



February 2023 Forecast



Executive Summary and Trend Data

Prepared by Reports and Forecasts Division

Shawn Welch, Director

Susan Snyder, Assistant Director

Feb. 27, 2023

Table of content

Executive summary	3
Medical Assistance	6
Medical Assistance Long-Term Care:	
Facilities	10
Alternative Care	10
Waivers and Home Care	11
Medical Assistance Basic Care:	
Elderly and Disabled	14
Adults without Children	17
Families with Children	20
MinnesotaCare	23
Behavioral Health Fund	26
Minnesota Family Investment Program	28
Child Care Assistance	30
Northstar Care for Children	32
General Assistance, Housing Support and Minnesota Supplemental Aid	34
February 2023 forecast changes: In a nutshell	36
Contacts and additional resources	38

Executive summary

The Minnesota Department of Human Services (DHS) 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 February 2023 forecast highlights in this document represent Changes from the November 2022 forecast.

FEBRUARY 2023 FORECAST HIGHLIGHTS

General Fund (GF)

Changes from the November 2022 forecast

- Decrease of \$77.3 million in 2022-2023 biennium (-0.6%)
- Increase of \$3.2 million in 2024-2025 biennium (+0.0%)
- Decrease of \$18.7 million in 2026-2027 biennium (-0.1%)
- Overall decrease of \$92.8 million across the entire forecast horizon

Health Care Access Fund (HCAF)

Changes from the November 2022 forecast

- Decrease of \$7.4 million in 2022-2023 biennium (-0.7%)
- Increase of \$3.0 million in 2024-2025 biennium (+0.2%)
- Increase of \$14.8 million in 2026-2027 biennium (+1.1%)
- Overall increase of \$10.4 million across the entire forecast horizon

Reasons: The February forecast results in small General Fund reductions in the 2022-2023 and 2026-2027 biennia and virtually no change in the 2024-2025 biennium. The main drivers of General Fund savings are additional federal funding (which directly reduces state spending) and an adjustment to MA Long-Term Care Waiver rates. Partially offsetting these forecast reductions are MA enrollment increases.

The entire General Fund forecast reduction in the 2022-2023 biennium is due to additional federal funding. The 2023 Consolidated Appropriations Act (CAA) decoupled the enhanced federal match and the continuous coverage requirements from the federal Public Health Emergency (PHE). The CAA also lays out a step-down of the enhanced federal match rate with the rate falling each quarter through Calendar Year 2023. The February forecast assumes the state will receive this step-down enhanced federal funding, which directly replaces state spending, representing an additional three quarters relative to the previous forecast. These state savings are partially offset by the cost of another quarter of continuous coverage before the state begins the “unwinding” process. The additional enhanced federal funding results in projected state savings of \$295 million, with about 40% of it accruing in the 2022-2023 biennium. The additional quarter of continuous coverage has projected state costs of \$97 million, with about 15% of it accruing in the 2022-2023 biennium. Overall, these changes result in a net General Fund reduction of \$198 million over the entire forecast horizon.

Forecast savings in the 2026-2027 biennium are due mostly to an adjustment in the projections of MA Long Term Care Waiver rates. The Disability Waiver Rates System (DWRS) provides the basis for pricing most services available through the four disability waivers. The system adjusts rates on a legislated schedule using updated wage component values from Bureau of Labor Statistics (BLS) Standard Occupational Codes (SOC) wage data and Consumer Price Index (CPI) data. By state law, the next scheduled update, November 1, 2024, will incorporate BLS data available as of December 31, 2021. The previous forecast estimated the impact of the November 2024 rate increase using 2021 BLS data that was not available from

WHO IT SERVES

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

HOW MUCH IT COSTS

- \$18.2 billion total spending in DHS forecasted programs
- \$6.1 billion state spending in DHS forecasted programs

Data for FY 2022

Continued on next page

Continued from previous page

BLS until March 2022. The February forecast adjusts these estimates to use 2020 BLS data, as this was the data available to DHS as of December 31, 2021 and will be the data used to update rates. This essentially removes one year of inflation from the estimates. This adjustment results in a net General Fund reduction of \$141 million over the 2024-2025 and 2026-2027 biennia.

Offsetting these General Fund savings is higher projected MA enrollment. Actual Calendar Year 2022 enrollment growth was higher than previously expected which leads to a projected base increase. Also contributing to the increase is a shift of eligibility from MinnesotaCare to MA. This shift results from the annual update of the Federal Poverty Guidelines (FPG) in the eligibility system, which adjusts income as a percent of FPG and shifts some MinnesotaCare enrollees at the lowest income levels to MA. Overall, higher MA enrollment produces a General Fund increase of \$51 million in the 2022-2023 biennium, \$120 million in the 2024-2025 biennium, and \$104 million in the 2026-2027 biennium.

Finally, the February forecast produces a small increase in HCAF spending across the forecast horizon. This small projected HCAF cost is the result of lower federal funding in the Basic Health Program (BHP). Reduced federal BHP funding directly increases the need for state program spending. The lower federal BHP funding results from an adjustment to the value of a new factor in the federal funding formula. This new factor was introduced for 2023 to account for the negative impact of private market reinsurance on federal BHP funding. However, the value of the factor had not been finalized in time for the November forecast. The February forecast reflects the final factor value, which provides a slightly lower amount of federal funding than had been projected in November. This factor adjustment accounts for all of the overall HCAF reduction in the forecast horizon.

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 Decreases:

- Step-down enhanced federal match through December 2023. (All MA budget activity pages; Behavioral Health Fund; Northstar Care)
- DWRS rate adjustment. (MA Long-Term Care: Waivers and Home Care)

Forecast Increases:

- Increased MA caseload. (All MA Basic Care pages)
- Decreased federal BHP funding due to an adjustment to the value of a factor in the funding formula. (MinnesotaCare)

FY 2024 AND FY 2025 FORECASTED EXPENDITURES

Program	FY 2024		FY 2025	
	Total Dollars	State Share	Total Dollars	State Share
Medical Assistance (MA)	18,476,861,652	7,233,411,271	18,754,974,805	7,544,462,371
LTC Facilities	1,288,765,636	574,587,285	1,355,729,723	614,379,885
LTC Waivers	5,875,582,627	2,755,733,312	6,196,923,891	2,914,141,086
Elderly and Disabled Basic Care ¹	3,902,980,512	1,853,493,181	4,059,068,337	1,959,941,958
Adults without Children Basic Care	3,603,481,851	360,601,191	3,327,994,414	333,665,471
Families with Children Basic Care ²	3,806,051,027	1,688,996,302	3,815,258,440	1,722,333,971
MinnesotaCare	640,450,006	85,006,778	609,625,442	47,147,726
Behavioral Health Fund	225,605,207	96,387,234	237,640,747	98,416,833
Minnesota Family Investment Program (MFIP) ³	376,618,700	86,639,122	385,036,849	90,207,025
MFIP/TY Child Care Assistance	150,231,412	18,014,675	189,404,975	84,575,456
Northstar Care for Children	278,010,611	113,912,163	309,158,745	125,606,111
General Assistance	51,965,592	51,965,592	53,033,763	53,033,763
Housing Support	213,138,306	211,138,306	220,858,273	218,858,273
Minnesota Supplemental Aid	58,301,521	58,301,521	59,844,710	59,844,710
Total	20,471,183,007	7,954,776,662	20,819,578,310	8,322,152,269

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 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

- 1.3 million average monthly enrollees

HOW MUCH IT COSTS

- \$16.5 billion total spending
- \$5.4 billion state funds

Data for FY 2022

FEBRUARY 2023 FORECAST HIGHLIGHTS

General Fund

Changes from the November 2022 forecast

- Decrease of \$62.3 million in 2022-2023 biennium (-0.5%)
- Increase of \$32.2 million in 2024-2025 biennium (+0.2%)
- Decrease of \$2.3 million in 2026-2027 biennium (-0.0%)

Health Care Access Fund

Changes from the November 2022 forecast

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

Reasons: The February forecast produces small MA General Fund reductions in the 2022-2023 and 2026-2027 biennia and a small increase in the 2024-2025 biennium. The MA forecast reduction in the 2022-2023 biennium is the result of additional federal funding. The projected MA General Fund changes in the 2024-2025 and 2026-2027 biennia are the result of offsetting forecast adjustments to MA Long-Term Care Waiver rates and MA enrollment.

