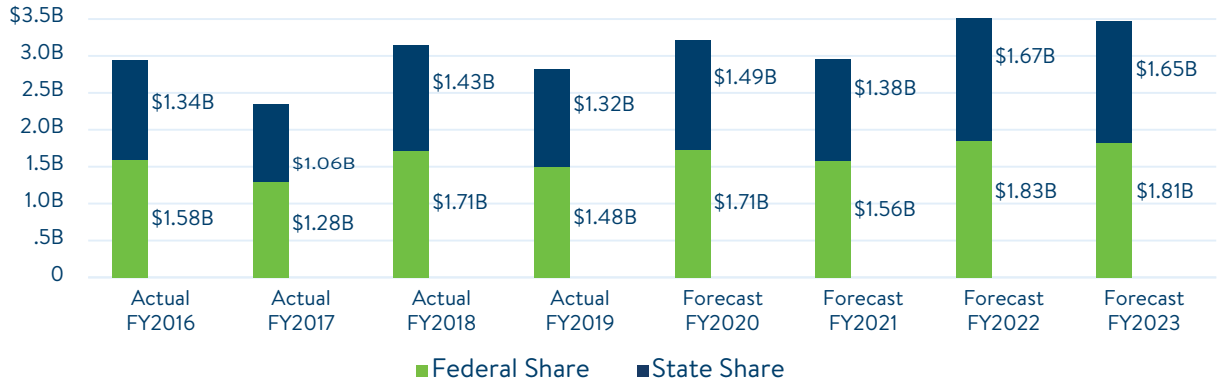
	Families with Children Basic Care	
FY	Total $	% Change
2010	$2,178,835,369	
2011	2,268,657,949	4.12%
2012	2,134,178,204	(5.93%)
2013	1,984,933,703	(6.99%)
2014	2,325,681,264	17.17%
2015	2,824,710,042	21.46%
2016	3,132,833,352	10.91%
2017	2,487,241,806	(20.61%)
2018	3,327,903,608	33.80%
2019	2,971,057,636	(10.72%)
2020*	3,367,538,807	13.34%
2021*	3,118,841,621	(7.39%)
2022*	3,676,921,997	17.89%
2023*	3,633,978,534	(1.17%)
Avg. Annual Increase 2010-2019		4.20%

**Projected*

Includes family planning, breast and cervical cancer coverage, pharmacy rebates, special funding items and adjustments

Beginning in FY2011 there are managed care payment delays from odd years to even years which impact the annual percent change.

Families with Children Basic Care expenditures



MinnesotaCare

MinnesotaCare provides health care coverage for low-income parents and adults without children who have higher income than those served on the Medical Assistance program as well as legal noncitizens who are ineligible for Medical Assistance. Unlike MA, MinnesotaCare requires enrollee premiums and does not include coverage for long-term care services or supports.

Effective January 2015, MinnesotaCare operates 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 each BHP enrollee would have received through MNsure had the state opted against running a BHP.

MinnesotaCare also provides state-only funded coverage for people with DACA status and certain elderly individuals who do not qualify for Medicare and are not MA or BHP eligible.

Overall, MinnesotaCare is funded with a mix of enrollee premiums, Health Care Access Fund (HCAF) appropriations, and federal BHP funds (for the BHP eligible population).

