Minnesota

Department of Human Services

February 2011 Forecast

St. Paul, Minnesota

February 28, 2011

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) and General Assistance Medical Care (GAMC) instead of SSI and Medical Assistance.

The narrative section of this document provides brief explanations of the changes in forecast expenditures in the February 2011 forecast, compared to the November 2010 forecast. Changes to the current biennium forecast are variously described as biennial changes or changes to the FY 2011 forecast. The 2012-2013 biennium is referred to as "the next biennium", and the 2014-2015 biennium by that designation.

Tables One and Two provide the new and old forecasts and changes from the previous forecast for the 2010-2011 biennium, and Tables Three and Four provide the same information about the 2012-2013 biennium, as do Tables Five and Six for the 2014-2015 biennium.

CURRENT BIENNIUM SUMMARY

General Fund Costs Lower

General Fund costs for DHS medical and economic support programs for the 2010-2011 biennium are projected to total $7.161 billion, down $152 million (2.1%) from November estimates. More than 50% of this reduction comes from a two-month delay in the implementation date of the Medical Assistance expansion for adults with no children, compared to the January date assumed in the November forecast. The remainder of the decrease comes from other reductions in the Medical Assistance forecast.

TANF Forecast Slightly Higher

Projected expenditures of federal TANF (Temporary Assistance for Needy Families) funds for MFIP grants are $165 million, $1.1 million (0.7 percent) higher than November estimates. This results from a small increase in MOE claimable from non-MFIP sources, which permits the use of additional TANF funds.

MinnesotaCare Forecast Higher

Forecasted Health Care Access Fund costs for the MinnesotaCare program are $969 million, $74 million (8.3 percent) higher than in the November forecast. The two-month delay of the start of the Medical Assistance expansion for adults is the reason for the increase.

NEXT BIENNIUM SUMMARY

General Fund Costs Little Changed

General Fund costs for DHS medical and economic support programs for the 2012-2013 biennium are projected to total $10.779 billion down $6 million (0.1%) from the November forecast. Higher projected costs for the Medical Assistance expansion for adults with no children are offset by reductions in other parts of Medical Assistance and in the CD Fund.

TANF Forecast Lower

Projected expenditures of federal TANF (Temporary Assistance for Needy Families) funds for MFIP grants are $160 million, $6.9 million (4.1 percent) lower than in the November forecast. A lower MFIP forecast and reduced MOE spending claimable from Child Care Assistance, because that forecast is reduced, limit the amount of federal TANF funds that can be used.

MinnesotaCare Forecast Higher

Forecasted Health Care Access Fund costs for the MinnesotaCare program are $884 million, $14 million (1.6 percent) higher than in the November forecast. The change results from a reduced federal CHIP allocation for Minnesota and slightly higher average costs for families with children.

2014-2015 BIENNIUM SUMMARY

General Fund Costs Slightly Higher

General Fund costs for DHS medical and economic support programs for the 2014-2015 biennium are projected to total $12.131 billion, up $49 million (0.4%) from the November forecast. Recognition of an expansion of eligibility for Medical Assistance parents, which is mandated in January 2014 by the federal health care legislation, adds $56 million to the forecast. Reductions in the CD Fund forecast, resulting from a revised forecast of the effects of the MA expansion on CD Fund placements, substantially offset the cost of Medical Assistance increases; but increases in MFIP General Fund costs bring the net change for the biennium to $49 million. The MFIP change corrects a mistake in the 2010 Session tracking regarding MOE claimable from the Working Family Credit.

TANF Forecast Lower

Projected expenditures of federal TANF (Temporary Assistance for Needy Families) funds for MFIP grants are $131 million, $39.9 million (23 percent) lower than in the November forecast. Most of this change results from the MFIP issue mentioned above.

MinnesotaCare Forecast Higher

Forecasted Health Care Access Fund costs for the MinnesotaCare program are $884 million, $88 million (9.3 percent) higher than in the November forecast.

MEDICAL ASSISTANCE	'10-'11 Biennium	'12-'13 Biennium	'14-'15 Biennium
Total forecast change for MA ($000)	(155,627)	8,450	(14,396)
Total forecast percentage change this item	-2.6%	0.1%	-1.4%

Forecast changes for the Medical Assistance program are explained in the five sections which follow.

The American Recovery and Reinvestment Act of 2009 increased the Federal Medical Assistance Percentage (FMAP), which is the federal share of most service costs in the Medical Assistance program. The increases were originally effective for nine calendar quarters, from October 2008 through December 2010. Minnesota's enhanced FMAP rate was 60.19% for October 2008 to March 2009 and was 61.59% through December 2010. A subsequent extension of enhanced FMAP rates is effective for the period January 2011 through June 2011. This forecast assumes FMAP rates of 58.77% for the quarter ending March 31 and 55.40% for the quarter ending June 30. The 58.77% rate for the quarter ending March 31, 2011 is 1.46 percentage points higher than assumed in the November forecast, which reduces expected state costs for that quarter by approximately $30 million. There continues to be some uncertainty about the rate for the following quarter. This forecast assumes 55.40%, but depending on a decision by CMS the actual rate may by approximately 1.5 percentage points higher. Under the previous federal law, our FMAP rate was 50.00%, the rate to which we expect it to return effective July 2011.

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

MA LTC FACILITIES	'10-'11 Biennium	'12-'13 Biennium	'14-'15 Biennium
Total forecast change this item ($000)	(9,709)	(6,045)	(14,396)
Total forecast percentage change this item	-1.3%	-0.7%	-1.4%

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). (In the SOS programs, Medical Assistance covers only those residents who are under age 21 or age 65 or over.)

The net cost of this activity is also affected by the amount of Alternative Care (AC) funds expected to cancel to the Medical Assistance account. Alternative Care is usually funded at a larger amount than expected expenditures to allow for the fact that funds have to be allocated to the counties and, because each county treats its allocation as a ceiling for spending, there is always substantial underspending of Alternative Care funds. The amount which is expected to be unspent is deducted from the funding of the Medical Assistance program in the budget process.

	'10-'11 Biennium ($000)	'12-'13 Biennium ($000)	'14-'15 Biennium ($000)
Change in Projected Costs			
Alternative Care offset	(730)	(8)	(8)
NF caseload	(3,580)	(4,024)	(6,103)
ICF/DD & DTH	(810)	(5)	(2)
SOS	(859)	(2,124)	(2,124)
County share	369	116	(6,159)
Federal share adjustment: QE 3-31-2011	(4,099)		
Activity Total	(9,709)	(6,045)	(14,396)

Alternative Care Offset

The new forecast has AC expenditures for FY 2011 about 2.5% lower. Otherwise it is substantially unchanged. This reduction shows up in the MA forecast as an increased offset to MA costs in this activity.

Nursing Facilities (NF)

Projected NF days of care are reduced by 1.1% for FY 2011 and by about 0.5% for the next four years.

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

These forecasts are practically unchanged except for adjustments for three months of actual payments.

SOS MI Program

Reductions in projections for this service recognize that there are very few MA-eligible recipients remaining in this program.

County Share of LTC Facility Services

The increases in state share costs in FY 2011 to FY 2013 reflect lower effective rates of billings to counties in recent data. The decrease in the 2014-2015 biennium results from correction of a technical error which dropped the ICF/DD county share from the forecast in that biennium.

Federal Share Adjustment

This reflects the higher than expected federal share effective for the quarter ending 3-31-2011.

MA LTC WAIVERS & HOME CARE	'10-'11 Biennium	'12-'13 Biennium	'14-'15 Biennium
Total forecast change this item ($000)	(19,215)	(25,100)	(28,621)
Total forecast percentage change this item	-1.1%	-1.0%	-1.0%

This activity includes the following components:

- Developmentally Disabled Waiver (DD Waiver)
- Elderly Waiver (EW): fee-for-service (FFS) segment
- Community Alternatives for Disabled Individuals (CADI Waiver)
- Community Alternative Care Waiver (CAC Waiver)
- Traumatic Brain Injury Waiver (TBI Waiver)
- Home Health Agency Services
- Personal Care Assistance (PCA) and Private Duty Nursing (PDN) Services
- 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).

