

# How to read the Health Care Access Fund Statement



An initiative of the Minnesota Council of Nonprofits

Each state budget forecast includes the release of an updated Health Care Access Fund (HCAF) balance sheet. While this document can be confusing, it contains critical information about how the provider tax is used. The HCAF was created to hold provider tax revenues, in addition to several smaller revenue sources.

The HCAF, like the provider tax, was created to invest in efforts that reduce the number of Minnesotans without health insurance, address growing health care costs, and improve the quality of health care services for all Minnesotans.

Here's a quick tour of the HCAF balance sheet.

## Health Care Access Fund End of Session 2018

	Actual FY 16	Actual FY 17	Projected FY 18	Projected FY 19	Projected FY 20	Projected FY 21
<b>Sources</b>						
Balance Forward from Prior Year	662,387	495,604	712,964	643,095	604,114	586,942
Prior Year Adjustments	10,803	1,176	-	-	-	-
<b>Adjusted balance forward</b>	<b>673,191</b>	<b>496,780</b>	<b>712,964</b>	<b>643,095</b>	<b>604,114</b>	<b>586,942</b>
<b>Revenues:</b>						
2% Provider Tax	588,544	635,473	658,889	692,014	477,616	-
1% Gross Premium Tax	85,965	94,148	90,815	91,957	94,862	97,584
Provider and Premium Tax Refunds	(14,627)	(22,087)	(16,389)	(17,654)	(18,573)	(330)
MinnesotaCare Enrollee Premiums	29,994	36,003	33,490	32,950	32,582	32,883
Investment Income	5,149	7,766	7,930	7,000	6,930	3,790
MinnesotaCare: Federal Basic Health Program <sup>1</sup> [Non-Add]	(334,004)	(348,688)	(396,576)	(421,106)	(436,557)	(452,996)
MinnesotaCare: Federal Medicaid Waiver <sup>2</sup> [Non-Add]	[1,004]	-	-	-	-	-
MinnesotaCare: State Share of Other Dedicated Revenues	-	52	-	-	-	-
Federal Match on Administrative Costs	12,648	10,966	10,966	10,966	10,966	10,966
<b>Total Revenues</b>	<b>717,672</b>	<b>762,322</b>	<b>785,701</b>	<b>817,233</b>	<b>604,363</b>	<b>144,893</b>
<b>Transfers In:</b>						
General Fund: Laws of MN 2015, Ch. 71, Chronic Disease Spending Report	-	-	-	50,000	-	-
General Fund: Laws of MN 2017, Special Session, Ch. 1	-	-	-	-	7,200	-
<b>Total Sources</b>	<b>1,390,863</b>	<b>1,259,101</b>	<b>1,498,665</b>	<b>1,510,328</b>	<b>1,215,697</b>	<b>731,835</b>
<b>Uses</b>						
<b>Expenditures:</b>						
MinnesotaCare: Direct Appropriation	114,843	11,501	19,983	22,476	24,566	26,744
MinnesotaCare: Federal Basic Health Program Expenditures [Non-Add]	(334,004)	(348,688)	(396,576)	(421,106)	(436,557)	(452,996)
MinnesotaCare: Federal Medicaid Waiver <sup>2</sup> [Non-Add]	[1,004]	-	-	-	-	-
MinnesotaCare: State Share of Enrollee Premiums	30,059	36,088	33,490	32,950	32,582	32,883
MinnesotaCare: State Share of Other Dedicated Revenues	-	52	-	-	-	-
Medical Assistance	588,168	240,720	385,159	438,848	358,943	399,929
Department of Human Services	30,734	35,451	36,502	36,106	36,106	36,106
Department of Health <sup>3</sup>	33,496	37,214	40,535	36,258	36,858	36,258
University of Minnesota	2,157	2,157	2,157	2,157	2,157	2,157
Legislature <sup>3</sup>	67	68	313	128	128	128
Department of Revenue	1,597	1,901	1,749	1,749	1,749	1,749
Interest on Tax Refunds	432	576	345	348	366	-
<b>Enacted Expenditure Changes</b>						
Laws 2018, Ch. 211, Department of Human Services Pension Allocation	-	-	-	99	199	199
Laws 2018, Ch. 211, Department of Revenue Pension Allocation	-	-	-	5	11	11
<b>Total Expenditures</b>	<b>801,572</b>	<b>365,729</b>	<b>520,233</b>	<b>571,124</b>	<b>493,665</b>	<b>538,164</b>
<b>Transfers Out:</b>						
<b>To General Fund</b>						
Medical Assistance: M.S. 16A.724 Subd 2(a)	48,000	122,000	122,000	122,000	122,000	122,000
2013 MA Expansion: Laws of MN 2013 Ch 1	30,841	44,113	-	-	-	-
Legislature Carryforward Account: M.S. 16A.055	127	-	-	-	-	-
<b>Total General Fund Transfers</b>	<b>78,968</b>	<b>166,113</b>	<b>122,000</b>	<b>122,000</b>	<b>122,000</b>	<b>122,000</b>
Special Revenue Fund: DHS Systems and Other	14,219	14,296	12,587	13,090	13,090	13,090
International Med Revolving Loans: M.S. 144.1911 Subd 6	500	-	-	-	-	-
Premium Security Plan Account	-	-	200,750	200,000	-	-
<b>Total Transfers Out</b>	<b>93,687</b>	<b>180,408</b>	<b>335,337</b>	<b>335,090</b>	<b>135,090</b>	<b>135,090</b>
<b>Total Uses</b>	<b>895,259</b>	<b>546,137</b>	<b>855,570</b>	<b>906,214</b>	<b>628,755</b>	<b>671,254</b>
<b>Structural Balance</b>	<b>(177,567)</b>	<b>216,185</b>	<b>(69,869)</b>	<b>(88,981)</b>	<b>(24,372)</b>	<b>(526,361)</b>
<b>Balance</b>	<b>495,604</b>	<b>712,964</b>	<b>643,095</b>	<b>604,114</b>	<b>586,942</b>	<b>60,581</b>

**Sources:** The top portion of the balance sheet shows where the money comes from. At the very top, you can find the starting balance, or money in the fund at the beginning of the fiscal year, under the **"adjusted balance forward"** line. This is the money that was collected in the HCAF but not spent in the previous year.

Here you can see that the provider tax is the top revenue source for the HCAF, bringing in \$635 million in FY 2017. You can also see all of the revenues (new money) and transfers (money from other places) added together on the **"total sources"** line.

**Uses:** The bottom half of the balance sheet shows how the money in the HCAF is spent. Spending is divided up by **"expenditures,"** or spending on a program, and **"transfers out,"** sending the money somewhere else, like the General Fund. For example, we can see that \$35 million went to DHS in 2017.

**Structural Balance:** The very bottom of the balance sheet shows the structural balance of the fund, or how spending compares to revenues for a given year. When the structural balance is negative, it means the fund is relying on a past surplus to fund spending in that year.

<sup>1</sup> For services beginning January 1, 2015, federal funding for MinnesotaCare is received through the Basic Health Program and is deposited in a Trust Fund within the state's Federal Fund for use for eligible expenditures.

<sup>2</sup> Amounts represent federal match on MinnesotaCare expenditures, which is accounted for in the state's Federal Fund.

<sup>3</sup> FY 2018 figure includes funding carried forward from previous years.