Who it serves

- 81,000 average monthly enrollees

How much it costs

- $438 million total spending
- $22 million state funds

Data for FY2019

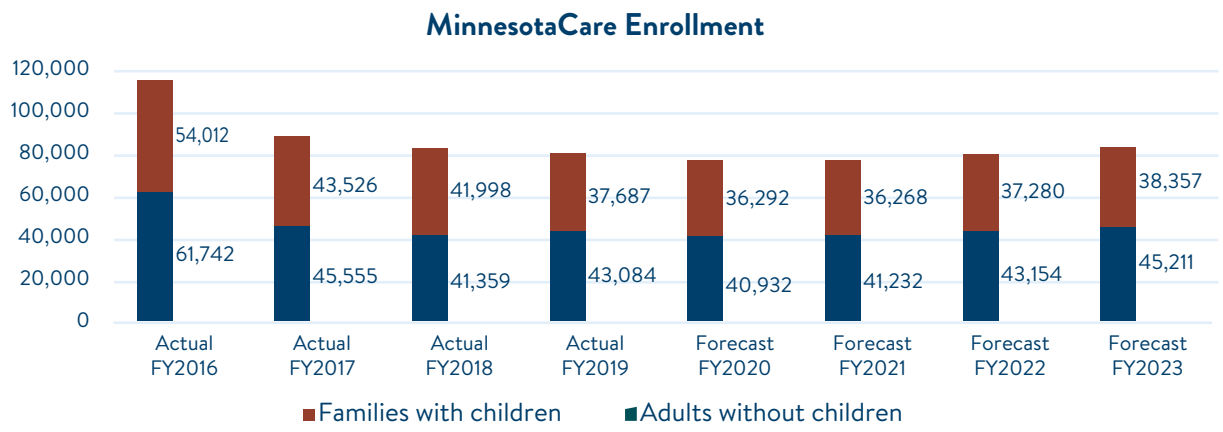
November 2019 forecast highlights

Health Care Access Fund

- Increase of $0.2 million in 2018-2019 biennium (+0.4%)
- Decrease of $34.5 million in 2020-2021 biennium (-20.4%)
- Increase of $86.2 million in 2022-2023 biennium (+30.6%)

Reasons: The HCAF forecast savings in the 2020-2021 biennium and the HCAF cost in the 2022-2023 biennium are both the result of adjustments in federal BHP funding which, in turn, change the need for state HCAF funding. The federal BHP funding adjustments reflected in this forecast are caused by three primary drivers. First, the November forecast incorporates the recently published final BHP payment methodology for 2019-2020. An unexpected addition to the final payment methodology is the opportunity for the state to select prior year market premiums plus trend in calculating federal BHP funding in 2019 and 2020. This is important because market premiums in 2019 are lower than they were in 2018, and market premiums in 2020 are lower than they were in 2019. Thus, the opportunity to use prior year premiums plus a trend factor in the funding formula results in additional federal BHP funding. This additional federal BHP funding explains the HCAF expenditure reduction in the 2020-2021 biennium.

The other two drivers both lead to a reduction in federal BHP funding which results in the HCAF expenditure increase in the 2022-2023 biennium. The first of these involves incorporating actual 2020 market premiums as the base upon which trend factors are applied to calculate federal funding in 2021-2023. Since market premiums are lower in 2020 relative to 2019, this base adjustment results in lower levels of projected federal BHP funding in 2021-2023. The final driver involves system interface issues between the claims paying system (MMIS) and the eligibility system (METS). Prospective federal BHP payments are made quarterly and are based on projected enrollment provided by DHS from the forecast. In the reconciliation process following the end of a quarter, DHS must submit sufficient detail on actual BHP eligible enrollees for federal actuaries to place individuals into appropriate rate cells to calculate the reconciled amount of federal BHP funding. Due to interface issues between MMIS and METS, a subset of the BHP population covered in MMIS does not have a corresponding match in METS. As a result, DHS is unable to gather all the demographic information required to submit these individuals to federal actuaries, which means that no federal BHP funding can be claimed on behalf of these individuals in the reconciliation process. It is estimated that this subset includes 5% of the BHP eligible population in MMIS and the forecast now accounts for this going forward.

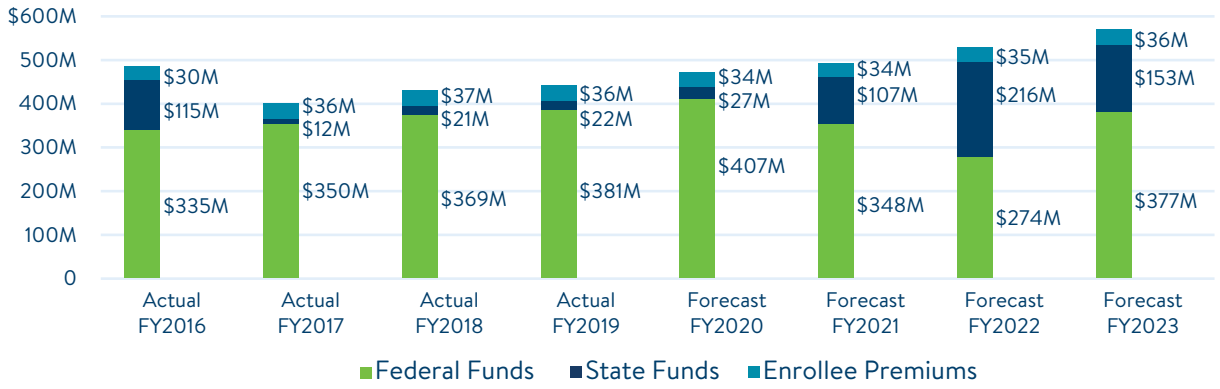


Historical Table

	MinnesotaCare Total Expenditures	
FY	Total $	% Change
2010	$665,498,191	
2011	737,952,071	10.89%
2012	551,090,615	(25.32%)
2013	569,928,239	3.42%
2014	520,005,344	(8.76%)
2015	509,709,341	(1.98%)
2016	479,909,046	(5.85%)
2017	397,211,084	(17.23%)
2018	426,581,871	7.39%
2019	438,234,552	2.73%
2020*	467,681,699	6.72%
2021*	489,622,013	4.69%
2022*	525,204,028	7.27%
2023*	566,303,124	7.83%
Avg. Annual Decrease 2010-2019		(4.54%)