The following table provides a breakdown of the forecast changes in the waivers and home care:

	'10-'11 Biennium ($000)	'12-'13 Biennium ($000)	'14-'15 Biennium ($000)
Change in Projected Costs			
DD Waiver	(1,006)	(412)	0
EW Waiver FFS	482	2,497	4,480
CADI Waiver	(1,246)	0	0
CAC Waiver	(95)	0	0
TBI Waiver	(1,871)	(5,631)	(6,881)
Home Health	(304)	0	0
Private Duty Nursing	1,353	3,752	3,640
Personal Care Assistance	(7,452)	(25,306)	(29,860)
Transfer to CSG	0	0	0
Federal share adjustment: QE 3-31-2011	(9,077)	0	0
Activity Total	(19,215)	(25,100)	(28,621)
EW Total:			
FFS & Managed Care	(1,683)	(4,722)	7,640

Percent Change in Projected Costs	'10-'11 Biennium	'12-'13 Biennium	'14-'15 Biennium
DD Waiver	-0.10%	-0.04%	0.00%
EW Waiver FFS	1.34%	6.19%	9.54%
CADI Waiver	-0.28%	0.00%	0.00%
CAC Waiver	-0.46%	0.00%	0.00%
TBI Waiver	-1.87%	-4.66%	-4.86%
Home Health	-1.27%	0.00%	0.00%
Private Duty Nursing	1.59%	3.88%	3.12%
Personal Care Assistance	-1.76%	-5.09%	-5.33%
Transfer to CSG	0.00%	0.00%	0.00%
Activity Total	-1.11%	-0.98%	-0.96%
EW Total: FFS & Managed Care	-0.54%	-1.42%	1.96%

DD Waiver

This forecast is unchanged except for a small technical adjustment regarding the timing of the recurrence of the 1% acuity adjustment which was suspended by unallotment and confirmed by 2010 legislation.

Elderly Waiver FFS & Managed Care

Elderly waiver is forecasted in two segments, the fee-for-service segment and the managed care segment. Forecast changes are described for the total of the two segments, since changes in the two parts tend to result from differences in distribution between fee-for-service EW and the managed care EW.

EW FFS recipient projections are increased 6% to 7%, but this change is offset by roughly equal numerical reductions in EW managed care. EW recipient projections overall are practically unchanged.

EW cost projections overall are down about 1% in the current fiscal year and the next biennium, but about 2% higher in the 2014-2015 biennium because the February forecast recognizes that higher NF rates resulting from the rebasing of operating rates in October 2013 will cause increases in EW individual budget caps.

CADI Waiver / CAC Waiver / Home Health Agency

These forecasts are unchanged except for three more months of actual payment data.

TBI Waiver

TBI waiver expenditure projections are reduced between 4% and 5% from FY 2011 through the 2014-2015 biennium because recipient numbers have shown little growth in the last two years.

Private Duty Nursing (PDN)

Expenditure projections are increased about 2% for the current fiscal year and about 3% for the next two biennia based on slightly higher numbers of recipients.

Personal Care Assistance (PCA)

Projected expenditures for PCA are decreased about 4% for the current fiscal year and about 5% for the next two biennia. The reason for the decreases is divided about two-thirds lower numbers of recipients and one-third lower average cost of service. It may be that limits on PCA eligibility and allocations are limiting the growth of PCA costs to a larger extent that anticipated in the 2009 budget, but, given the active growth of program costs in recent years, it is very difficult to isolate the effects of program changes.

MA ELD. & DISABLED BASIC CARE	'10-'11 Biennium	'12-'13 Biennium	'14-'15 Biennium
Total forecast change this item ($000)	(27,243)	(15,139)	20,613
Total forecast percentage change this item	-1.5%	-0.5%	0.6%

This activity funds general medical care for elderly and disabled Medical Assistance enrollees. For almost all of the elderly and for about 48 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 2011 it is 81.67%, and the amount billed per dual eligible each month is $131.70.

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

	'10-'11 Biennium ($000)	'12-'13 Biennium ($000)	'14-'15 Biennium ($000)
Elderly Waiver Managed Care	(2,165)	(7,219)	3,161
Elderly Basic Avg. Cost: -1%	(3,892)	(9,140)	(7,153)
Elderly Basic FFS: correct June to July 2013 delay	0	0	2,463
Disabled Basic Enrollment: -0.5%	(827)	(5,870)	(8,576)
Disabled Basic Avg. Cost	(11,811)	5,907	8,470
Disabled Basic FFS: correct June to July 2013 delay	0	0	22,170
Federal share adjustment: QE 3-31-2011	(8,522)	0	0
Chemical Dependency Fund share	2,219	3,273	3,595
IMD Program	(601)	(215)	732
Medicare Part D clawback payments	(1,644)	(1,875)	(4,249)
Total	(27,243)	(15,139)	20,613

Elderly Basic Changes

The decreases in Elderly Waiver managed care for the the current fiscal year and the next biennium are partially offset by an increase in FFS EW, as explained above. As with the FFS projections, the increase in projected costs for the 2014-2015 biennium results from the effect of higher NF rates on EW budget caps.

Elderly basic enrollment projections are unchanged. Average cost projections are reduced by about 1% except for a technical correction related to the delay of June 2013 FFS payments in current law. The November forecast recognized the reduction in June payments but failed to add them to July. The value of this change is shown in the table above.

Disabled Basic Changes

Disabled basic enrollment projections are slightly lower for FY 2011 (-0.2%) and about 0.5% lower for the next two bienniums.

The average cost of coverage is reduced by 2.5% for FY 2011 because of lower payments in the second quarter of FY 2011. For the next two biennia projections are about 0.5% higher.

CD Fund Share

Decreases in MA-funded services covered by the CD Fund produce corresponding increases in state share costs funded from the MA account, because the state share of these costs comes from the CD Fund.

IMD Program

Projected expenditures are 6.7% lower for the current fiscal year because of lower than expected payments in the second quarter of FY 2011. For the next biennium, projected costs are 1.2% lower. There is a 3% increase in the 2014-2015 biennium because of a technical correction in FY 2015.

Medicare Part D Clawback

Projected clawback payments to the federal government are reduced by 0.5% to 1% across the forecast horizon, mainly because of slightly lower enrollment projections for MA disabled.

ADULTS WITHOUT CHILDREN
OPTIONAL EXPANSION AND MANDATORY EXPANSION

	'10-'11 Biennium	'12-'13 Biennium	'14-'15 Biennium
Total forecast change this item ($000)	(83,192)	102,917	20,334
Total forecast percentage change this item	-51.0%	9.6%	4.4%

Federal law mandates MA eligibility to be expanded to cover adults with no children with income up to 133% FPG effective January 2014. We assume a 100% federal share for federally eligible costs under the mandatory expansion from CY 2014 to CY 2016, but the law on this share is not clear and a lower initial federal share is possible (75% for CY 2014; 80% for CY 2015). There are projected state costs for the mandatory coverage because we assume that 1% of enrollees and costs are federally ineligible and funded at 100% state cost.

Federal law provides an option to states to expand coverage for adults with no children earlier than January 2014, at income levels up to 133% FPG. Optional expansions get federal funding at the regular FMAP, which is 50% for Minnesota. Minnesota law provides for an optional expansion, up to 75% FPG, which has been triggered by the Governor, to be effective March 1, 2011. The November forecast assumed an early expansion beginning January 1, 2011, with managed care beginning in January 2012. The new forecast has managed care beginning in April 2011.

The following table summarizes changes from the November forecast:

	'10-'11 Biennium ($000)	'12-'13 Biennium ($000)	'14-'15 Biennium ($000)
Implementation delayed to March 1, 2011	(81,830)	3,717	0
Adults enrollment	(6,483)	49,391	12,082
Adults avg. cost	(1,813)	21,371	1,394
Rx rebates changes	2,861	11,486	5,003
Change in CD fund share	4,073	16,952	1,855
Total	(83,192)	102,917	20,334

Implementation Date Change

The increase for the next biennium is related to the earlier start of managed care in the February forecast scenario, because the cost of managed care coverage for June 2011 is paid in July 2011.

Enrollment Changes

Projected enrollment in the next biennium is 4.3% higher (about 4,000 average enrollees) because an increased proportion of MinnesotaCare enrollees is expected to shift to MA. The increase for the 2014-2015 biennium is 1.9%.

Average Cost Changes

The average cost of coverage is about 1.8% higher for the next biennium and 0.4% higher for the 2014-2015 biennium. Multiple changes were made in our method of projecting the cost of coverage, but the net increase comes from one technical correction. The projected cost of coverage for the MinnesotaCare population was based on our forecast of MinnesotaCare capitation rates for the same group, plus a variety of adjustments needed to represent expected MA costs for the same population. In the November forecast we neglected to adjust for the 15% ratable reduction which was in effect in the MinnesotaCare rates. Adding this adjustment substantially increased the projected MA cost for this group of recipients, but other changes reduced the net change in projected MA costs.

Rx Rebate Changes

Added costs in FY 2011 and in the next biennium result from the earlier start of managed care in the February forecast scenario, leaving lower projected pharmacy spending against which rebates could be claimed. The added cost in the 2014-2015 biennium comes from a lower FFS pharmacy forecast because a higher proportion of enrollment in managed care is assumed.

Change in CD Fund Share

As in other segments of MA, FFS CD treatment is provided by the CD Fund and billed to MA. The CD Fund receives the federal share of the MA payment as revenue, but the state share is paid from the CD Fund account. If CD treatment is received while the MA enrollee is covered by managed care, the cost is covered under the capitation contract--and the MA account in effect pays for the state share of the cost of treatment. For this reason, more managed care coverage means that relatively more of the state share of CD treatment costs will come from the MA account, rather than the CD Fund account.

