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November 2024 Forecast

Executive Summary and Trend Data

Prepared by Reports and Forecasts Division
Shawn Welch, Director
Susan Snyder, Assistant Director

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Table of content

Executive summary . . . 3

Medical Assistance . . . 6

Medical Assistance Long-Term Care:

- Facilities . . . 10
- Alternative Care . . . 10
- Waivers and Home Care . . . 12

Medical Assistance Basic Care:

- Elderly and Disabled . . . 16
- Adults without Children . . . 19
- Families with Children . . . 22

MinnesotaCare . . . 25

Behavioral Health Fund . . . 27

General Assistance, Housing Support and Minnesota Supplemental Aid . . . 29

November 2024 forecast changes: In a nutshell . . . 31

Contacts and additional resources . . . 33

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, the Behavioral Health Fund and others as described in the pages that follow. Projected expenditures are used in statewide budget forecasts that Minnesota Management and Budget releases in November and February each year. These forecasts are used to update fund balances and provide financial information to the Governor and the legislature as they work together to set budgets.

All November 2024 forecast highlights in this document represent changes from the End-of-Session 2024 forecast.

November 2024 forecast highlights

General Fund (GF)

Changes from the End-of-Session 2024 forecast

- Decrease of $182.7 million in 2024-2025 biennium (-1.2%)
- Increase of $522.5 million in 2026-2027 biennium (+2.9%)
- Overall increase of $339.8 million across the entire forecast horizon

Health Care Access Fund (HCAF)

Changes from the End-of-Session 2024 forecast

- Decrease of $37.7 million in 2024-2025 biennium (-1.8%)
- Decrease of $95.1 million in 2026-2027 biennium (-4.4%)
- Overall decrease of $132.9 million across the entire forecast horizon

Who it serves

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

How much it costs

- $19.7 billion total spending in DHS forecasted programs
- $7.9 billion state spending in DHS forecasted programs

Data for FY 2024

Reasons: The November forecast produces a $183 million General Fund reduction in the current biennium and a $523 million increase in the 2026-2027 biennium. These forecast changes are primarily the result of lower-than-expected MA Basic Care enrollment offset by increases in MA Long Term Care (LTC) waivers and a reduction in MA federal share effective October 2025.

The November forecast provides the first look at actual MA Basic Care enrollment following the post-pandemic unwinding period, during which the annual renewals process was restarted following three years of accumulating caseload under the public health emergency. Updated MA enrollment data indicates that more enrollees were disenrolled during the unwinding than expected in prior forecasts, but the current MA caseload remains above pre-pandemic levels. Nationally, the Kaiser Family Foundation (KFF) has found that, on average, Medicaid caseloads increased by 32% during the pandemic, dropped by 16% during the post-pandemic unwinding, and currently remain 11% higher than pre-pandemic levels. In Minnesota, MA caseload increased by 35% during the pandemic, dropped by 17% during the post-pandemic unwinding, and currently remains 12% above pre-pandemic levels. So, actual Minnesota experience is almost directly in line with national averages. However, prior forecasts projected an enrollment drop of only 12% during the unwinding, which is five percentage points lower than our actual experience. This results in a forecast base MA enrollment reduction that impacts both the 2024-2025 and 2026-2027 biennia. Further, a significant number of the unexpected disenrollments during the unwinding occurred in the MA Elderly and Disabled populations, with those caseloads down about 8% relative to prior forecast projections. Given the relative high cost of these populations, this base caseload reduction results in large forecast savings. Overall, lower MA caseload following the unwinding results in state forecast reductions of $311 million in the 2024-2025 biennium and $340 million in the 2026-2027 biennium, with about 75% of this impact occurring in the MA Elderly and Disabled populations.

The forecast savings from these MA enrollment reductions are offset by projected increases in the MA LTC disability waivers. These include the Developmental Disabilities (DD), Community Access for Disability Inclusion (CADI), Community Alternative Care (CAC) and Brain Injury (BI) waivers. The four disability waivers provide a variety of services that help people live in the community instead of an institution, and they accounted for over $5 billion in total state and federal MA expenditures in FY 2024. With about $2.5 billion in General Fund expenditures in FY 2024, LTC disability waivers comprised over 30% of the state budget for Medical Assistance.

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The November forecast includes increases in average payments per recipient in all four disability waivers. The largest waivers, CADI and DD, have average payment increases between 8-15% and 4-7%, respectively. These increases are primarily forecast adjustments made in response to higher-than-expected average payments in recent claims data. The observed average payment increases result from an increased total value of service authorizations, as the ratio of paid services to authorized services for waiver recipients has remained relatively constant. There are no apparent exogenous changes in the served population in terms of needs or functional eligibility to explain this increase. The weakened incentives for lead agencies to keep waiver spending within allocations appear to be playing a more significant role in forcing the aggregate average payment trends higher. An increase to expected inflation adjustments also contributes to average payment growth in the 2026-2027 biennium. Together, projected average payment changes in the four disability waivers result in state forecast increases of $190 million in the 2024-2025 biennium and $549 million in the 2026-2027 biennium.

The CADI recipient forecast is also increased by almost 2% in the 2024-2025 biennium and almost 6% in the 2026-2027 biennium. This represents both a base adjustment and a future trend adjustment based on recent program data, resulting in state forecast increases of $47 million in the 2024-2025 biennium and $176 million in the 2026-2027 biennium.

Further increasing projected MA General Fund costs in the November forecast is a reduction in the Federal Medical Assistance Percentage (FMAP) effective October 2025. The FMAP is the share of MA benefit costs paid by the federal government which is updated every federal fiscal year. It's calculated based on a three-year average of state per capita personal income compared to the national average. Based on updated federal data, Minnesota's per capita income has increased relative to the national average which results in a projected decline in our FMAP rate. Currently, the state's FMAP is 51.16% and the new FMAP effective October 2025 will be 50.68%. This reduction results in higher forecast state costs of $162 million in the 2026-2027 biennium.

Reduced HCAF expenditures in the November forecast are primarily the result of two updates. The first is an increase in the 1332 waiver factor value in the federal funding formula for the Basic Health Program (BHP), which accounts for the impact of reinsurance on benchmark premiums in the private market. Generally, reinsurance lowers benchmark premiums which, in turn, lowers federal BHP funding and increases HCAF program spending. The November increase in the 1332 factor value reflects a higher-than-expected impact of the state's reinsurance program on 2025 benchmark premiums and results in higher levels of federal BHP funding. The second forecast update affecting projected HCAF expenditures is lower-than-expected 2025 managed care rates for BHP enrollees, which acts like an average payments base reduction that also impacts future years. Together, these forecast updates result in HCAF reductions of $38 million in the 2024-2025 biennium and $95 million in the 2026-2027 biennium, with about 70% due to lower managed care rates.

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:

- MA caseload reductions following post-pandemic unwinding (Medical Assistance Basic Care: All Populations)

Forecast Increases:

- Higher projected CADI and DD average payments (Medical Assistance Waivers and Home Care)
- Higher CADI caseload (Medical Assistance Waivers and Home Care)
- Lower federal share effective October 2025 (Medical Assistance: Total Program)

FY 2026 and FY 2027 Forecasted Expenditures

	FY 2026		FY 2027	
Program	**Total Dollars**	**State Share**	**Total Dollars**	**State Share**
Medical Assistance (MA)	21,618,727,030	9,123,187,931	22,780,957,959	9,661,718,825
LTC Facilities	1,397,495,624	645,438,001	1,469,909,240	680,471,327
LTC Waivers	8,623,893,111	4,136,000,920	9,216,915,908	4,412,217,203
Elderly and Disabled Basic Care[1]	4,543,850,150	2,197,440,101	4,775,428,370	2,321,369,194
Adults without Children Basic Care	2,938,562,316	292,586,193	3,043,619,818	303,034,005
Families with Children Basic Care[2]	4,114,925,829	1,851,722,717	4,275,084,623	1,944,627,095
MinnesotaCare	677,111,320	86,923,486	705,768,704	117,753,492
Behavioral Health Fund	291,614,971	118,646,899	291,663,797	117,988,189
General Assistance	82,544,658	82,544,658	84,802,000	84,802,000
Housing Support	269,065,398	267,065,398	279,747,309	277,747,309
Minnesota Supplemental Aid	67,113,286	67,113,286	69,089,259	69,089,259
Total	23,006,176,664	9,745,481,657	24,212,029,030	10,329,099,075

1 Includes Elderly Waiver managed care

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

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

- $18.5 billion total spending
- $7.4 billion state funds

Data for FY 2024

November 2024 forecast highlights

General Fund

Changes from the End-of-Session 2024 forecast

- Decrease of $214.6 million in 2024-2025 biennium (-1.5%)
- Increase of $456.3 million in 2026-2027 biennium (+2.7%)

Health Care Access Fund

Changes from the End-of-Session 2024 forecast

- Decrease of $1.0 million in 2024-2025 biennium (-0.1%)
- No change in 2026-2027 biennium (+0.0%)

Reasons: The November forecast for Medical Assistance (MA) produces a $215 million General Fund reduction in the current biennium and a $456 million increase in the 2026-2027 biennium. This includes reductions in both biennia that are primarily the result of lower-than-expected MA Basic Care enrollment and lower managed care rates for Elderly Waiver (EW) recipients. However, these reductions are more than offset in the 2026-2027 biennium by increases in MA Long Term Care (LTC) waivers and a reduction in MA federal share.