**Projected*

MinnesotaCare/BHP funding by source



Chemical Dependency Treatment Fund

The Chemical Dependency Treatment Fund pays for residential and outpatient substance use disorder treatment services for eligible low-income Minnesotans. To access treatment services paid by the fund, individuals must first be assessed for treatment need and meet financial eligibility guidelines similar to those for Medical Assistance. As part of substance use disorder reform efforts passed in the 2017 legislature, the State is currently transitioning from the previous system of counties and tribes providing "Rule 25" assessments and authorizing treatment, to offering "direct access to treatment," where qualified treatment providers provide comprehensive assessments to determine medical necessity.

Who it serves

- 7,800 average monthly recipients

How much it costs

- $216 million total spending
- $122 million state funds

Data for FY2019

November 2019 forecast highlights

General Fund

- Increase of $3.6 million in 2018-2019 biennium (+1.5%)
- Increase of $0.4 million in 2020-2021 biennium (+0.1%)
- Increase of $2.3 million in 2022-2023 biennium (+0.9%)

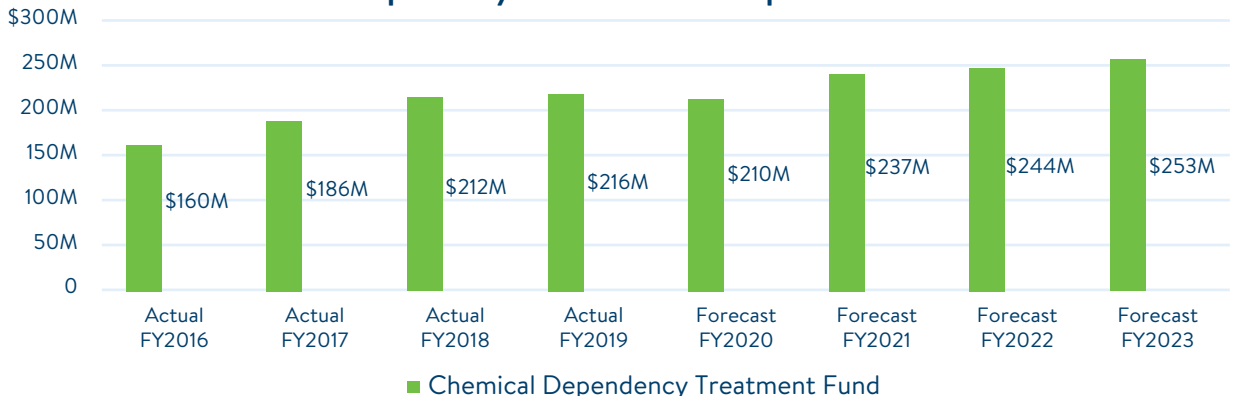
Reasons: The primary reason for these net forecast increases is an update to the repayment amount owed to the federal government for federal funding incorrectly claimed on payments to IMDs. While the total repayment amount of $61 million also includes ancillary medical services covered by Medical Assistance (described in the MA section), the majority is for CD services paid out of the CD Fund (described here). Based on historical claims data, the federal repayment amount for CD services is $48 million, which is an increase of $11 million from the $37 million amount assumed in the prior forecast. Also included in these CD Fund forecast changes are state costs due to claiming less federal funding in the future which are partially offset by the associated county share increases.

The costs of these IMD adjustments are substantially offset by decreases in other areas of the CD Fund forecast, particularly recognizing slower expected development of Withdrawal Management services.

Two other adjustments in the November forecast are a one-year implementation delay of direct access to CD services due to a current lack of legislative authority, and an assumption that the county share remains unchanged for one year since the language eliminating the county share in the 2019 session did not match the assumptions in the budget tracking.

The November forecast is also adjusted to include a federal repayment of $29 million in FY2021 for historical overpayments to certain Tribal Nations for Medication-Assisted Therapy (MAT). The forecast also includes $29 million in collections from these Tribal Nations in FY2021 which is revenue to the CD Fund. This offsetting revenue in the same year as the federal repayment results in a zero net change to the forecast.