The entire MA forecast reduction in the 2022-2023 biennium is due to additional federal funding. The 2023 Consolidated Appropriations Act (CAA) decoupled the enhanced federal match and the continuous coverage requirements from the federal Public Health Emergency (PHE). The CAA also lays out a step-down of the enhanced federal match rate with the rate falling each quarter during Calendar Year 2023. The February forecast assumes the state will receive this step-down enhanced federal funding, which directly replaces state spending, representing an additional three quarters relative to the previous forecast. These state savings are partially offset by the cost of another quarter of continuous coverage before the state begins the "unwinding" process. The additional enhanced federal funding results in projected state savings of \$293 million, with about 40% of it accruing in the 2022-2023 biennium. The additional quarter of

Continued on next page

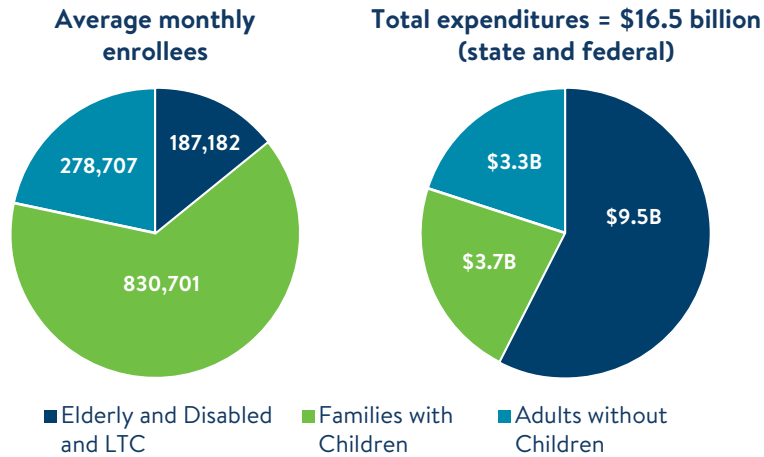
Continued from previous page

continuous coverage has projected state costs of \$97 million, with about 15% of it accruing in the 2022-2023 biennium. Overall, these changes result in a net General Fund reduction of \$196 million over the entire forecast horizon.

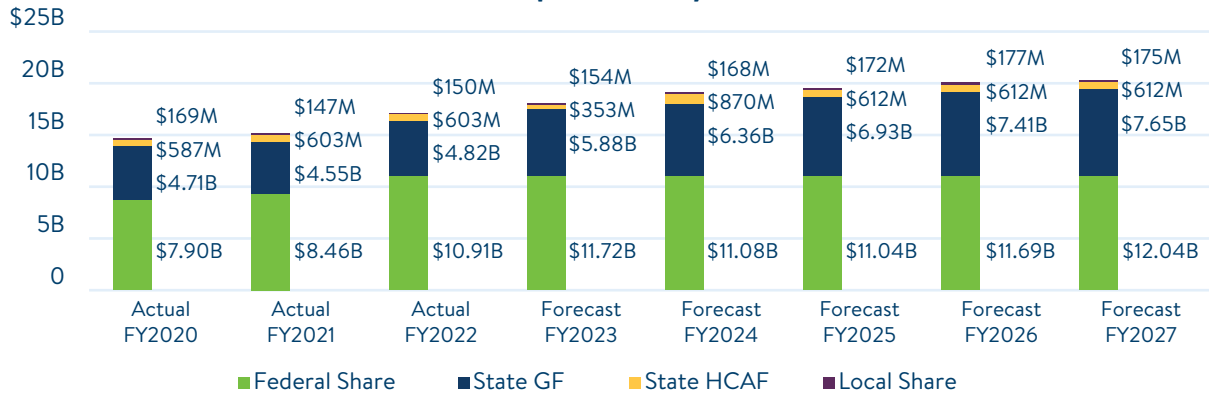
Forecast savings in the 2026-2027 biennium are due mostly to an adjustment in the projections of MA Long Term Care Waiver rates. The Disability Waiver Rates System (DWRS) provides the basis for pricing most services available through the four disability waivers. The system adjusts rates on a legislated schedule using updated wage component values from Bureau of Labor Statistics (BLS) Standard Occupational Codes (SOC) wage data and Consumer Price Index (CPI) data. By state law, the next scheduled update, November 1, 2024, will incorporate BLS data available as of December 31, 2021. The previous forecast estimated the impact of the November 2024 rate increase using 2021 BLS data that was not available from BLS until March 2022. The February forecast adjusts these estimates to use 2020 BLS data, as this was the data available to DHS as of December 31, 2021 and will be the data used to update rates. This essentially removes one year of inflation from the estimates. This adjustment results in a net General Fund reduction of \$141 million over the 2024-2025 and 2026-2027 biennia.

Offsetting these General Fund savings is higher projected MA enrollment. Actual Calendar Year 2022 enrollment growth was higher than previously expected which leads to a projected base increase. Also contributing to the increase is a shift of eligibility from MinnesotaCare to MA. This shift results from the annual update of the Federal Poverty Guidelines (FPG) in the eligibility system, which adjusts income as a percent of FPG and shifts some MinnesotaCare enrollees at the lowest income levels to MA. Overall, higher MA enrollment produces a General Fund increase of \$51 million in the 2022-2023 biennium, \$120 million in the 2024-2025 biennium, and \$104 million in the 2026-2027 biennium.

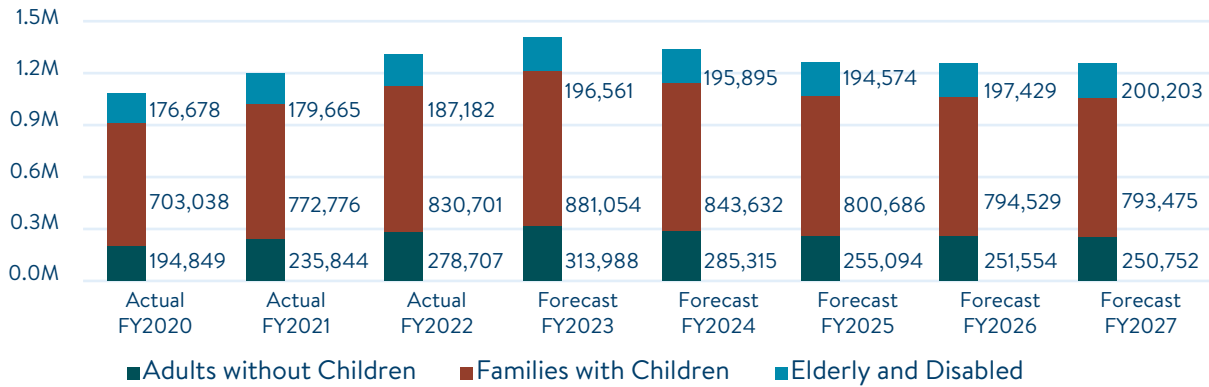
Medical Assistance Enrollment and Expenditures: FY2022



Total MA expenditures by fund



MA enrollment by eligibility category



HISTORICAL TABLE

Medical Assistance Program: Total Expenditures (All Funds)		
FY	Total \$	% Change
2012	8,241,120,196	
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	12,548,729,798	15.25%
2019	12,280,201,965	(2.14%)
2020	13,368,736,350	8.86%
2021	13,763,155,263	2.95%
2022	16,487,895,092	19.80%
2023*	18,103,667,290	9.80%
2024*	18,476,861,652	2.06%
2025*	18,754,974,805	1.51%
2026*	19,890,774,204	6.06%
2027*	20,476,038,622	2.94%
Avg. Annual Increase 2012-2022		6.85%

**Projected*

Beginning in FY 2011 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

- 12,400 average monthly recipients

HOW MUCH IT COSTS

- \$1.1 billion total spending
- \$445 million state funds

Alternative Care

Data for FY 2022

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

FEBRUARY 2023 FORECAST HIGHLIGHTS

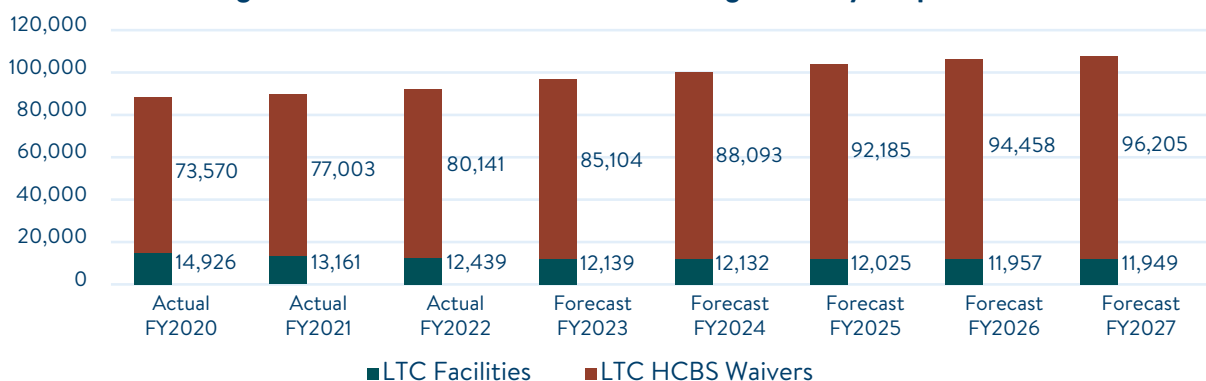
General Fund

Changes from the November 2022 forecast

- Decrease of \$21.3 million in 2022-2023 biennium (-2.4%)
- Decrease of \$23.6 million in 2024-2025 biennium (-2.0%)
- Decrease of \$8.2 million in 2026-2027 biennium (-0.6%)

Reasons: The February forecast for MA Facilities produces General Fund reductions of about 2% in the 2022-2023 and 2024-2025 biennia, and less than 1% in the 2026-2027 biennium. The three quarters of step-down of enhanced federal match following the PHE results in expected state savings of \$13 million in the 2022-2023 biennium and \$12 million in the 2024-2025 biennium. Nursing facility average payments explain most of the rest of the decrease. Calendar Year 2022 data show that average payments came in lower than previously projected, reducing the forecast payment base. Higher Skilled Nursing Facility inflation projections lead to a higher trend off the decreased base. The resulting projected average payments are 1% less than the previous forecast in the 2024-2025 biennium, and 0.6% less in the 2026-2027 biennium.

