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DEPARTMENT OF HUMAN SERVICES

November 2025 Forecast

Executive Summary and Trend Data

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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 2025 forecast highlights in this document represent changes from the End-of-Session 2025 forecast.

November 2025 forecast highlights

General Fund (GF)

Changes from the End-of-Session 2025 forecast

- Increase of $79.8 million in 2024-2025 biennium (+0.5%)
- Increase of $1,416.3 million in 2026-2027 biennium (+7.6%)
- Increase of $1,327.8 million in 2028-2029 biennium (+6.3%)
- Overall increase of $2,823.9 million across the entire forecast horizon

Health Care Access Fund (HCAF)

Changes from the End-of-Session 2025 forecast

- Increase of $10.7 million in 2024-2025 biennium (+0.5%)
- Increase of $253.1 million in 2026-2027 biennium (+11.5%)
- Increase of $404.9 million in 2028-2029 biennium (+19.2%)
- Overall increase of $668.7 million across the entire forecast horizon

Who it serves

- Over 1.3 million people a year are served through DHS forecasted programs

How much it costs

- $21.7 billion total spending in DHS forecasted programs
- $9.2 billion state spending in DHS forecasted programs

Data for FY 2025

Reasons: The November forecast produces a $2.8 billion General Fund increase across the forecast horizon. About 70% of the total General Fund forecast increase is due to higher MA Basic Care average costs in fee-for-service (FFS) and managed care. The remaining state forecast increases are primarily driven by higher MA enrollment, federal Medicaid changes, and increased MA Long Term Care (LTC) waiver costs. These state forecast costs are partially offset by a higher regular Federal Medical Assistance Percentage (FMAP).

The largest November forecast increases are due to higher MA Basic Care average payments in both FFS and managed care. These average payment increases are the result of higher-than-expected actual costs in 2024 and 2025. Average Basic Care FFS cost increases from the last quarter of 2024 have persisted in the updated 2025 claims data resulting in a base adjustment for most MA populations. Actual managed care organization (MCO) cost experience in 2024 and the first half of 2025 was significantly higher than the trend used in the initial 2025 contract rate development process. As a result, 2025 contract rates required recertification to meet the higher actual cost experience producing a base increase in capitation rates for all MA populations. Overall, higher MA Basic Care average costs result in state forecast increases of $68 million in the 2024-2025 biennium, $909 million in the 2026-2027 biennium, and $1.0 billion in the 2028-2029 biennium, with about 80% of these increases due to higher managed care capitation rates.

The November forecast provides a further look at MA Basic Care enrollment one year after the post-pandemic unwinding period. Actual enrollment for all MA populations diverged from previous projections except for the Elderly population. Both Disabled and Families with Children enrollment declined less than anticipated and levelled off above prior projections. On the other hand, Adults without Children enrollment continued declining below previous projections throughout 2025. Overall, the result is a projected net increase in MA enrollment that impacts all forecasted biennia. This increased MA caseload results in state forecast costs of $47 million in the 2024-2025 biennium, $195 million in the 2026-2027 biennium, and $159 million in the 2028-2029 biennium.

The November forecast also includes the General Fund impact of several recent federal changes to Medicaid. These include eliminating MA eligibility for certain noncitizens, reduced federal share on Emergency Medical Assistance (EMA) claims for Adults without Children, and eliminating federal share for some retroactive eligibility months. The

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November forecast assumes noncitizens who lose MA eligibility beginning October 2026 will shift to MinnesotaCare. This produces projected MA savings (and a corresponding cost in MinnesotaCare). The reduced federal share on EMA claims for Adults without Children is also effective October 2026, and the lost federal share is assumed to be replaced with state General Funds. Finally, effective January 2027, current federal law limits federal share to only certain months of retroactive eligibility impacting all MA populations. The November forecast assumes the lost federal share on retroactive months is replaced with state General Funds. Overall, these federal changes produce a net increase in state General Fund spending within the MA program. The projected net impact results in state costs of $11 million in the 2026-2027 biennium and $85 million in the 2028-2029 biennium.

The November forecast includes projected increases in the MA LTC disability waivers. Average payment data in 2025 has trended above previous projections, particularly in the Developmental Disabilities (DD) waiver. Growth in both the costs paid for residential services and the utilization of non-residential services are contributing to higher-than-expected average payments. Across the disability waivers, average payment projections are increased about 3% in this forecast. Recent data also show higher recipient growth than previously projected in the Community Access for Disability Inclusion (CADI) waiver and in children and youth in the DD waiver. The base recipient forecasts for these programs are increased about 2% to accommodate this growth. Together, these changes result in state forecast increases of $306 million in the 2026-2027 biennium and $347 million in the 2028-2029 biennium.

Partially offsetting these projected MA General Fund costs is an increase in the state's FMAP effective October 2026. 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 decreased relative to the national average which results in a projected increase in the state's FMAP rate. This results in forecast state savings of $109 million in the 2026-2027 biennium and $337 million in the 2028-2029 biennium across MA.

Increased HCAF expenditures in the November forecast are primarily the result of increased managed care capitation rates and a pair of federal changes. Like MA, significantly higher-than-expected actual MCO costs in 2024 and the first half of 2025 required 2025 contract rate recertification in MinnesotaCare. This recertification results in a large base increase in MinnesotaCare capitation rates. Two federal changes also lead to increased HCAF costs in the November forecast. The first is the shift of certain noncitizens from MA to state-funded MinnesotaCare as described above. The second is a reduction in federal BHP funding due to elimination of eligibility for Advanced Premium Tax Credits (APTC) for certain noncitizens. Finally, a statewide average 23% increase in 2026 benchmark silver premiums relative to 2025 premiums drives higher federal BHP funding partially offsetting the projected cost increases. Overall, these MinnesotaCare forecast adjustments result in net HCAF increases of $11 million in the 2024-2025 biennium, $253 million in the 2026-2027 biennium, and $405 million in the 2028-2029 biennium.

Summary of forecast changes

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

Forecast Increases:

- Higher MA Basic Care average payments (Medical Assistance Basic Care: All Populations)
- Higher MA enrollment (Medical Assistance Basic Care: All Populations)
- Federal Medicaid changes (Medical Assistance Basic Care: All Populations, MinnesotaCare)
- Higher MA LTC waiver recipients and average payments (Medical Assistance Waivers and Home Care)
- Higher MinnesotaCare average capitation payments (MinnesotaCare)

Forecast Decreases:

- Higher federal share effective October 2026 (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)	24,309,448,435	10,153,803,049	26,632,163,662	11,052,339,463
LTC Facilities	1,401,663,099	647,301,073	1,486,657,576	680,724,181
LTC Waivers	8,898,256,029	4,333,968,431	9,268,184,740	4,393,400,701
Elderly and Disabled Basic Care[1]	5,102,732,301	2,472,772,301	5,443,297,977	2,627,158,492
Adults without Children Basic Care	3,724,021,349	375,694,657	3,981,316,394	420,449,393
Families with Children Basic Care[2]	5,182,775,656	2,324,066,587	6,452,706,976	2,930,606,696
MinnesotaCare	841,487,874	173,285,880	897,722,554	278,066,466
Behavioral Health Fund	312,012,802	163,822,192	331,261,006	145,786,484
General Assistance	92,060,873	92,060,873	95,949,491	95,949,491
Housing Support	299,003,014	296,003,014	321,507,931	318,507,931
Minnesota Supplemental Aid	70,201,450	70,201,450	72,322,465	72,322,465
Total	25,924,214,446	10,949,176,457	28,350,927,108	11,962,972,301

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

- 1.2 million average monthly enrollees

How much it costs

- $20.4 billion total spending
- $8.5 billion state funds

Data for FY 2025

November 2025 forecast highlights

General Fund

Changes from the End-of-Session 2025 forecast

- Increase of $75.1 million in 2024-2025 biennium (+0.5%)
- Increase of $1,285.0 million in 2026-2027 biennium (+6.6%)
- Increase of $1,174.0 million in 2028-2029 biennium (+5.4%)

Health Care Access Fund

Changes from the End-of-Session 2025 forecast

- No change in 2024-2025 biennium (+0.0%)
- No change in 2026-2027 biennium (+0.0%)
- No change in 2028-2029 biennium (+0.0%)

Reasons: The November forecast for Medical Assistance (MA) produces a $75 million General Fund increase in the current biennium, a $1.3 billion increase in the 2026-2027 biennium, and a $1.2 billion increase in the 2028-2029 biennium. Almost 80% of these MA forecast increases are due to higher Basic Care average costs in fee-for-service (FFS) and managed care. The remaining increases are primarily driven by overall higher enrollment, state costs from federal Medicaid changes, and increased Long Term Care (LTC) waiver costs. These forecast costs are partially offset by a higher regular Federal Medical Assistance Percentage (FMAP).