Chemical Dependency Treatment Fund expenditures



Historical table

	Chemical Dependency Treatment Fund Total Expenditures	
FY	Total $	% Change
2011	$143,499,246	
2012	132,221,922	(7.86%)
2013	138,539,414	4.78%
2014	138,744,237	0.15%
2015	169,583,060	22.23%
2016	159,611,752	(5.88%)
2017	186,287,061	16.71%
2018	211,925,848	13.76%
2019	215,706,572	1.78%
2020*	210,276,310	(2.52%)
2021*	237,336,712	12.87%
2022*	244,358,946	2.96%
2023*	253,381,100	3.69%
Avg. Annual Increase 2011-2019		5.23%

**Projected*

Minnesota Family Investment Program

The Minnesota Family Investment Program (MFIP) provides cash and food assistance for low-income families with children. MFIP operates as Minnesota's federal Temporary Assistance for Needy Families (TANF) program. As such, MFIP cash assistance is funded with a mixture of federal TANF Block Grant and state General Fund dollars determined primarily by the federally mandated Maintenance of Effort (MOE) requirement for state spending on its TANF program.

Who it serves

- 82,000 average monthly recipients

How much it costs

- $267 million total spending
- $81 million state funds

Data for FY2019

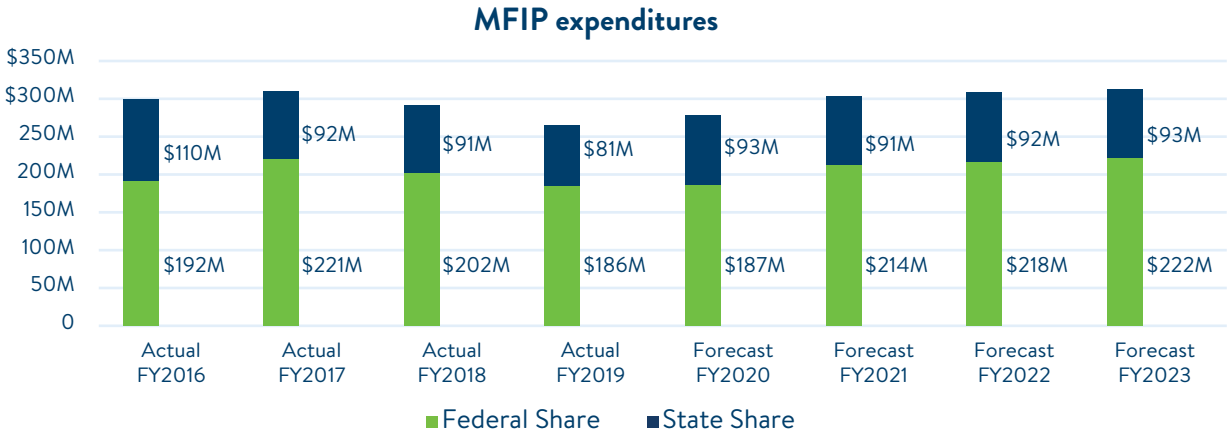
November 2019 forecast highlights

General Fund

- Decrease of $2.9 million in 2018-2019 biennium (-1.8%)
- Increase of $0.5 million in 2020-2021 biennium (+0.3%)
- Decrease of $8.5 million in 2022-2023 biennium (-4.6%)

Reasons: The forecast decreases are primarily driven by 2.7% to 3.6% reductions in average caseload. This is likely due to the continued strength of the overall economy and the labor market in particular. The General Fund forecast increase in the 2020-2021 biennium is due to increased MOE needs created by less state spending in the Child Care Assistance Program.

This forecast continues to assume claiming of the Working Family Tax Credit for MOE despite the omission of the claiming authority in the 2019 session. It is anticipated that claiming authority will be re-established during the 2020 session.



Historical table

	Minnesota Family Investment Program (MFIP)	
FY	Total $	% Change
2010	$329,544,523	
2011	340,792,915	3.41%
2012	333,591,354	(2.11%)
2013	322,457,424	(3.34%)
2014	297,431,102	(7.76%)
2015	279,723,824	(5.95%)
2016	301,750,210	7.87%
2017	312,674,443	3.62%
2018	293,095,053	(6.26%)
2019	266,620,941	(9.03%)
2020*	280,267,407	5.12%
2021*	304,796,289	8.75%
2022*	310,073,189	1.73%
2023*	315,457,352	1.74%
Avg. Annual Decrease 2010-2019		(2.33%)

**Projected*

Child Care Assistance

This program 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). The forecast does not include the Basic Sliding Fee child care program.

