



Minnesota
Citizens
for Tax
Justice

Financing Affordable Health Care

A Minnesota Citizens for Tax Justice Report
April, 1995

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April, 1995

By Wayne Cox
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Introduction

This report contains an analysis of the status of the MinnesotaCare health access and cost containment program. The report reviews the program's progress toward universal access and lists affordable, equitable ways to provide the revenues to enable MinnesotaCare to meet its goals.

The MinnesotaCare program was created in 1992 by the Minnesota Legislature to provide subsidized health coverage to low-income uninsured persons. The law and its subsequent revisions also contained other important elements, such as insurance reform, affordable plans for small business, rural health initiatives and strategies for cost containment. These reforms helped extend affordable coverage to portions of the uninsured public, but the subsidized coverage is the tool to reach uninsured Minnesotans of modest income.

Under this program, persons who enroll pay a premium that varies according to their ability to pay. This sliding fee is greater for those with greater income. The program has limits for eligibility, including income and length of time without health coverage. The legislation established goals for achievement of universal coverage. It set a schedule for expanding eligibility to ensure universal coverage.

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Current Choices

2

Currently, MinnesotaCare provides coverage to families with children whose income is at or below 275 percent of the federal poverty guidelines. The limit for households without children is 125 percent of federal poverty guidelines. In January, 1995, the Minnesota Health Care Access Commission recommended the state keep its 1992 legislated commitment to extend eligibility to households without children to those earning 275 percent of the federal poverty guidelines by July 1, 1997. Payments by those enrolled would continue on a sliding fee basis according to ability to pay.

MinnesotaCare is currently financed through a two percent tax on health providers. When fully phased in (FY 1999), the tax dedicated to MinnesotaCare will provide \$280 million a year. The commission estimated an additional \$100 million a year in revenues would be required to finance the extension of eligibility to the level contained in the 1992 legislation. The commission recommended the state commit the additional \$100 million a year from other existing revenues without raising new taxes. If it chose not to make that commitment, it should approve a 40 cent increase in the cigarette tax to provide the needed revenues, the commission argued.

Governor Arne Carlson's 1995 proposed budget did not contain a commitment of new resources to MinnesotaCare. It recommended that no further phase-in of the mandated expansion of eligibility occur in the 1996-97 biennium. It would remain at 125 percent of poverty for households without children. The Governor called for no new "broad-based taxes," such as income or sales taxes. He said, however, he would consider replacing the existing provider tax with a tax on tobacco on a revenue-neutral basis. Legislative leaders also issued statements calling for no new "broad-based" taxes to be adopted in 1995.

Legislation offered by Senator Len Price and Representative Becky Lourey would raise the tobacco tax by 40 cents a pack of cigarettes. The new dollars would expand eligibility of MinnesotaCare and provide support for health promotion. No committee action has occurred on this bill. However, on Monday, April 10, the Senate Subcommittee on Income and Sales Tax approved a proposal offered by Senator William Belanger to include an increase of the cigarette tax by 40 cents to replace revenues lost through reducing the provider tax from two percent to one percent.

Senator Linda Berglin and Representative Roger Cooper are authors of the main MinnesotaCare bill for 1995. Their bill contains a proposal to expand eligibility to MinnesotaCare to households without children with incomes at or below 150 percent of federal poverty guidelines. Minnesota could meet this level of expanded eligibility with the existing taxes dedicated to MinnesotaCare.

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Findings and Recommendations

3

Here are the report's key findings:

- Minnesota can expand eligibility in 1995 to 150 percent of poverty for households without children without raising new taxes.
- Without expanding eligibility in 1995, MinnesotaCare will run a surplus of \$200 million by the end of FY 1999, while tens of thousands of Minnesotans who were promised coverage will be denied it.
- New taxes or shifts of other revenues will be required for MinnesotaCare to go beyond the 150 percent of poverty eligibility level to the legislated goal of 275 percent of poverty for households without children.
- Any new tax adopted should be progressive. The state should consider two options in future years to meet this goal:
 - Repeal of the new reduced sales tax on purchases of replacement equipment by manufacturers (\$150 million/biennium savings)
 - A 10 percent income surtax on high income Minnesotans
- The state should not finance MinnesotaCare through an expansion of the tax on cigarettes. It is a very regressive tax and an unreliable source of revenues.
- After FY 1999, the existing provider tax will not be adequate to serve the program at an eligibility level of 150 percent of poverty for households without children. The state should consider replacing the provider tax with the elimination of the manufacturers' sales tax break and the income tax surtax.