Because the February forecast scenario has a faster start to managed care and assumes a higher proportion of manged care enrollment (75% instead of 70%) the projected CD Fund share of costs for adults with no children is lower and the cost to the MA account correspondingly higher. This effect is most pronounced in FY 2012, the year most affected by the earlier start of managed care. (Note that the CD Fund forecast is reduced for the next biennium by $16.010 million, compared to the cost for that biennium of $16.952 million shown above.)

FAMILIES WITH CHILDREN BASIC CARE	'10-'11 Biennium	'12-'13 Biennium	'14-'15 Biennium
Total forecast change this item ($000)	(16,268)	(48,183)	65,447
Total forecast percentage change this item	-1.0%	-2.0%	2.1%

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 matching. The non-citizen segment is treated as part of this activity because non-citizen enrollment and costs are dominated by costs for pregnant women.

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

	'10-'11 Biennium ($000)	'12-'13 Biennium ($000)	'14-'15 Biennium ($000)
Families with Children			
Enrollment: mandatory coverage of parents in 2014	0	0	56,538
Enrollment: other changes	(3,182)	(5,777)	(6,574)
Avg. cost: lower HMO rates	(5,587)	(64,075)	(86,543)
Avg. cost: correct HMO withhold rates in CY '14 and '15	0	0	27,842
Avg. cost: lower FFS cost	(1,106)	(3,116)	(18,677)
Avg. cost: correct June to July 2013 delay	0	0	9,187
CD Fund share	2,436	4,292	4,895
HMO MERC	(35)	(372)	(6)
CHIP enh. match for kids over 133% FPG	5,118	18,961	40,759
Non-citizen MA segment: enrollment & HMO rates	287	(291)	(105)
Non-citizen MA segment: technical correction in '15	0	0	27,903
GAMC DSH dedicated revenue	2,000	0	0
Services w special funding	(261)	0	0
Family planning waiver	(127)	(696)	(901)
Breast & cerv. cancer	(196)	0	0
Rx rebates	(3,359)	2,891	11,129
Federal share adjustment: QE 3-31-2011	(8,367)	0	0
Other adjustments	(3,889)	0	0
Total	(16,268)	(48,183)	65,447

Families with Children Basic Care

Enrollment: Effects of Federal Health Care Requirements

Enrollment projections for FY 2014 and FY 2015 would be at about the level forecasted for FY 2013, except for two requirements of federal law:
(1) enrollment projections have been increased by about 7% for FY 2014 and about 15% for FY 2015 to allow for the effects of the coverage mandate effective January 2014 (this effect was already included in the November forecast);
(2) the February forecast includes additional enrollment projections for MA caretakers based on the federal mandate to expand coverage of this group to 133% FPG. This increases overall enrollment by about 2.9% or 12,900 average enrollees in FY 2015.

Other changes in enrollment projections are very minor, about -0.2%.

Average Cost Changes

Average capitation rates decreased by about 1% effective January 2011 and are expected to decrease by an additional 1.5% in July. This puts expected rates, beginning July 2011, about 3.5% lower than anticipated in the November forecast, for an overall cost reduction of about 2.6% for the next two biennia.

This reduction is partially offset by the added costs from correcting HMO withhold rates beginning CY 2014 from 9.5% (the current rate since January 2010) to 8.0%, the rate the withhold reverts to in January 2014.

Lower FFS average cost projections produce overall reductions of about 0.2% for FY 2011 and the next biennium and about 0.5% for the 2014-2015 biennium. A technical correction regarding the June 2013 payment delay partially offset these reductions.

A lower projection of the share of overall MA payments made to the CD Fund results in small cost increases because payments to the CD Fund draw no state share from the MA account.

CHIP Enhanced Funding for MA Children Over 133% FPG

Minnesota is able to claim federal CHIP funds as enhanced matching on costs for children with family income over 133% FPG, in both MA and MinnesotaCare. The enhancement is the difference between the 65% federal CHIP share and the current federal share at the FMAP (federal medical assistance percentage). Beginning July 1, 2011 the enhanced funding will be equal to 15% of the cost of coverage (65% minus 50% FMAP). In the current year the benefit is a lesser percentage, because the enhanced FMAP is higher.

The increases shown in this item result partly from a correction to the forecast of the total expenditure claimable for CHIP enhanced matching and partly from a decrease in Minnesota's CHIP allocation from $84 million in FFY 2010 to $21 million in FFY 2011. The costs shown above for the current biennium and the next biennium result from the forecast change, while the costs for the 2014-2015 biennium are about 50% from the forecast change and 50% from the reduced CHIP allocation. With the reduced allocation, considering permissible carry-forward of CHIP funds, we assume that beginning in October 2012, the enhanced CHIP funding will be reserved for the MA program (leaving none for MinnesotaCare). We expect to run short of enhanced CHIP funding for MA in the quarter ending September 30, 2013. From that time forward we anticipate having only $3 million to $4 million of CHIP funding per year avaible for enhanced matching of payments for MA children with family income over 133% FPG.

Non-Citizen MA

The Non-Citizen segment of MA includes federal Childrens' 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 CHIP coverage of those months became available.

Only minor changes are made to this forecast, except a major technical correction to FY 2015 which a spreadsheet error caused to be omitted from the summary of the November forecast.

CPE DSH Dedicated Revenue and Supplemental Hospital Payments

Legislation from the 2005 Session directed DHS to seek Medicaid Disproportionate Share Hospital (DSH) matching for Certified Public Expenditures (CPE) during the FY 2008-2009 biennium.

Changes in the 2007 Session extended this requirement to the FY 2010-2011 biennium. GAMC FFS hospital payments and, potentially, losses certified by Hennepin County Medical Center constitute the Certified Public Expenditures.

This stream of DSH revenue ends with the end of the old GAMC program, given that there are no certified losses from Hennepin County Medical Center. The February forecast reduces the expected dedicated revenue for FY 2011 from $7 million to $5 million.

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 is currently the case with enhanced FMAP rates. Services which have state funding are access services (transportation to medical care), child and teen checkup outreach, and DD waiver screenings.

This forecast is changed only by inclusion of three additional months of actual payment data.

Family Planning Waiver

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

Slowing of enrollment growth for this coverage results in reductions of about 17% across the forecast horizon.

Breast & Cervical Cancer

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

This forecast is changed only by inclusion of three additional months of actual payment data.

Pharmacy Rebates

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

Projected rebate collections are 7.2% higher for FY 2011, based on actual collections to date, and about 1.7% lower for the next biennium based on lower FFS forecasts for both MA Disabled and MA families with children. Projected collections are little changed for the 2014-2015 biennium, except for a correction regarding the federal share of rebates resulting from the mandatory expansion for adults with no children. These rebates were incorrectly forecasted in November assuming a 50% federal share, but this has been corrected based on a 100% federal share. The effect of this adjustment on the forecast is an increase of $10.7 million.

GENERAL ASSISTANCE MED. CARE (Old GAMC program only)	**'10-'11 Biennium**	**'12-'13 Biennium**	**'14-'15 Biennium**
Forecast change this item ($000)	(3,235)	2,611	0
Forecast percentage change this item	-1.11%	831.53%	0.0%

During the 2010 legislative session, GAMC's entitlement nature was eliminated effective June 1, 2010, and dramatic payment reductions were put into effect for services provided in April and May 2010. Beginning June 2010, GAMC was transformed into a capped appropriation program administered by four hospitals referred to as Coordinated Care Delivery Systems (CCDS). Additionally, the Transitional MinnesotaCare program, within which FFS coverage was paid through GAMC, was eliminated for new enrollees effective April 1, 2010.

Despite the end of the "old" GAMC program effective June 2010, appropriations must be maintained to satisfy all future financial obligations that result from covered services incurred through May 2010. These financial obligations include lagged FFS claims (both GAMC and Transitional MinnesotaCare) and the future return of the performance payment withhold from GAMC managed care payments. These payments are offset by negative adjustments to the GAMC program account that occur when a former GAMC enrollee receives a disability determination and has their eligibility transferred to MA back to the date of application.

The February forecast changes assume a faster flow of negative adjustments, resulting in lower net expenditures in FY 2011 and slightly more in the next biennium.

CHEMICAL DEPENDENCY FUND	'10-'11 Biennium	'12-'13 Biennium	'14-'15 Biennium
Forecast change this item ($000)	10,800	(16,010)	(47,705)
Forecast percentage change this item	5.6%	-7.3%	-19.6%

The CD Fund forecast is increased in the current biennium because of a rising cost per placement which seems to follow the end of the old GAMC program and the end of GAMC managed care. Projected state costs are increased by 10.5% for FY 2011 or 5.6% for the current biennium.