November 2019 forecast highlights

General Fund

- Increase of $1.1 million in 2018-2019 biennium (+0.6%)
- Decrease of $27.9 million in 2020-2021 biennium (-13.7%)
- Decrease of $13.7 million in 2022-2023 biennium (-6.0%)

Reasons: Child Care Assistance forecast reductions are primarily driven by downward adjustments to both caseload (2%-4%) and average payment (1%-2%) projections. This is likely due to the continued strength of the overall economy and the labor market in particular. For the 2020-2021 biennium, federal funds carried over from 2019 further reduce the need for General Fund expenditures.

Who it serves

MFIP/TY Child Care

- 8,100 average monthly families served

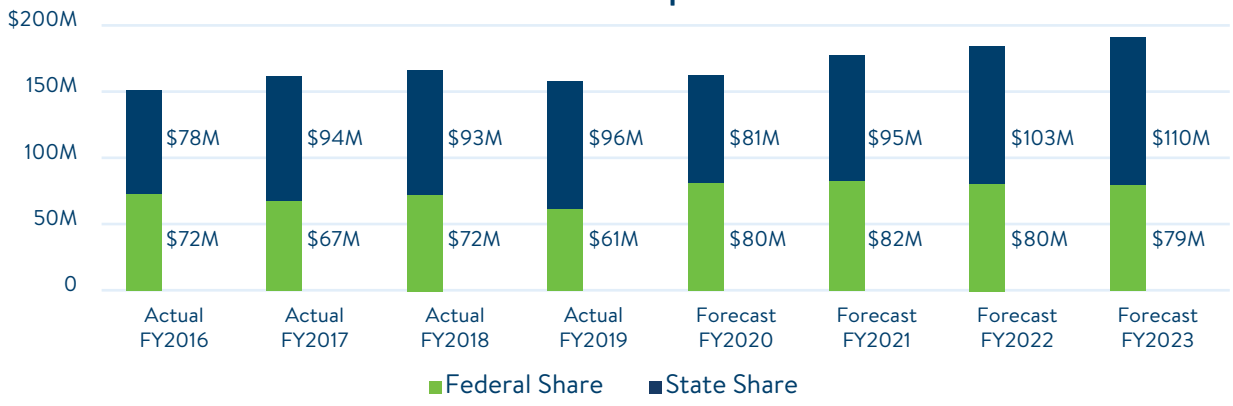
How much it costs

MFIP/TY Child Care

- $157 million in total spending
- $96 million state funds

Data for FY2019

MFIP/TY Child Care expenditures



Historical table

	MFIP/TY Child Care Assistance	
FY	Total $	% Change
2010	$113,435,302	
2011	118,621,823	4.57%
2012	116,728,218	(1.60%)
2013	118,035,920	1.12%
2014	128,982,296	9.27%
2015	141,994,040	10.09%
2016	150,602,122	6.06%
2017	161,122,098	6.99%
2018	165,175,205	2.52%
2019	157,475,004	(4.66%)
2020*	161,738,854	2.71%
2021*	176,909,574	9.38%
2022*	183,193,587	3.55%
2023*	189,593,140	3.49%
Avg. Annual Increase 2010-2019		3.71%

**Projected*

Northstar Care for Children

Northstar Care for Children is designed to help children who are removed from their homes and supports permanency through adoption or transfer of custody to a relative if the child cannot be safely reunified with parents. Financial support is provided to adoptive and foster parents to encourage permanent placement of children in safe homes. Northstar Care for Children consolidates and simplifies administration of three existing programs: Family Foster Care, Kinship Assistance and Adoption Assistance.