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Expanding Enrollment in MinnesotaCare

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Currently, families with children are eligible for MinnesotaCare with incomes at or below 275 percent of federal poverty guidelines. The level for households without children is 125 percent of poverty.

Income Limits for Households Without Children

Household Type	Income Limits	
	125 % of FPG	150 % of FPG
Single	\$9,336	\$11,208
Couple	\$12,540	\$15,048

Source: MN Department of Human Services, April, 1995

Expanding enrollment to 150 percent of federal poverty guidelines would enable MinnesotaCare to add 36,000 additional households into health coverage in the next four years.

Enrollment in MinnesotaCare

<u>Projected Enrollment</u> <u>by Income Bracket, up to:</u>	FY 1996	FY 1997	FY 1998	FY 1999
EXISTING COVERAGE				
100 % of Poverty	4,004	6,615	9,185	11,716
125 % of Poverty	5,605	9,150	12,580	16,050
EXPANDED COVERAGE				
150 % of Poverty	6,852	19,560	28,365	36,170
TOTAL	16,461	35,325	50,130	63,936

Source: MN Department of Human Services, 1995

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Revenues from the existing taxes dedicated to MinnesotaCare are adequate to provide enrollment of households without children up to 150 percent of poverty for the next four years. The program's balances after reserves in FY 1999 would be \$33.3 million. By the year FY 2000, however, if enrollment at the revised eligibility level occurred at the projected rate, the balance after reserves would theoretically no longer be positive. However, provisions in the MinnesotaCare law treat enrollment not as an entitlement. Thus, as the fund balance approaches zero, enrollment would be limited to ensure the fund remains in the black.

But, as the fund would be projecting a structural imbalance by the year 2000, the law should be altered to provide a revenue source adequate to the continued phase-in of enrollment. The program will not meet its initial goal of enrollment of households without children at 275 percent of poverty by July 1, 1997. However, it could meet that goal by a later date without a structural imbalance through changes in the funding source for MinnesotaCare. Adding an income surtax on high incomes, plus removing the new sales tax reduction for replacement capital equipment of manufacturers would enable the state to expand the revenue base and/or replace some or all of the existing regressive provider tax.

Following the Governor's recommendation of retaining the existing eligibility level of 125 percent of poverty would deny access to 36,000 Minnesotans. Instead, the fund balance after reserves would reach \$219 million by FY 1999. These accumulated dollars would be subject to being siphoned off for other purposes, rather than serving their legislated intent.

Balances after Reserves
MinnesotaCare Health Care Access Fund
(\$ in Thousands)

<u>Program Eligibility</u>	<u>Planning Estimates</u>			
	FY 1996	FY 1997	FY 1998	FY 1999
EXISTING COVERAGE				
125 % of federal poverty guidelines	108,547	163,932	204,752	219,763
EXPANDED COVERAGE				
150 % of federal poverty guidelines	99,956	119,245	101,044	33,309

Note: Projections assume Governor's 1995 supplemental recommendations, including federal waiver
Source: Greg Crowe, House Fiscal Analyst, from Department of Finance figures

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Tax Equity Issues

In 1992, during the legislative debate on creation of MinnesotaCare (then called HealthRight), Minnesota Citizens for Tax Justice and many of its member organizations, including the Minnesota AFL-CIO and the Minnesota Senior Federation, argued against adoption of the two percent health provider tax as the main revenue source for the program. The objections remain: The income tax--a more progressive tax--is available to provide the revenues. And, the tax was an increase in the cost of health care.

These organizations still favor using progressive taxes to provide the long-term funding base for MinnesotaCare. The legislature is not likely to adopt additional taxes for MinnesotaCare this year. But, if it is to maintain steady progress toward the legislated goal of universal coverage, additional revenue sources will be required later. Which tax is chosen can make an enormous difference in terms of which income groups bear the burden of the tax.

The legislature should reject expansion of the cigarette tax. Increasing the cigarette tax by 40 cents a pack provides a tax increase that, as a percentage of income, is 36 times greater for those in the bottom 20 percent of income versus those with the highest one percent of income.

Conversely, an income tax surtax directed at high incomes would be born almost entirely by those earning over \$100,000 a year. The following set of income tax rates would produce \$100 million a year in additional revenues.