In the next biennium, the projected number of paid placements is about 25% lower than in the November forecast, based on a revised assessment of the expected effect of the MA expansion for adults with no children. MA recipients with managed care coverage will have CD treatement paid for by their health plan rather than by the CD Fund. The net reduction of projected state share costs (7.3%) is smaller than the percentage reduction in placements (1) because the CD Fund will still bear room and board costs for MA enrollees in MA managed care, because these services do not qualify for federal matching and (2) because MA federal share revenue to the CD Fund is now projected at a lower level than in the November forecast.

For the 2014-2015 biennium the reduction in placements compared to the November forecast (35%) is greater because of the mandatory MA expansion to 133% FPG starting in January 2014. This expansion will increase entitled eligibility for CD Fund services for MA adults with incomes over 100% FPG because that eligibility is linked to MA eligibility in statute. But the decrease in placements resulting from the mandatory expansion and managed care coverage under the expansion is expected to more than offset the effects of increased eligibility. As with the early expansion, the CD Fund will see increased room and board costs related to the treatment costs covered by MA managed care. Net of these costs, the reduction in state costs compared to the previous forecast is 19.6%.

MFIP NET CASH (STATE AND FEDERAL)	'10-'11 Biennium	'12-'13 Biennium	'14-'15 Biennium
Forecast change this item ($000)	(1,076)	(5,200)	(5,602)
Forecast percentage change this item	-0.3%	-1.5%	-1.7%
GENERAL FUND SHARE OF MFIP			
Forecast change this item ($000)	(2,231)	1,686	34,275
Forecast percentage change this item	-1.4%	1.0%	21.28%
FEDERAL TANF FUNDS FOR MFIP			
Forecast change this item ($000)	1,155	(6,886)	(39,877)
Forecast percentage change this item	0.7%	-4.1%	-23.29%

This activity provides cash and food for families with children until they reach approximately 115% of the federal poverty guidelines (FPG). The MFIP program is Minnesota's TANF program. MFIP cash is therefore funded with a mixture of federal TANF Block Grant and state General Fund dollars.

The following table summarizes the changes in MFIP cash expenditures by source, relative to the November 2010 forecast.

Summary of Forecast Changes	'10-'11 Biennium ($000)	'12-'13 Biennium ($000)	'14-'15 Biennium ($000)
Gross MFIP cash grant forecast change	(1,038)	(2,944)	(2,835)
Gross General Fund forecast change	(2,163)	2,335	35,519
Child Support/recoveries offset	(68)	(649)	(1,245)
Net General Fund forecast change	(2,231)	1,686	34,275
Gross TANF forecast change	1,125	(5,279)	(38,355)
Child Support pass-through/recoveries offset	31	(1,608)	(1,521)
Net TANF forecast change	1,156	(6,887)	(39,876)

Small Decreases in MFIP Gross Cash Expenditures

Based on recent data, projected expenditures have been adjusted downward slightly in the current biennium by $1 million (-0.3%), in the 2012-2013 biennium by $2.9 million (-0.8%), and in the 2014-2015 biennium by $2.8 million (-0.8%).

General Fund increases in 2014-2015 due to MOE

Most of the MFIP caseload is funded with a mixture of state and federal block grant funds. The amount of state funds in this mixture is determined by the federally mandated Maintenance of Effort (MOE) requirement for state (i.e., General Fund) spending on its TANF program. The state must meet this minimum MOE requirement to draw its entire federal TANF block grant allotment. Certain components of the overall MOE requirement are forecasted separately from MFIP (child care is the primary example). Required gross General Fund spending in the MFIP forecast will vary with the forecasted expenditure levels in these external MOE components, though it must be at least 16% of the MOE requirement. In addition, if there are not enough TANF funds available to pay the portion of expenditures which do not have to be paid from the General Fund, then General Fund is used to make up the difference. The General Fund must also fund "non-MOE" cases: cases with two parents and cases eligible for Family Stabilization Services. These expenditures cannot be used as MOE and cannot be funded with federal funds. Net General Fund expenditures are adjusted for child support collections and the counties' share of recoveries.

Gross General Fund expenditures are decreased by $2.2 million in the current biennium, due mostly to increased MOE from non-MFIP sources. Publicly assigned child support collections are almost unchanged, leading to a decrease of $2.2 million in net General Fund MFIP cash expenditures for the current biennium, a 1.4% decrease from the November forecast.

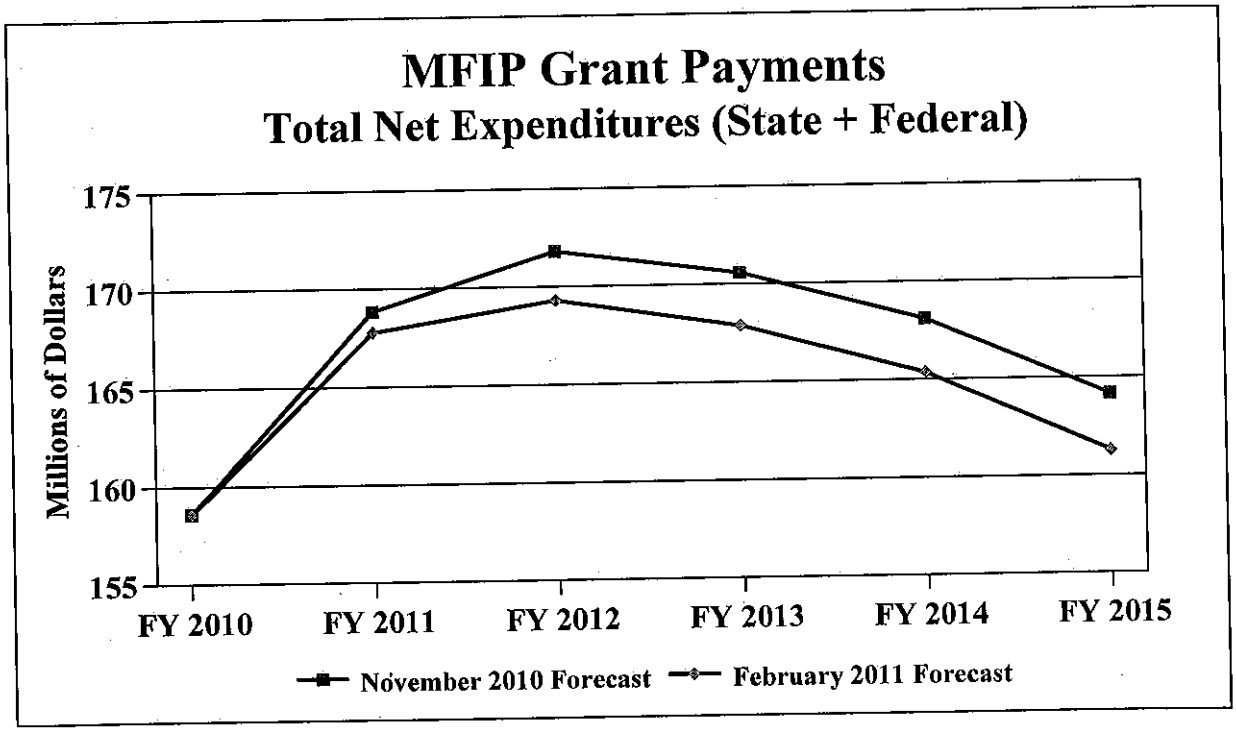
Decreased gross General Fund expenditures in the current biennium of $2.2 million, together with the decreased cash forecast of $1 million, lead to an increase in gross TANF expenditures of $1.1 million. Slight changes in child support pass-through projections leads to net TANF expenditures in the current biennium $1.2 million more than the November forecast, a 0.7% increase.