The November forecast provides the first look at actual MA Basic Care enrollment following the post-pandemic unwinding period, during which the annual renewals process was restarted following three years of accumulating caseload under the public health emergency. Updated MA enrollment data indicates that more enrollees were disenrolled during the unwinding than expected in prior forecasts, but the current MA caseload remains above pre-pandemic levels. Nationally, the Kaiser Family Foundation (KFF) has found that, on average, Medicaid caseloads increased by 32% during the pandemic, dropped by 16% during the post-pandemic unwinding, and currently remain 11% higher than pre-pandemic levels. In Minnesota, MA caseload increased by 35% during the pandemic, dropped by 17% during the post-pandemic unwinding, and currently remains 12% above pre-pandemic levels. So, actual Minnesota experience is almost directly in line with national averages. However, prior forecasts projected an enrollment drop of only 12% during the unwinding, which is five percentage points lower than our actual experience. This results in a forecast base MA enrollment reduction that impacts both the 2024-2025 and 2026-2027 biennia. Further, a significant number of the unexpected disenrollments during the unwinding occurred in the MA Elderly and Disabled populations, with those caseloads down about 8% relative to prior forecast projections. Given the relative high cost of these populations, this base caseload reduction results in large forecast savings. Overall, lower MA caseload following the unwinding results in state forecast reductions of $311 million in the 2024-2025 biennium

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and $340 million in the 2026-2027 biennium, with about 75% of this impact occurring in the MA Elderly and Disabled populations.

The November forecast also includes reductions in managed care rates for EW recipients. Accounting for the impact of 2023 session changes on EW managed care rates, the overall change in 2025 contract rates relative to 2024 rates is lower-than-expected in prior forecasts. This acts as a base change that not only impacts 2025 rates, but also future projected rates as well. This forecast reduction results in state savings of $58 million in the 2024-2025 biennium and $109 million in the 2026-2027 biennium.

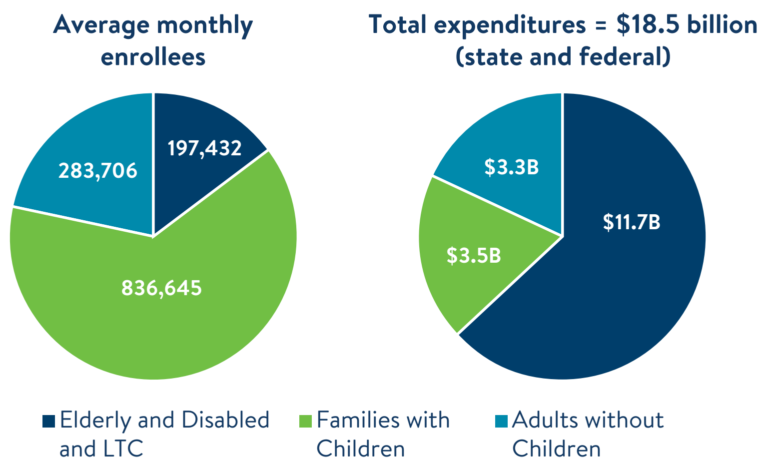
The forecast savings from these MA enrollment and EW managed care reductions are offset by increases in the MA LTC disability waivers. These include the Developmental Disabilities (DD), Community Access for Disability Inclusion (CADI), Community Alternative Care (CAC) and Brain Injury (BI) waivers. The four disability waivers provide a variety of services that help people live in the community instead of an institution, and they accounted for about $5 billion in total state and federal MA expenditures in FY 2024. With about $2.5 billion in General Fund expenditures in FY 2024, LTC disability waivers comprised over 30% of the state budget for Medical Assistance.

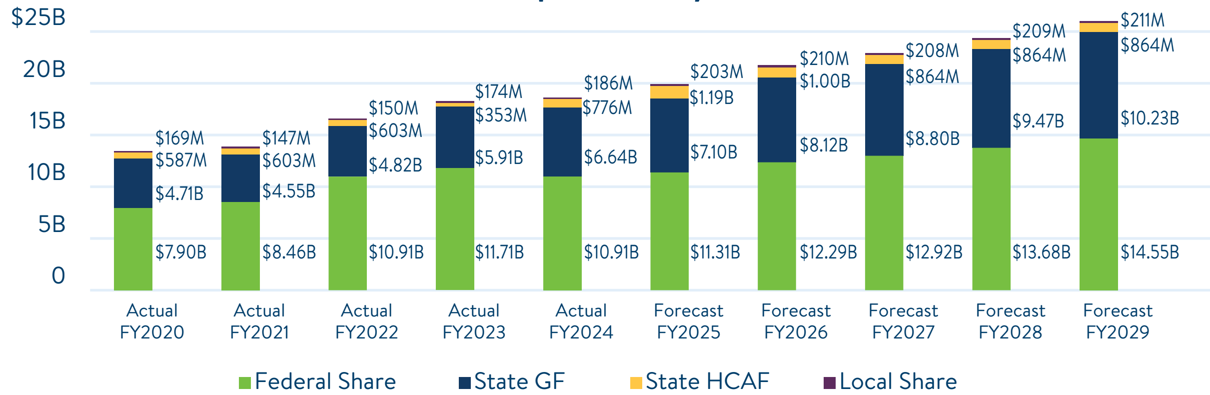
The November forecast includes increases in average payments per recipient in all four disability waivers. The largest waivers, CADI and DD, have average payment increases between 8-15% and 4-7%, respectively. These increases are primarily forecast adjustments made in response to higher-than-expected average payments in recent claims data. The observed average payment increases result from an increased total value of service authorizations, as the ratio of paid services to authorized services for waiver recipients has remained relatively constant. There are no apparent exogenous changes in the served population in terms of needs or functional eligibility to explain this increase. The weakened incentives for lead agencies to keep waiver spending within allocations appear to be playing a more significant role in forcing the aggregate average payment trends higher. An increase to expected inflation adjustments also contributes to average payment growth in the 2026-2027 biennium. Together, projected average payment changes in the four disability waivers result in state forecast increases of $190 million in the 2024-2025 biennium and $549 million in the 2026-2027 biennium.

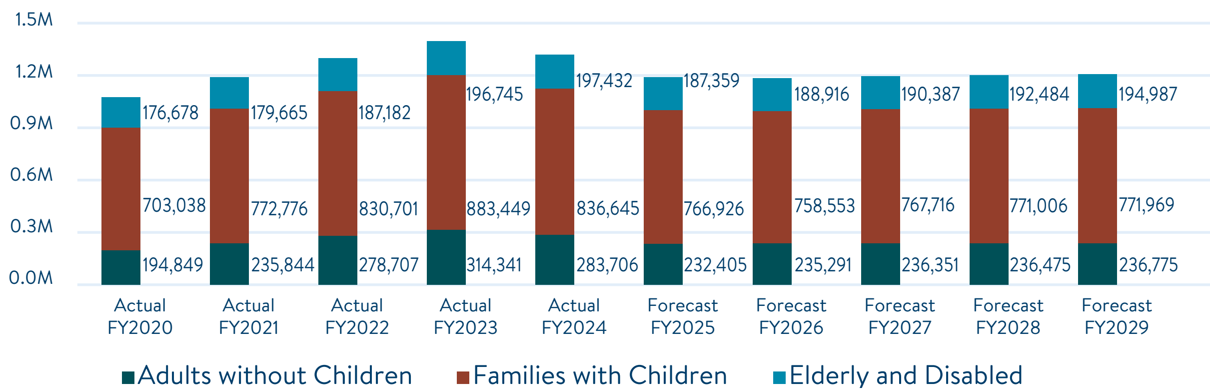
The CADI recipient forecast is also increased by almost 2% in the 2024-2025 biennium and almost 6% in the 2026-2027 biennium. This represents both a base adjustment and a future trend adjustment based on recent program data, resulting in state forecast increases of $47 million in the 2024-2025 biennium and $176 million in the 2026-2027 biennium.

Further increasing projected MA state share costs in the November forecast is a reduction in the Federal Medical Assistance Percentage (FMAP) effective October 2025. The FMAP is the share of MA benefit costs paid by the federal government which is updated every federal fiscal year. It's calculated based on a three-year average of state per capita personal income compared to the national average. Based on updated federal data, Minnesota's per capita income has increased relative to the national average which results in a projected decline in our FMAP rate. Currently, the state's FMAP is 51.16% and the new FMAP effective October 2025 will be 50.68%. This reduction results in higher forecast state costs of $162 million in the 2026-2027 biennium.