Income Tax Surtax

Taxable Income Bracket	Income Tax Rate
Married Filing Joint	
\$0	6.00 %
\$22,620	8.00 %
\$88,460	8.50 %
\$150,000	9.35 %
Single	
\$0	6.00 %
\$15,230	8.00 %
\$50,030	8.50 %
\$75,000	9.35 %

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Head of Household

\$0	6.00 %
\$18,750	8.00 %
\$75,350	8.50 %
\$100,000	9.35 %

Married Filing Separately

\$0	6.00 %
\$11,310	8.00 %
\$44,230	8.50 %
\$75,000	9.35 %

Source: Citizens for Tax Justice, April, 1995

Who Gets the Tax Increase?

All Filers

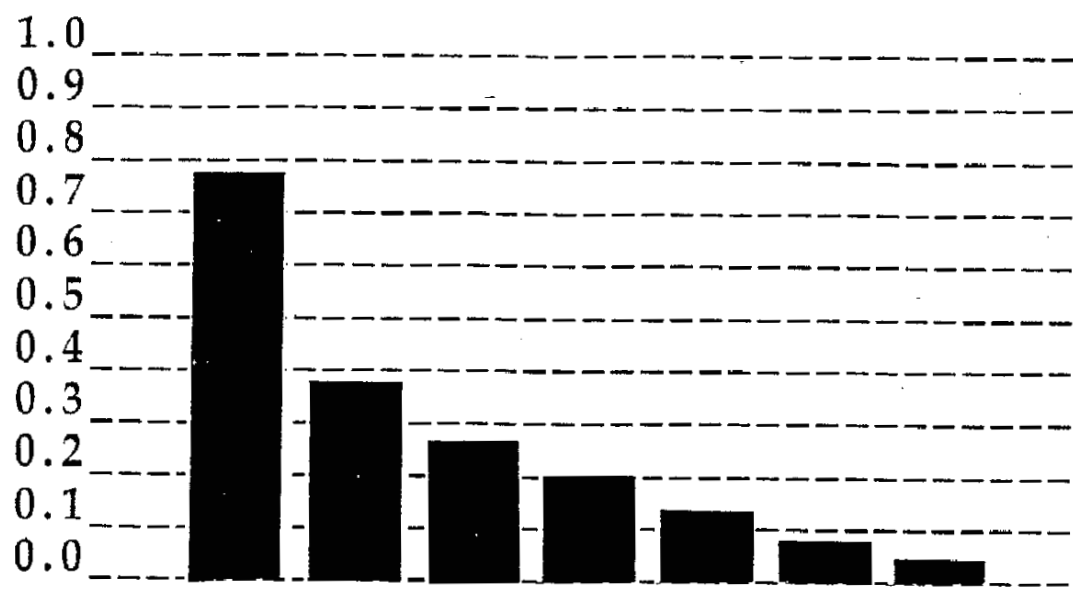
Income Groups	Average Incomes	Tax Increase as % of Income
Bottom 20 %	\$8,295	0.00 %
Second 20 %	\$19,658	0.00 %
Middle 20 %	\$31,640	0.00 %
Fourth 20 %	\$47,642	0.00 %
Next 15 %	\$73,364	0.00 %
Next 4 %	\$132,259	0.02 %
Richest 1 %	\$532,897	0.49 %

Source: Institute on Taxation and Economic Policy state simulation model, April, 1995

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Impact of a 40-cent Increase in Minnesota's Cigarette Tax

Tax Increase as % of Income



	Lowest	Second	Middle	Fourth	Next	Next	Richest
Married Family of 4					15 %	4 %	1 %
Average Incomes	\$18,305	\$34,285	\$47,422	\$62,530	\$91,098	\$169,037	\$711,453
Tax as %	0.78 %	0.38 %	0.27 %	0.20 %	0.13 %	0.07 %	0.02 %

Source: Citizens for Tax Justice, April, 1995

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MinnesotaCare
Health Care Access Fund
125% (Governor's Supplemental Recs), Inc. Waiver
(\$ In Thousands)