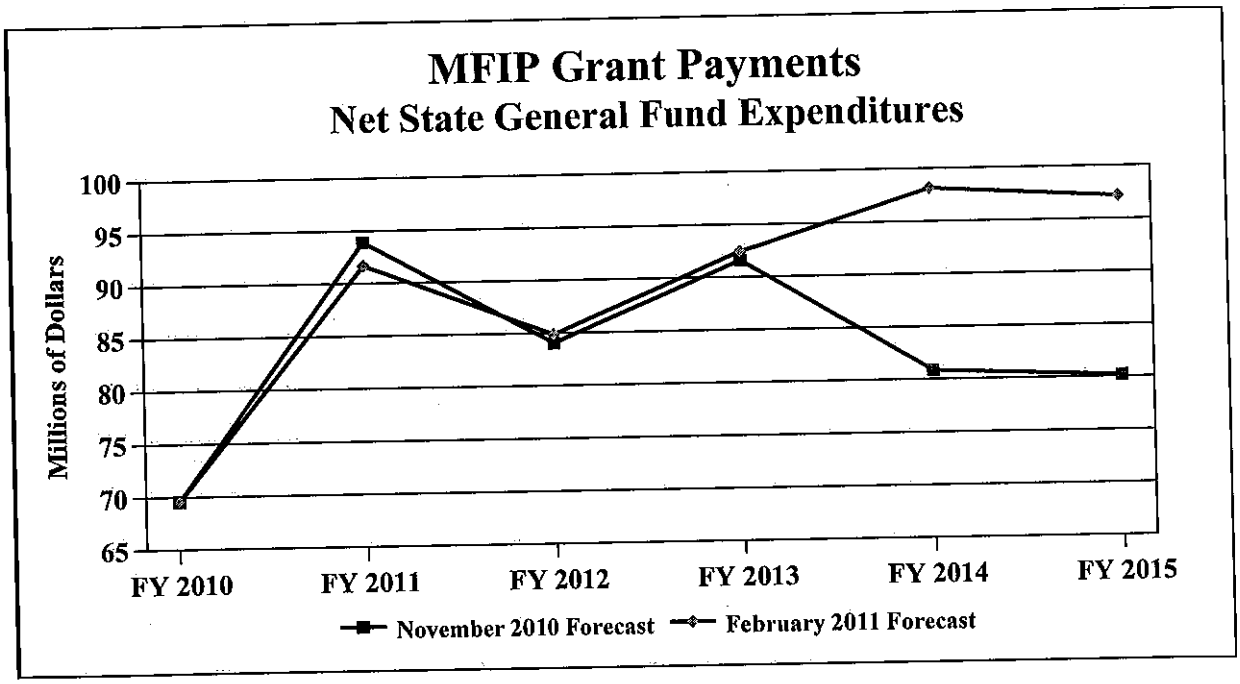
Gross General Fund expenditures are increased by $2.3 million in the 2012-2013 biennium, due mostly to decreased MOE from non-MFIP sources (chiefly child care assistance). Child support collections are projected to be $0.6 million higher, leading to an increase of $1.7 million in net General Fund expenditures in the 2012-2013 biennium, a 1% increase from the November forecast.

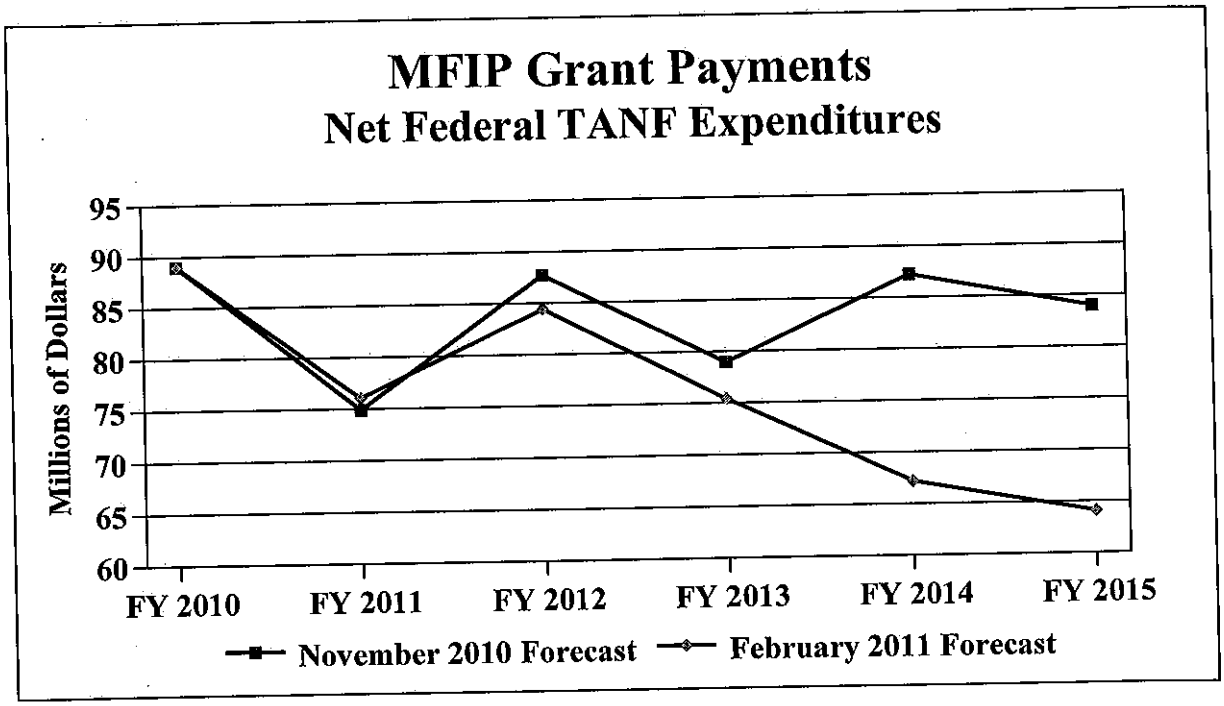
Increased gross General Fund expenditures in the 2012-2013 biennium of $2.3 million, together with the decreased cash forecast of $2.9 million, lead to a decrease in gross TANF expenditures of $5.3 million. Child support pass-through expenditures are projected to decrease $1.6 million, resulting in net TANF expenditures in the 2012-2013 biennium of $6.9 million less than the November forecast, a 4.1% decrease.

General Fund expenditures are increased by $35.5 million in the 2014-2015 biennium, due mostly to DHS having authority to claim less Working Family Credit tax expenditure for MOE than had been recognized in the November forecast. MFIP cash expenditures must be used to make up the shortfall. Together with a $1.2 million increase in child support collections, the net General Fund expenditures increase $34.3 million in the 2014-2015 biennium, a 31.3% increase.

Increased gross General Fund expenditures in the 2014-2015 biennium of $35.5 million, together with the decreased cash forecast of $2.8 million, lead to a decrease in gross TANF expenditures of $38.3 million. Child support pass-through expenditures are projected to decrease $1.5 million, resulting in net TANF expenditures in the 2014-2015 biennium of $39.9 million less than the November forecast, a 23.3% decrease.




MFIP Grant Payments
Net State General Fund Expenditures
Millions of Dollars
100
95
90
85
80
75
70
65
FY 2010
FY 2011
FY 2012
FY 2013
FY 2014
FY 2015
November 2010 Forecast
February 2011 Forecast


MFIP Grant Payments
Net Federal TANF Expenditures
Millions of Dollars
95
90
85
80
75
70
65
60
FY 2010
FY 2011
FY 2012
FY 2013
FY 2014
FY 2015
November 2010 Forecast
February 2011 Forecast

MFIP / TY CHILD CARE ASSISTANCE	'10-'11 Biennium	'12-'13 Biennium	'14-'15 Biennium
Forecast change this item ($000)	(1,545)	(2,322)	(2,258)
Forecast percentage change this item	-1.6%	-1.7%	-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).

Based on recent data which show average payments per case less than projected in the November forecast, projected expenditures have been adjusted downward slightly in the current biennium by $1.5 million (-0.7% of federal and state expenditures), in the 2012-2013 biennium by $2.3 million (-1%), and in the 2014-2015 biennium by $2.3 million (-1%).

Federal funds used for MFIP Child Care are unchanged in this forecast; therefore, all changes are General Fund changes.

GENERAL ASSISTANCE	'10-'11 Biennium	'12-'13 Biennium	'14-'15 Biennium
Forecast change this item ($000)	(291)	(6)	(24)
Forecast percentage change this item	-0.3%	-0.0%	-0.0%

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.

This activity has very small average payment adjustments.

GROUP RESIDENTIAL HOUSING	'10-'11 Biennium	'12-'13 Biennium	'14-'15 Biennium
Forecast change this item ($000)	85	(460)	383
Forecast percentage change this item	0.0%	-0.2%	0.1%

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.

Changes are due to recent data on caseloads. MSA type caseloads have been slightly lower than projected in November, leading to decreased MSA-type expenditures; this is offset by slightly higher GA-type expenditures resulting from GA-type caseloads which were slightly higher than projected in November.

MINNESOTA SUPPLEMENTAL AID	'10-'11 Biennium	'12-'13 Biennium	'14-'15 Biennium
Forecast change this item ($000)	(259)	431	554
Forecast percentage change this item	-0.4%	0.5%	0.7%

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

The MSA projected caseload is increased based on recent data. This is offset somewhat due to lower average payments in the current biennium.