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 (HCBS) 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 facility 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 (PCA), Home Care Nursing, Housing Stabilization Services and Home Health Agency.

WHO IT SERVES

- 81,600 average monthly recipients

HOW MUCH IT COSTS

- \$5.0 billion total spending
- \$1.7 billion state funds

Data for FY 2022

FEBRUARY 2023 FORECAST HIGHLIGHTS

General Fund

Changes from the November 2022 forecast

- Decrease of \$80.0 million in 2022-2023 biennium (-1.9%)
- Decrease of \$52.8 million in 2024-2025 biennium (-0.9%)
- Decrease of \$128.4 million in 2026-2027 biennium (-2.0%)

Reasons: The February forecast for MA Waivers and Home Care produces General Fund reductions between 0.9% and 2% over the three biennia in the forecast horizon. The forecast reductions in the 2022-2023 and 2024-2025 biennia are mainly due to additional federal funding from the three quarters of step-down of enhanced federal match following the PHE. With small offsetting costs for additional waiver cases expected due to continuous coverage provisions of the PHE, the impact is a \$62 million savings in the 2022-2023 biennium and \$56 million savings in the 2024-2025 biennium. The February forecast also recognizes that the Electronic Visit Verification (EVV) federal funds penalty will end December 31, 2022, six months earlier than previously expected. This results in an additional \$10 million of savings due to additional federal funds, \$8 million of which is in MA Waivers and Home Care, with the remainder in MA Elderly and Disabled Basic Care.

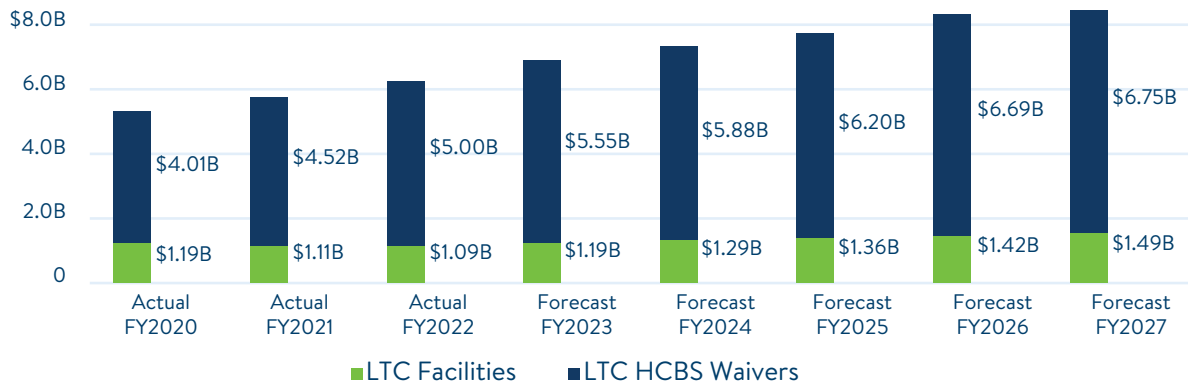
The reduction in the 2026-2027 biennium is almost entirely due to an adjustment in expected average payments in the disability waiver programs. The Disability Waiver Rates System (DWRS) provides the basis for pricing most services available through the four disability waivers. The system adjusts rates on a legislated schedule using updated wage component values from Bureau of Labor Statistics (BLS) Standard Occupational Codes (SOC) wage data and Consumer Price Index (CPI) data. By state law, the next scheduled update, November 1, 2024, will incorporate BLS data available as of December 31, 2021. The previous forecast estimated the impact of the November 2024 rate increase using 2021 BLS data that was not available from BLS until March 2022. The February forecast adjusts these estimates to use 2020 BLS data, as this was the data available to DHS as of December 31, 2021 and will be the data used to update rates. This essentially removes one year of inflation from the estimates. Due to the phase-in of new rates in DWRS, the impact is relatively modest in the 2024-2025 biennium, with a savings of \$12 million, and grows to a savings of \$130 million in the 2026-2027 biennium.

Continued on next page

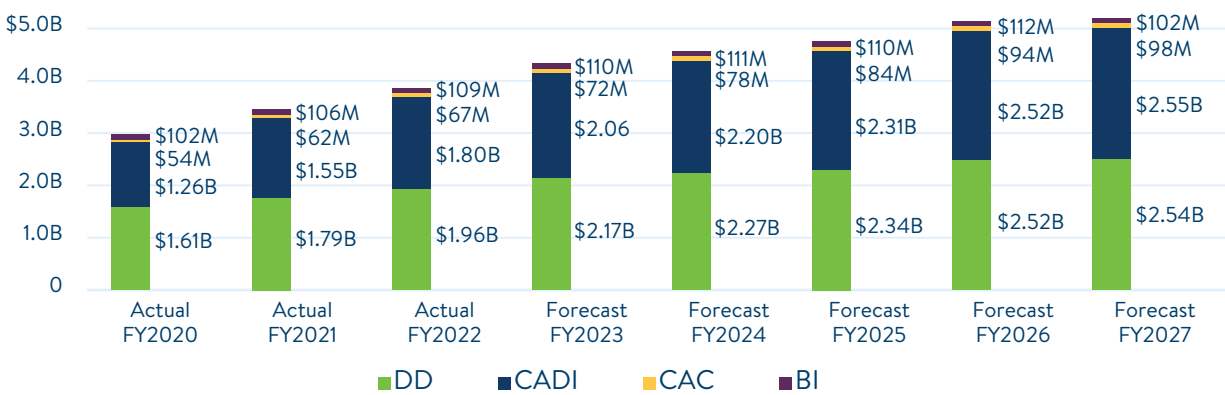
Continued from previous page

Partially offsetting these General Fund forecast reductions are projected costs due to an implementation delay of Community First Services and Supports (CFSS). The CFSS program will replace PCA in the 2024-2025 biennium. The February forecast assumes CFSS will be implemented beginning September 2023, five months later than previously assumed. This delay results in an estimated \$25 million General Fund increase through the forecast horizon. Most of this cost, \$17 million in the 2022- 2023 and 2024-2025 biennia, is in MA Waivers and Home Care, with the remainder in MA Elderly and Disabled Basic Care.

Long-term care facilities and waivers expenditures — all funds



Disability waivers expenditures — all funds



HISTORICAL TABLE

FY	A: Long Term Care (LTC) Facilities		B: LTC Waivers (Home & Community Based Services)		A + B = Total LTC	
	Total \$	% Change	Total \$	% Change	Total \$	% Change
2012	945,566,280		2,223,655,096		3,169,221,376	
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	1,190,569,963	3.15%	4,009,994,313	12.68%	5,200,564,275	10.34%
2021	1,110,015,824	(6.77%)	4,518,911,142	12.69%	5,628,926,967	8.24%
2022	1,092,540,765	(1.57%)	4,995,831,787	10.55%	6,088,372,552	8.16%
2023*	1,188,676,733	8.80%	5,547,008,407	11.03%	6,735,685,141	10.63%
2024*	1,288,765,636	8.42%	5,875,582,627	5.92%	7,164,348,263	6.36%
2025*	1,355,729,723	5.20%	6,196,923,891	5.47%	7,552,653,614	5.42%
2026*	1,419,408,480	4.70%	6,693,691,027	8.02%	8,113,099,507	7.42%
2027*	1,486,195,619	4.71%	6,750,860,628	0.85%	8,237,056,247	1.53%
Avg. Annual Increase 2012-2022		1.46%		8.43%		6.75%

*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 paying premiums and cost sharing. 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 paid as an add-on to the Elderly Basic Care capitation payment.

WHO IT SERVES

- 187,200 average monthly enrollees

HOW MUCH IT COSTS

- \$3.4 billion total spending
- \$1.4 billion state funds

Data for FY 2022

FEBRUARY 2023 FORECAST HIGHLIGHTS

General Fund

Changes from the November 2022 forecast

- Decrease of \$15.1 million in 2022-2023 biennium (-0.4%)
- Decrease of \$18.5 million in 2024-2025 biennium (-0.4%)
- Increase of \$13.7 million in 2026-2027 biennium (+0.3%)

Reasons: The February forecast for MA Elderly and Disabled Basic Care produces small General Fund reductions in the 2022-2023 and 2024-2025 biennia and a small General Fund increase in the 2026-2027 biennium. The forecast reductions are primarily the result of additional federal funding partially offset by higher enrollment, with higher projected enrollment producing the forecast increase in the out biennium.

The February forecast assumes step-down enhanced federal funding through December 2023, which effectively adds three quarters of enhanced federal funding. This additional federal funding directly replaces state spending and provides state savings. These forecast savings are partially offset by the cost of an additional quarter of continuous coverage before the state begins the “unwinding” process. Overall, for MA Elderly and Disabled, these updates to federal funding and continuous coverage result in a \$16 million net General Fund reduction in the 2022-2023 biennium and a \$33 million General Fund reduction in the 2024-2025 biennium.