	Actual FY92	Actual FY 93	Actual FY 94	Enacted FY 95	Planning Estimate FY96	Planning Estimate FY97	Planning Estimate FY98	Planning Estimate FY99
Actual & Estimated Resources								
1 Balance Forward From Prior Year	0	(105)	13,423	29,150	66,022	128,172	172,776	214,757
2 Prior Year Adjustments			66					
3 Subtotal	0	(105)	13,489	29,150	66,022	128,172	172,776	214,757
Receipts:								
5 Cigarette Tax: 5 cents		18,886	10,781					
6 Hospital Tax: 2% of gross revenue as of 1-1-93		11,843	42,700	43,192	46,900	52,505	57,500	62,390
7 Other Provider Tax: 2% of gross revenue as of 1-1-94			14,600	92,153	97,457	105,062	113,460	122,536
8 MnCare Premium: Individuals		1,723	10,408	14,050	19,155	23,414	27,685	32,100
9 HMO Gross Premium Tax: 1% as of 1-1-96					8,334	16,128	16,900	17,900
10 Non-profit Gross Premium Tax: 1% as of 1-1-96					4,792	9,367	10,115	10,924
11 DOER Payback for MEIP Advances							3,075	
12 Miscellaneous Receipts			2					
13 Department of Revenue Legislative Proposals					2,200	2,200	2,200	2,200
14 FFP Operations					3,475	3,351	3,188	3,079
15 MCH: Filing Fee			1	167	256	678	659	659
16 Subtotal Gross Receipts	0	32,452	78,492	149,562	182,569	212,703	234,782	251,788
17								
18 Revenue Refunds			3,176	1,000				
19								
20 Subtotal Net Receipts	0	32,452	75,316	148,562	182,569	212,703	234,782	251,788
21								
22 Total Resources Available	0	32,347	88,805	177,712	248,591	340,875	407,558	466,545
23								
Actual & Estimated Uses								
Expenditures:								
27 Higher Education Coordinating Board		59	488	707		927	955	983
28 University of Minnesota		2,200	2,277	2,357	2,357	2,357	2,428	2,501
29 DHS: HCAF Grants (Direct Appropriation)		193	22,841	42,761	82,089	125,892	146,335	184,321
30 DHS: HCAF Grants (Statutory Appropriation)		1,723	10,408	14,050	19,155	23,414	27,685	32,100
31 MNCare/MA Grants					3,954	5,406	6,420	7,748
32 MNCare/MA Operations					3,788	5,012	5,012	5,012
33 DHS: Administrative	45	3,694	5,320	12,632	10,785	10,902	11,285	11,691
34 Health, Department of		2,216	4,695	9,977	7,215	6,359	6,550	6,746
35 Commerce, Department of		568	0	0	0	0	0	0
36 Legislature		120	90	175	175	175	180	186
37 Administration, Department of		27	0	0	0	0	0	0
38 Revenue, Department of		367	1,157	1,800	1,375	1,381	1,422	1,465
39 Total Expenditures	45	11,167	47,278	84,459	131,691	181,825	208,271	252,743
40								
Transfers to Other Funds:								
41								
42 DHS: Special Revenue Fund for MAXIS	60	1,497	189	239	0	0	0	0
43 DHS: Special Revenue Fund for MAXIS					300	300	300	300
44 DHS: Special Revenue fund for MMIS		1,367	733	150	150	150	150	150
45 DHS: Special Revenue fund for MMIS					500	900	900	900
46 DOER: Employer Insurance Trust Fund		525	550	1,000	1,000	0	0	0
47 MA/GAMC General Fund Costs		4,368	10,907	25,842	0	0	0	0
48 Total Transfers	60	7,757	12,379	27,231	1,950	1,350	1,350	1,350
49								
50 Total Uses Before FFP	105	18,924	59,655	111,690	133,641	183,175	209,621	264,093
51								
52 FFP for Medical Payments					(13,222)	(15,076)	(16,820)	(18,914)
53 Total Uses			59,655	111,690	120,419	168,099	192,801	245,179
54								
55 Balance Before Reserves	(105)	13,423	29,150	66,022	128,172	172,776	214,757	231,366
56								
57 Premium Reserve - 5% of direct appropriated grants	0	10	1,142	2,138	4,302	6,565	7,638	9,603
58 Reserve for Incurred But Not Reported Claims	0	1,916	8,303	15,248	16,323	2,279	2,367	2,000
59								
60 Balance After Reserves **	(105)	11,497	19,705	48,636	108,547	163,932	204,762	219,763

** The fund balance reflects enrollment of adult-only households up to 125% of the federal poverty level beginning October, 1994
** Without the waiver the fund balance would be \$199,318,000 at the end of FY99.