Medical Assistance Enrollment and Expenditures: FY2024




Total MA expenditures by fund
$25B
20B
15B
10B
5B
0
$169M
$587M
$4.71B
$7.90B
$147M
$603M
$4.55B
$8.46B
$150M
$603M
$4.82B
$10.91B
$174M
$353M
$5.91B
$11.71B
$186M
$776M
$6.64B
$10.91B
$203M
$1.19B
$7.10B
$11.31B
$210M
$1.00B
$8.12B
$12.29B
$208M
$864M
$8.80B
$12.92B
$209M
$864M
$9.47B
$13.68B
$211M
$864M
$10.23B
$14.55B
Actual FY2020
Actual FY2021
Actual FY2022
Actual FY2023
Actual FY2024
Forecast FY2025
Forecast FY2026
Forecast FY2027
Forecast FY2028
Forecast FY2029
Federal Share
State GF
State HCAF
Local Share


MA enrollment by eligibility category
1.5M
1.2M
0.9M
0.6M
0.3M
0.0M
176,678
703,038
194,849
179,665
772,776
235,844
187,182
830,701
278,707
196,745
883,449
314,341
197,432
836,645
283,706
187,359
766,926
232,405
188,916
758,553
235,291
190,387
767,716
236,351
192,484
771,006
236,475
194,987
771,969
236,775
Actual FY2020
Actual FY2021
Actual FY2022
Actual FY2023
Actual FY2024
Forecast FY2025
Forecast FY2026
Forecast FY2027
Forecast FY2028
Forecast FY2029
Adults without Children
Families with Children
Elderly and Disabled

HISTORICAL TABLE

	Medical Assistance Program: Total Expenditures (All Funds)	
FY	Total $	% Change
2013	8,045,603,494	
2014	9,265,114,945	15.16%
2015	10,584,482,423	14.24%
2016	11,225,138,725	6.05%
2017	10,888,457,636	(3.00%)
2018	12,548,730,142	15.25%
2019	12,280,202,154	(2.14%)
2020	13,368,736,347	8.86%
2021	13,763,155,601	2.95%
2022	16,487,895,092	19.80%
2023	18,143,231,782	10.04%
2024	18,513,016,315	2.04%
2025*	19,804,560,161	6.98%
2026*	21,618,727,030	9.16%
2027*	22,780,957,959	5.38%
2028*	24,218,254,530	6.31%
2029*	25,853,574,770	6.75%
Avg. Annual Increase 2013-2024		7.87%

**Projected*

From FY 2013 through FY 2022 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

- 12,000 average monthly recipients

How much it costs

- $1.3 billion total spending
- $574 million state funds

Data for FY 2024

Alternative Care

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.

November 2024 forecast highlights

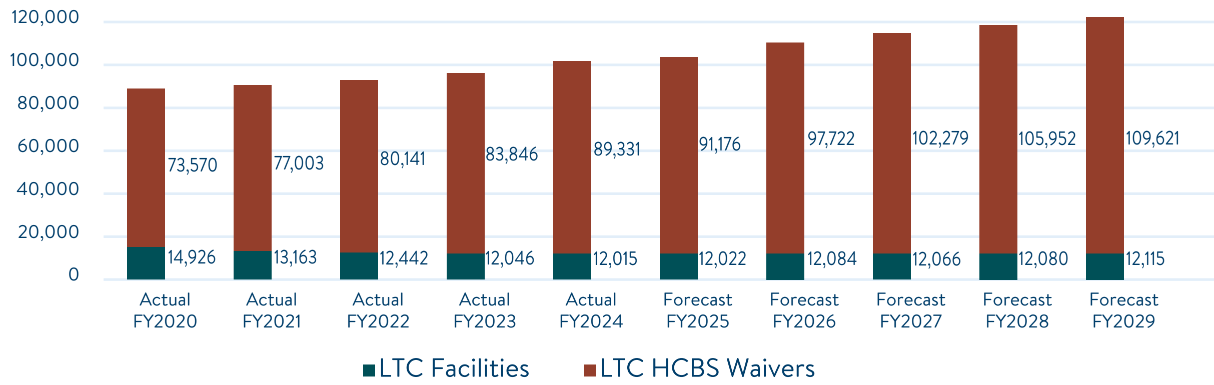
General Fund

Changes from the End-of-Session 2024 forecast

- Decrease of $21.0 million in 2024-2025 biennium (-1.8%)
- Decrease of $17.1 million in 2026-2027 biennium (-1.3%)

Reasons: The November forecast for MA LTC Facilities produces General Fund savings in both the 2024-2025 and 2026-2027 biennium. These forecast reductions are primarily due to decreases in average payment projections for Nursing Facilities. Average payments to Nursing Facilities are mostly driven by the operating rates that MA pays, which are based on facility-reported costs two years prior. Based on preliminary data on 2023 costs, the weighted average operating rate is expected to increase 3% in 2025, which is 4 percentage points less than previously expected. This is the second year in a row that average reported cost increases were less than the Skilled Nursing Facility (SNF) cost index, following many years of reported cost increases significantly higher than SNF inflation. The 2025 rate information is the primary reason for the 4% decrease in the average payment forecast. Also affecting the MA Nursing Facilities forecast is a partially offsetting increase in paid days resulting from a flatter recipient trend in the recent data. These changes produce a net state forecast reduction of $20 million in the 2024-2025 biennium and $39 million in the 2026-2027 biennium.

The November forecast for Alternative Care (AC) shows increased spending in both biennia. These projected increases are primarily attributed to higher average payment estimates. Recent data have led to an upward revision of the annual average payment trend between 3-13% from 2025-2027. Conversely, there is a partially offsetting 4-5% downward update in the recipient trend during same time-period. Overall, this results in a state forecast increase of less than $1 million in the 2024-2025 biennium and $4 million in the 2026-2027 biennium.


Long-term care facilities and waivers: Average monthly recipients
120,000
100,000
80,000
60,000
40,000
20,000
0
73,570
77,003
80,141
83,846
89,331
91,176
97,722
102,279
105,952
109,621
14,926
13,163
12,442
12,046
12,015
12,022
12,084
12,066
12,080
12,115
Actual FY2020
Actual FY2021
Actual FY2022
Actual FY2023
Actual FY2024
Forecast FY2025
Forecast FY2026
Forecast FY2027
Forecast FY2028
Forecast FY2029
LTC Facilities
LTC HCBS Waivers

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

- 89,300 average monthly recipients

How much it costs

- $6.4 billion total spending
- $3.0 billion state funds

Data for FY 2024

November 2024 forecast highlights

General Fund

Changes from the End-of-Session 2024 forecast

- Increase of $238.8 million in 2024-2025 biennium (+3.6%)
- Increase of $824.8 million in 2026-2027 biennium (+10.6%)

Reasons: The November forecast increases for MA LTC Waivers are primarily due to higher average payment projections in all four disability waivers and a projected recipient increase in the CADI waiver. Together, forecast adjustments to the disability waivers result in General Fund costs of $237 million in the 2024-2025 biennium and $725 million in the 2026-2027 biennium, with over 75% of these increases due to higher average payments.

Most of the forecast increase derives from data observed since the last forecast. Average monthly payments in the CADI waiver are on track to increase almost 13% per year in both 2024 and 2025. A set of rate increases mandated by state legislation that are phasing in over these two years account for about one-third of this increase with the remaining two-thirds attributable to base payment growth. This base payment growth is about 3 points higher than the base growth observed in the 2022-2023 biennium. With no clear policy or population factor change identified for this growth, it is not assumed that growth will continue indefinitely at 2024 rates. However, incorporating this base data into the econometric models used to predict average payments leads to a significant trend increase going forward, resulting in CADI average payment increases of 7% in 2025, 11% in 2026 and 13% in 2027 relative to the previous forecast. This translates to a forecast state cost of $116 million in the 2024-2025 biennium and $369 million in the 2026-2027 biennium.

The DD waiver is also experiencing higher average payment growth than previously expected. Average payments are on track to increase between 7-8% per year in both 2024 and 2025. Legislated rate increases that are phasing in over these two years contribute about 45% of this increase with the remaining 55% attributable to base payment growth. The resulting forecast adjustment is primarily a level change of about 4% with little change to the annual trend, leading to a state cost of $74 million in the 2024-2025 biennium and $108 million in the 2026-2027 biennium.