The largest November forecast increases are due to higher Basic Care average payments in both FFS and managed care. These higher Basic Care average costs result in state forecast increases across the entire MA program of $68 million in the 2024-2025 biennium, $909 million in the 2026-2027 biennium, and $1.0 billion in the 2028-2029 biennium, with about 80% of these increases due to higher managed care capitation rates.

Overall, net changes in MA enrollment in the November forecast result in state forecast increases of $47 million in the 2024-2025 biennium, $195 million in the 2026-2027 biennium, and $159 million in the 2028-2029 biennium.

The November forecast includes the General Fund impact of several recent federal changes to Medicaid. These federal changes produce net state increases across the entire MA program of $11 million in the 2026-2027 biennium and $85 million in the 2028-2029 biennium

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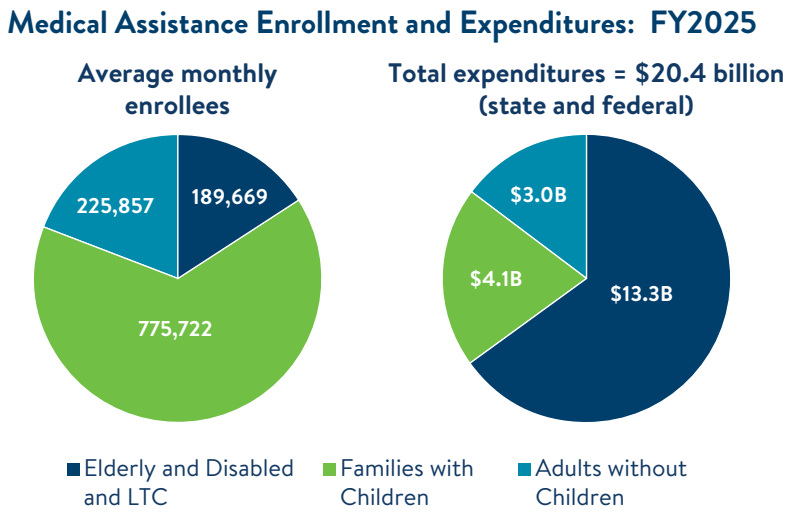
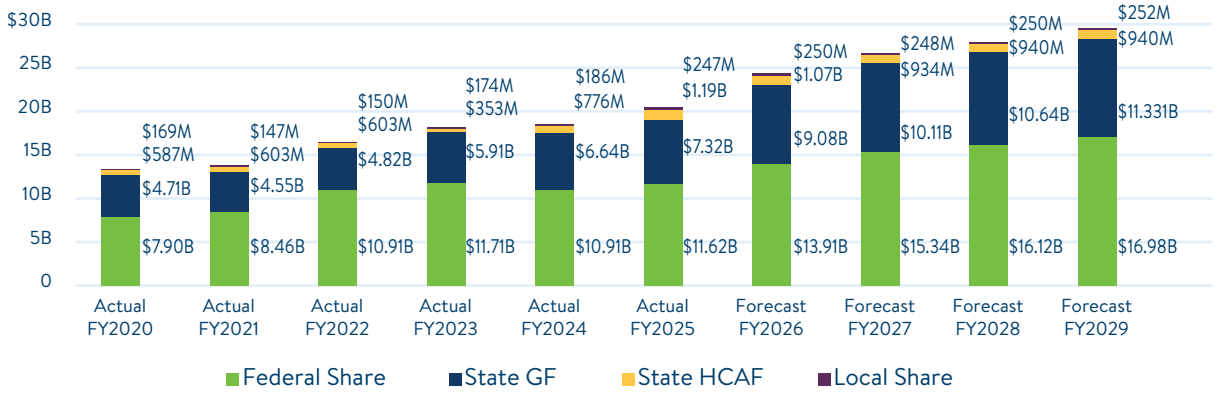
The November forecast also includes projected increases in the MA LTC disability waivers, resulting in state forecast increases of $306 million in the 2026-2027 biennium, and $347 million in the 2028-2029 biennium.

Partially offsetting these projected MA General Fund costs is an increase in the state's FMAP effective October 2026. This results in forecast state savings of $109 million in the 2026-2027 biennium and $337 million in the 2028-2029 biennium across the entire MA budget activity.

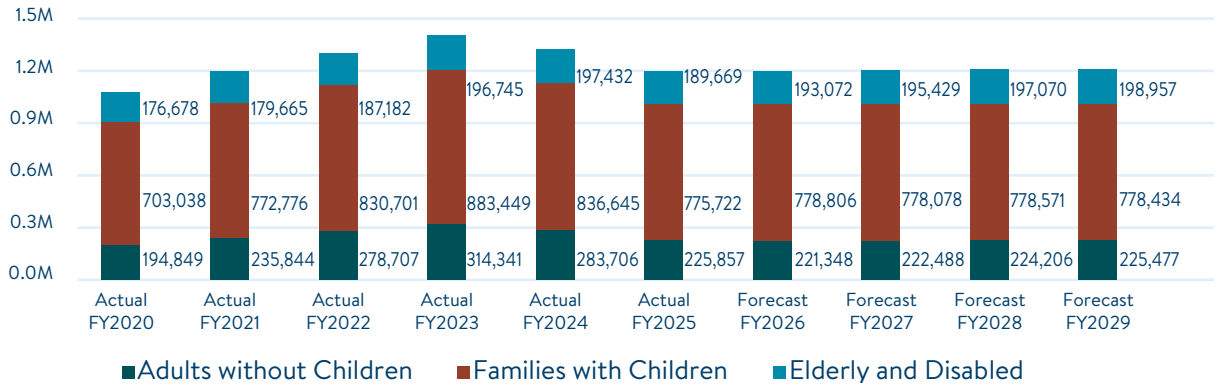
Further detail regarding these November forecast changes can be found in the narratives for the five forecasted MA segments below.



Total MA expenditures by fund



MA enrollment by eligibility category



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	20,386,536,075	10.12%
2026*	24,309,448,435	19.24%
2027*	26,632,163,662	9.55%
2028*	27,954,286,062	4.96%
2029*	29,507,976,706	5.56%
Avg. Annual Increase 2013-2025		8.06%

**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
- $594 million state funds

Data for FY 2025

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 2025 forecast highlights

General Fund

Changes from the End-of-Session 2025 forecast

- Decrease of $17.2 million in 2024-2025 biennium (-1.5%)
- Decrease of $12.7 million in 2026-2027 biennium (-1.0%)
- Decrease of $29.8 million in 2028-2029 biennium (-2.1%)

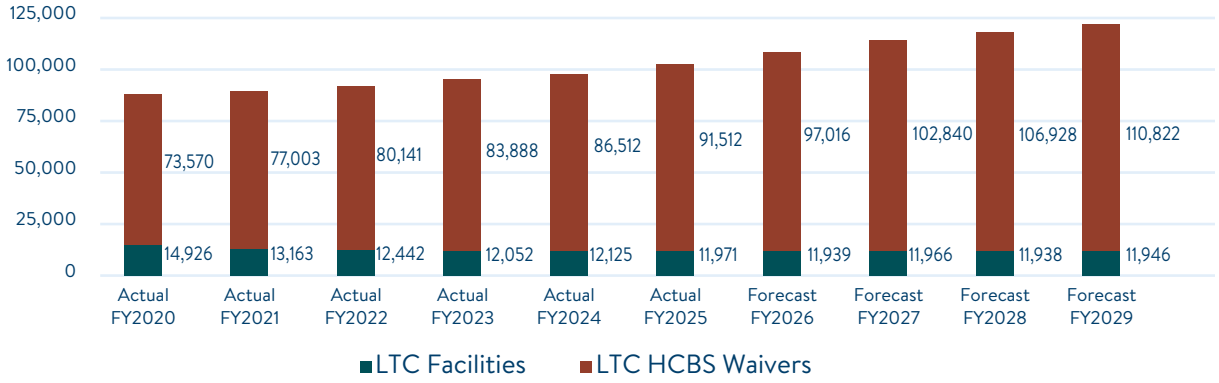
Reasons: The November forecast for MA LTC Facilities produces General Fund decreases throughout the forecast horizon. These reductions are driven primarily by FMAP increases as the program data had several offsetting trends.