There is a 3% inflation on direct appropriated grants for FY96-99, and 3% inflation on admin. accounts in FY98/99.

Greg Crowe, House Fiscal Analyst
Source: Department of Finance

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**MinnesotaCare
Health Care Access Fund
150% of FPL & Governor's Suppl. Recs., Including Waiver
(\$ in Thousands)**

	Actual FY92	Actual FY 93	Actual FY 94	Enacted FY 95	Planning Estimate FY96	Planning Estimate FY97	Planning Estimate FY98	Planning Estimate FY99
Actual & Estimated Resources								
Balance Forward From Prior Year	0	(105)	13,423	29,150	66,022	119,946	129,773	113,880
Prior Year Adjustments			68					
Subtotal	0	(105)	13,489	29,150	66,022	119,946	129,773	113,880
Receipts:								
Cigarette Tax: 5 cents		18,886	10,781					
Hospital Tax: 2% of gross revenue as of 1-1-93		11,843	42,700	43,192	46,900	52,505	57,500	62,390
Other Provider Tax: 2% of gross revenue as of 1-1-94			14,800	92,153	97,457	105,062	113,460	122,536
MnCare Premium: Individuals		1,723	10,408	14,050	20,210	27,930	34,928	41,941
HMO Gross Premium Tax: 1% as of 1-1-96					8,334	16,126	16,900	17,900
Non-profit Gross Premium Tax: 1% as of 1-1-96					4,792	9,367	10,115	10,924
DOER Payback for MEIP Advances							3,075	
Miscellaneous Receipts			2					
Department of Revenue Legislative Proposals					2,200	2,200	2,200	2,200
FFP Operations					3,475	3,351	3,188	3,079
MDH: Filing Fee			1	167	256	678	659	659
Subtotal Gross Receipts	0	32,452	78,492	149,562	183,624	217,219	242,025	261,629
Revenue Refunds			3,176	1,000				
Subtotal Net Receipts	0	32,452	75,316	148,562	183,624	217,219	242,025	261,629
Total Resources Available	0	32,347	88,805	177,712	249,646	337,166	371,798	375,509
Actual & Estimated Uses								
Expenditures:								
Higher Education Coordinating Board		69	488	707	797	927	955	983
University of Minnesota		2,200	2,277	2,357	2,357	2,357	2,428	2,501
DHS: HCAF Grants (Direct Appropriation)		193	22,841	42,761	89,379	159,570	202,957	264,534
DHS: HCAF Grants (Statutory Appropriation)		1,723	10,408	14,050	20,210	27,930	34,928	41,941
MnCare/MA Grants					3,954	5,406	6,420	7,748
MnCare/MA Operations					3,789	5,012	5,012	5,012
DHS: Administrative	45	3,694	5,320	12,632	10,785	10,902	11,285	11,681
Health, Department of		2,216	4,695	9,977	7,215	6,359	6,550	6,746
Commerce, Department of		568	0	0	0	0	0	0
Legislature		120	90	175	175	175	180	186
Administration, Department of		27	0	0	0	0	0	0
Revenue, Department of		367	1,157	1,800	1,375	1,381	1,422	1,465
Total Expenditures	45	11,167	47,276	84,459	140,036	220,019	272,136	342,796
Transfers to Other Funds:								
DHS: Special Revenue Fund for MAXIS	60	1,497	189	239	0	0	0	0
DHS: Special Revenue Fund for MAXIS					300	300	300	300
DHS: Special Revenue fund for MMIS		1,367	733	150	150	150	150	150
DHS: Special Revenue fund for MMIS					500	900	900	900
DOER: Employer Insurance Trust Fund		525	550	1,000	1,000	0	0	0
MA/GAMC General Fund Costs		4,388	10,907	25,842	0	0	0	0
Total Transfers	60	7,757	12,379	27,231	1,950	1,350	1,350	1,350
Total Uses Before FFP	105	18,924	59,655	111,690	141,986	221,369	273,486	344,146
FFP for Medical Payments					(12,286)	(13,978)	(15,568)	(17,560)
Total Uses			59,655	111,690	129,700	207,391	257,918	326,586
Balance Before Reserves	(105)	13,423	29,150	66,022	119,946	129,773	113,880	48,923
Premium Reserve - 5% of direct appropriated grants	0	10	1,142	2,138	4,667	8,249	10,469	13,614
Reserve for Incurred But Not Reported Claims	0	1,916	8,303	15,248	15,323	2,279	2,367	2,000
Balance After Reserves **	(105)	11,497	19,705	48,636	99,956	119,245	101,044	33,309

*** DHS accounts reflects outyear estimated costs

** The fund balance reflects enrollment of adult-only households up to 150% of the federal poverty level.

- Without the waiver the fund balance would be \$7,964,000 at the end of FY99.