Partially offsetting these reductions and resulting in the forecast increase in the 2026-2027 biennium is a projected enrollment increase. Actual enrollment in 2022 was higher than previously projected, which leads to a projected 0.5% enrollment base increase. Increased MA Elderly and Disabled enrollment results in General Fund costs of \$11 million in the 2022-2023 biennium, \$18 million in the 2024-2025 biennium, and \$16 million in the 2026-2027 biennium.

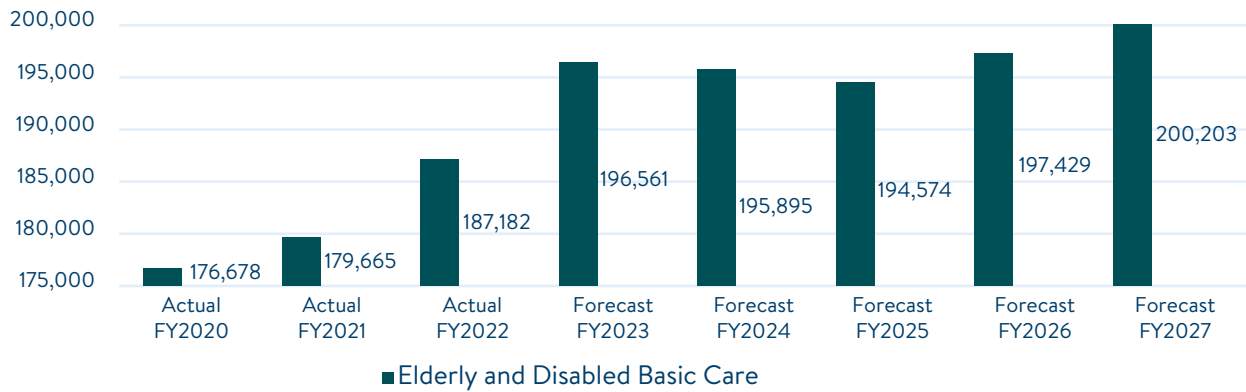
The February forecast for MA Elderly and Disabled also includes adjustments to projected federal Part D clawback payments. Beginning in 2006, the Medicare benefit set expanded to include prescription drug coverage. For dual eligibles (i.e. individuals enrolled in both Medicaid and Medicare), prescription drug coverage had previously been provided through Medicaid with federal and state shares. To help pay for this expanded Medicare coverage, the federal government bills each state an amount roughly equal to what the state would have paid if prescription drug coverage were still provided through Medicaid for dual

Continued on next page

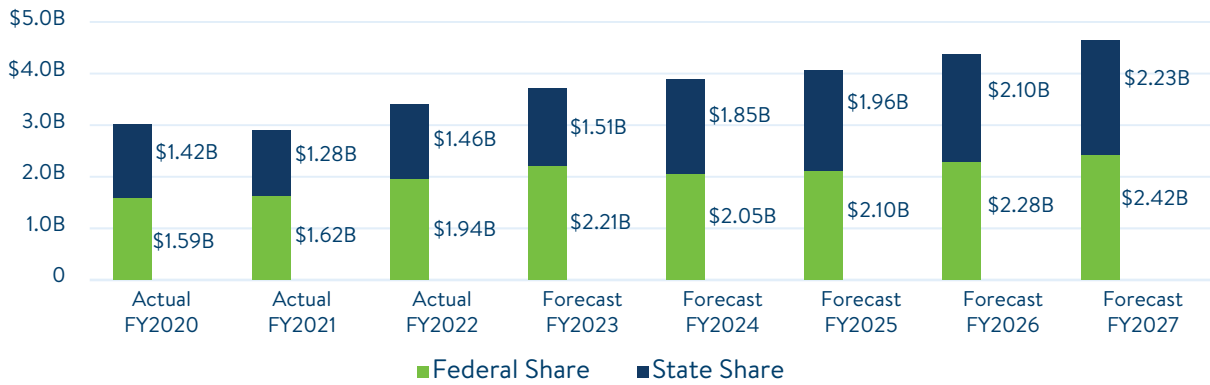
Continued from previous page

eligibles. These payments from states to the federal government are known as Part D clawback payments. Due to the step-down enhanced federal funding through December 2023, the federal per-person Part D clawback charge rate is reduced, meaning the state pays less for each dual eligible subject to the clawback charge. This results in lower federal clawback payments of \$8 million in the 2022-2023 biennium and \$5 million in the 2024-2025 biennium. However, higher projected enrollment of dual eligibles results in a \$5 million forecast increase in the 2026-2027 biennium.

Elderly and Disabled Basic Care: Average monthly enrollees



Elderly and Disabled Basic Care expenditures



HISTORICAL TABLE

	Elderly & Disabled Basic Care	
FY	Total \$	% Change
2012	2,118,181,376	
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	2,894,549,433	14.61%
2019	2,780,093,762	(3.95%)
2020	3,011,306,799	8.32%
2021	2,903,228,285	(3.59%)
2022	3,406,926,353	17.35%
2023*	3,717,740,523	9.12%
2024*	3,902,980,512	4.98%
2025*	4,059,068,337	4.00%
2026*	4,377,028,449	7.83%
2027*	4,646,414,072	6.15%
Avg. Annual Increase 2012-2022		4.67%

**Projected*

Beginning in FY 2011 there are managed care payment delays from odd years to even years which impact the annual percent change.

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 \$18,754 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 CY 2016. Beginning in CY 2017, the federal match rate stepped down each year until it hit 90% in CY 2020. This now becomes the ongoing fixed federal match rate for this expansion population.

WHO IT SERVES

- 278,700 average monthly enrollees

HOW MUCH IT COSTS

- \$3.3 billion total spending
- \$328 million state funds

Data for FY 2022

FEBRUARY 2023 FORECAST HIGHLIGHTS

General Fund

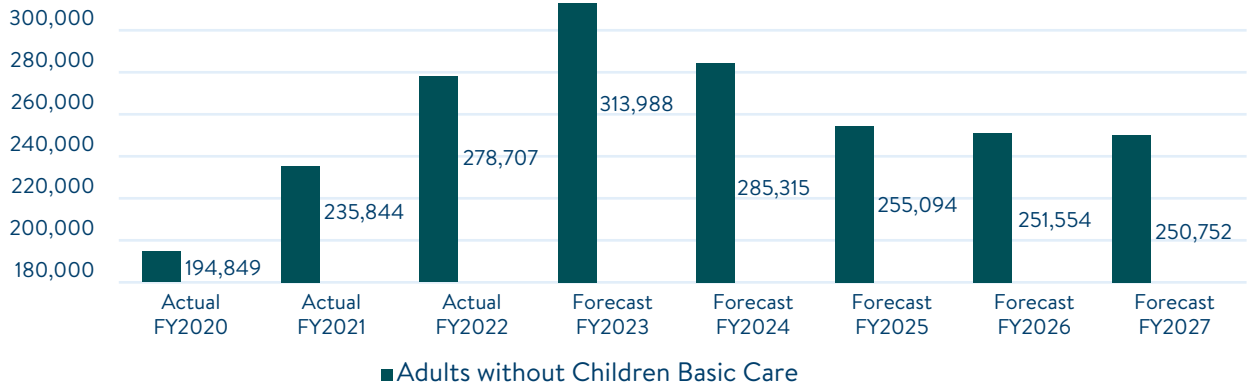
Changes from the November 2022 forecast

- Increase of \$11.8 million in 2022-2023 biennium (+1.7%)
- Increase of \$47.8 million in 2024-2025 biennium (+7.5%)
- Increase of \$31.4 million in 2026-2027 biennium (+4.8%)

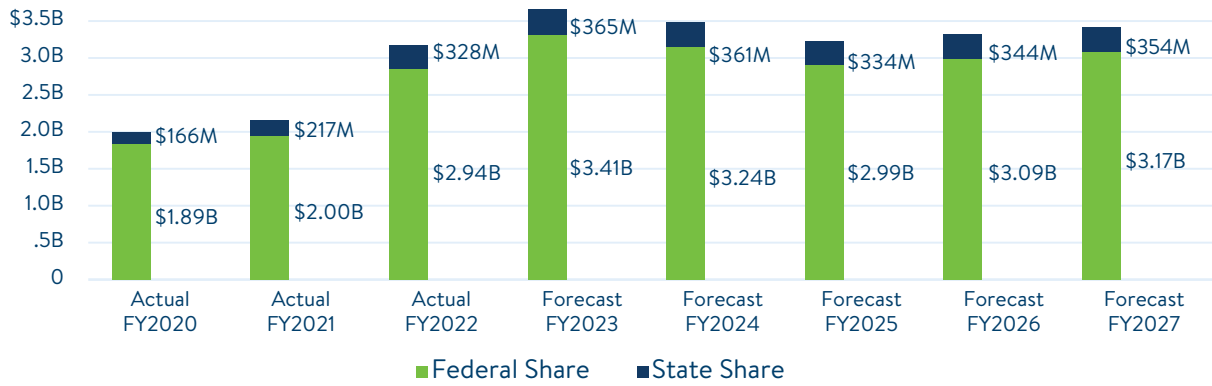
Reasons: The February forecast produces General Fund increases for MA Adults without Children Basic Care in each of the three forecast biennia. These forecast increases are the result of three upward adjustments to enrollment.