The Nursing Facilities paid days forecast is lowered by about 1.1% based on recent recipient data. The use rate in the Minnesota population age 65 and over for nursing facility stays paid by MA returned to a long-run decreasing trend in 2025, following a rare increase in 2024. There is an offsetting increase in Nursing Facilities average payments due to updated data on the operating rate paid in 2025. These changes in the Nursing Facilities projections result in a state forecast increase of $3 million in the 2026-2027 biennium and a decrease of $3 million in the 2028-2029 biennium.

The Alternative Care program has a decrease in projected recipients of about 4.5%. Like nursing facility trends, there has been a steady decline in the use rate of the Alternative Care program in the Minnesota population age 65 and over. There is an offsetting increase in the average payment trend based on recent data. Together these changes result in a state forecast decrease of $3 million in the 2026-2027 biennium and a decrease of less than $1 million in the 2028-2029 biennium.

The primary driver of the projected MA General Fund decreases is an increase in the state's FMAP effective October 2026. 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 decreased relative to the national average which results in a projected increase in the state's FMAP rate. Currently, the FMAP is 50.68% and the new FMAP will be 51.36%. This results in forecast state savings of $8 million in the 2026-2027 biennium and $22 million in the 2028-2029 biennium for MA LTC Facilities.

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

- 91,500 average monthly recipients

How much it costs

- $7.6 billion total spending
- $3.7 billion state funds

Data for FY 2025

November 2025 forecast highlights

General Fund

Changes from the End-of-Session 2025 forecast

- Decrease of $9.0 million in 2024-2025 biennium (-0.1%)
- Increase of $314.4 million in 2026-2027 biennium (+3.7%)
- Increase of $225.9 million in 2028-2029 biennium (+2.4%)

Reasons: The November forecast for MA LTC Waivers and Home Care produces General Fund increases in the 2026-2027 and 2028-2029 biennia. These forecast costs are primarily the result of higher average payments and higher recipients in the disability waivers.

The largest forecast increases are in the Developmental Disabilities (DD) waiver. Unexplained average payment growth has been a major forecast driver of increased spending in the disability waivers in recent years. Compared to the other disability waivers, the DD waiver generally has had the slowest-growing average payment trends. While that is still the case, the DD waiver average payments in 2025 deviated significantly from previous projections. Growth in both the costs paid for residential services and the utilization of non-residential services are contributing to higher-than-expected average payments. The resulting adjustment is an average cost increase of around 4.5% driving state forecast costs of $144 million in the 2026-2027 biennium and $128 million in the 2028-2029 biennium.

Recent data also show higher recipient growth than previously projected in the DD waiver, primarily concentrated in children and youth. The base DD recipient forecast is increased about 1.3% to accommodate this growth, with a small trend adjustment going forward. This change results in state forecast increases of $48 million in the 2026-2027 biennium and $74 million in the 2028-2029 biennium.

Recent data on the Community Access for Disability Inclusion (CADI) waiver has been over previous projections for both recipients and average payments. The rate of recipient growth in this program continues to moderate, but more slowly than forecasted. The November forecast includes a base increase of about 1.7% to align with recent recipient data resulting in state forecast costs of $54 million in the 2026-2027 biennium and $80 million in the 2028-2029 biennium. The forecast also includes a base increase of about 1.6% to align with recent average payment data resulting in state forecast costs of $60 million in the 2026-2027 biennium and $65 million in the 2028-2029 biennium.

Other changes in this budget area include increased state costs during the transition of PCA to CFSS. The transition of PCA recipients to the new Community First Services and Supports (CFSS) program began in October 2024, and the November forecast recognizes that the transition timeline has been extended an additional six months to an expected end date of September 30, 2026. This slower transition reduces the claims eligible for the 6% enhanced federal match received under CFSS, resulting in additional state costs relative to the previous forecast. In addition,

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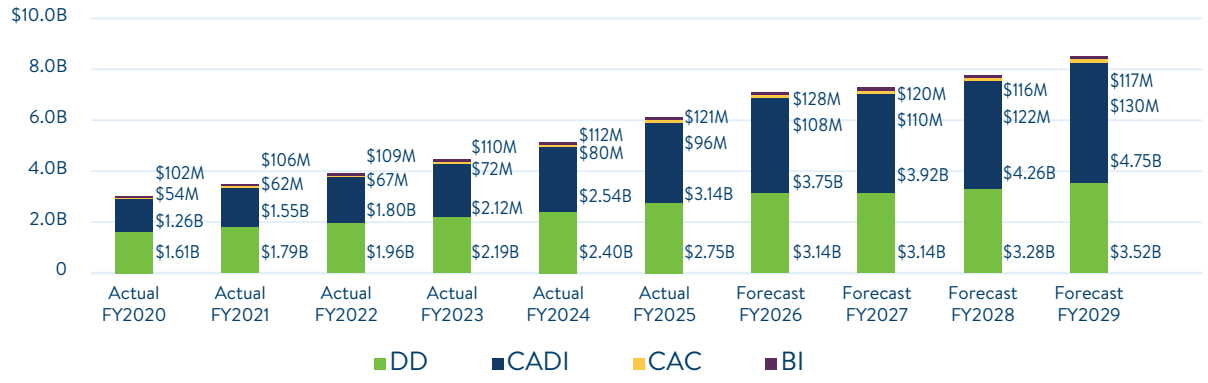
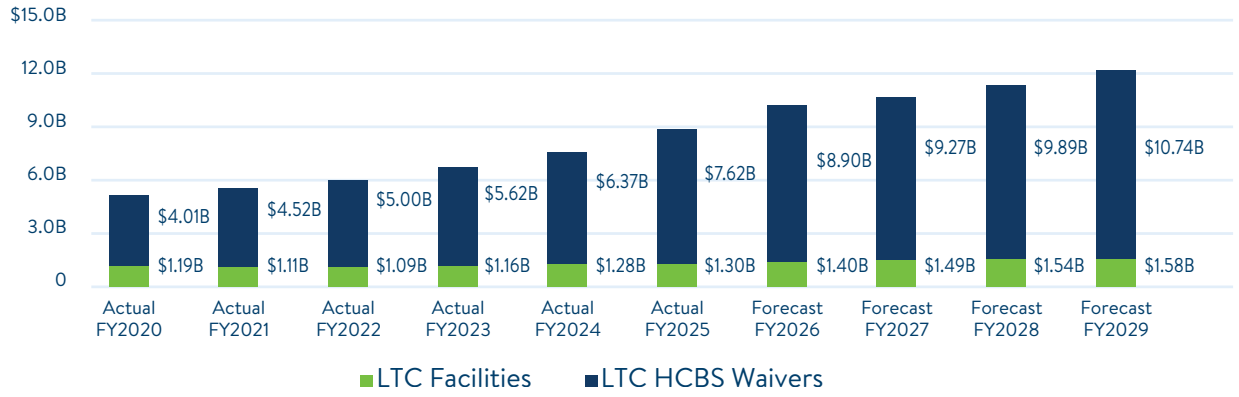
parent and spouse caregivers under PCA are funded with 100% state funds until they transition to CFSS, and recent data show more take-up of this option than previously projected. These short-term impacts are expected to disappear by the 2028-2029 biennium, when CFSS is expected to be fully implemented, resulting in state forecast costs of $35 million in the 2026-2027 biennium. The November forecast also includes an upward adjustment in the Home Care Nursing (HCN) program due to an increase in the program's recipient trend in 2025, following years of flat or declining trends. This results in state forecast costs of $14 million in the 2026-2027 biennium and $16 million in the 2028-2029 biennium.

Partially offsetting these projected MA General Fund costs is an increase in the state's FMAP effective October 2026. 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 decreased relative to the national average which results in a projected increase in the state's FMAP rate. Currently, the FMAP is 50.68% and the new FMAP will be 51.36%. This results in forecast state savings of $48 million in the 2026-2027 biennium and $142 million in the 2028-2029 biennium for MA LTC Waivers.