To gain a better understanding of what is driving these average payment increases, a closer examination of the processes involved in the disability waiver payments system is required. The financial impact of the waivers results from a system in which people with disabilities engage in functional eligibility assessments through MnChoices, specific amounts of various services are authorized with provider-specific rates, and ultimately payments to providers are made for the delivered services. In attempting to determine the source of average payment growth in recent years, it is interesting to note that the overall ratio of paid services to authorized services has remained relatively constant. Therefore, average payment growth appears to be driven by growth in the value of authorized services. At the same time there is no evidence to suggest that the served population has markedly different

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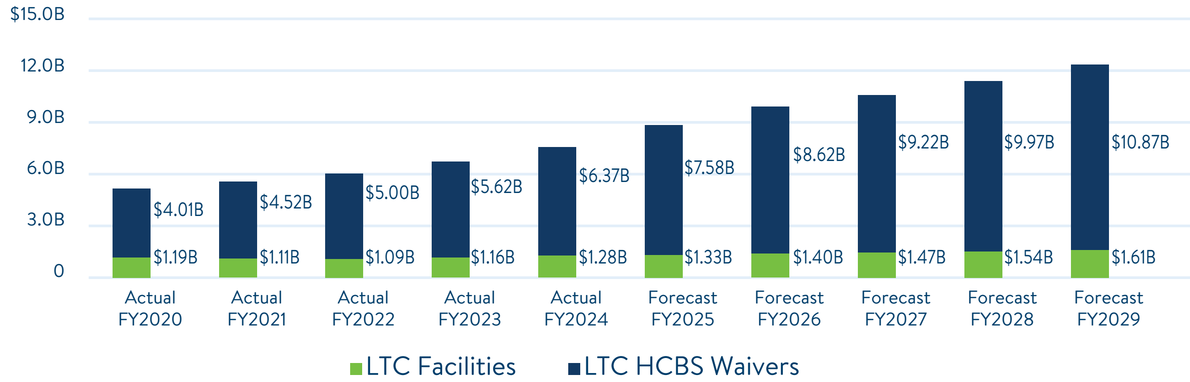
functional eligibility. Preliminary analysis in this area shows that the proportion of people with high needs served on the waivers has been fairly stable the last few years, and it does not appear that any particular high-cost diagnoses are becoming significantly more prevalent. Without exogenous changes in the population, there is no simple story to explain the authorization increases that have been observed.

The total value of authorized services can increase for many reasons: recipients can be authorized for new services, they can be authorized for more units of service, or the services can be authorized at higher provider rates. Moreover, the management of waiver spending occurs in a different environment than in the past. Lead agencies are no longer subject to financial penalties for exceeding waiver budget allocations, and adjustments to allocations for increased costs are required under the Disability Waiver Rates System (DWRS). When agencies see increased spending in one area, there is less pressure to find ways to reduce spending elsewhere. While these incentive changes are not new, their impact is becoming more and more evident in the data. For example, examination of the data in recent years identifies two specific channels of spending increase: an increasing volume of rate exceptions, and growth in use (both recipients and units per recipient) of nonresidential services. Neither of these necessarily explain the majority of overall forecast trend changes, but without any significant offsetting decreases in other services they become observable drivers at the aggregate level. In this environment it is likely we will continue to see new and different spending pressures pop up in the aggregate payment trends.

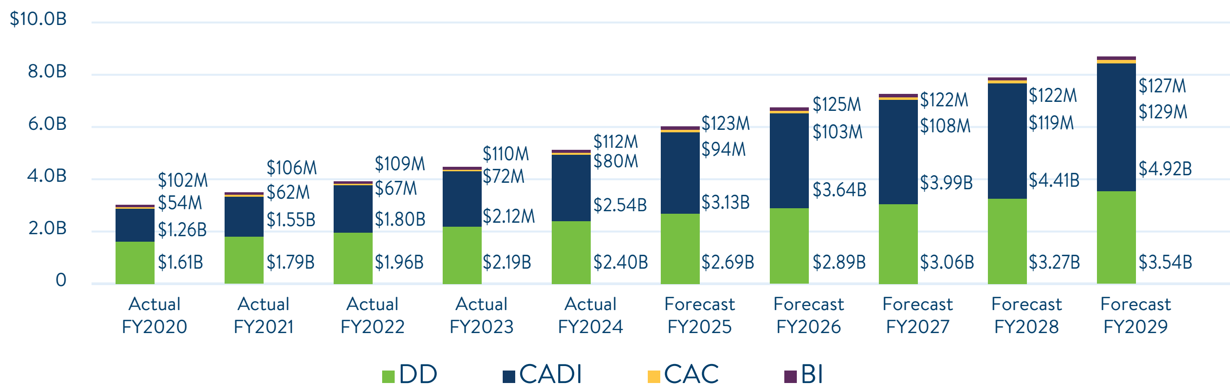
In addition to the base average payment growth described above, this forecast also recognizes additional increases from inflationary adjustments to 2026 rates. Rates are adjusted in DWRS on a legislated schedule using updated wage component values from Bureau of Labor Statistics (BLS) Standard Occupational Codes (SOC) wage data and Consumer Price Index (CPI) data. In 2026, the BLS SOC wage data will be updated from 2021 data to 2023 data. Previous forecasts estimated the impact of this change by using the change in the Employment Cost Index, a measure of general wage levels, between 2021 and 2023. Now that actual 2023 BLS data has been published, we can see that the specific wage categories most relevant for the DWRS framework have increased significantly more than this general cost index. As a result, the weighted average rate increase for DWRS services is now expected to be around 12% instead of 8.5%. This results in a $72M forecast state cost in the 2026-2027 biennium across all the disability waivers.

Growth in the number of CADI waiver recipients continues to be strong, despite the declining population of MA enrollees with a disability status. While the disability waivers primarily serve people under age 65, a steadily growing proportion of recipients are older adults with about 14% of CADI recipients aged 65 or older in 2024. Despite strong historical growth, the annual rate of recipient growth is projected to moderate going forward. However, this moderation of the recipient growth trend appears to be happening slower than expected. For example, actual recipient growth increased 8% in 2024 compared to the previously projected 7%. As a result, upward adjustments to the recipient trend are made to reflect a more gradual decrease in annual growth to around 5% by 2029. This produces forecast state costs of $47 million in the 2024-2025 biennium and $176 million in the 2026-2027 biennium.

Long-term care facilities and waivers expenditures — all funds



Disability waivers expenditures — all funds



Historical Table

	A: Long Term Care (LTC) Facilities		B: LTC Waivers (Home & Community Based Services)		A + B = Total LTC	
FY	**Total $**	**% Change**	**Total $**	**% Change**	**Total $**	**% Change**
2013	920,580,121		2,260,064,090		3,180,644,211	
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	1,164,769,658	6.61%	5,622,961,672	12.55%	6,787,731,330	11.49%
2024	1,283,911,579	10.23%	6,370,940,055	13.30%	7,654,851,634	12.77%
2025*	1,332,271,597	3.77%	7,577,276,471	18.93%	8,909,548,069	16.39%
2026*	1,397,495,624	4.90%	8,623,893,111	13.81%	10,021,388,735	12.48%
2027*	1,469,909,240	5.18%	9,216,915,908	6.88%	10,686,825,148	6.64%
2028*	1,540,632,546	4.81%	9,969,353,303	8.16%	11,509,985,849	7.70%
2029*	1,608,781,191	4.42%	10,868,051,631	9.01%	12,476,832,822	8.40%
Avg. Annual Increase 2013-2024		3.07%		9.88%		8.31%

**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

- 197,400 average monthly enrollees

How much it costs

- $4.0 billion total spending
- $1.9 billion state funds

Data for FY 2024

November 2024 forecast highlights

General Fund

Changes from the End-of-Session 2024 forecast

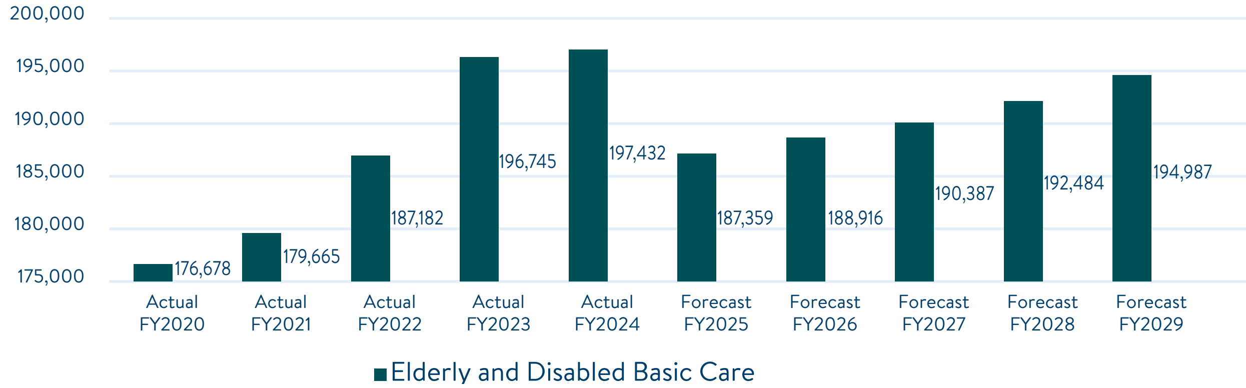
- Decrease of $261.2 million in 2024-2025 biennium (-5.4%)
- Decrease of $468.5 million in 2026-2027 biennium (-8.1%)

