



Overview of Minnesota Health Care Access Fund

August 2018

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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

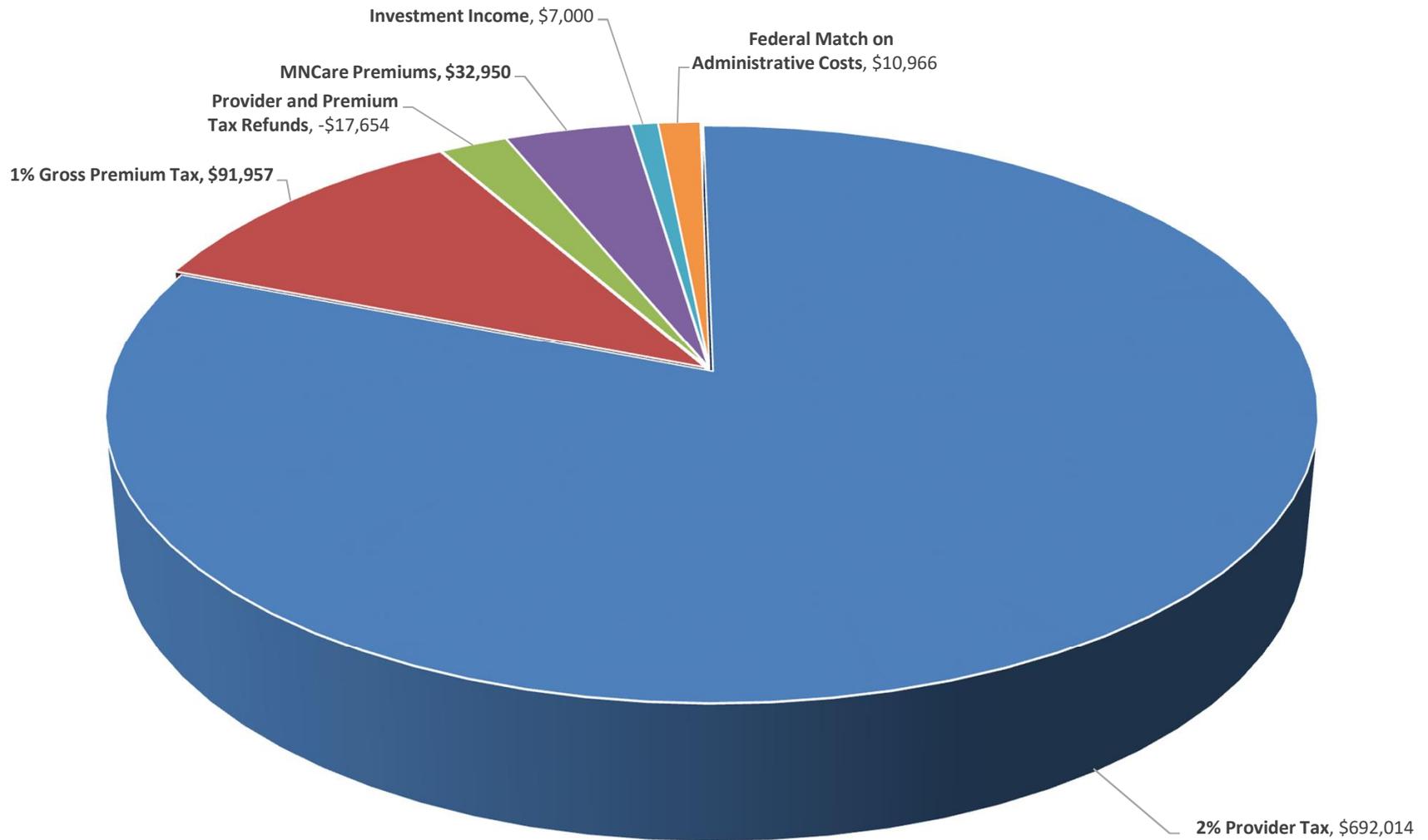


Health Care Access Fund Finance Facts:

