



Overview of Minnesota Health Care Access Fund

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www.house.leg.state.mn.us/fiscal/fahome.asp



Outline

- History of the health care access fund
- Revenues – fund sources
- Expenditures – fund uses
- Recent legislation
- “Structural balance” and the future of the fund
- Timeline – upcoming events
- Issues for decision makers
- Questions?



Health Care Access Fund Facts:

- Established in 1992
- Minnesota Statutes, Chapter 16A.724
- Established concurrently to the MinnesotaCare program
- Few specific statutory purposes or requirements

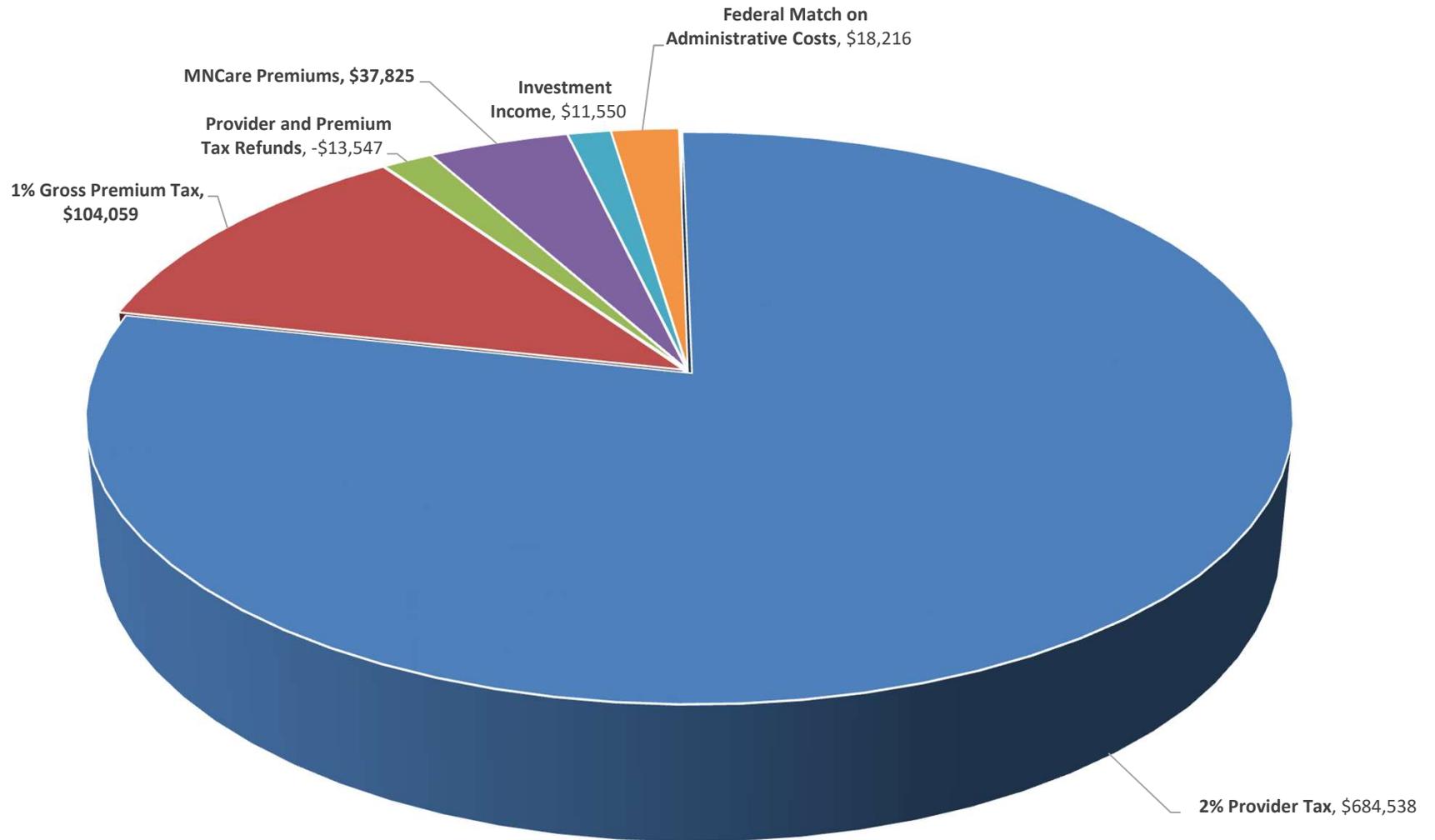


Health Care Access Fund Finance Facts:

- Most funding direct appropriated
- Main sources of funds are the provider tax and gross premium tax
- Main expenditure historically was MinnesotaCare
- Main expenditure currently is Medical Assistance
- Projected and actual revenues and expenditures updated twice yearly
- Several annual transfers to other state funds specified in statute

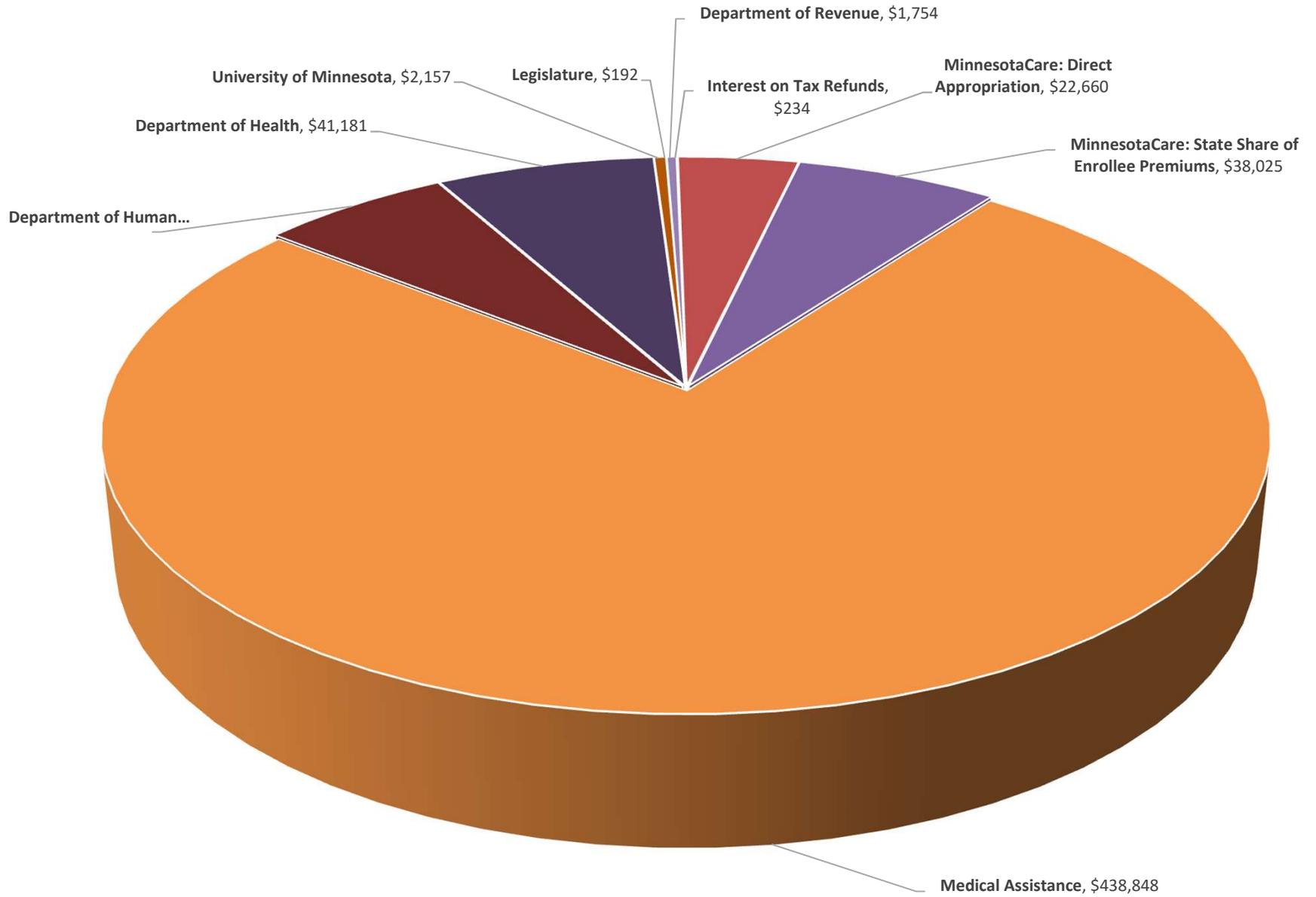
Health Care Access Fund Fiscal Year 2019 Revenue = \$843 million