MINNESOTACARE	'10-'11 Biennium	'12-'13 Biennium	'14-'15 Biennium
Forecast change this item ($000)	74,495	13,556	88,003
Forecast percentage change this item	8.3%	1.6%	9.3%

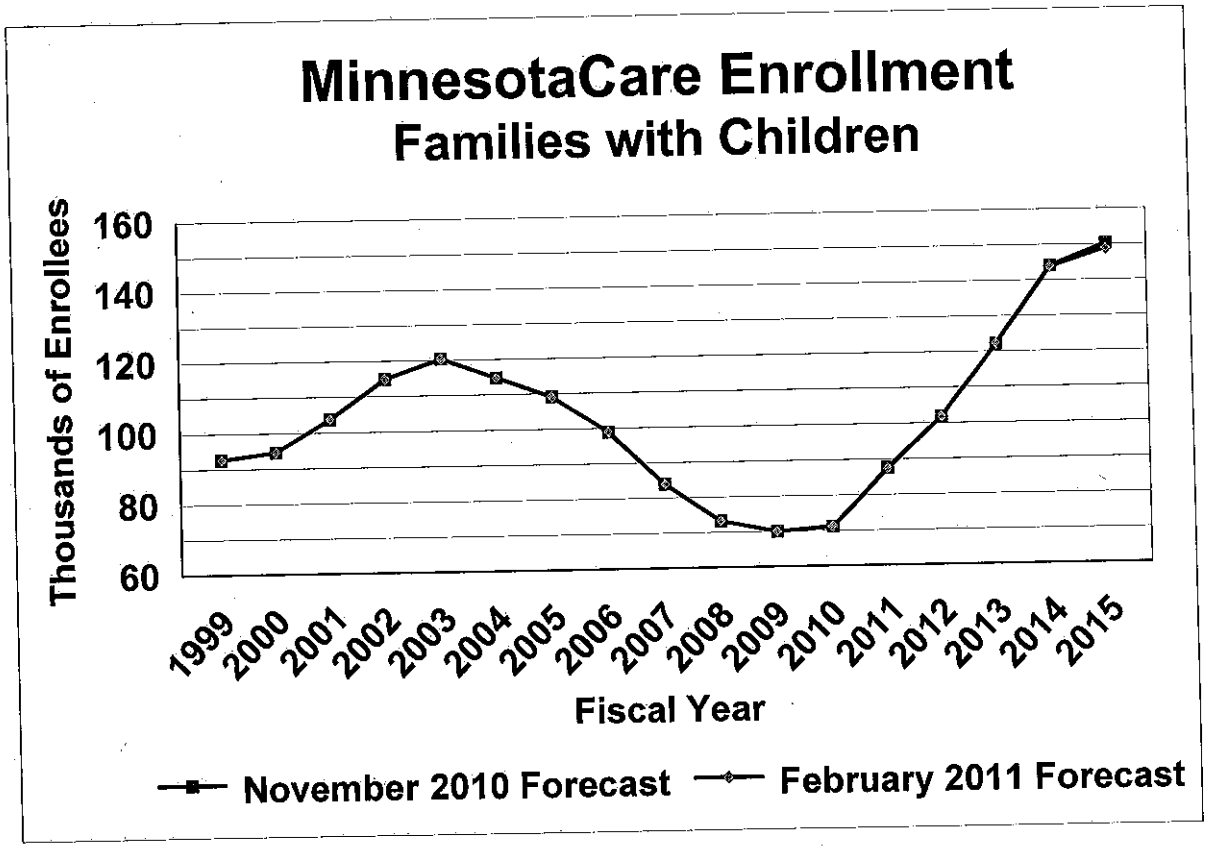
The following analysis of the forecast changes explains the change in the "With Optional Expansion" forecast scenario. The explanation of the differences between the "With" and "Without" forecast scenarios is at the end of the MinnesotaCare narrative.

Summary of Forecast Changes	'10-'11 Biennium ($000)	'12-'13 Biennium ($000)	'14-'15 Biennium
Families with Children			
Enrollment changes	(219)	0	(3,773)
Average payment changes	(119)	5,376	5,348
CHIP allocation reduced	0	8,292	47,715
Families with Children Subtotal	(338)	13,668	49,290
Adults without Children			
Enrollment changes	6,304	84,509	24,334
Average payment changes	(15,535)	(59,684)	(9,434)
MA optional expansion effects changes	84,064	(24,937)	23,813
Adults without Children Subtotal	74,833	(112)	38,713
Total Program	74,495	13,556	88,003

Families with Children

Average monthly enrollment of children and parents grew by 1.6% in FY 2010 compared with the previous fiscal year. Enrollment was fairly stable at around 70,000 enrollees during most of CY 2009. Then the last quarter of CY 2009 saw the start of an unexpected decline in the number of monthly eligibility terminations for MinnesotaCare children and parents. In addition, the number of new enrollees sharply increased from a CY 2009 average of around 2,500 new enrollees each month to a monthly average of about 3,500 during CY 2010 (through September), including over 5,000 new children and parents in July 2010 alone. This is likely a lagging impact from the down economy with fewer jobs including benefits. Another factor that is likely behind the increased new enrollment is an accelerating increase in the number of monthly MinnesotaCare applications received from counties since the beginning of CY 2009. Both fewer drops and increased adds lead to accumulating enrollment over time, and we now project children and parents enrollment for FY 2011 to exceed FY 2010 average enrollment by about 16,000. In addition to the accumulating effects of fewer drops and increased adds, the forecast continues to to reflect future enrollment increases due to eligibility expansions primarily affecting children that are scheduled to begin in early 2012, assuming federal approval.

Since the November forecast, new actual enrollment data for children and parents enrollees are within 0.5% of the November projections. As a result, relative to the November forecast, base enrollment projections for children and parents in the February forecast are unchanged. There is a small reduction in the 2014-2015 biennium (about 0.5%) as some parents move to MA when MA income eligibility for this group increases from 100% to 133% FPG.



Average payments for MinnesotaCare parents and children during the first half of FY 2011 were slightly higher than anticipated for this group, resulting in a cost increase of about 1% relative to November forecast projections.

The federal CHIPRA law signed by the President in January 2009 allows Minnesota to claim enhanced federal match on MinnesotaCare children above 133% FPG. As discussed above, Minnesota's federal CHIP allotment has been reduced from $84 million to $20.5 million effective FFY2011. Using one-year carryforward authority, it is projected that the state can claim CHIP enhanced match ffor all qualifying MA and MinnesotaCare expenditures through September 30, 2012. After that, however, we expect to have insufficient fund allocated to claim all qualifying MA expenditures and none to apply to MinnesotaCare. This loss of enhanced federal match results in a state cost increase of about 1.75% in the next biennium and about 7.5% in the 2014-2015 biennium.

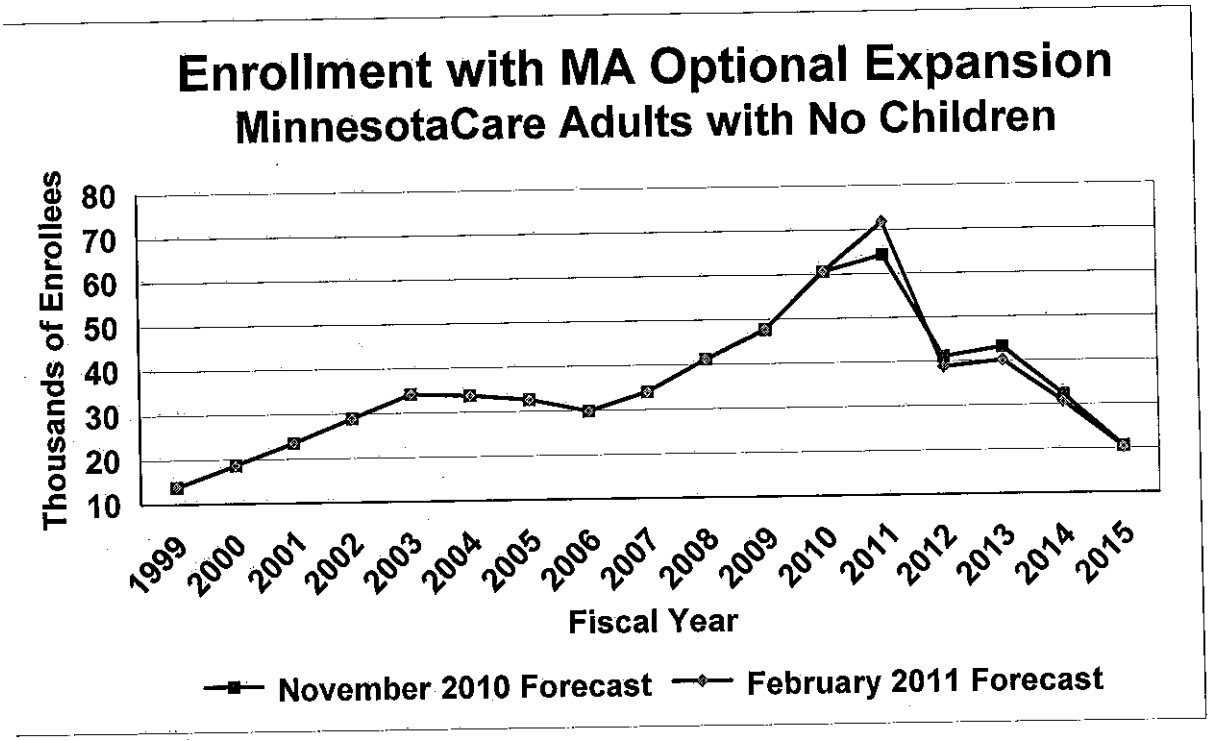
Adults without Children

The 2005 Legislature adopted a requirement to shift most GAMC-only enrollees to MinnesotaCare after their initial months of GAMC enrollment. This new policy took effect in September 2006 and is referred to as Transitional MinnesotaCare. Transitional MinnesotaCare enrollees receive six months of eligibility, of which on average two months of FFS coverage are funded by GAMC and four months of managed care coverage are covered by MinnesotaCare. (The term "Transitional MinnesotaCare" is used in this section for the months of MinnesotaCare coverage.) Certain "qualifiers" in the law exempt other GAMC recipients from enrollment in Transitional MinnesotaCare and permit them to remain in regular GAMC.