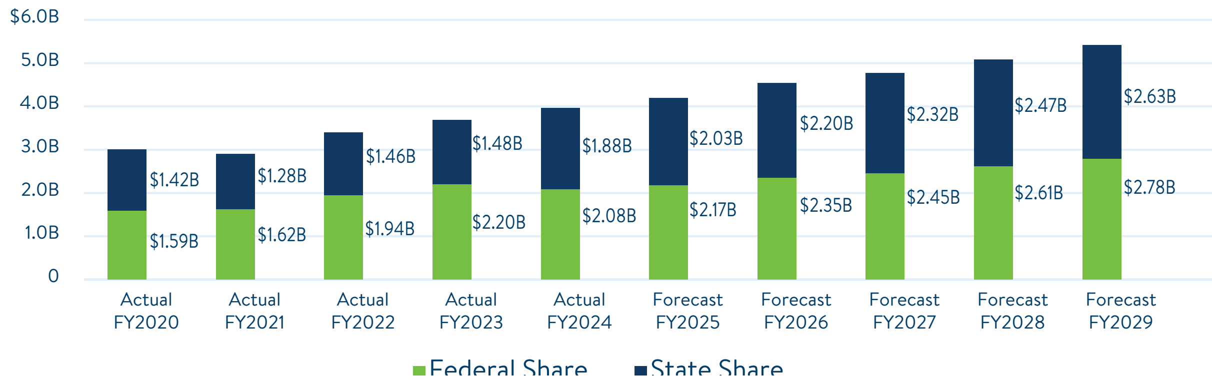
Reasons: The November forecast for MA Elderly and Disabled Basic Care produces General Fund reductions in both the 2024-2025 and 2026-2027 biennia. These forecast savings are primarily the result of lower basic care enrollment and lower managed care rates for Elderly Waiver (EW) recipients.

The November forecast provides the first look at actual MA enrollment following the post-pandemic unwinding, during which the annual renewals process was restarted following three years of accumulating caseload under the public health emergency. The previous forecast projected an MA Elderly and Disabled enrollment drop of less than 1% during the unwinding. Despite current caseload remaining higher than pre-pandemic levels, updated enrollment data indicates an actual enrollment drop of about 8% for these populations. This results in a base caseload reduction that impacts both the 2024-2025 and 2026-2027 biennia. Further, given the relative high cost of these populations, this caseload reduction results in relatively large forecast savings. Overall, lower MA Elderly and Disabled caseload following the unwinding results in state forecast reductions of $160 million in the 2024-2025 biennium and $330 million in the 2026-2027 biennium.

The November forecast also includes reductions in managed care rates for EW recipients, which is included in the Elderly Basic Care forecast category. Accounting for the impact of 2023 session changes on EW managed care rates, the overall change in 2025 contract rates relative to 2024 rates is lower-than-expected in prior forecasts. This acts as a base change that not only impacts 2025 rates, but also future projected rates as well. This forecast reduction results in state savings of $58 million in the 2024-2025 biennium and $109 million in the 2026-2027 biennium.

Finally, lower MA Elderly and Disabled caseload also results in lower federal Part D clawback payments. Beginning in 2006, the Medicare benefit set expanded to include prescription drug coverage. For dual eligibles (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 eligibles. These payments from states to the federal government are known as Part D clawback payments. In this forecast, lower dual eligible caseload leads to state clawback savings of $35 million in the 2024-2025 biennium and $23 million in the 2026-2027 biennium.


Elderly and Disabled Basic Care: Average monthly enrollees
200,000
195,000
190,000
185,000
180,000
175,000
176,678
179,665
187,182
196,745
197,432
187,359
188,916
190,387
192,484
194,987
Actual FY2020
Actual FY2021
Actual FY2022
Actual FY2023
Actual FY2024
Forecast FY2025
Forecast FY2026
Forecast FY2027
Forecast FY2028
Forecast FY2029
Elderly and Disabled Basic Care


Elderly and Disabled Basic Care expenditures
$6.0B
5.0B
4.0B
3.0B
2.0B
1.0B
0
$1.42B
$1.59B
$1.28B
$1.62B
$1.46B
$1.94B
$1.48B
$2.20B
$1.88B
$2.08B
$2.03B
$2.17B
$2.20B
$2.35B
$2.32B
$2.45B
$2.47B
$2.61B
$2.63B
$2.78B
Actual FY2020
Actual FY2021
Actual FY2022
Actual FY2023
Actual FY2024
Forecast FY2025
Forecast FY2026
Forecast FY2027
Forecast FY2028
Forecast FY2029
Federal Share
State Share

Historical Table

	Elderly & Disabled Basic Care	
FY	Total $	% Change
2013	2,087,793,116	
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	3,681,809,514	8.07%
2024	3,962,525,869	7.62%
2025*	4,200,347,310	6.00%
2026*	4,543,850,150	8.18%
2027*	4,775,428,370	5.10%
2028*	5,086,450,052	6.51%
2029*	5,416,609,746	6.49%
Avg. Annual Increase 2013-2024		6.00%

**Projected*

From FY 2013 through FY 2022 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 $20,783 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

- 283,700 average monthly enrollees

How much it costs

- $3.3 billion total spending
- $325 million state funds

Data for FY 2024

November 2024 forecast highlights

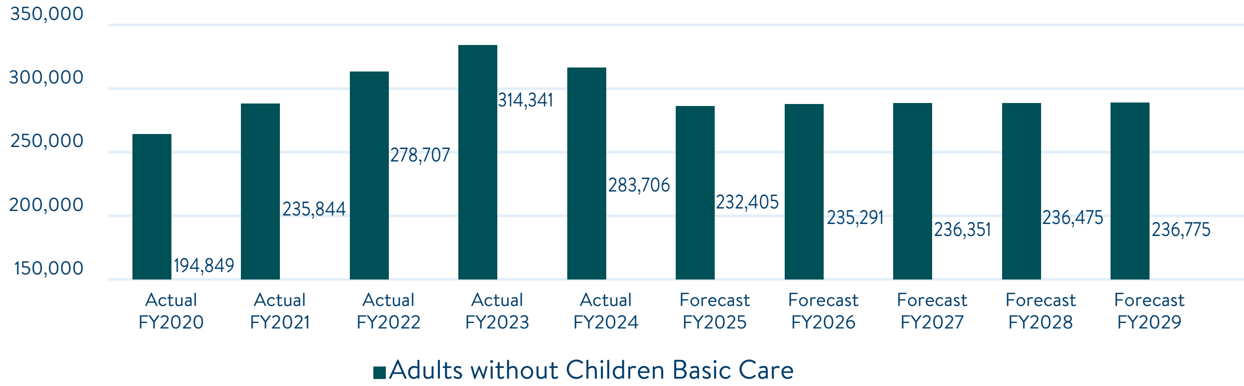
General Fund

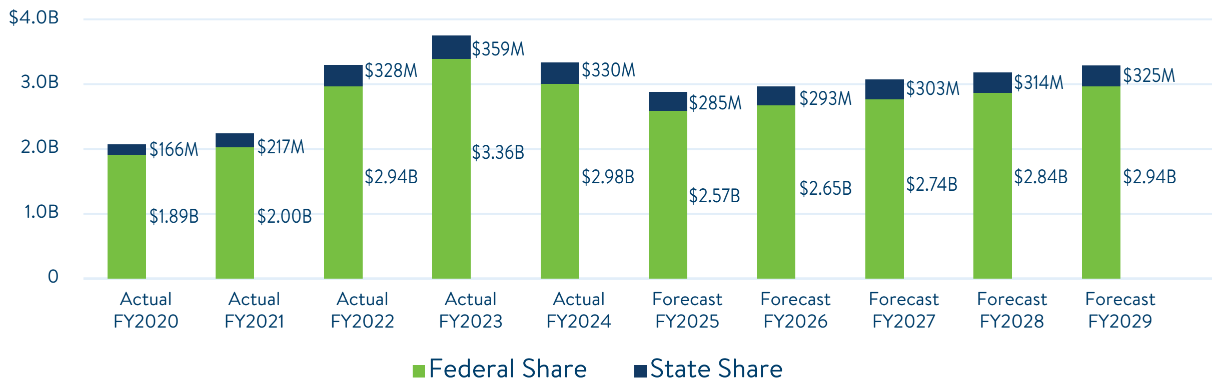
Changes from the End-of-Session 2024 forecast

- Decrease of $50.4 million in 2024-2025 biennium (-7.7%)
- Decrease of $51.1 million in 2026-2027 biennium (-8.1%)

Reasons: The November forecast for MA Adults without Children Basic Care produces roughly 8% state savings in each of the 2024-2025 and 2026-2027 biennia. This is primarily due to lower-than-expected enrollment.