There is a 3% inflation on direct appropriated grants for FY96-99, and 3% inflation on admin. accounts in FY98/99.

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**MinnesotaCare
Health Care Access Fund
150% of FPL & Governor's Suppl. Recs., No Waiver
(\$ in Thousands)**

	Actual FY92	Actual FY 93	Actual FY 94	Enacted FY 95	Planning Estimate FY96	Planning Estimate FY97	Planning Estimate FY98	Planning Estimate FY99
Actual & Estimated Resources								
Balance Forward From Prior Year	0	(105)	13,423	29,150	66,022	112,728	116,845	94,828
Prior Year Adjustments			86					
Subtotal	0	(105)	13,489	29,150	66,022	112,728	116,845	94,828
Receipts:								
Cigarette Tax: 5 cents		18,886	10,781					
Hospital Tax: 2% of gross revenue as of 1-1-93		11,843	42,700	43,192	46,900	52,505	57,500	62,390
Other Provider Tax: 2% of gross revenue as of 1-1-94			14,600	92,153	97,457	105,062	113,460	122,535
MnCare Premium: Individuals		1,723	10,408	14,050	20,210	27,930	34,928	41,941
HMO Gross Premium Tax: 1% as of 1-1-96					8,334	16,125	16,900	17,900
Non-profit Gross Premium Tax: 1% as of 1-1-96					4,792	9,367	10,115	10,924
DOER Payback for MEIP Advances							3,075	
Miscellaneous Receipts			2					
Department of Revenue Legislative Proposals					2,200	2,200	2,200	2,200
MDH: Filing Fee			1	167	256	678	659	659
Subtotal Gross Receipts	0	32,452	78,492	149,562	180,149	213,868	238,837	258,550
Revenue Refunds			3,176	1,000				
Subtotal Net Receipts	0	32,452	75,316	148,562	180,149	213,868	238,837	258,550
Total Resources Available	0	32,347	88,806	177,712	246,171	326,596	355,682	353,378
Actual & Estimated Uses								
Expenditures:								
Higher Education Coordinating Board		59	488	707	797	927	955	983
University of Minnesota		2,200	2,277	2,357	2,357	2,357	2,428	2,501
DHS: HCAF Grants (Direct Appropriation)		193	22,841	42,761	89,379	159,570	202,957	264,534
DHS: HCAF Grants (Statutory Appropriation)		1,723	10,408	14,050	20,210	27,930	34,928	41,941
DHS: Administrative	45	3,694	5,320	12,632	10,785	10,902	11,285	11,681
Health, Department of		2,216	4,695	9,977	7,215	6,359	6,550	6,746
Commerce, Department of		558	0	0	0	0	0	0
Legislature		120	90	175	175	175	180	186
Administration, Department of		27	0	0	0	0	0	0
Revenue, Department of		367	1,157	1,800	1,375	1,381	1,422	1,465
Total Expenditures	45	11,167	47,276	84,459	132,293	209,601	260,704	330,036
Transfers to Other Funds:								
DHS: Special Revenue Fund for MAXIS	60	1,497	189	239	0	0	0	0
DHS: Special Revenue fund for MMIS		1,367	733	150	150	150	150	150
DOER: Employer Insurance Trust Fund		525	550	1,000	1,000	0	0	0
MA/GAMC General Fund Costs		4,368	10,907	25,842	0	0	0	0
Total Transfers	60	7,757	12,379	27,231	1,150	150	150	150
Total Uses Before FFP	105	18,924	59,655	111,690	133,443	209,751	260,854	330,186
Total Uses			59,655	111,690	133,443	209,751	260,854	330,186
Balance Before Reserves	(105)	13,423	29,150	66,022	112,728	116,845	94,828	23,191
Premium Reserve - 5% of direct appropriated grants	0	10	1,142	2,138	4,469	7,978	10,148	13,227
Reserve for Incurred But Not Reported Claims	0	1,916	8,303	15,248	15,323	2,279	2,367	2,000
Balance After Reserves **	(105)	11,497	19,705	48,636	92,936	106,587	82,313	7,964

*** DHS accounts reflects outyear estimated costs

** The fund balance reflects enrollment of adult-only households up to 150% of the federal poverty level.
There is a 3% inflation on direct appropriated grants for FY98-99, and 3% inflation on admin. accounts in FY98/99.