Disability waivers expenditures — all funds



Long-term care facilities and 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	1,304,068,549	1.57%	7,619,018,007	19.59%	8,923,086,555	16.57%
2026*	1,401,663,099	7.48%	8,898,256,029	16.79%	10,299,919,128	15.43%
2027*	1,486,657,576	6.06%	9,268,184,740	4.16%	10,754,842,316	4.42%
2028*	1,536,754,056	3.37%	9,890,993,236	6.72%	11,427,747,292	6.26%
2029*	1,575,146,920	2.50%	10,741,522,900	8.60%	12,316,669,821	7.78%
Avg. Annual Increase 2013-2025		2.94%		10.66%		8.98%

**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

- 189,700 average monthly enrollees

How much it costs

- $4.4 billion total spending
- $2.1 billion state funds

Data for FY 2025

November 2025 forecast highlights

General Fund

Changes from the End-of-Session 2025 forecast

- Increase of $56.9 million in 2024-2025 biennium (+1.2%)
- Increase of $470.8 million in 2026-2027 biennium (+8.7%)
- Increase of $462.5 million in 2028-2029 biennium (+7.6%)

Reasons: The November forecast for MA Elderly and Disabled Basic Care produces General Fund increases throughout the forecast horizon. These forecast costs are primarily the result of higher average FFS payments for Disabled enrollees along with higher managed care capitation rates for both the Elderly and Disabled populations. Adding to these projected General Fund increases is higher Disabled enrollment. These forecast costs are partially offset by increased federal funding due to a higher regular FMAP.

Average FFS cost increases for Disabled enrollees from the last quarter of 2024 have persisted in the updated 2025 claims data resulting in an upward base adjustment for this population. On the managed care side, actual MCO cost experience in 2024 and the first half of 2025 was significantly higher than the trend used in the initial 2025 contract rate development process for both the Elderly and Disabled populations. As a result, actuarial analysis determined that the 2025 contract rates required recertification to meet the higher actual plan cost experience, producing a base increase in capitation rates for these populations. The average capitation rate increases in the November forecast are 12.5% for Elderly and 13.5% for Disabled. These relatively large increases are similar to the experience in other states and in other Minnesota health insurance markets and likely reflect the ongoing transition from declining average costs during the pandemic to new, higher post-pandemic utilization and unit costs. Combined, higher average payments for both the Elderly and Disabled populations result in state forecast increases of $34 million in the 2024-2025 biennium, $392 million in the 2026-2027 biennium, and $437 million in the 2028-2029 biennium, with about 80% due to increased managed care capitation rates.

The November forecast provides a further look at MA enrollment one year after the post-pandemic unwinding period, during which the annual renewals process was restarted following three years of accumulating caseload under the public health emergency. While the previous forecast expected further declines in Disabled enrollment following the unwinding, actual enrollment levelled off during 2025 and then started to increase during the summer. This results in a 5.0% increase in projected Disabled caseload and state forecast costs of $26 million in the 2024-2025 biennium, $106 million in the 2026-2027 biennium, and $93 million in the 2028-2029 biennium.

The November forecast also includes the General Fund impact of several recent federal changes to Medicaid. For the Elderly and Disabled populations, these include changes to noncitizen eligibility criteria and retroactive eligibility financing. The new federal law eliminates MA eligibility for noncitizens without specific immigration status effective

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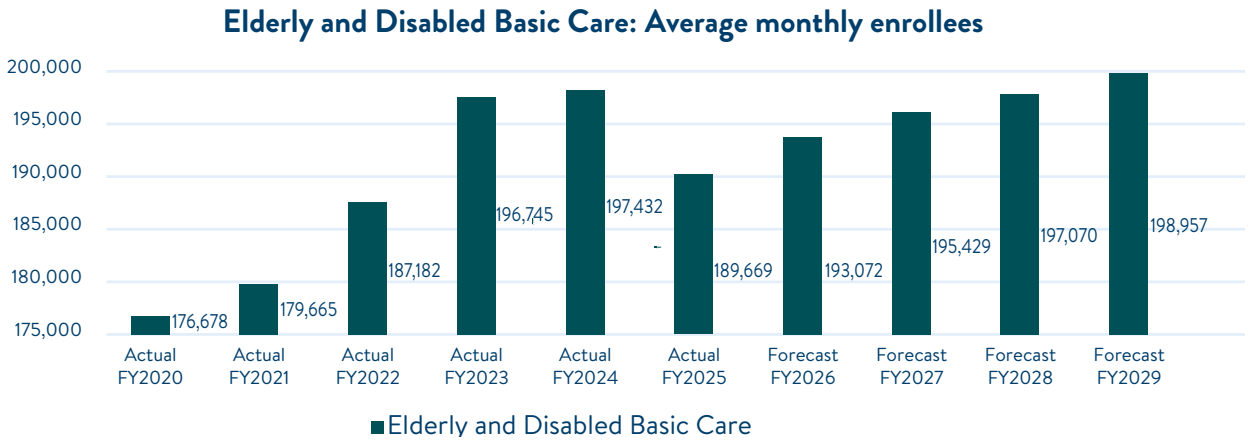
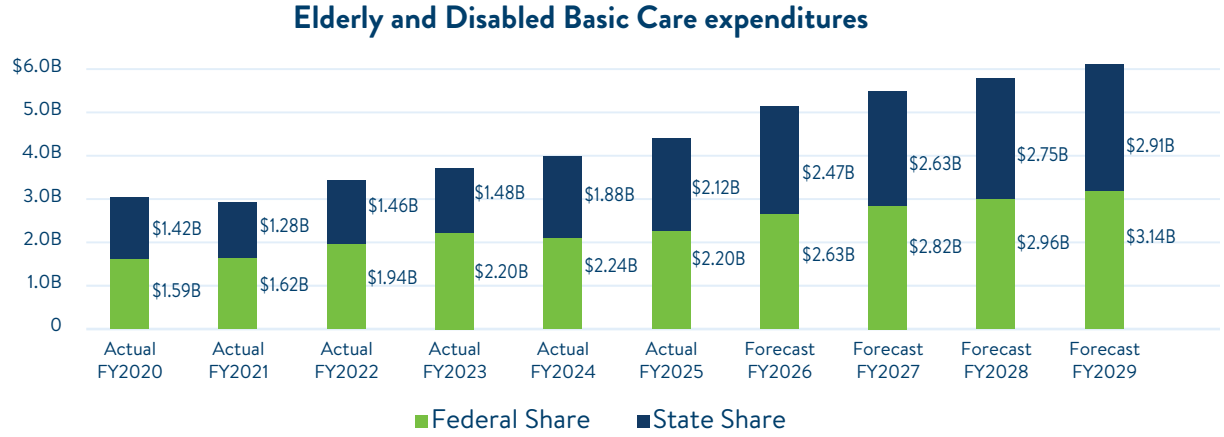
October 2026, and results in projected disenrollment of relatively small numbers of Elderly and Disabled enrollees. The new federal law also limits federal share to two retroactive eligibility months for Elderly and Disabled enrollees effective January 2027. Current state law provides three retroactive eligibility months, so the lost federal share for the third month is replaced with state funding in the November forecast. Overall, for the Elderly and Disabled populations, these two federal changes essentially offset each other leading to a very small net state impact.

Partially offsetting these projected MA General Fund costs is an increase in the state's FMAP effective October 2026. 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 decreased relative to the national average which results in a projected increase in the state's FMAP rate. Currently, the FMAP is 50.68% and the new FMAP will be 51.36%. This results in forecast state savings of $24 million in the 2026-2027 biennium and $80 million in the 2028-2029 biennium for MA Elderly and Disabled.





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	4,356,205,214	9.94%
2026*	5,102,732,301	17.14%
2027*	5,443,297,977	6.67%
2028*	5,729,223,735	5.25%
2029*	6,049,833,282	5.60%
Avg. Annual Increase 2013-2025		6.32%

**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 $21,597 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

- 225,900 average monthly enrollees

How much it costs

- $3.0 billion total spending
- $304 million state funds

Data for FY 2025

November 2025 forecast highlights

General Fund

Changes from the End-of-Session 2025 forecast

- Increase of $5.5 million in 2024-2025 biennium (+0.9%)
- Increase of $154.0 million in 2026-2027 biennium (+24.6%)
- Increase of $262.2 million in 2028-2029 biennium (+38.6%)

Reasons: The November forecast for MA Adults without Children Basic Care produces General Fund increases throughout the forecast horizon. These forecast adjustments are due to increases in FFS average payments, higher managed care capitation payments, and federal Medicaid changes, partially offset by lower-than-expected enrollment.

Average FFS cost increases for Adults without Children from the last quarter of 2024 have persisted in the updated 2025 claims data resulting in an upward base adjustment affecting all forecast biennia. On the managed care side, actual MCO cost experience in 2024 and the first half of 2025 was significantly higher than the trend used in the initial 2025 contract rate development process. As a result, actuarial analysis determined that the 2025 contract rates required recertification to meet the higher actual plan cost experience, producing a base increase in capitation rates. Adults without Children have the largest average capitation rate increase in the November forecast at 28.0%. Even so, this relatively large increase is not out of line with the experience in other states and in other Minnesota health insurance markets and likely reflects the ongoing transition from declining average costs during the pandemic to new, higher post-pandemic utilization and unit costs. Combined, higher average payments for Adults without Children result in state forecast increases of $8 million in the 2024-2025 biennium, $158 million in the 2026-2027 biennium, and $181 million in the 2028-2029 biennium, with about 80% due to increased managed care capitation rates.