The first adjustment is due to higher-than-expected actual enrollment in 2022. Also contributing to the forecast increase is a shift of eligibility from MinnesotaCare. This shift results from the annual update of the Federal Poverty Guidelines (FPG) in the eligibility system, which adjusts income as a percent of FPG and shifts some MinnesotaCare enrollees at the lowest income levels to MA Adults without Children. Together, these forecast adjustments result in a 5% enrollment base increase throughout the forecast horizon. Finally, an additional upward enrollment adjustment was made due to the additional quarter of continuous coverage in this forecast. This further delays the eligibility impact of resuming annual renewals, resulting in higher enrollment in FY 2023 and FY 2024. The base enrollment increase accounts for roughly 70% of the total increase for this population in the 2022- 2023 and 2024-2025 biennia and the entire increase in the 2026-2027 biennium. Overall, higher enrollment of MA Adults without Children results in General Fund costs of \$13 million in the 2022-2023 biennium, \$49 million in the 2024-2025 biennium, and \$34 million in the 2026-2027 biennium. Note that, since federal funding for this expansion group is fixed at 90% of total costs, there is no step-down enhanced federal match for this population.

Adults without Children Basic Care: Average monthly enrollees



Adults without Children Basic Care expenditures



HISTORICAL TABLE

	Adults without Children Basic Care	
FY	Total \$	% Change
2012	819,539,240	
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	1,970,490,317	12.21%
2019	1,823,780,554	(7.45%)
2020	2,060,499,313	12.98%
2021	2,221,469,075	7.81%
2022	3,269,900,549	47.20%
2023*	3,776,449,636	15.49%
2024*	3,603,481,851	(4.58%)
2025*	3,327,994,414	(7.65%)
2026*	3,430,801,730	3.09%
2027*	3,526,985,815	2.80%
Avg. Annual Increase 2012-2022		14.14%

*Projected

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

Beginning in FY 2011 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

- 830,700 average monthly enrollees

HOW MUCH IT COSTS

- \$3.7 billion total spending
- \$1.5 billion state funds

Data for FY 2022

FEBRUARY 2023 FORECAST HIGHLIGHTS

General Fund

Changes from the November 2022 forecast

- Increase of \$42.3 million in 2022-2023 biennium (+1.5%)
- Increase of \$79.3 million in 2024-2025 biennium (+2.5%)
- Increase of \$89.1 million in 2026-2027 biennium (+2.6%)

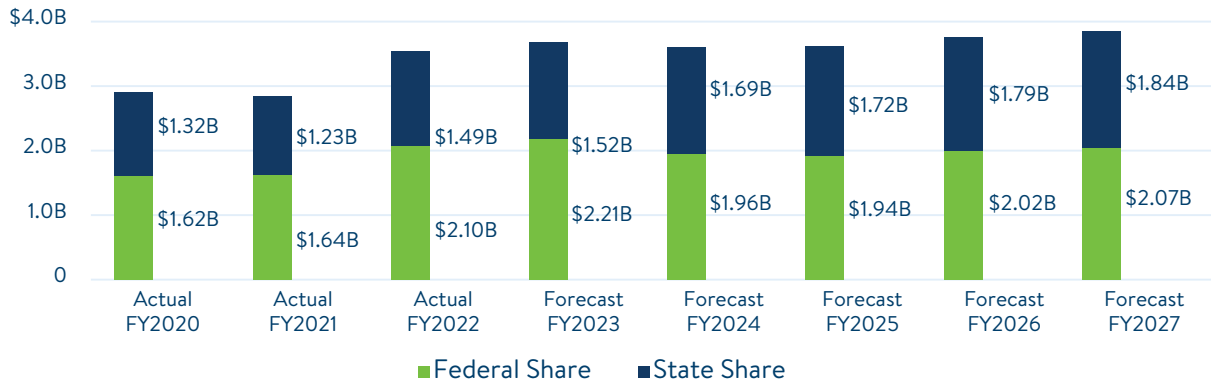
Reasons: The February forecast for MA Families with Children Basic Care produces General Fund increases of roughly 2% in all three forecast biennia. These forecast increases are primarily the result of additional enrollment and lower federal Children’s Health Insurance Program (CHIP) funding, which more than offsets a projected increase in federal funding.

The February forecast assumes step-down enhanced federal funding through December 2023, which effectively adds three quarters of enhanced federal funding. This additional federal funding directly replaces state spending and provides state savings. These forecast savings are partially offset by the cost of an additional quarter of continuous coverage before the state begins the “unwinding” process. Overall, for MA Families with Children, these updates to federal funding and continuous coverage result in a \$14 million net General Fund reduction in the 2022-2023 biennium and a \$9 million General Fund reduction in the 2024-2025 biennium.

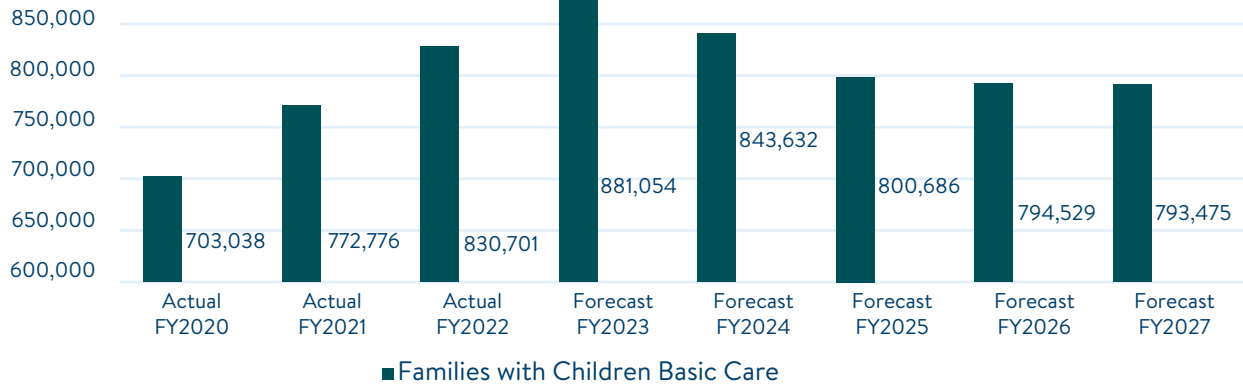
Offsetting these forecast reductions is an increase in MA Families with Children enrollment caused by two forecast adjustments. The first is due to higher-than-expected actual enrollment in 2022. The second is a shift of eligibility from MinnesotaCare. This shift results from the annual update of the Federal Poverty Guidelines (FPG) in the eligibility system, which adjusts income as a percent of FPG and shifts some MinnesotaCare enrollees at the lowest income levels to MA Families with Children. Together, these forecast adjustments result in a 2% enrollment base increase throughout the forecast horizon. This MA Families with Children base enrollment increase results in projected costs of \$31 million in the 2022-2023 biennium, \$69 million in the 2024-2025 biennium, and \$54 million in the 2026-2027 biennium.

Finally, reduced federal CHIP funding for certain MA children also results in projected forecast costs. The February forecast implements a technical adjustment in the claiming of enhanced CHIP match. Due to a formula error, previous forecasts claimed federal CHIP match on more MA children than were eligible for the enhanced federal funding. Fixing this technical error leads to lower federal funding in the February forecast. Lower federal CHIP funding results in state forecast costs of \$23 million in the 2022-2023 biennium, \$27 million in the 2024-2025 biennium, and \$36 million in the 2026-2027 biennium.

Families with Children Basic Care expenditures



Families with Children Basic Care: Average monthly enrollees



HISTORICAL TABLE

	Families with Children Basic Care	
FY	Total \$	% Change
2012	2,134,178,204	
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	3,325,147,926	33.69%
2019	2,963,263,740	(10.88%)
2020	3,096,365,963	4.49%
2021	3,009,530,937	(2.80%)
2022	3,722,695,638	23.70%
2023*	3,873,791,991	4.06%
2024*	3,806,051,027	(1.75%)
2025*	3,815,258,440	0.24%
2026*	3,969,844,519	4.05%
2027*	4,065,582,489	2.41%
Avg. Annual Increase 2012-2022		5.00%

**Projected*

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

Beginning in FY 2011 there are managed care payment delays from odd years to even years which impact the annual percent change.