Who it serves

- 18.300 average monthly recipients

How much it costs

- $211 million total spending
- $84 million state funds

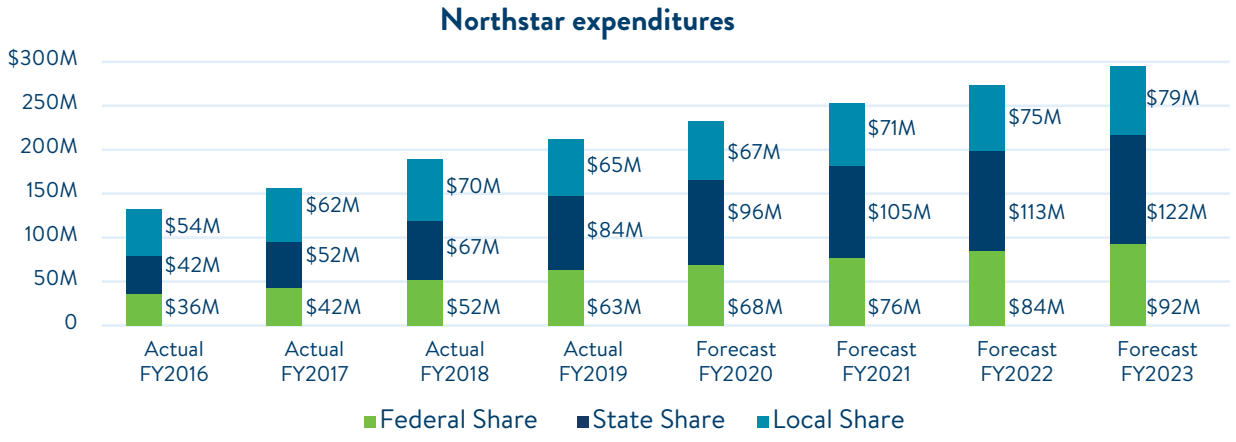
Data for FY2019

November 2019 forecast highlights

General Fund

- Increase of $6.1 million in 2018-2019 biennium (+4.3%)
- Increase of $20.3 million in 2020-2021 biennium (+11.2%)
- Increase of $20.7 million in 2022-2023 biennium (+9.6%)

Reasons: Northstar Care forecast increases are driven by two factors. The first is due to caseload increases in the Kinship Assistance (5.5%) and Adoption Assistance (1%) programs. The second is an upward adjustment in non-federal state share from 49% to 56%. The increase is the result of a $21 million reduction in local share due to a statutorily required reconciliation process to ensure local expenditures be roughly similar to what they would have been if Northstar Care for Children had not been implemented.



Historical table

	Northstar Care for Children	
FY	Total $	% Change
2016	$132,201,226	
2017	155,510,705	17.63%
2018	187,750,651	20.73%
2019	211,165,176	12.47%
2020*	231,388,414	9.58%
2021*	251,724,368	8.79%
2022*	272,103,280	8.10%
2023*	293,720,020	7.94%
Avg. Annual Increase 2016-2019		16.89%

**Projected*

The program began being forecasted in 2016.

General Assistance, Housing Support and Minnesota Supplemental Aid

General Assistance (GA) provides state-funded cash assistance for single adults and couples without children, provided they meet one of the specific GA eligibility criteria. The most common reason people are GA eligible is illness or incapacity. The program is the primary safety net for very low income people and helps meet some of their basic and emergency needs. Housing Support (HS) pays for housing and some services for individuals placed by the local agencies in a variety of residential settings. The program, formerly called Group Residential Housing, is a state-funded income supplement program that pays for room and board in approved locations. Two types of eligibility are distinguished: MSA-type recipients are elderly or disabled, with the same definitions as used for MA eligibility, while GA-type recipients include all other adults. Minnesota Supplemental Aid (MSA) supplements the incomes of Minnesotans who are eligible for the federal Supplemental Security Income program. MSA benefits cover basic daily or special needs.

Who it serves

GA

- 23,200 average monthly cases

HS

- 20,500 average monthly recipients

MSA

- 31,800 average monthly recipients

How much it costs

GA

- $50 million total spending, all state funds

HS

- $167 million total spending
- $165 million state funds

MSA

- $41 million total spending, all state funds

Data for FY2019

November 2019 forecast highlights

General Assistance, General Fund

- Increase of $1.0 million in 2018-2019 biennium (+1.0%)
- Increase of $2.3 million in 2020-2021 biennium (+2.3%)
- Increase of $2.3 million in 2022-2023 biennium (+2.3%)

Reasons: The increases in General Assistance are driven by a 2% adjustment in average payments based on actual experience during the past nine months.

Housing Support, General Fund

- Decrease of $1.7 million in 2018-2019 biennium (-0.5%)
- Increase of $12.9 million in 2020-2021 biennium (+3.8%)
- Increase of $6.9 million in 2022-2023 biennium (+1.9%)

Reasons: The Housing Support forecast increases in the two biennia are primarily driven by different factors. In the 2020-2021 biennium, this forecast recognizes a one-year delay in the implementation of Housing Stabilization Services within MA due to the federal approval process. While this results in savings within MA, costs result in the Housing Support program as certain supplemental services will continue to be provided within Housing Support for an additional year until the MA Housing Stabilization Services are implemented. In the 2022-2023 biennium, the forecast increase is driven by a projected increase in caseload trend.