The November forecast also includes the General Fund impact of several recent federal changes to Medicaid. For the Adults without Children population, these include changes to noncitizen eligibility, Emergency Medical Assistance (EMA) claims financing, and retroactive eligibility financing. The new federal law eliminates eligibility for noncitizens without specific immigration status effective October 2026, which results in projected disenrollment of around 1,700 Adults without Children enrollees. The new federal law also eliminates the enhanced federal share on EMA claims for Adults without Children beginning October 2026. As a result, federal share on these claims will decrease from 90% to 51.36% (regular FMAP). The lost federal share on EMA claims is assumed to be replaced with state General Funds. Finally, the new federal law limits federal share to one retroactive eligibility month for Adults without Children enrollees effective January 2027. Current state law provides three retroactive eligibility months, so the lost federal share for two months is replaced with state funding in the November forecast. Overall, these federal changes result in net state forecast increases of $19 million in the 2026-2027 biennium and $98 million in the 2028-2029 biennium.

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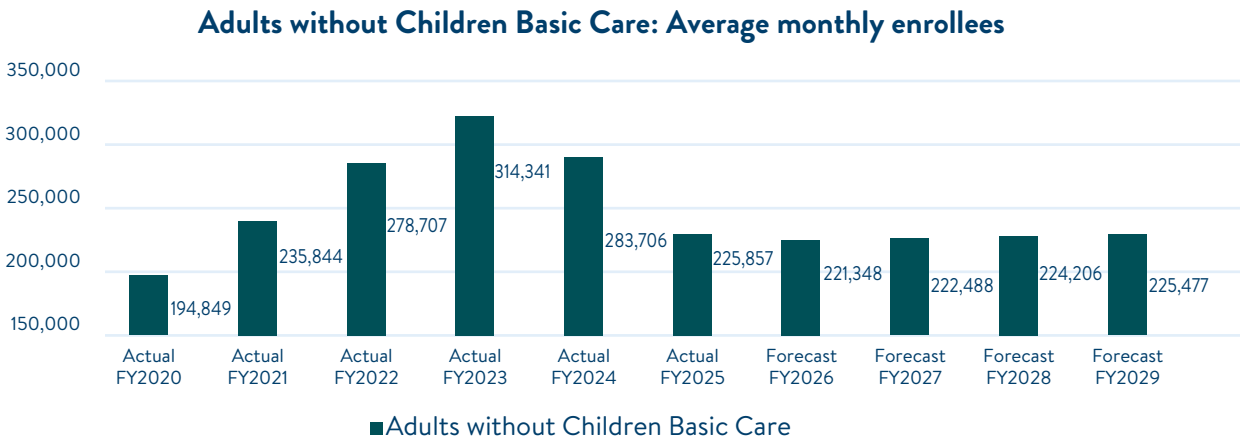
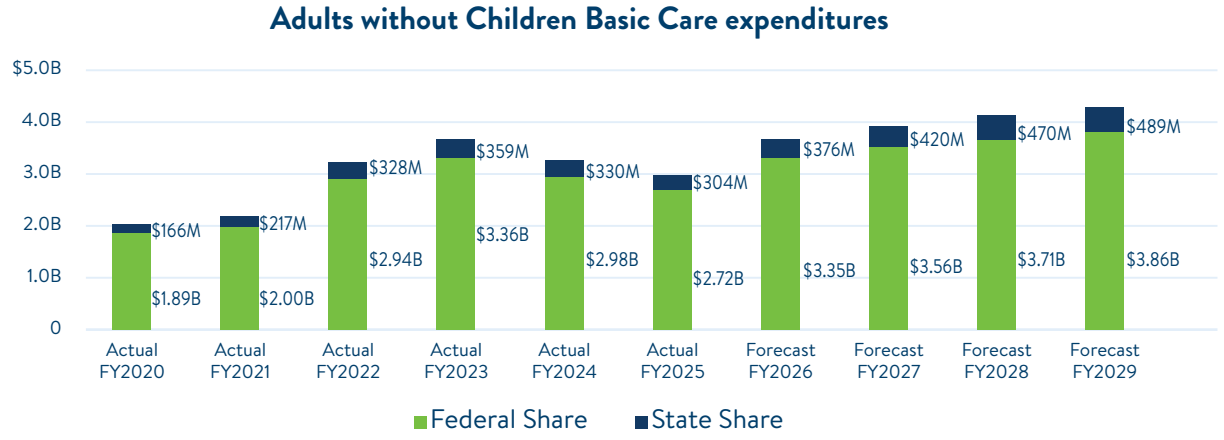
Partially offsetting these forecast costs is a 2.5% base reduction in projected Adults without Children caseload. The November forecast provides a further look at MA enrollment one year after the post-pandemic unwinding period, during which the annual renewals process was restarted following three years of accumulating caseload under the public health emergency. While the previous forecast expected further declines in Adults without Children enrollment following the unwinding, actual enrollment declined further than prior projections during 2025. This results in state forecast savings of $2 million in the 2024-2025 biennium, $20 million in the 2026-2027 biennium, and $13 million in the 2028-2029 biennium.





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	3,023,881,895	(8.57%)
2026*	3,724,021,349	23.15%
2027*	3,981,316,394	6.91%
2028*	4,179,318,958	4.97%
2029*	4,345,196,122	3.97%
Avg. Annual Increase 2013-2025		11.81%

**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

- 775,700

How much it costs

- $4.1 billion total spending
- $1.8 billion state funds

Data for FY 2025

November 2025 forecast highlights

General Fund

Changes from the End-of-Session 2025 forecast

- Increase of $39.0 million in 2024-2025 biennium (+1.2%)
- Increase of $358.4 million in 2026-2027 biennium (+9.8%)
- Increase of $253.1 million in 2028-2029 biennium (+6.3%)

Reasons: The November forecast for MA Families with Children Basic Care produces General Fund increases throughout the forecast horizon. These forecast increases are due to higher FFS average payments, higher managed care capitation rates, and higher projected enrollment, partially offset by federal Medicaid changes and increased federal funding due to a higher regular FMAP and a higher-than-expected CHIP allotment.

Average FFS cost increases for Families with Children from the last quarter of 2024 have persisted in the updated 2025 claims data resulting in an upward base adjustment affecting all forecast biennia. In managed care, actual MCO cost experience in 2024 and the first half of 2025 was significantly higher than the trend used in the initial 2025 contract rate development process, especially for parents. As a result, actuarial analysis determined that the 2025 contract rates required recertification to meet the higher actual plan cost experience, producing a base increase in capitation rates. The average capitation rate increase for Families with Children is 8.0% in the November forecast; the smallest increase because actual cost experience for children has not diverged from expected trend as much as other populations. Again, this increase is similar to the experience in other states and in other Minnesota health insurance markets and likely reflects the ongoing transition from declining average costs during the pandemic to new, higher post-pandemic utilization and unit costs. Combined, higher average payments for Families with Children result in state forecast increases of $26 million in the 2024-2025 biennium, $359 million in the 2026-2027 biennium, and $385 million in the 2028-2029 biennium, with about 80% due to increased managed care capitation rates.

The November forecast provides a further look at MA enrollment one year after the post-pandemic unwinding period, during which the annual renewals process was restarted following three years of accumulating caseload under the public health emergency. While the previous forecast expected further declines in Families with Children enrollment following the unwinding, actual enrollment levelled off during the first half of 2025 and remained higher than projected. This results in a 1.5% caseload increase and state forecast costs of $24 million in the 2024-2025 biennium, $109 million in the 2026-2027 biennium, and $79 million in the 2028-2029 biennium.