The November forecast provides the first look at actual MA enrollment following the post-pandemic unwinding, during which the annual renewals process was restarted following three years of accumulating caseload under the public health emergency. The previous forecast projected an MA Adults without Children enrollment drop of 24% during the unwinding. Despite current caseload remaining higher than pre-pandemic levels, updated enrollment data indicates an actual enrollment drop of 31% for this population. This results in a base caseload reduction that impacts both biennia. However, since the federal government funds 90% of costs for this population, this caseload reduction results in relatively small state forecast savings compared to the enrollment impacts in other basic care populations. Overall, lower MA Adults without Children caseload following the unwinding results in state forecast reductions of $36 million in both the 2024-2025 and 2026-2027 biennia.


Adults without Children Basic Care: Average monthly enrollees
350,000
300,000
250,000
200,000
150,000
194,849
235,844
278,707
314,341
283,706
232,405
235,291
236,351
236,475
236,775
Actual FY2020
Actual FY2021
Actual FY2022
Actual FY2023
Actual FY2024
Forecast FY2025
Forecast FY2026
Forecast FY2027
Forecast FY2028
Forecast FY2029
Adults without Children Basic Care


Adults without Children Basic Care expenditures
$4.0B
3.0B
2.0B
1.0B
0
$166M
$1.89B
$217M
$2.00B
$328M
$2.94B
$359M
$3.36B
$330M
$2.98B
$285M
$2.57B
$293M
$2.65B
$303M
$2.74B
$314M
$2.84B
$325M
$2.94B
Actual FY2020
Actual FY2021
Actual FY2022
Actual FY2023
Actual FY2024
Forecast FY2025
Forecast FY2026
Forecast FY2027
Forecast FY2028
Forecast FY2029
Federal Share
State Share

HISTORICAL TABLE

	Adults without Children Basic Care	
FY	Total $	% Change
2013	792,232,465	
2014	1,063,752,126	34.27%
2015	1,694,519,567	59.30%
2016	1,658,897,539	(2.10%)
2017	1,754,237,945	5.75%
2018	1,967,493,174	12.16%
2019	1,820,960,373	(7.45%)
2020	2,057,466,402	12.99%
2021	2,218,344,088	7.82%
2022	3,267,553,093	47.30%
2023	3,717,762,030	13.78%
2024	3,307,354,593	(11.04%)
2025*	2,851,135,806	(13.79%)
2026*	2,938,562,316	3.07%
2027*	3,043,619,818	3.58%
2028*	3,151,934,695	3.56%
2029*	3,261,170,735	3.47%
Avg. Annual Increase 2013-2024		13.87%

Projected

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

From FY 2013 through FY 2022 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 Medicaid match with an additional enhanced federal match, within the limits of Minnesota's CHIP allocation from the federal government.

Who it serves

- 836,600 average monthly enrollees

How much it costs

- $3.5 billion total spending
- $1.6 billion state funds

Data for FY 2024

November 2024 forecast highlights

General Fund

Changes from the End-of-Session 2024 forecast

- Decrease of $121.7 million in 2024-2025 biennium (-3.7%)
- Increase of $168.1 million in 2026-2027 biennium (+4.8%)

Reasons: The November forecast for MA Families with Children Basic Care produces a General Fund reduction in the 2024-2025 biennium and an increase in the 2026-2027 biennium. These forecast adjustments are primarily due to updated enrollment data, average payment changes, and lower pharmacy rebate collections.

The November forecast provides the first look at actual MA enrollment following the post-pandemic unwinding, during which the annual renewals process was restarted following three years of accumulating caseload under the public health emergency. The previous forecast projected an MA Families with Children enrollment drop of 10% during the unwinding. Despite current caseload remaining higher than pre-pandemic levels, updated enrollment data indicates an actual enrollment drop of 14% for this population. However, due to pre-pandemic trends and updated unemployment projections, MA Families with Children enrollment is projected to bounce back to prior forecast levels in the 2026-2027 biennium. As a result, enrollment-based forecast adjustments for this population result in a caseload reduction in the 2024-2025 biennium followed by a slight increase in the 2026-2027 biennium. Overall, MA Families with Children enrollment adjustments result in state forecast savings of $115 million in the 2024-2025 biennium and state forecast costs of $26 million in the 2026-2027 biennium.

Average payment adjustments for Families with Children produce a similar pattern of forecast savings in the current biennium followed by costs in the next biennium. Updated FFS average payments data produce a base reduction affecting both forecasted biennia. However, managed care rates in 2025 are higher than expected creating a forecast cost that more than offsets the FFS savings in the 2026-2027 biennium. Overall, these forecast adjustments result in state forecast savings of $28 million in the 2024-2025 biennium and state forecast costs of $29 million in the 2026-2027 biennium.

The third primary driver of November forecast change in this category is lower pharmacy rebate collections. (Note that pharmacy rebates for all MA populations are included in the Families with Children budget activity due to the technical structure of the forecast.) Pharmacy rebates provide dedicated revenue and directly reduce the need for General Fund spending on MA program costs. Due to lower-than-expected MA enrollment following the unwinding, pharmacy rebate collections are also projected to be lower than prior forecasts. This projected reduction in pharmacy rebate revenue produces state forecast costs of $24 million in the 2024-2025 biennium and $36 million in the 2026-2027 biennium.

Continued on next page

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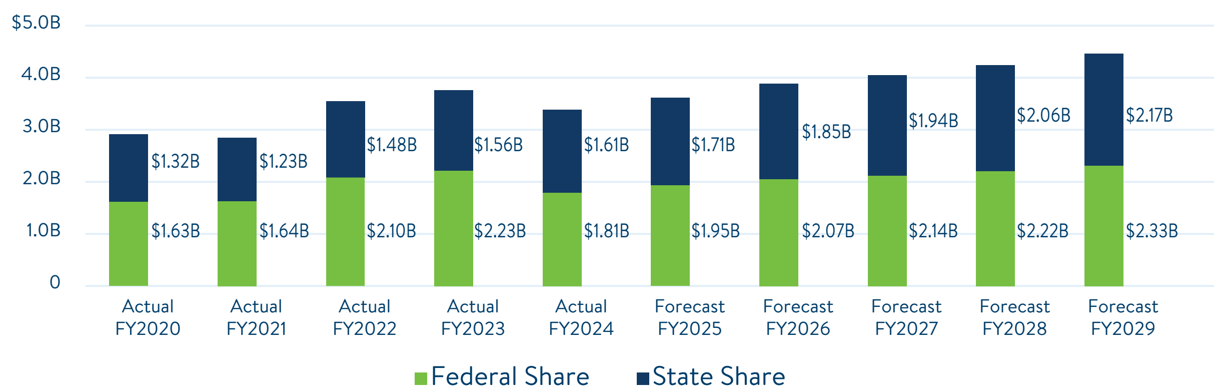
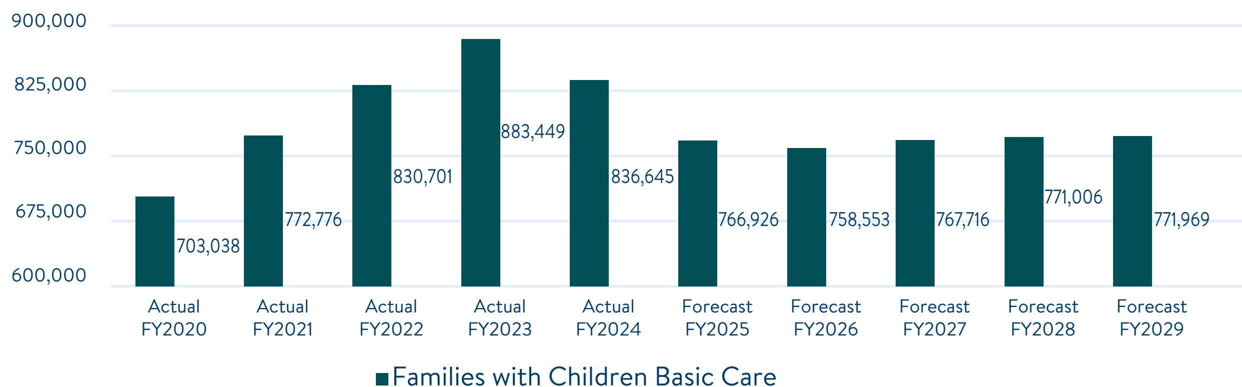
One other notable forecast change in this category is increased costs for MnChoices disability assessments. (Note that MnChoices costs are included in the Families with Children segment of the MA forecast because they are considered administrative costs from the federal perspective. All MA activities in the forecast considered to be administrative costs are placed in the Families with Children segment regardless of which population incurs the costs.) These forecast increases are based on higher-than-expected recent quarterly billing. It is unclear what is driving these higher costs, but they are likely due to higher numbers of assessments coming out of the pandemic and/or more time needed for each assessment. MnChoices adjustments produce forecast state costs of $9 million in both the 2024-2025 and 2026-2027 biennia.