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 MA. 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 Deferred Action for Childhood Arrivals (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

- 105,900 average monthly enrollees

HOW MUCH IT COSTS

- \$637 million total spending
- \$55 million state funds

Data for FY 2022

FEBRUARY 2023 FORECAST HIGHLIGHTS

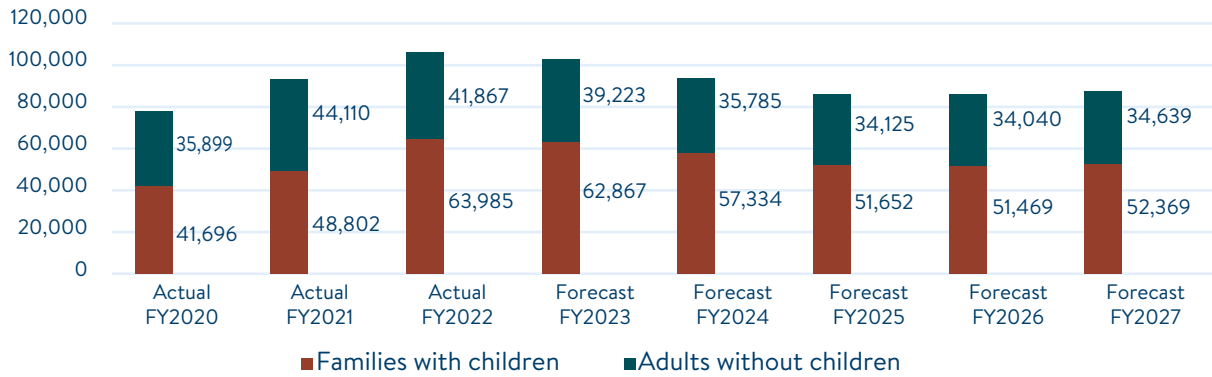
Health Care Access Fund

Changes from the November 2022 forecast

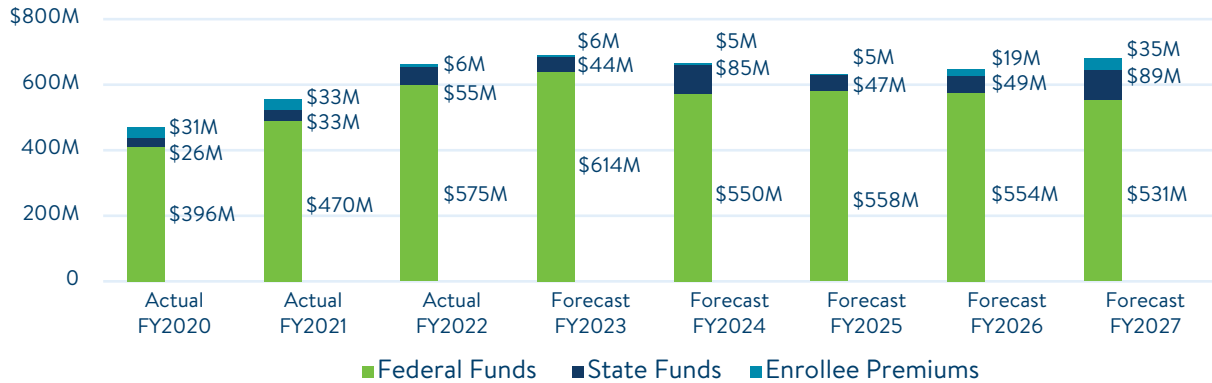
- Decrease of \$7.4 million in 2022-2023 biennium (-7.0%)
- Increase of \$3.0 million in 2024-2025 biennium (+2.3%)
- Increase of \$14.8 million in 2026-2027 biennium (+12.1%)

Reasons: The February forecast produces a small increase in HCAF spending across the forecast horizon. This small projected HCAF cost is the result of lower federal funding in the BHP. Reduced federal BHP funding directly increases the need for state program spending. The lower federal BHP funding results from an adjustment to the value of a new factor in the federal funding formula. This new factor was introduced for 2023 to account for the negative impact of private market reinsurance on federal BHP funding. However, the value of the factor had not been finalized in time for the November forecast. The February forecast reflects the final factor value, which provides a slightly lower amount of federal funding than had been projected in November. This factor adjustment accounts for all of the overall HCAF reduction in the forecast horizon.

MinnesotaCare Enrollment



MinnesotaCare/BHP funding by source



HISTORICAL TABLE

MinnesotaCare Total Expenditures		
FY	Total \$	% Change
2012	551,090,615	
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	426,581,269	7.39%
2019	438,365,628	2.76%
2020	452,661,457	3.26%
2021	536,139,602	18.44%
2022	636,664,399	18.75%
2023*	664,408,420	4.36%
2024*	640,450,006	(3.61%)
2025*	609,625,442	(4.81%)
2026*	622,268,659	2.07%
2027*	655,013,104	5.26%
Avg. Annual Decrease 2012-2022		1.45%

*Projected

Behavioral Health Fund

The Behavioral Health Fund pays for residential and outpatient substance use disorder (SUD) treatment services for eligible low-income Minnesotans. The fund also pays for room and board for recipients of residential treatment, including SUD treatment paid for by managed care plans, and for recipients of certain residential mental health services. 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

- 26,700 unique recipients

HOW MUCH IT COSTS

- \$160 million total spending
- \$85 million state funds

Data for FY 2022

FEBRUARY 2023 FORECAST HIGHLIGHTS

General Fund

Changes from the November 2022 forecast

- Decrease of \$5.5 million in 2022-2023 biennium (-3.0%)
- Decrease of \$9.4 million in 2024-2025 biennium (-4.6%)
- Decrease of \$18.7 million in 2026-2027 biennium (-8.1%)

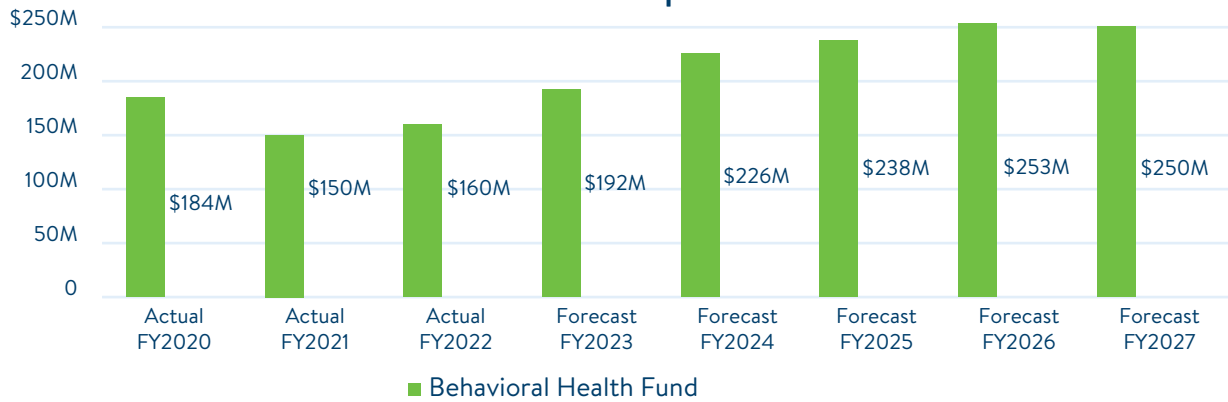
Reasons: The February forecast for the Behavioral Health Fund produces moderate net General Fund decreases in the 2022-2023 and 2024-2025 biennia and a relatively large reduction in the 2026-2027 biennium. Changes in three areas account for 69% of the change in the 2022-2023 biennium and more than 90% of the change in the 2024-2025 and 2026-2027 biennia.

The first is in the area of mental health room and board. These projections are reduced \$2.7 million in the 2022-2023 biennium, \$6.1 million in the 2024-2025 biennium, and \$4.5 million in the 2026-2027 biennium. These changes are a partial roll-back of increases made in the November forecast. Data for a few additional months has made it clear that recipient increases developing in the spring of 2022 were not as great as anticipated.

The second area is managed care room and board. These projections are reduced \$1.0 million in the 2022-2023 biennium, \$3.5 million in the 2024-2025 biennium, and \$4.5 billion in the 2026-2027 biennium. Lower than expected numbers of recipients in the summer months give this forecast a lower starting point than in the November forecast.

Finally, federal funding which the state is expected to gain under the SUD Waiver is adjusted upward in the 2026-2027 biennium to be consistent with projections for FY 2025, which approximate the full level of benefit expected from the SUD waiver. The net forecast change is a reduction of \$9.1 million in the 2026-2027 biennium.