The November forecast also includes the General Fund impact of several recent federal changes to Medicaid. For the Families with Children population, these include changes to noncitizen eligibility and retroactive eligibility financing. The new federal law eliminates eligibility for noncitizens without specific immigration status effective October 2026, which results in projected disenrollment of about 2,700 Families without Children enrollees. The new federal law also

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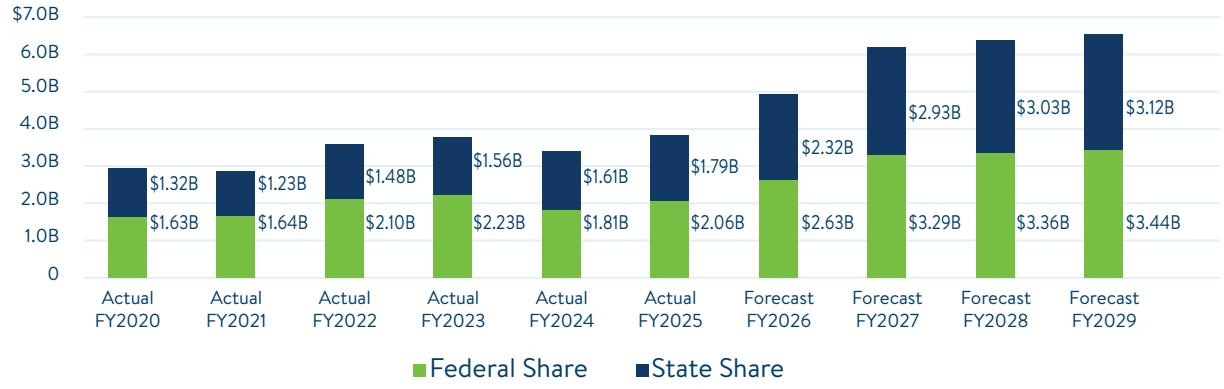
limits federal share to two retroactive eligibility months for Families with Children enrollees effective January 2027. Current state law provides three retroactive eligibility months, so the lost federal share for the third month is replaced with state funding in the November forecast. Overall, for Families with Children, these two federal changes result in net state forecast savings of $7 million in the 2026-2027 biennium and $15 million in the 2028-2029 biennium.

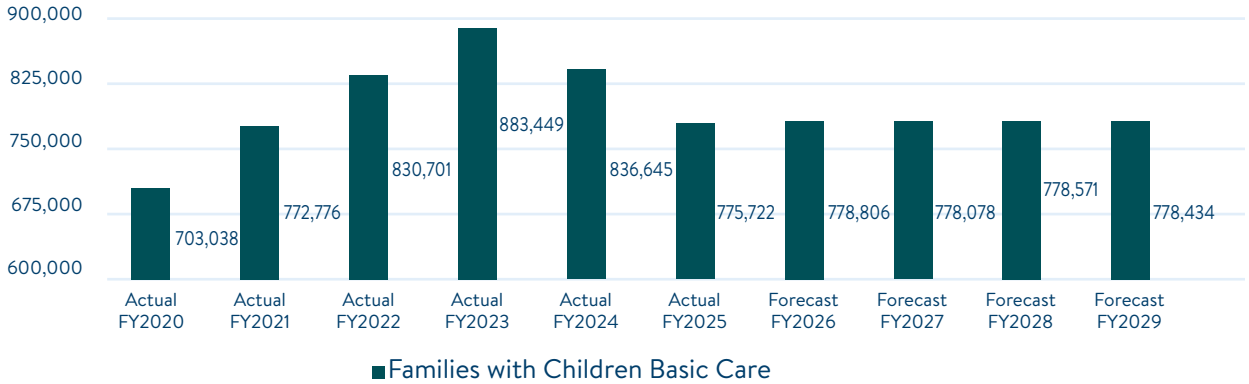
Further offsetting forecast costs for Families with Children is an increase in the state's FMAP effective October 2026. The FMAP is the share of MA benefit costs paid by the federal government which is updated every federal fiscal year. It's calculated based on a three-year average of state per capita personal income compared to the national average. Based on updated federal data, Minnesota's per capita income has decreased relative to the national average which results in a projected increase in the state's FMAP rate. Currently, the FMAP is 50.68% and the new FMAP will be 51.36%. This results in forecast state savings of $29 million in the 2026-2027 biennium and $93 million in the 2028-2029 biennium.

The final offset for this population results from additional federal funding due to a higher-than-expected CHIP allotment. Certain MA children are eligible for CHIP enhanced federal match up to the state's CHIP allotment, which directly replaces a portion of General Fund spending on these children. Prior forecasts projected that potential CHIP enhanced match for these qualifying children exceeded the annual federal CHIP allotment. Thus, an increased CHIP allotment allows the state to claim additional federal CHIP enhanced match, which supplants state General Fund spending, on qualifying MA children. As a result, recognizing the increased federal CHIP allotment in the November forecast results in state savings of $8 million in the 2024-2025 biennium, $54 million in the 2026-2027 biennium, and $69 million in the 2028-2029 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
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	4,083,362,411	13.80%
2026*	5,182,775,656	26.92%
2027*	6,452,706,976	24.50%
2028*	6,617,996,077	2.56%
2029*	6,796,277,481	2.69%
Avg. Annual Increase 2013-2025		6.20%

**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

- 102,100 average monthly enrollees

How much it costs

- $655 million total spending
- $60 million state funds

Data for FY 2025

November 2025 forecast highlights

Health Care Access Fund

Changes from the End-of-Session 2025 forecast

- Increase of $10.7 million in 2024-2025 biennium (+8.3%)
- Increase of $253.1 million in 2026-2027 biennium (+127.6%)
- Increase of $404.9 million in 2028-2029 biennium (+178.4%)

Reasons: The November forecast produces relatively large HCAF costs in all three forecasted biennia. These projected costs are primarily the result of increased managed care capitation rates and a pair of federal changes.

Actual MCO cost experience in 2024 and the first half of 2025 was significantly higher than the trend used in the initial 2025 contract rate development process. As a result, actuarial analysis determined that the 2025 contract rates required recertification to meet the higher actual plan cost experience. This recertification results in an 18% base increase in MinnesotaCare capitation rates. This increase mirrors the experience in other states and in other Minnesota health insurance markets and likely reflects the ongoing transition from declining average costs during the pandemic to new, higher post-pandemic utilization and unit costs. Higher managed care capitations in MinnesotaCare result in HCAF increases of $259 million in the 2026-2027 biennium and $296 million in the 2028-2029 biennium.

Two federal changes also lead to increased HCAF costs in the November forecast. The first is the shift of some noncitizens from MA to state-funded MinnesotaCare. The new federal law eliminates MA eligibility for all noncitizens except those with specific immigration status effective October 2026. However, current state law provides MinnesotaCare eligibility for any noncitizen ineligible for MA due to immigration status, which results in a shift of noncitizens projected to lose MA eligibility to state-funded MinnesotaCare. The second federal change impacting MinnesotaCare is the elimination of APTC eligibility for certain noncitizens. All noncitizens with income under 100% FPG will no longer qualify for APTCs effective January 2026. Subsequently, all noncitizens without specific immigration status with income at or above 100% FPG will no longer qualify for APTCs effective January 2027. Since federal BHP funding is based on 95% of enrollee's estimated APTCs if the state didn't operate a BHP, the state will no longer receive federal revenue for noncitizens losing their APTC eligibility. The overall population of noncitizens projected to lose APTCs comprise almost 18% of total BHP enrollment. Together, these two federal changes result in projected HCAF increases of $197 million in the 2026-2027 biennium and $375 million in the 2028-2029 biennium