HISTORICAL TABLE

	Families with Children Basic Care	
FY	Total $	% Change
2013	1,984,933,703	
2014	2,325,681,264	17.17%
2015	2,824,621,054	21.45%
2016	3,132,757,395	10.91%
2017	2,489,109,726	(20.55%)
2018	3,328,145,413	33.71%
2019	2,966,084,110	(10.88%)
2020	3,099,398,871	4.49%
2021	3,012,656,261	(2.80%)
2022	3,725,043,094	23.65%
2023	3,955,928,908	6.20%
2024	3,588,284,219	(9.29%)
2025*	3,843,528,978	7.11%
2026*	4,114,925,829	7.06%
2027*	4,275,084,623	3.89%
2028*	4,469,883,934	4.56%
2029*	4,698,961,467	5.12%
Avg. Annual Increase 2013-2024		5.53%

*Projected

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

From FY 2013 through FY 2022 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 coverage for people with Deferred Action for Childhood Arrivals (DACA) status and state-only funded coverage for 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

- 101,900 average monthly enrollees

How much it costs

- $663 million total spending
- $80 million state funds

Data for FY 2024

November 2024 forecast highlights

Health Care Access Fund

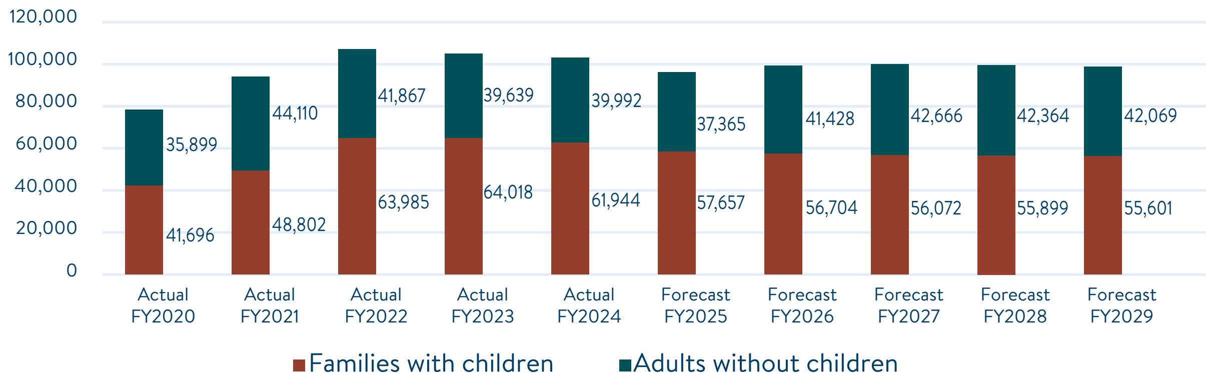
Changes from the End-of-Session 2024 forecast

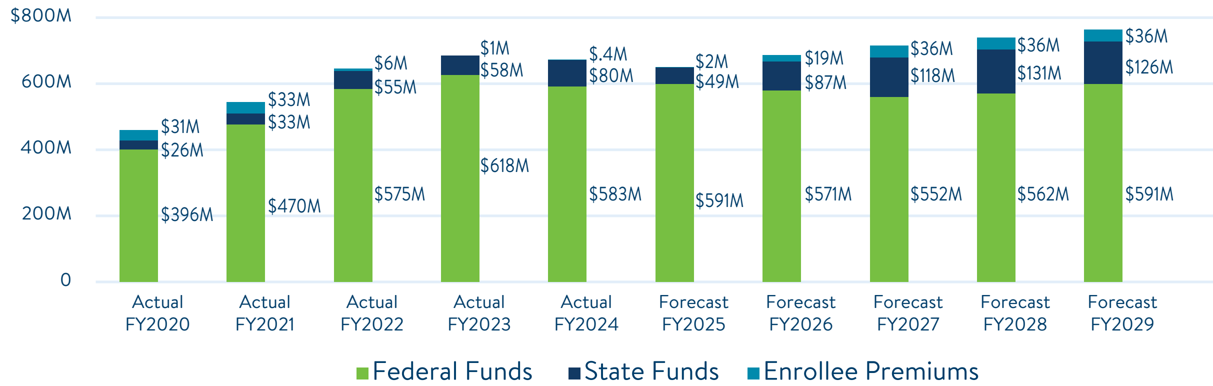
- Decrease of $36.7 million in 2024-2025 biennium (-22.2%)
- Decrease of $95.1 million in 2026-2027 biennium (-31.7%)

Reasons: The November forecast produces HCAF savings in both biennia. These projected savings are primarily the result of two forecast updates within the Basic Health Program (BHP), both leading to lower HCAF expenditures.

The first is an increase in the 1332 waiver factor value in the federal BHP funding formula, which accounts for the impact of reinsurance on benchmark premiums in the private market. Generally, reinsurance lowers benchmark premiums which, in turn, lowers federal BHP funding and increases HCAF program spending. The November increase in the 1332 factor value reflects a higher-than-expected impact of the state's reinsurance program on 2025 benchmark premiums and results in higher levels of federal BHP funding. This higher level of federal funding reduces the need for HCAF spending by $9 million in the 2024-2025 biennium and $35 million in the 2026-2027 biennium.

The second forecast update affecting HCAF expenditures is lower-than-expected 2025 managed care rates for BHP enrollees. This produces an average payments base reduction for this population, also impacting future years, which results in HCAF reductions of $34 million in the 2024-2025 biennium and $60 million in the 2026-2027 biennium.





Historical Table

	MinnesotaCare Total Expenditures	
FY	**Total $**	**% Change**
2013	569,928,239	
2014	520,005,344	(8.76%)
2015	509,709,340	(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	676,469,952	6.25%
2024	663,018,392	(1.99%)
2025*	641,805,809	(3.20%)
2026*	677,111,320	5.50%
2027*	705,768,704	4.23%
2028*	729,221,068	3.32%
2029*	753,250,231	3.30%
Avg. Annual Increase 2013-2024		1.38%

*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 meet financial eligibility guidelines similar to those for Medical Assistance.

Who it serves

- 33,900 unique recipients

How much it costs

- $223 million total spending
- $95 million state funds

Data for FY 2024

November 2024 forecast highlights

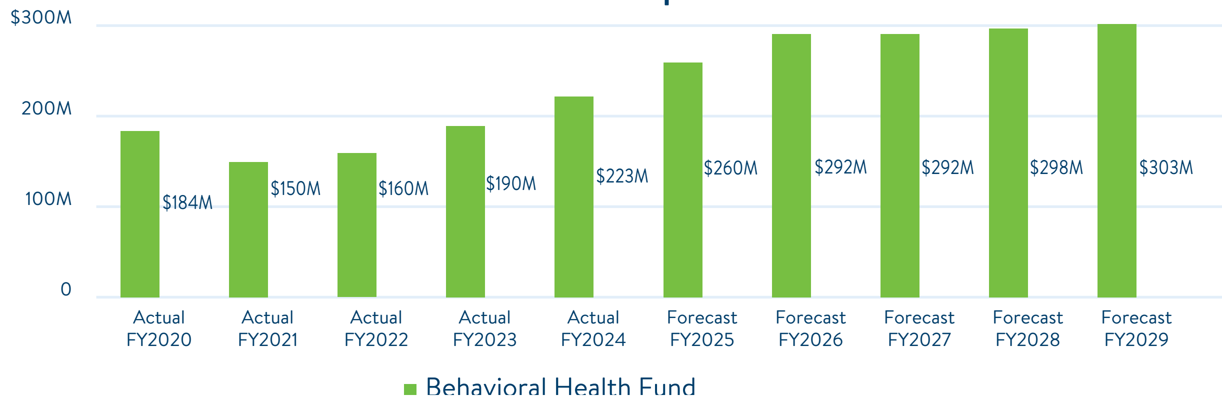
General Fund

Changes from the End-of-Session 2024 forecast

- Increase of $15.5 million in 2024-2025 biennium (+8.3%)
- Increase of $27.7 million in 2026-2027 biennium (+13.3%)

Reasons: The November forecast for the Behavioral Health Fund produces General Fund increases in both forecast biennia. These projected increases are primarily the result of increased costs for Non-residential treatment (mostly counseling), which account for 63% of the increase in the 2024-2025 biennium and 84% of the increase in the 2026-2027 biennium. These increases likely result mainly from a 2017 legislative change, implemented in 2021, which eliminated the need for screenings by county staff to access fee-for-service SUD treatment. This change was expected to increase utilization of Non-residential services, but these effects have been greater and have taken longer than originally anticipated.