Minnesota Supplemental Aid, General Fund

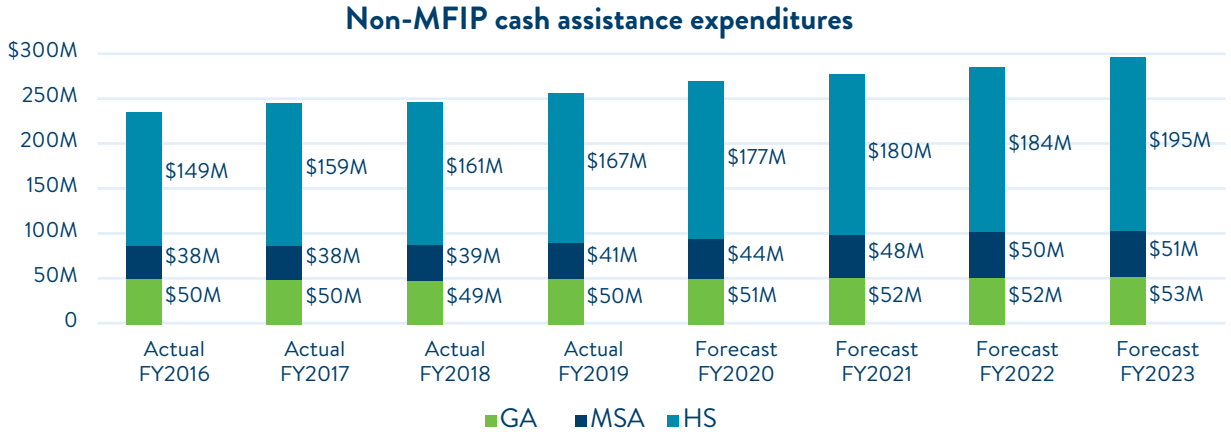
- Increase of $0.1 million in 2018-2019 biennium (+0.1%)
- Increase of $2.6 million in 2020-2021 biennium (+2.9%)
- Increase of $2.7 million in 2022-2023 biennium (+2.7%)

Reasons: The MSA increases are driven by a 1.6% increase in caseload and a 1.5% increase in average payments. Both of these forecast adjustments are based on updated data since the previous forecast.

Historical table

	General Assistance (GA)		Minnesota Supplemental Aid (MSA)		Housing Support (HS)	
FY	Total $	% Change	Total $	% Change	Total $	% Change
2010	$42,712,048		$33,296,630		$112,922,066	
2011	48,045,075	12.49%	35,748,140	7.36%	117,140,667	3.74%
2012	49,552,612	3.14%	35,767,568	0.05%	121,678,773	3.87%
2013	51,620,198	4.17%	36,038,980	0.76%	130,187,929	6.99%
2014	51,124,719	(0.96%)	36,478,561	1.22%	138,708,619	6.54%
2015	51,435,727	0.61%	37,066,951	1.61%	141,396,622	1.94%
2016	50,443,730	(1.93%)	37,735,036	1.80%	149,460,915	5.70%
2017	49,556,022	(1.76%)	38,309,226	1.52%	159,456,706	6.69%
2018	48,883,093	(1.36%)	39,065,624	1.97%	160,535,838	0.68%
2019	50,301,759	2.90%	41,128,443	5.28%	166,972,636	4.01%
2020*	51,142,883	1.67%	43,527,546	5.83%	177,107,282	6.07%
2021*	51,726,643	1.14%	47,797,092	9.81%	179,628,649	1.42%
2022*	52,352,317	1.21%	50,368,881	5.38%	184,308,883	2.61%
2023*	52,980,438	1.20%	51,262,351	1.77%	194,584,280	5.58%
Avg. Annual Increase 2010-2019		1.83%		2.37%		4.44%