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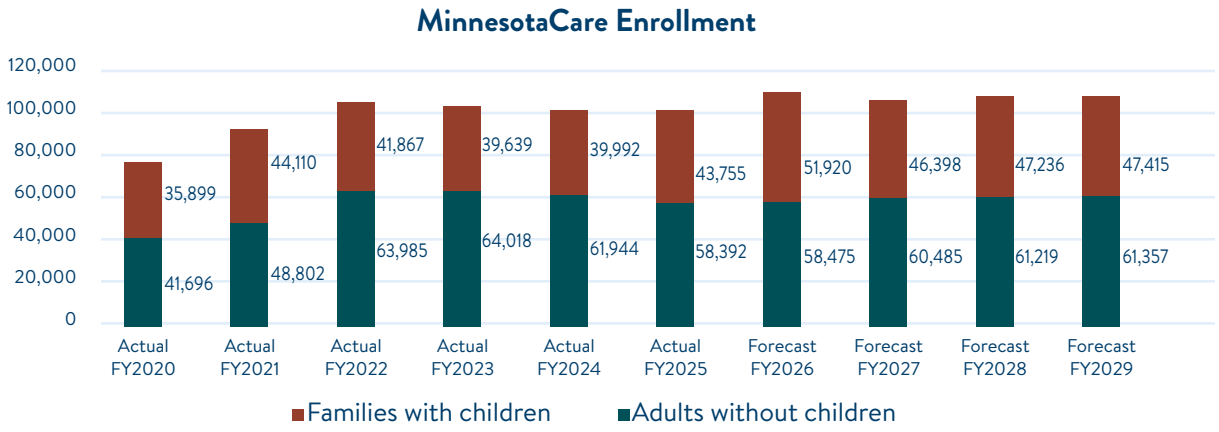
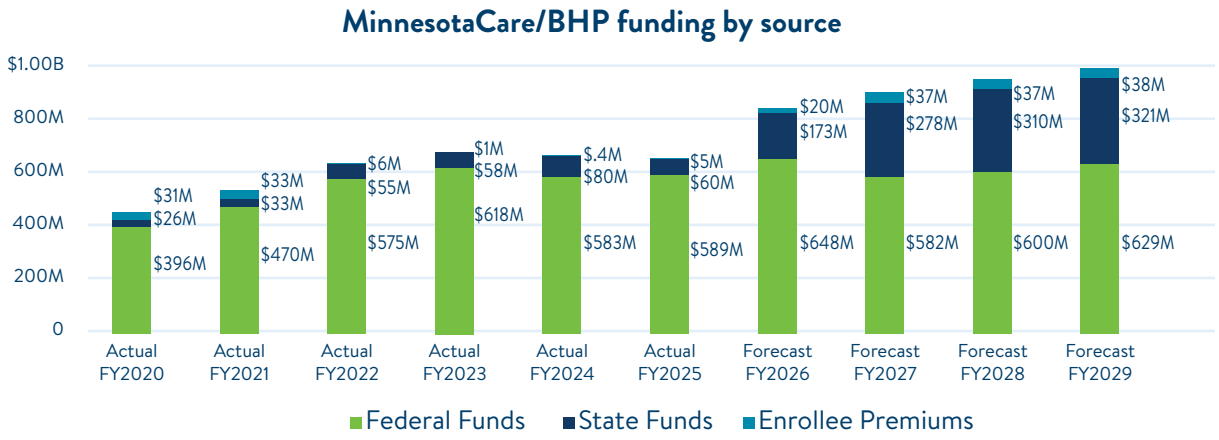
Partially offsetting these projected HCAF costs is higher federal BHP funding due to premium increases in the individual market. Akin to the managed care capitation increases within public programs, 2026 benchmark silver premiums in the individual market are about 23% higher than 2025 premiums. Benchmark silver premiums are used to determine APTC amounts (along with maximum household contribution). As a result, these benchmark premium increases lead to higher APTCs and higher federal BHP funding which replaces state HCAF spending. Higher 2026 individual market premiums lead to projected HCAF savings of $174 million in the 2026-2027 biennium and $247 million in the 2028-2029 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	655,088,930	(1.20%)
2026*	841,487,874	28.45%
2027*	897,722,554	6.68%
2028*	948,191,547	5.62%
2029*	988,318,284	4.23%
Avg. Annual Increase 2013-2025		1.17%

**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

- 35,800 unique recipients

How much it costs

- $259 million total spending
- $120 million state funds

Data for FY 2025

November 2025 forecast highlights

General Fund

Changes from the End-of-Session 2025 forecast

- Increase of $0.1 million in 2024-2025 biennium (+0.0%)
- Increase of $46.2 million in 2026-2027 biennium (+17.6%)
- Increase of $26.9 million in 2028-2029 biennium (+11.7%)

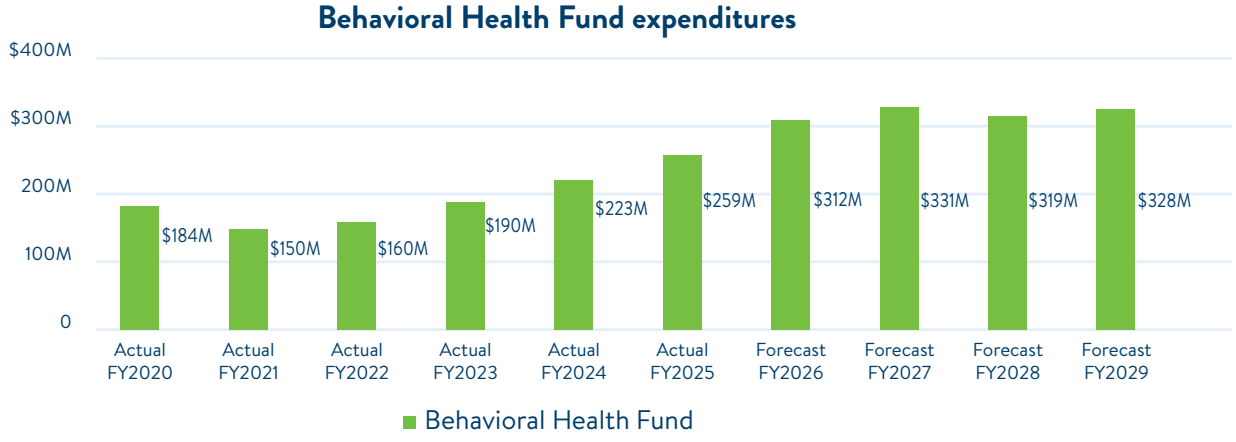
Reasons: The November forecast for the Behavioral Health Fund is little changed in the 2024-2025 biennium but has substantial increases in the 2026-2027 and 2028-2029 biennia. These changes are characterized by higher utilization of residential treatment services and the room and board services which support residential treatment.

Projected residential SUD treatment costs are higher in the November forecast with increased recipient projections accounting for roughly half the change and higher average costs the other half. These higher residential SUD treatment projections result in state forecast costs of $15 million in the 2026-2027 biennium and $11 million in the 2028-2029 biennium.

Costs for freestanding room and board, a coverage which is scheduled to end July 1, 2027, are also projected higher in the November forecast. The increases result from a dramatic increase in the number of vendors and the number of recipients from January to June 2025. These changes lead to state forecast increases of $23 million in the 2026-2027 biennium and $1 million in the 2028-2029 biennium.

Other room and board costs, for residential SUD treatment paid by contracted health plans and for certain residential mental health services funded by Medical Assistance, are also higher, driven by higher utilization of the treatment services which they support. These increases produce state forecast costs of $10 million in the 2026-2027 biennium and $11 million in the 2028-2029 biennium.

Most of the remaining projected Behavioral Health Fund cost increase in the 2028-2029 biennium comes from higher recipient projections for Withdrawal Management, a residential service.



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	259,336,288	16.51%
2026*	312,012,802	20.31%
2027*	331,261,006	6.17%
2028*	318,586,204	(3.83%)
2029*	328,159,739	3.01%
Avg. Annual Increase 2013-2025		5.36%

**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.

November 2025 forecast highlights

General Assistance, General Fund

Changes from the End-of-Session 2025 forecast

- Increase of $2.4 million in 2024-2025 biennium (+1.9%)
- Increase of $17.4 million in 2026-2027 biennium (+10.2%)
- Increase of $23.3 million in 2028-2029 biennium (+13.3%)

Reasons: The November forecast produces General Assistance spending increases in all biennia. Higher caseload results in about one-third of these forecast increases while the remaining two-thirds are due to higher average costs. The caseload increase is due to a higher-than-expected number of recipients in updated actual data. The average cost increases are due to cost-of-living adjustments on the community-based assistance standard beginning October 2025 and more people in the community setting receiving the higher GA standard.

Housing Support, General Fund

Changes from the End-of-Session 2025 forecast

- Increase of $1.6 million in 2024-2025 biennium (+0.3%)
- Increase of $61.4 million in 2026-2027 biennium (+11.1%)
- Increase of $97.0 million in 2028-2029 biennium (+16.0%)

Reasons: The November forecast produces Housing Support (HS) spending increases in all biennia. Two thirds of the increases are from caseload growth and the rest are due to increases in average payments. The caseload growth is driven by higher-than-expected increases resulting from the change in assistance income guidelines from a year ago. In addition, the Behavioral Health Fund forecast increase in the freestanding room and board caseload also results in a caseload increase in the HS program as certified recovery residences eligible for HS will replace freestanding room and board in 2027. HS average payment increases are driven by more recipients in the community setting with higher room and board rates, increased utilization of supplementary services by recipients of supportive housing, and the elimination of supplementary services rate discount for HS recipients who were also in the Housing Stabilization Services Program.