Additional forecast increase comes from higher projected costs for Residential treatment, including a downward adjustment to the gain in federal funding expected from the Substance Use Disorder (SUD) waiver. Higher utilization of fee-for-service Residential treatment results from reduced enrollment in MA managed care. This in turn results in decreases in projected costs for room and board for recipients of residential treatment paid for by MA managed care providers, which partially offset the increased costs for fee-for-service residential treatment. The net cost of these offsetting adjustments accounts for 34% of the overall Behavioral Health Fund increase in the 2024-2025 biennium and 12% in the 2026-2027 biennium.



Historical table

	Behavioral Health Fund Total Expenditures	
FY	Total $	% Change
2013	138,539,414	
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	189,827,372	18.98%
2024	222,583,654	17.26%
2025*	260,243,435	16.92%
2026*	291,614,971	12.05%
2027*	291,663,797	0.02%
2028*	297,522,905	2.01%
2029*	302,641,646	1.72%
Avg. Annual Increase 2013-2024		4.40%

**Projected*

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

- 22,900 average monthly cases

HS

- 20,800 average monthly recipients

MSA

- 30,400 average monthly recipients

How much it costs

GA

- $52 million total spending, all state funds

HS

- $228 million total spending
- $225 million state funds

MSA

- $61 million total spending, all state funds

Data for FY 2024

November 2024 forecast highlights

General Assistance, General Fund

Changes from the End-of-Session 2024 forecast

- Increase of $1.9 million in 2024-2025 biennium (+1.6%)
- Increase of $4.9 million in 2026-2027 biennium (+3.0%)

Reasons: The November forecast produces General Assistance spending increases in both biennia. These increases are driven by higher actual GA caseloads with drug and alcohol addiction and recipients in treatment facilities.

Housing Support, General Fund

Changes from the End-of-Session 2024 forecast

- Increase of $10.4 million in 2024-2025 biennium (+2.2%)
- Increase of $26.7 million in 2026-2027 biennium (+5.2%)

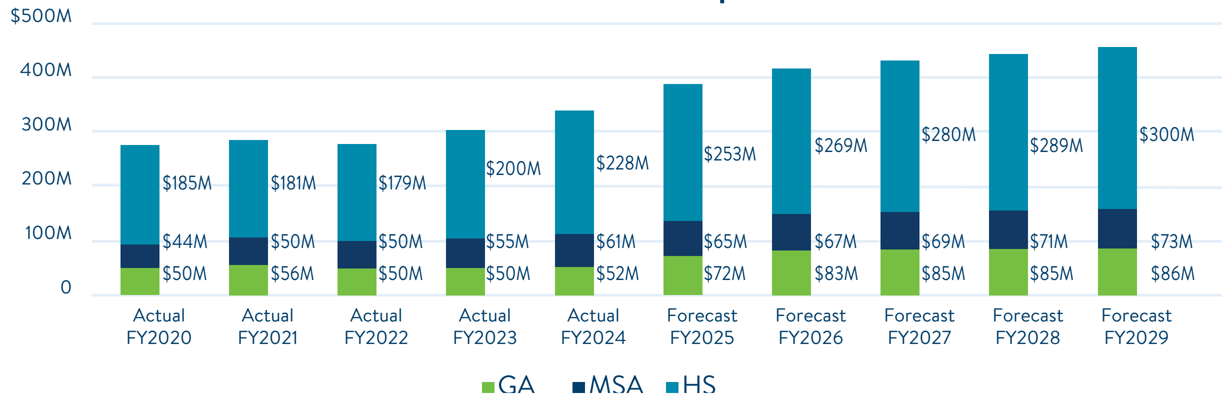
Reasons: The November forecast produces Housing Support spending increases in both biennia. These projected increases are driven by higher-than-expected caseload and average payments along with newly approved Intergovernmental Transfers primarily affecting the 2026-2027 biennium.

Minnesota Supplemental Aid, General Fund

Changes from the End-of-Session 2024 forecast

- Increase of $4.2 million in 2024-2025 biennium (+3.4%)
- Increase of $6.8 million in 2026-2027 biennium (+5.2%)

Reasons: The November forecast produces Minnesota Supplemental Aid spending increases in both biennia. These increases are due higher average payments resulting from additional cases receiving MSA housing assistance and special diets.



Historical table

	General Assistance (GA)		Minnesota Supplemental Aid (MSA)		Housing Support (HS)	
FY	**Total $**	**% Change**	**Total $**	**% Change**	**Total $**	**% Change**
2013	51,620,198		36,038,980		130,187,929	
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	50,276,075	1.18%	54,581,396	9.03%	199,791,604	11.31%
2024	52,128,877	3.69%	60,849,989	11.48%	228,444,519	14.34%
2025*	72,044,127	38.20%	65,135,782	7.04%	253,063,630	10.78%
2026*	82,544,658	14.58%	67,113,286	3.04%	269,065,398	6.32%
2027*	84,802,000	2.73%	69,089,259	2.94%	279,747,309	3.97%
2028*	85,393,670	0.70%	71,163,567	3.00%	289,463,032	3.47%
2029*	86,000,974	0.71%	73,299,357	3.00%	299,694,891	3.53%
Avg. Annual Increase 2013-2024		0.09%		4.88%		5.24%

**Projected*

November 2024 forecast changes: In a nutshell

Millions of dollars	2024-2025 Biennium	2026-2027 Biennium
General Fund Total Change	(182.7)	522.5
General Fund Percent Change	(1.2%)	2.9%
Summary Changes Across All Budget Activities		
MA LTC Disability Waivers	236.9	725.1
MA Basic Care enrollment	(310.9)	(340.1)
FMAP change October 2025 (51.16% to 50.68%)	0.0	161.5
Other changes	(108.6)	(24.0)
Detail Changes By Budget Activity		
MA LTC Facilities:	(21.0)	(17.1)
Nursing Facilities: average payment (-2.6%), recipients (+1%)	(19.9)	(38.5)
Alternative Care: average payment (+8%), recipients (-4%)	0.3	4.1
FMAP change October 2025 (51.16% to 50.68%)	0.0	12.1
Other changes	(1.4)	5.2
MA LTC Waivers:	238.8	824.8
CADI: average payment (+4.5%, +11.8%)	116.0	369.3
DD: average payment (+3.5%)	73.6	107.5
CADI: caseload (+1.8%, +5.6%)	47.3	176.3
DWRS inflation 1/1/26	0.0	72.0
FMAP change October 2025 (51.16% to 50.68%)	0.0	74.6
Other changes	1.9	25.1
MA Elderly and Disabled Basic:	(261.2)	(468.5)
Enrollment elderly (-8%) disabled (-8%)	(160.0)	(329.7)
Average payments elderly (-6%) disabled (+4%)	14.4	(22.0)
Elderly Waiver managed care	(57.7)	(108.7)
IMD program	(13.0)	(15.9)
Medicare Part D clawback payments	(35.4)	(23.4)
FMAP change October 2025 (51.16% to 50.68%)	0.0	40.7
Other changes	(9.6)	(9.4)

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	2024-2025 Biennium	2026-2027 Biennium
MA Adults with No Children	(50.4)	(51.1)
Enrollment (-6%)	(36.1)	(36.3)
Other changes	(14.3)	(14.8)
MA Families with Children Basic:	(121.7)	168.1
Enrollment (-4% then +0.5% in 26-27 biennium)	(114.9)	25.9
Average payments (-0.6% then +0.6% in 26-27 biennium)	(27.9)	28.8
Pharmacy rebates	24.3	35.9
MnChoices	8.5	8.5
CFSS administrative expenditures	1.2	16.1
FMAP change October 2025 (51.16% to 50.68%)	0.0	34.1
Other changes	(13.0)	18.8
Behavioral Health Fund	15.5	27.7
Non-residential treatment utilization	9.8	23.3
Residential treatment utilization	10.6	15.4
Room & board for managed care treatment	(5.4)	(12.0)
Other changes	0.4	1.1
General Assistance	1.9	4.9
Housing Support	10.4	26.7
Caseload	8.5	14.2
Average payments	4.1	10.1
Other changes	(2.1)	2.4
Minnesota Supplemental Aid	4.2	6.8
Health Care Access Fund Total Change	(37.7)	(95.1)
Health Care Access Fund Percent Change	(1.8%)	(4.4%)
MinnesotaCare HCAF Funding	(36.7)	(95.1)
BHP average payments	(34.1)	(59.7)
Factor adjustment in federal BHP funding formula	(8.7)	(34.9)
Other changes	6.0	(0.5)
MA HCAF Funding	(1.0)	0.0

Note: Represents the change from the End-of-Session 2024 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/

DEPARTMENT OF HUMAN SERVICES