Behavioral Health Fund expenditures



HISTORICAL TABLE

		Behavioral Health Fund Total Expenditures	
	FY	Total \$	% Change
	2012	132,221,922	
	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	184,310,877	(14.55%)
	2021	149,925,383	(18.66%)
	2022	159,546,209	6.42%
	2023*	191,923,259	20.29%
	2024*	225,605,207	17.55%
	2025*	237,640,747	5.33%
	2026*	253,432,896	6.65%
	2027*	250,081,189	(1.32%)
	Avg. Annual Increase 2012-2022		1.90%

*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

- 75,700 average monthly recipients

HOW MUCH IT COSTS

- \$337 million total spending
- \$166 million state funds

FEBRUARY 2023 FORECAST HIGHLIGHTS

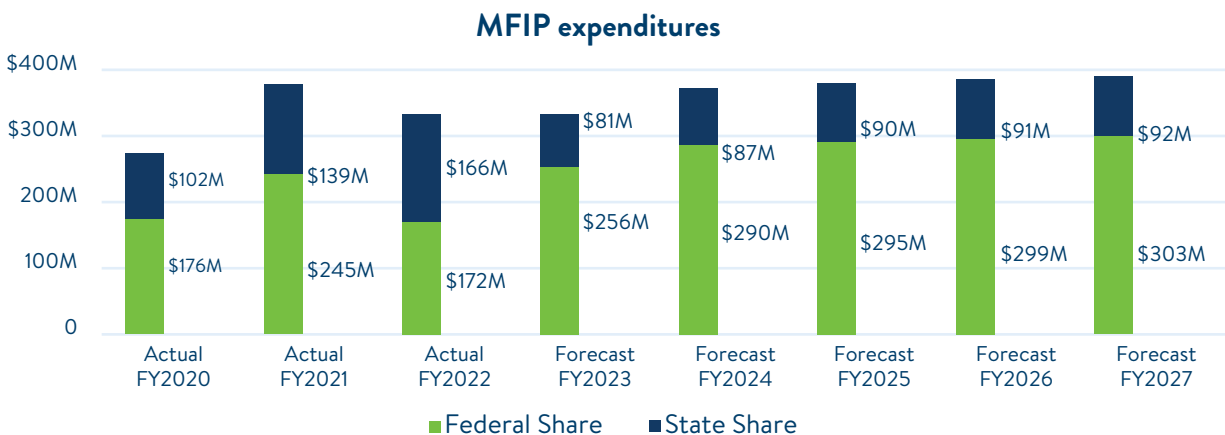
General Fund

Data for FY 2022

Changes from the November 2022 forecast

- Decrease of \$3.7 million in 2022-2023 biennium (-1.5%)
- Decrease of \$1.6 million in 2024-2025 biennium (-1.0%)
- Increase of \$1.7 million in 2026-2027 biennium (+1.0%)

Reasons: The February MFIP forecast produces General Fund decreases in both the 2022-2023 and 2024-2025 biennia and an increase in the 2026-2027 biennium. This forecast includes a substantial downward adjustment in MFIP expenditures in the first two biennia due to an improved economic outlook and lower actual enrollment. However, a large portion of this projected reduction in program spending is assigned to TANF because TANF MOE requirements limit the amount of state spending that can be reduced. In the 2026-2027 biennium, a reduction in the federal share of child support pass-through results in lower TANF which, in turn, requires an increase in General Fund spending.



HISTORICAL TABLE

Minnesota Family Investment Program (MFIP)		
FY	Total \$	% Change
2012	333,591,354	
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	277,577,083	4.11%
2021	383,876,457	38.30%
2022	337,161,691	(12.17%)
2023*	337,242,096	0.02%
2024*	376,618,700	11.68%
2025*	385,036,849	2.24%
2026*	390,252,861	1.35%
2027*	395,295,842	1.29%
Avg. Annual Increase 2012-2022		0.11%

*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.

WHO IT SERVES

MFIP/TY Child Care

- 4,600 average monthly families served

HOW MUCH IT COSTS

MFIP/TY Child Care

- \$110 million in total spending
- \$0 million state funds

FEBRUARY 2023 FORECAST HIGHLIGHTS

General Fund

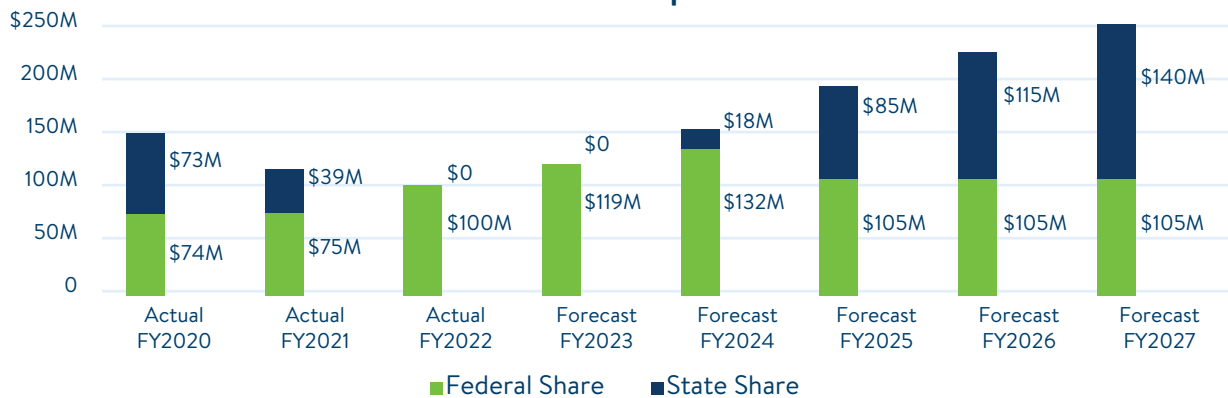
Changes from the November 2022 forecast

Data for FY 2022

- No change in 2022-2023 biennium (+0.0%)
- Decrease of \$13.5 million in 2024-2025 biennium (-11.6%)
- No change in 2026-2027 biennium (+0.0%)

Reasons: The February forecast for Child Care Assistance is reduced due to lower MFIP caseload, which is driven by an improved economic outlook and lower-than-expected actual caseload. In the 2022-2023 biennium, the entire reduction in program spending is assigned to federal funds since General Fund spending was already at zero in the November forecast. In the 2024-2025 biennium, the full amount of the reduction in program spending is assigned to the General Fund.

MFIP/TY Child Care expenditures



HISTORICAL TABLE

MFIP/TY Child Care Assistance		
FY	Total \$	% Change
2012	116,728,218	
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	146,909,847	(6.71%)
2021	114,044,955	(22.37%)
2022	99,960,837	(12.35%)
2023*	118,844,587	18.89%
2024*	150,231,412	26.41%
2025*	189,404,975	26.08%
2026*	219,760,320	16.03%
2027*	244,777,936	11.38%
Avg. Annual Increase 2012-2022		(1.54%)

*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

- 18,500 average monthly recipients

HOW MUCH IT COSTS

- \$242 million total spending
- \$94 million state funds

FEBRUARY 2023 FORECAST HIGHLIGHTS

Data for FY 2022

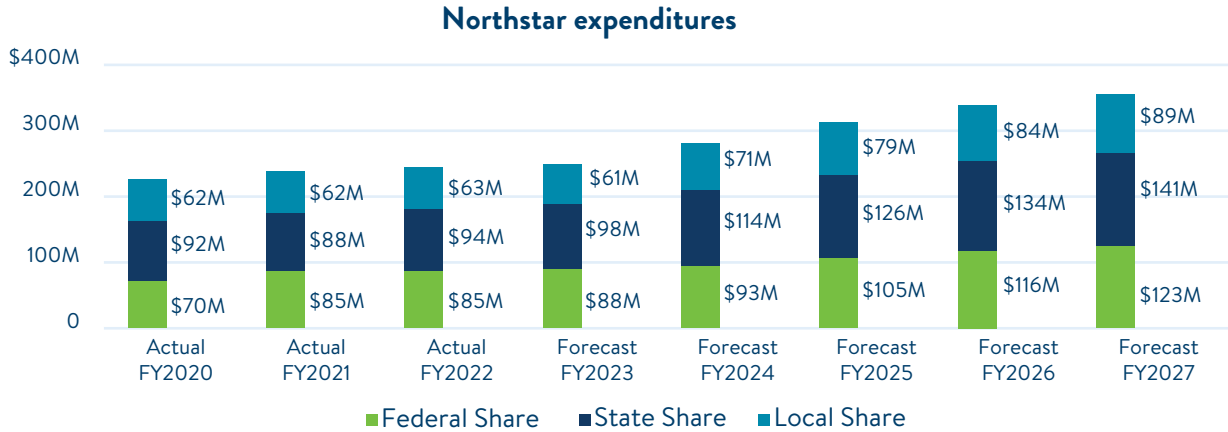
General Fund

Changes from the November 2022 forecast

- Decrease of \$5.4 million in 2022-2023 biennium (-2.7%)
- Decrease of \$9.4 million in 2024-2025 biennium (-3.8%)
- Decrease of \$5.5 million in 2026-2027 biennium (-2.0%)

Reasons: The February forecast for NorthStar Care produces General Fund decreases in all three biennia. These forecast reductions are primarily due to lower-than-expected actual caseload.

The February forecast also includes additional federal funding in the Northstar program due to the additional three quarter step-down of enhanced federal match in the CAA. This enhanced federal funding, which directly replaces state spending, accounts for \$0.9 million of the General Fund forecast reduction in the 2022-2023 biennium and \$1.0 million in the 2024-2025 biennium.



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	223,705,208	5.94%
2021	235,489,829	5.27%
2022	242,150,792	2.83%
2023*	247,145,436	2.06%
2024*	278,010,611	12.49%
2025*	309,158,745	11.20%
2026*	334,922,126	8.33%
2027*	352,662,679	5.30%
Avg. Annual Increase 2016-2022		10.61%

*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

- 22,400 average monthly cases

HS

- 20,000 average monthly recipients

MSA

- 30,500 average monthly recipients

HOW MUCH IT COSTS

GA

- \$50 million total spending, all state funds

HS

- \$179 million total spending
- \$177 million state funds

MSA

- \$50 million total spending, all state funds

FEBRUARY 2023 FORECAST HIGHLIGHTS

General Assistance, General Fund

Changes from the November 2022 forecast

- Decrease of \$1.1 million in 2022-2023 biennium (-1.1%)
- No change in 2024-2025 biennium (+0.0%)
- No change in 2026-2027 biennium (+0.0%)

Reasons: The February forecast reduction in General Assistance is driven by lower actual enrollment and average payments data.