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Who it serves

GA

- 25,600 average monthly cases

HS

- 22,100 average monthly recipients

MSA

- 30,600 average monthly recipients

How much it costs

GA

- $77 million total spending, all state funds

HS

- $259 million total spending
- $255 million state funds

MSA

- $66 million total spending, all state funds

Data for FY 2025

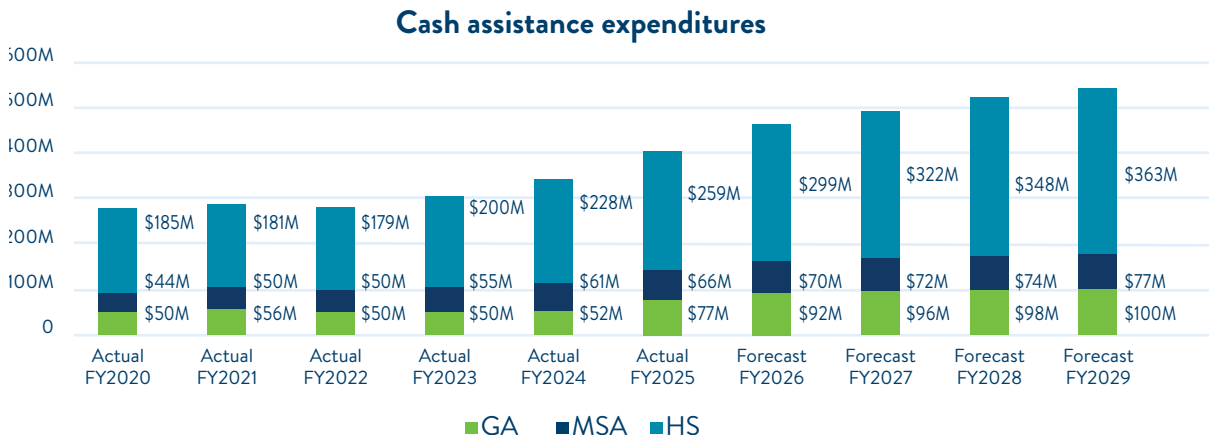
Continued from previous page

Minnesota Supplemental Aid, General Fund

Changes from the End-of-Session 2025 forecast

- Increase of $0.7 million in 2024-2025 biennium (+0.5%)
- Increase of $6.3 million in 2026-2027 biennium (+4.6%)
- Increase of $6.6 million in 2028-2029 biennium (+4.6%)

Reasons: The November forecast produces Minnesota Supplemental Aid spending increase in all biennia. These increases are due to higher-than-expected actual average payments.



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	76,807,275	47.34%	65,946,185	8.38%	258,653,925	13.22%
2026*	92,060,873	19.86%	70,201,450	6.45%	299,003,014	15.60%
2027*	95,949,491	4.22%	72,322,465	3.02%	321,507,931	7.53%
2028*	97,989,155	2.13%	74,449,252	2.94%	347,556,035	8.10%
2029*	100,120,316	2.17%	76,639,939	2.94%	362,700,339	4.36%
Avg. Annual Increase 2013-2025		3.37%		5.16%		5.89%

**Projected*

November 2025 forecast changes: In a nutshell

General Fund

Millions of dollars	2024-2025 Biennium	2026-2027 Biennium	2028-2029 Biennium
General Fund Total Change	**79.8**	**1,416.3**	**1,327.8**
General Fund Percent Change	**0.5%**	**7.6%**	**6.3%**
Summary Changes Across All Budget Activities			
MA enrollment	47.2	194.5	158.9
MA Basic Care FFS average payments	61.5	166.8	168.7
MA Basic Care HMO rate adjustments	6.1	742.0	833.9
Federal MA Basic Care changes	0.0	10.9	84.6
MA LTC disability waiver recipients and average payments	4.1	305.9	346.8
FMAP change October 2026 (50.68% to 51.36%)	0.0	(108.9)	(336.8)
Other changes	(39.0)	105.1	71.7
Detail Changes By Budget Activity			
MA LTC Facilities:	**(17.2)**	**(12.7)**	**(29.8)**
Nursing Facilities (paid days -1.1%, average payment +1.1%)	(10.3)	2.7	(2.5)
Alternative Care (recipients -4.5%, average payment +2.4%)	(0.4)	(2.9)	(0.7)
FMAP change October 2026 (50.68% to 51.36%)	0.0	(7.6)	(21.5)
Other changes	(6.6)	(4.9)	(5.1)
MA LTC Waivers:	**(9.0)**	**314.4**	**225.9**
DD waiver recipients (+2.0%)	5.4	48.1	74.4
DD waiver average payments (+4.5%)	4.9	144.3	128.0
CADI waiver recipients (+1.7%)	2.5	53.7	79.6
CADI waiver average payments (+1.6%)	(8.7)	59.8	64.8
HCN recipients (+8.0%)	0.6	13.6	15.6
PCA/CFSS data and transition timeline	(10.9)	35.3	0.0
FMAP change October 2026 (50.68% to 51.36%)	0.0	(47.8)	(142.4)
Other changes	(2.9)	7.4	6.0
MA Elderly and Disabled Basic Care:	**56.9**	**470.8**	**462.5**
Enrollment (Disabled +5.0%)	25.6	106.4	92.7
FFS average payments (Disabled +3.0%)	27.5	83.8	56.2
HMO rate adjustments (Elderly +12.5%)	6.1	162.6	202.3
HMO rate adjustments (Disabled +13.5%)	0.0	145.9	178.4
Federal noncitizen eligibility changes	0.0	(2.0)	(5.9)
State funded retroactive eligibility	0.0	1.1	7.0
FMAP change October 2026 (50.68% to 51.36%)	0.0	(24.1)	(80.0)
Other changes	(2.3)	(2.8)	11.8
MA Adults without Children Basic Care:	**5.5**	**154.0**	**262.2**
Enrollment (-2.5%)	(2.0)	(20.4)	(12.5)
FFS average payments (+4.0%)	8.4	32.8	30.8
HMO rate adjustments (Adults +28.0%)	0.0	125.0	149.9
Federal noncitizen eligibility changes	0.0	(1.5)	(4.3)
Federal share change on EMA claims	0.0	10.4	39.0
State funded retroactive eligibility	0.0	9.9	63.5
Other changes	(0.9)	(2.0)	(4.1)

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Millions of dollars	2024-2025 Biennium	2026-2027 Biennium	2028-2029 Biennium
MA Families with Children Basic Care:	**39.0**	**358.4**	**253.1**
Enrollment (+1.5%)	23.6	108.5	78.8
FFS average payments (+1.0%)	25.5	50.3	81.7
HMO rate adjustments (Families +8.0%)	0.0	308.6	303.3
CHIP allotment adjustment	(7.5)	(54.4)	(68.8)
Federal noncitizen eligibility changes	0.0	(8.4)	(23.8)
State funded retroactive eligibility	0.0	1.5	9.3
FMAP change October 2026 (50.68% to 51.36%)	0.0	(29.3)	(92.8)
Other changes	(2.6)	(18.3)	(34.4)
Behavioral Health Fund	**0.1**	**46.2**	**26.9**
Residential treatment	(2.2)	14.7	11.0
Room & board for managed care treatment	0.7	5.9	6.2
Freestanding room & board	1.7	22.8	1.0
Mental health room & board	0.1	3.7	5.2
Other changes	(0.2)	(0.9)	3.6
General Assistance	**2.4**	**17.4**	**23.3**
Recipients	1.9	5.3	8.5
Average payments	0.6	12.1	14.8
Other changes	0.0	0.0	0.0
Housing Support	**1.6**	**61.4**	**97.0**
Recipients	4.6	40.0	66.3
Average payments	(1.5)	23.2	32.2
Other changes	(1.5)	(1.9)	(1.6)
Minnesota Supplemental Aid	**0.7**	**6.3**	**6.6**

Health Care Access Fund

Millions of dollars	2024-2025 Biennium	2026-2027 Biennium	2028-2029 Biennium
Health Care Access Fund Total Change	**10.7**	**253.1**	**404.9**
Health Care Access Fund Percent Change	**0.5%**	**11.5%**	**19.2%**
MinnesotaCare HCAF Funding	**10.7**	**253.1**	**404.9**
HMO rate adjustments (MinnesotaCare +18.0%)	0.0	259.3	296.1
Federal noncitizen eligibility changes	0.0	36.4	103.3
Federal BHP funding adjust due to 2026 market premiums	0.0	(173.7)	(246.6)
Federal BHP funding adjust due to federal APTC changes	0.0	160.6	272.0
Other changes	10.7	(29.5)	(19.9)
MA HCAF Funding	**0.0**	**0.0**	**0.0**

Note: Represents the change from the End-of-Session 2025 forecast.

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Resources

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

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

DEPARTMENT OF HUMAN SERVICES