Excluding Transitional MinnesotaCare enrollment, average monthly enrollment of MinnesotaCare adults without children increased by 33% in FY 2010 as compared to the previous fiscal year. Noteworthy is that this increase appears to be driven by a large increase in newly added enrollment each month with little change in monthly enrollment drops. Monthly adults without children enrollment adds have increased from a monthly average of about 1,900 adds in CY 2009 to a monthly average of over 3,500 in CY 2010 (through September), with monthly adds more than doubling to over 4,000 for each month from June through September. The timing of this sharp increase in new adults without children enrollment coincides with the modification of GAMC to a capped appropriated program and, more significantly, the elimination of the Transitional MinnesotaCare program. This is also consistent with the projected lagged effects of the challenging labor market in which many people are losing jobs with health benefits, or simply losing the health benefits. Further, this trend does not show any signs of slowing down. The past six months have all resulted in a record number of MinnesotaCare applications. As a result, we have a much larger enrollment in this segment and a much larger MinnesotaCare enrollment expected to be diverted to MA by the optional MA expansion.

Since the November forecast, new actual enrollment data for adults without children are within 0.7% of the November projections. However, in the three months since the November forecast, enrollment of adults without children in GAMC has fallen by over 6,000 enrollees. It is projected that many of these former GAMC enrollees would enroll in MinnesotaCare in the absence of MA optional expansion. This produces a base enrollment increase in MinnesotaCare of about 1% in FY 2011, about 15% in the next biennium, and about 5% in the 2014-2015 biennium compared to the November forecast.

The following graph compares the November and February forecasts of enrollment with MA optional expansion. Additional decreases in FY 2014 and FY 2015 in the new forecast are the result of mandatory MA expansion to 133% FPG starting in January 2014. The differences are minor, except for the increase for FY 2011, which results from the delay of the start of the MA expansion.



Average payments for MinnesotaCare adults without children are reduced by about 5% in FY 2011, about 13% in the next biennium, and about 1.5% in the 2014-2015 biennium. These average payment reductions relative to the November forecast result from technical changes to the blending of rates surrounding the optional MA expansion. The MinnesotaCare adults without children under 75% FPG involved in the optional MA expansion are comprised of two groups: the relatively expensive enrollees who would have been GAMC and the base MinnesotaCare adults who are relatively less expensive. The technical changes in the February forecast adjusted the weights used to blend the per member per month costs associated with these two groups. In November, the GAMC group was weighted too heavily which produced a pmpm cost that was too high for both base adults enrollment and the shift group. Adjusting these weights in the February forecast results in a reduced average payment for residual MinnesotaCare adults without children enrollees.

MA Optional Expansion Changes

The Governor signed an executive order authorizing optional MA expansion for adults without children under 75% FPG. This MA expansion will shift all MinnesotaCare adults without children under 75% FPG to MA with a 50% federal match. The assumed effective date in the November forecast was January 2011. The actual implementation of the MA expansion is March 1, 2011, and that is the effective date in the February forecast. This two month delay in the effective date results in a MinnesotaCare cost in FY 2011 as adults have two additional months of MinnesotaCare eligibility before moving to MA relative to November forecast estimates.

Once implemented, the shift of current MinnesotaCare enrollees to MA is expected to entail an initial six month phase-in period. As MinnesotaCare enrollees are converted to MA, payments on their behalf, back to the effective date of implementation of the new MA coverage, can be converted to MA payments. With the delay in the effective date to March 1, 2011, a portion of this phase-in period and, hence, a portion of the converted payments are pushed into FY 2012. This results in MinnesotaCare savings in FY 2012 as MinnesotaCare is credited by MA for prior payments made on behalf of enrollees who are converted in FY 2012.

Finally, relative to the November forecast, a greater number of adults without children are shifted from MinnesotaCare to MA in the optional MA expansion. This is due to an increased proportion of MinnesotaCare adults that are expected to shift plus the additional former GAMC enrollees who have been added to the MinnesotaCare base forecast (see above). These additional shifted enrollees would typically result in more MinnesotaCare savings due to fewer MinnesotaCare months of service, but the implicit savings are more than offset in the forecast by a lower projected PMPM for the entire shift group. As noted above, the February forecast adjusts the weights used in blending the rates for the two sub-groups involved in the MA expansion. This re-weighting effectively lowers the PMPM shift cost for all shifted adults and implies a cost to MinnesotaCare due to less MinnesotaCare payment shifting to MA.

In summary, the impact of the MA expansion in FY 2011 is dominated by the cost of the two-month delay from January 1 to March 1, 2011. The impact of the MA expansion in the next biennium is a net savings due to the retroactive payments for some converted MinnesotaCare enrollees during the six-month phase-in period and the savings associated with additional enrollees being shifted with partial offset from the cost of a lower PMPM per shifted enrollee. The impact of the MA expansion in the 2014-2015 biennium is a net cost due to the lower PMPM per shifted enrollee which is partially offset by the savings of additional enrollees being shifted.

TABLE ONE
CURRENT BIENNIUM SUMMARY

GENERAL FUND	November 2010 Forecast FY 2010 - FY 2011 Biennium ($ in thousands)			February 2011 Forecast FY 2010 - FY 2011 Biennium ($ in thousands)		
	FY 2010	FY 2011	Biennium	FY 2010	FY 2011	Biennium
Medical Assistance						
LTC Facilities	352,759	376,422	729,180	352,759	366,712	719,471
LTC Waivers	806,141	919,295	1,725,435	806,141	900,079	1,706,220
Elderly & Disabled Basic	883,764	989,075	1,872,839	884,692	960,904	1,845,596
Adults with No Children	0	163,242	163,242	0	80,050	80,050
Families w. Children Basic	735,139	855,433	1,590,572	734,211	840,093	1,574,304
MA Total	2,777,801	3,303,467	6,081,268	2,777,803	3,147,838	5,925,641
Alternative Care Program	50,234	48,576	98,810	50,234	48,576	98,810
Old GAMC Program	287,060	5,296	292,356	287,060	2,061	289,121
Chemical Dependency Fund	88,987	102,660	191,647	88,987	113,460	202,447
Minnesota Family Inv. Program	69,571	93,915	163,486	69,571	91,684	161,255
Child Care Assistance	53,339	44,943	98,282	53,339	43,398	96,737
General Assistance	42,712	49,574	92,286	42,712	49,283	91,995
Group Residential Housing	111,322	114,359	225,681	111,322	114,444	225,766
Minnesota Supplemental Aid	33,297	36,886	70,183	33,297	36,627	69,924
Total General Fund	3,514,323	3,799,675	7,313,998	3,514,325	3,647,371	7,161,696
TANF funds for MFIP Grants	89,028	74,927	163,955	89,028	76,082	165,110
MinnesotaCare	445,844	449,115	894,959	445,844	523,610	969,454

TABLE TWO
CURRENT BIENNIUM SUMMARY

GENERAL FUND	February 2011 Forecast Change from November 2010 Forecast FY 2010 - FY 2011 Biennium ($ in thousands)			February 2011 Forecast Change from November 2010 Forecast FY 2010 - FY 2011 Biennium (Percent Change)		
	FY 2010	FY 2011	Biennium	FY 2010	FY 2011	Biennium
Medical Assistance						
LTC Facilities	0	(9,710)	(9,709)	0.0%	-2.6%	-1.3%
LTC Waivers	0	(19,216)	(19,215)	0.0%	-2.1%	-1.1%
Elderly & Disabled Basic	928	(28,171)	(27,243)	0.1%	-2.8%	-1.5%
Adults with No Children	0	(83,192)	(83,192)		-51.0%	-51.0%
Families w. Children Basic	(928)	(15,340)	(16,268)	-0.1%	-1.8%	-1.0%
MA Total	2	(155,629)	(155,627)	0.0%	-4.7%	-2.6%
Alternative Care Program	0	0	0	0.0%	0.0%	0.0%
Old GAMC Program	0	(3,235)	(3,235)	0.0%		-1.1%
Chemical Dependency Fund	(0)	10,800	10,800	-0.0%	10.5%	5.6%
Minnesota Family Inv. Program	0	(2,231)	(2,231)	0.0%	-2.4%	-1.4%
Child Care Assistance	0	(1,545)	(1,545)	0.0%	-3.4%	-1.6%
General Assistance	(0)	(291)	(291)	-0.0%	-0.6%	-0.3%
Group Residential Housing	(0)	85	85	-0.0%	0.1%	0.0%
Minnesota Supplemental Aid	0	(259)	(259)	0.0%	-0.7%	-0.4%
Total General Fund	2	(152,304)	(152,302)	0.0%	-4.0%	-2.1%
TANF funds for MFIP Grants	(0)	1,155	1,155	-0.0%	1.5%	0.7%
MinnesotaCare	(0)	74,495	74,495	-0.0%	16.6%	8.3%