- 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

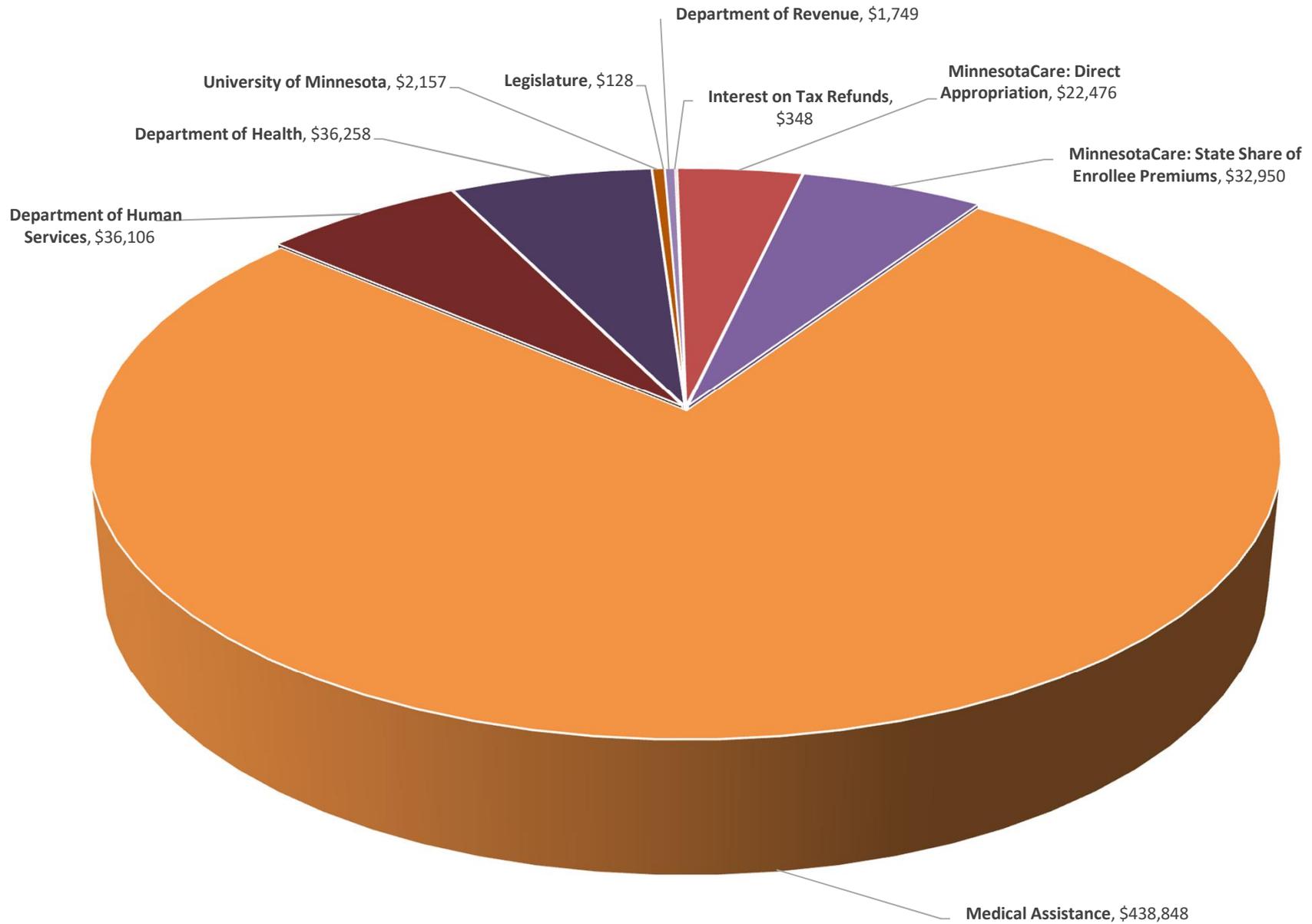
Health Care Access Fund Fiscal Year 2019 Revenue = \$817 million

(Chart labels in 1,000's)



Health Care Access Fund Fiscal Year 2019 Expenditures = \$571 million

(Chart labels in 1,000's)





HCAF – 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 – Legislature transfers \$455 million from GF into HCAF
- FY 2018-19 – Legislature transfers \$200 million each year (2 years) to “Premium Security Plan Account” for reinsurance program



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 general fund transfer



“Structural Balance”

Health Care Access Fund

February 2018

	Actual FY 16	Actual FY 17	Projected FY 18	Projected FY 19	Projected FY 20	Projected FY 21
Sources						
Balance Forward from Prior Year	662,387	495,604	712,964	643,095	604,218	587,256
Total Revenues	717,673	762,321	785,701	817,233	604,383	144,893
Total Sources	1,390,863	1,259,101	1,498,665	1,510,328	1,215,801	732,149
Uses						
Total Expenditures	801,573	365,728	520,233	571,020	493,455	535,954
Total Transfers Out	93,687	180,408	335,337	335,090	135,090	135,090
Total Uses	895,260	546,136	855,570	906,110	628,545	671,044
Structural Balance	(177,587)	216,185	(69,869)	(88,877)	(24,162)	(526,151)
Balance	495,603	712,965	643,095	604,218	587,256	61,105



Events That Will Affect The Health Care Access Fund:

- Current Law - December 31, 2019 – provider tax is repealed
- Late November 2018 state revenue forecast issued including FY 22-23
- November 2018 forecast will show fund revenues insufficient for projected expenditures – probably in FY 2022
- January 2019 – Legislature meets - (new) Governor proposes budget for FY 2020-21 biennium which considers “tails” in FY 2022-23



Choices 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)
- Wait – may not be an option anymore



Questions – Resources

Issue Brief – Health Care Access Fund Overview and Forecast Changes – March 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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