(Chart labels in 1,000's) - in addition for FY 2019 there is a \$50 million transfer into the fund



Health Care Access Fund Fiscal Year 2019 Expenditures = \$581 million

(Chart labels in 1,000's)



Data from 11/18 fund balance statement 6



HCAF – Major Fund Transfers – in and out:

- Statutory annual transfer to Dept. of Human Services for IT costs (approximately \$14 million)
- FY 2007 – Statutory annual transfer to General Fund of “up to \$46 million” – 2003 rate increase
- FY 2014- 17 Transfers out to offset GF costs of MA expansion
- FY 2017 – Value of rate transfer increased to “up to \$122 million annually” - reflects increased value of 2003 rate increase over time
- FY 2015 – \$455 million from GF into HCAF increased expenditure for MA in FY 2016-17.
- FY 2018-19 – Legislature transfers \$200 million each year (2 years) to “Premium Security Plan Account” for reinsurance program
- FY 2019 - \$50 million transferred in to reflect savings in Chronic Disease Spending Report



HCAF – Important Legislation In Recent Years:

- 2011 Legislature passes sunset of provider tax (effective 12/31/19)
- 2013 Legislation implementing ACA
- FY 2014 first appropriation for Medical Assistance from HCAF
- 1/1/2015 - MinnesotaCare officially becomes a Basic Health Plan
- 2015 Legislation increases the value of annual transfer to general fund



General Fund and Health Care Access Fund Combined

	<u>FY 2018-19</u>	<u>FY 2020-21</u>	<u>FY 2022-23</u>
<u>HCAF Ending Balance</u>	666,888	48,052	(968,998)
<u>General Fund Ending Balance</u>	719,707	1,543,855	1,905,521
<u>Combined Fund Balance</u>	<u>1,386,595</u>	<u>1,591,907</u>	<u>936,523</u>
<u>Estimated Inflation</u> <u>(General Fund)</u>		1,162,000	2,907,000



Events That Will Affect The Health Care Access Fund:

- Current Law - December 31, 2019 – provider tax is repealed
- November 2018 state revenue forecast issued including FY 22-23
- November 2018 forecast shows fund balances insufficient for projected expenditures beginning in FY 2022
- January 2019 – Legislative session starts – February - Governor proposes budget for FY 2020-21 biennium which will consider “tails” in FY 2022-23.



Policy Options for Governor and Legislature:

- Raise revenue, reduce expenditures or both
- Eliminate transfers, transfer funds or funding source in
- Restructure which fund pays certain costs (MA)
- Bigger restructuring of funds (fund elimination or merger)



Questions – Resources

Issue Brief – Health Care Access Fund Overview and Forecast Changes – December 2018

www.house.leg.state.mn.us/fiscal/issuebriefs

Minnesota Management & Budget - Health Care Access Fund Balance Statement

www.mn.gov/mmb/operating-budget/current/

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