Data for FY 2022

Housing Support, General Fund

Changes from the November 2022 forecast

- Decrease of \$0.0 million in 2022-2023 biennium (-0.0%)
- Increase of \$0.7 million in 2024-2025 biennium (+0.2%)
- Increase of \$1.7 million in 2026-2027 biennium (+0.4%)

Reasons: The February forecast increases in Housing Support (HS) in the 2024-2025 and 2026-2027 biennia are driven by a higher-than-expected increase in the allocation for HS Intergovernmental Transfers. This is due to a higher HS room and board rate, which is tied to the Federal Benefit Rate (FBR).

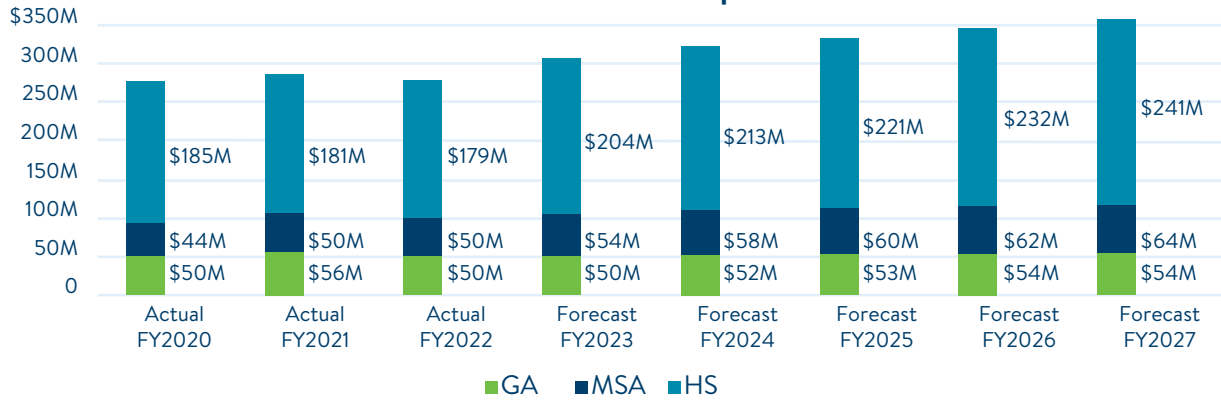
Minnesota Supplemental Aid, General Fund

Changes from the November 2022 forecast

- Increase of \$0.8 million in 2022-2023 biennium (+0.8%)
- Increase of \$4.3 million in 2024-2025 biennium (+3.7%)
- Increase of \$4.5 million in 2026-2027 biennium (+3.7%)

Reasons: The February forecast increase in Minnesota Supplemental Aid (MSA) in all three biennia is primarily due to higher-than-expected actual average payments resulting from a higher MSA special needs allowance and MSA Housing Assistance payment standard. These are tied to the Thrifty Food Plan rate and Federal Benefit Rate (FBR), respectively.

Non-MFIP cash assistance expenditures



HISTORICAL TABLE

FY	General Assistance (GA)		Minnesota Supplemental Aid (MSA)		Housing Support (HS)	
	Total \$	% Change	Total \$	% Change	Total \$	% Change
2012	49,552,612		35,767,568		121,678,773	
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	49,778,343	(1.04%)	43,502,787	5.77%	184,631,491	10.58%
2021	56,011,116	12.52%	50,075,641	15.11%	180,881,960	(2.03%)
2022	49,691,402	(11.28%)	50,059,850	(0.03%)	179,487,035	(0.77%)
2023*	49,664,989	(0.05%)	54,881,683	9.63%	203,877,449	13.59%
2024*	51,965,592	4.63%	58,301,521	6.23%	213,138,306	4.54%
2025*	53,033,763	2.06%	59,844,710	2.65%	220,858,273	3.62%
2026*	53,478,181	0.84%	61,622,979	2.97%	232,178,636	5.13%
2027*	53,848,274	0.69%	63,510,713	3.06%	241,193,765	3.88%
Avg. Annual Increase 2012-2022		0.03%		3.42%		3.96%

February 2023 forecast changes: In a nutshell

Millions of dollars

	2022-2023 Biennium	2024-2025 Biennium	2026-2027 Biennium
General Fund Total Change	(77.3)	3.2	(18.7)
General Fund Percent Change	(0.6%)	0.0%	(0.1%)
Summary Changes Across All Budget Activities			
Extend PHE + Step-Down Enhanced Federal Match	(103.5)	(94.7)	0.0
DWRS adjustment	0.0	(11.6)	(129.8)
MA basic care enrollment	50.5	119.7	103.6
Other changes	(24.3)	(10.2)	7.5
Detail Changes By Budget Activity			
MA LTC Facilities:	(21.3)	(23.6)	(8.2)
Extend PHE + Step-Down Enhanced Federal Match	(12.9)	(12.1)	0.0
Nursing Facilities: average payment -1%, -0.6%	(4.9)	(11.3)	(7.8)
Other changes	(3.5)	(0.2)	(0.4)
MA LTC Waivers:	(80.0)	(52.8)	(128.4)
Extend PHE + Step-Down Enhanced Federal Match	(62.4)	(55.9)	0.0
DWRS adjustment	0.0	(11.6)	(129.8)
EVV penalty removed CY23	(7.6)	0.0	0.0
CFSS delay to September 2023	0.4	16.5	0.0
Other changes	(10.5)	(1.9)	1.5
MA Elderly and Disabled Basic:	(15.1)	(18.5)	13.7
Extend PHE + Step-Down Enhanced Federal Match	(16.0)	(32.7)	0.0
Enrollment +0.5%	10.6	17.9	16.4
Federal Part D clawback payments	(7.9)	(4.9)	5.3
CFSS delay to September 2023	(0.1)	7.9	0.7
Other changes	(1.7)	(6.7)	(8.8)
MA Adults with No Children	11.8	47.8	31.4
Extend PHE + Step-Down Enhanced Federal Match	3.2	16.5	0.0
Enrollment +5%	9.3	32.8	33.6
Other changes	(0.7)	(1.6)	(2.2)
MA Families with Children Basic:	42.3	79.3	89.1
Extend PHE + Step-Down Enhanced Federal Match	(14.3)	(9.4)	0.0
Enrollment +2%	30.7	68.9	53.7
CHIP federal share adjustments	22.8	26.8	35.5
Other changes	3.1	(7.1)	(0.1)

Continued on next page

Continued from previous page

	2022-2023 Biennium	2024-2025 Biennium	2026-2027 Biennium
February 2023 Forecast Changes			
Behavioral Health Fund	(5.5)	(9.4)	(18.7)
Extend PHE + Step-Down Enhanced Federal Match	(0.2)	(0.2)	0.0
Managed Care SUD room & board	(1.0)	(3.5)	(4.5)
MH room & board	(2.7)	(6.1)	(4.5)
SUD waiver update	0.0	0.8	(9.1)
Other changes	(1.5)	(0.4)	(0.6)
Minnesota Family Investment Program	(3.7)	(1.6)	1.7
TANF MOE adjustments	0.4	2.9	0.4
Lower caseload	(4.6)	(5.4)	0.0
Other changes	0.4	0.9	1.3
Child Care Assistance	0.0	(13.5)	0.0
Lower caseload	(8.8)	(13.5)	0.0
Lower average payment	(2.8)	0.0	0.0
State share impact of federal funding adjustments	11.6	0.0	0.0
Northstar Care for Children	(5.4)	(9.4)	(5.5)
Extend PHE + Step-Down Enhanced Federal Match	(0.9)	(1.0)	0.0
Lower recipients	(4.5)	(8.5)	(5.5)
General Assistance	(1.1)	0.0	0.0
Housing Support	0.0	0.7	1.7
Minnesota Supplemental Aid	0.8	4.3	4.5
Health Care Access Fund Total Change	(7.4)	3.0	14.8
Health Care Access Fund Percent Change	(0.7%)	0.2%	1.1%
MinnesotaCare HCAF Funding	(7.4)	3.0	14.8
Reinsurance factor adjustments	5.8	13.9	10.7
Other net federal BHP funding changes	(13.3)	(10.9)	4.1
MA HCAF Funding	0.0	0.0	0.0
TANF Total Change	(10.4)	(17.3)	(4.5)
TANF Percentage Change	(10.2%)	(7.7%)	(2.1%)
Minnesota Family Investment Program	(10.4)	(17.3)	(4.5)

Note: Represents the change from the November 2022 forecast.

Contacts and additional resources

- Dave Greeman** Chief Financial Officer
Minnesota Department of Human Services
651-431-2582
dave.greeman@state.mn.us
- Shawn Welch** Director, Reports and Forecasts Division
Minnesota Department of Human Services
651-431-2939
shawn.m.welch@state.mn.us
- Susan Snyder** Assistant Director, Reports and Forecasts Division
Minnesota Department of Human Services
651-431-2947
susan.k.snyder@state.mn.us

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/>