**Projected*



November 2019 forecast changes: In a nutshell

Millions of dollars

	2018-2019 Biennium	2020-2021 Biennium	2022-2023 Biennium
General Fund Total Change	($6.3)	($107.2)	($24.0)
General Fund Percent Change	(0.1%)	(0.9%)	(0.2%)
MA LTC Facilities:	($11.4)	($39.8)	($67.3)
NF: avg cost 3-5% lower	($7.7)	($28.3)	($55.3)
ICF: caseload 5-6% lower	($2.2)	($7.4)	($7.0)
AC: caseload 7-8% lower	($1.2)	($3.7)	($4.9)
Other	($0.3)	($0.4)	($0.1)
MA LTC Waivers:	($13.4)	$94.6	$138.1
CADI: recipients 2.5% higher, avg cost 2.5% higher	$7.0	$61.6	$71.6
DD: recipients 3% higher, avg cost 1% higher	($1.8)	$54.7	$85.0
PCA/CFSS: recipients 4% lower	($13.5)	($41.5)	($33.1)
CFSS delay	$0.0	$21.1	$25.5
HCN: avg cost 4-5% lower	($2.2)	($6.4)	($7.3)
MHM: federal funding extended	($0.3)	$5.5	$0.0
Other	($2.6)	($0.4)	($3.6)
MA Elderly and Disabled Basic:	($18.0)	($66.3)	($61.6)
Elderly basic: enroll 0.7% lower, avg cost 0.7% higher	$0.2	$0.1	$5.0
Disabled basic: enroll 2.5-7.5% lower; avg cost 0.3% lower	($4.7)	($65.2)	($134.0)
Elderly & Disabled basic: HMO adjustments	$0.0	$14.2	$54.5
IMD program: reduced enrollment	($13.4)	($36.3)	($36.7)
CFSS delay	$0.0	$0.0	$19.8
Shift of autism fiscal note to disabled (technical)	$0.0	$21.4	$26.8
Other	($0.1)	($0.4)	$3.1
MA Adults with No Children	($2.1)	($6.9)	($8.5)
Enroll 2.5% lower; avg cost 1.0% higher	($2.2)	($5.2)	($5.4)
HMO adjustments	$0.0	($2.2)	($5.3)
HMO one-time remittance (2018 contract)	$0.0	($1.3)	$0.0
Other	$0.2	$1.7	$2.3
MA Families with Children Basic:	$31.1	($99.9)	($37.5)
Enrollment 1.0% lower	($11.0)	($44.3)	($9.1)
Average cost 1.0% lower	($0.6)	($25.2)	($25.4)
HMO adjustments	$0.0	($28.7)	($64.4)
HMO one-time remittance (2018 contract)	$0.0	($12.3)	$0.0
Pharmacy rebates: 12% lower	$15.3	$45.3	$54.1
MnChoices adjustments	$1.5	$5.6	$5.6
CHIP adjustments	$14.7	($18.8)	$26.1
Shift of autism fiscal note to disabled (technical)	$0.0	($21.4)	($26.8)
Other	$11.3	($0.2)	$2.5

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	2018-2019 Biennium	2020-2021 Biennium	2022-2023 Biennium
November 2019 Forecast Changes			
Chemical Dependency Fund	$3.6	$0.4	$2.3
Federal funding corrected for IMDs	$8.3	$15.8	$9.2
Slower growth of Withdrawal Management	$0.0	($6.0)	($9.0)
Technical corrections to county share	$0.0	($6.3)	$4.9
Other	($4.7)	($3.2)	($2.9)
Minnesota Family Investment Program	($2.9)	$0.5	($8.5)
Avg caseload: 2.7% to 3.6% lower	($2.9)	($10.8)	($10.9)
Increase GF is used to meet MOE requirements	$0.0	$11.3	$2.4
Child Care Assistance	$1.1	($27.9)	($13.7)
Avg caseload: 2%-4% lower;avg pmt 1%-2%lower	$0.0	($17.9)	($13.7)
Fed funds carryover from FY19 lowers FY20 state share	$1.1	($10.0)	$0.0
Northstar Care for Children	$6.1	$20.3	$20.7
KA caseload 5.5% higher AA caseload 1% higher	$0.9	$3.6	$4.6
Higher state share from fiscal reconciliation	$5.2	$16.7	$16.1
General Assistance	$1.0	$2.3	$2.3
Avg pmt: 2% higher			
Housing Support	($1.7)	$12.9	$6.9
Avg pmt: 2.3%-2.8%higher; avg caseload: .5%-1% higher			
Minnesota Supplemental Aid	$0.0	$2.6	$2.7
Avg caseload: 1.6% higher; avg pmt 1.5% higher			
Health Care Access Fund Total Change	$0.1	($34.5)	$86.2
Health Care Access Fund Percent Change	0.0%	(2.5%)	5.7%
MinnesotaCare	$0.1	($34.5)	$86.2
MA Funding	$0.0	$0.0	$0.0
TANF	($1.3)	($11.3)	($2.4)
Lower MFIP forecast			
TANF Percent Change	(0.9%)	(6.3%)	(1.2%)

Note: Represents the change from the End-of-Session 2019 forecast.

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Resources

Minnesota Department of Human Services Reports and Forecasts Division
https://mn.gov/dhs/reports-and-forecasts/

Minnesota Department of Human Services current biennium budget activities
https://mn.gov/dhs/budget-activities/

State of Minnesota forecast
https://mn.gov/mmb/forecast/

DEPARTMENT OF HUMAN SERVICES