TABLE THREE
NEXT BIENNIUM SUMMARY

GENERAL FUND	November 2010 Forecast FY 2012 - FY 2013 Biennium ($ in thousands)			February 2011 Forecast FY 2012 - FY 2013 Biennium ($ in thousands)		
	FY 2012	FY 2013	Biennium	FY 2012	FY 2013	Biennium
Medical Assistance						
LTC Facilities	460,406	446,636	907,042	457,367	443,630	900,997
LTC Waivers	1,229,696	1,324,025	2,553,722	1,218,773	1,309,849	2,528,622
Elderly & Disabled Basic	1,363,748	1,436,462	2,800,210	1,354,165	1,430,906	2,785,071
Adults with No Children	482,180	591,725	1,073,904	531,450	645,371	1,176,821
Families w. Children Basic	1,152,686	1,241,499	2,394,185	1,130,726	1,215,276	2,346,002
MA Total without Optional Expansion	4,688,717	5,040,347	9,729,063	4,692,481	5,045,032	9,737,513
Alternative Care Program	44,978	45,106	90,084	44,978	45,106	90,084
Old GAMC Program	429	(115)	314	2,925	0	2,925
Chemical Dependency Fund	103,537	116,198	219,735	102,076	101,649	203,725
Minnesota Family Inv. Program	84,050	91,582	175,632	84,866	92,452	177,318
Child Care Assistance	70,147	68,274	138,421	69,062	67,037	136,099
General Assistance	50,861	50,943	101,805	50,864	50,935	101,799
Group Residential Housing	121,435	129,343	250,778	121,080	129,238	250,318
Minnesota Supplemental Aid	39,033	39,951	78,984	39,195	40,220	79,415
Total General Fund	5,203,187	5,581,629	10,784,816	5,207,527	5,571,669	10,779,196
TANF funds for MFIP Grants	87,745	78,984	166,728	84,425	75,417	159,842
MinnesotaCare	394,644	475,637	870,281	384,117	499,720	883,837

TABLE FOUR
NEXT BIENNIUM SUMMARY

GENERAL FUND	February 2011 Forecast Change from November 2010 Forecast FY 2012 - FY 2013 Biennium ($ in thousands)			February 2011 Forecast Change from November 2010 Forecast FY 2012 - FY 2013 Biennium (Percent Change)		
	FY 2012	FY 2013	Biennium	FY 2012	FY 2013	Biennium
Medical Assistance						
LTC Facilities	(3,039)	(3,006)	(6,045)	-0.7%	-0.7%	-0.7%
LTC Waivers	(10,923)	(14,176)	(25,100)	-0.9%	-1.1%	-1.0%
Elderly & Disabled Basic	(9,583)	(5,556)	(15,139)	-0.7%	-0.4%	-0.5%
Adults with No Children	49,270	53,646	102,917	10.2%	9.1%	9.6%
Families w. Children Basic	(21,960)	(26,223)	(48,183)	-1.9%	-2.1%	-2.0%
MA Total	3,764	4,685	8,450	0.1%	0.1%	0.1%
Alternative Care Program	0	0	0	0.0%	0.0%	0.0%
Old GAMC Program	2,496	115	2,611	581.8%	-100.0%	831.5%
Chemical Dependency Fund	(1,461)	(14,549)	(16,010)	-1.4%	-12.5%	-7.3%
Minnesota Family Inv. Program	816	870	1,686	1.0%	1.0%	1.0%
Child Care Assistance	(1,085)	(1,237)	(2,322)	-1.5%	-1.8%	-1.7%
General Assistance	3	(8)	(6)	0.0%	-0.0%	-0.0%
Group Residential Housing	(355)	(105)	(460)	-0.3%	-0.1%	-0.2%
Minnesota Supplemental Aid	162	269	431	0.4%	0.7%	0.5%
Total General Fund	4,340	(9,960)	(5,620)	0.1%	-0.2%	-0.1%
TANF funds for MFIP Grants	(3,320)	(3,567)	(6,886)	-3.8%	-4.5%	-4.1%
MinnesotaCare	(10,527)	24,083	13,556	-2.7%	5.1%	1.6%

TABLE FIVE
FY 2014 - FY 2015 BIENNIUM SUMMARY

GENERAL FUND	November 2010 Forecast FY 2014 - FY 2015 Biennium ($ in thousands)			February 2011 Forecast FY 2014 - FY 2015 Biennium ($ in thousands)		
	FY 2014	FY 2015	Biennium	FY 2014	FY 2015	Biennium
Medical Assistance						
LTC Facilities	495,472	538,000	1,033,472	488,749	530,327	1,019,076
LTC Waivers	1,420,535	1,564,889	2,985,424	1,406,775	1,550,028	2,956,803
Elderly & Disabled Basic	1,636,472	1,816,808	3,453,280	1,658,473	1,815,420	3,473,893
Adults with No Children	446,747	18,659	465,406	464,077	21,663	485,740
Families w. Children Basic	1,417,348	1,631,317	3,048,665	1,420,226	1,693,886	3,114,112
MA Total	5,416,574	5,569,673	10,986,247	5,438,300	5,611,324	11,049,624
Alternative Care Program	45,106	45,106	90,212	45,106	45,106	90,212
Old GAMC Program	0	0	0	0	0	0
Chemical Dependency Fund	117,908	125,297	243,205	97,598	97,902	195,500
Minnesota Family Inv. Program	80,854	80,196	161,050	98,149	97,176	195,325
Child Care Assistance	69,089	68,164	137,254	67,912	67,084	134,996
General Assistance	51,029	50,893	101,922	51,018	50,880	101,898
Group Residential Housing	136,361	143,488	279,849	136,221	144,011	280,232
Minnesota Supplemental Aid	40,780	41,576	82,356	41,055	41,855	82,910
Total General Fund	5,957,702	6,124,393	12,082,095	5,975,359	6,155,338	12,130,697
TANF funds for MFIP Grants	87,241	83,973	171,214	67,213	64,124	131,337
MinnesotaCare	498,894	451,934	950,827	533,763	505,067	1,038,830

TABLE SIX
NEXT BIENNIUM SUMMARY

GENERAL FUND	February 2011 Forecast Change from November 2010 Forecast FY 2012 - FY 2013 Biennium ($ in thousands)			February 2011 Forecast Change from November 2010 Forecast FY 2012 - FY 2013 Biennium (Percent Change)		
	FY 2014	FY 2015	Biennium	FY 2014	FY 2015	Biennium
Medical Assistance						
LTC Facilities	(6,723)	(7,673)	(14,396)	-1.4%	-1.4%	-1.4%
LTC Waivers	(13,760)	(14,861)	(28,621)	-1.0%	-0.9%	-1.0%
Elderly & Disabled Basic	22,001	(1,388)	20,613	1.3%	-0.1%	0.6%
Adults with No Children	17,330	3,004	20,334	3.9%	16.1%	4.4%
Families w. Children Basic	2,878	62,569	65,447	0.2%	3.8%	2.1%
MA Total	21,726	41,651	63,377	0.4%	0.7%	0.6%
Alternative Care Program	0	0	0	0.0%	0.0%	0.0%
Old GAMC Program	0	0	0	0.0%	0.0%	0.0%
Chemical Dependency Fund	(20,310)	(27,395)	(47,705)	-17.2%	-21.9%	-19.6%
Minnesota Family Inv. Program	17,295	16,980	34,275	21.4%	21.2%	21.3%
Child Care Assistance	(1,177)	(1,080)	(2,258)	-1.7%	-1.6%	-1.6%
General Assistance	(11)	(13)	(24)	-0.0%	-0.0%	-0.0%
Group Residential Housing	(140)	523	383	-0.1%	0.4%	0.1%
Minnesota Supplemental Aid	275	279	554	0.7%	0.7%	0.7%
Total General Fund	17,657	30,945	48,602	0.3%	0.5%	0.4%
TANF funds for MFIP Grants	(20,028)	(19,849)	(39,877)	-23.0%	-23.6%	-23.3%
MinnesotaCare	34,869	53,133	88,003	7.0%	11.8%	9.3%