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MinnesotaCare
Health Care Access Fund
125% (Governor's Supplemental Recs), No Waiver
(\$ in Thousands)

	Actual FY92	Actual FY 93	Actual FY 94	Enacted FY 95	Planning Estimate FY96	Planning Estimate FY97	Planning Estimate FY98	Planning Estimate FY99
Actual & Estimated Resources								
Balance Forward From Prior Year	0	(105)	13,423	29,150	66,022	120,982	164,213	200,186
Prior Year Adjustments			66					
Subtotal	0	(105)	13,489	29,150	66,022	120,982	164,213	200,186
Receipts:								
Cigarette Tax: 5 cents		18,886	10,781					
Hospital Tax: 2% of gross revenue as of 1-1-93		11,843	42,700	43,192	46,900	52,505	57,500	62,390
Other Provider Tax: 2% of gross revenue as of 1-1-94			14,600	92,153	97,457	105,062	113,460	122,536
MnCare Premium: Individuals		1,723	10,408	14,050	19,155	27,685	27,685	32,100
HMO Gross Premium Tax: 1% as of 1-1-96					8,334	16,126	16,900	17,900
Non-profit Gross Premium Tax: 1% as of 1-1-96					4,792	9,367	10,115	10,924
DOER Payback for MEIP Advances							3,075	
Department of Revenue Legislative Proposals					2,200	2,200	2,200	2,200
Miscellaneous Receipts			2					
MDH: Filing Fee			1	167	256	678	659	659
Subtotal Gross Receipts	0	32,452	78,492	149,562	179,094	213,623	231,594	248,709
Revenue Refunds			3,176	1,000				
Subtotal Net Receipts	0	32,452	75,316	148,562	179,094	213,623	231,594	248,709
Total Resources Available	0	32,347	88,805	177,712	245,116	334,605	396,807	448,896
Actual & Estimated Uses								
Expenditures:								
Higher Education Coordinating Board		59	488	707	797	927	955	983
University of Minnesota		2,200	2,277	2,357	2,357	2,357	2,428	2,501
DHS: HCAF Grants (Direct Appropriation)		193	22,841	42,761	81,125	124,727	144,967	182,797
DHS: HCAF Grants (Statutory Appropriation)			1,723	10,408	14,050	23,414	27,685	32,100
DHS: Administrative	45	3,694	5,320	12,632	10,785	10,902	11,285	11,661
Health, Department of		2,216	4,695	9,977	7,215	6,359	6,550	6,746
Commerce, Department of		568	0	0	0	0	0	0
Legislature		120	90	175	175	175	180	185
Administration, Department of		27	0	0	0	0	0	0
Revenue, Department of		367	1,157	1,800	1,375	1,381	1,422	1,465
Total Expenditures	45	11,167	47,276	84,459	122,984	170,242	195,471	238,459
Transfers to Other Funds:								
DHS: Special Revenue Fund for MAXIS	60	1,497	189	239	0	0	0	0
DHS: Special Revenue fund for MMIS		1,367	733	150	150	150	150	150
DOER: Employer Insurance Trust Fund		525	550	1,000	1,000	0	0	0
MA/GAMC General Fund Costs		4,368	10,907	25,842	0	0	0	0
Total Transfers	60	7,757	12,379	27,231	1,150	150	150	150
Total Uses	105	18,924	69,655	111,690	124,134	170,392	196,621	238,609
Balance Before Reserves	(105)	13,423	29,150	66,022	120,982	164,213	200,186	210,286
Premium Reserve - 5% of direct appropriated grants	0	10	1,142	2,138	4,056	6,236	7,248	9,140
Reserve for Incurred But Not Reported Claims	0	1,916	8,302	15,247	15,322	2,278	2,366	1,999
Balance After Reserves **	(105)	11,497	19,706	48,637	101,604	156,699	190,572	199,147

** The fund balance reflects enrollment of adult-only households up to 125% of the federal poverty level beginning October, 1994.

There is a 3% inflation on direct appropriated grants for FY96-99, and 3% inflation on admin. accounts in FY98/99.

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Source: Department of Finance

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