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Fact Sheet: Medicaid's Crucial Role in Minnesota & What Impact Republican Medicaid Cuts Could Have

ENERGY & COMMERCE COMMITTEE DEMOCRATS

MEDICAID PROVIDES HEALTH COVERAGE TO MORE THAN 1 MILLION MINNESOTA RESIDENTS – OR 18.3% OF ALL MINNESOTANS

To view the number of Medicaid beneficiaries in your district, click [HERE](#).

Who relies on Medicaid for health coverage in Minnesota?

- 31.6% of [all children](#)
- 34% of [moms giving birth and their newborn babies](#)
- 41.6% of [working-age adults with disabilities](#)
- 53% of [people living in nursing homes](#)
- 13% of [Medicare beneficiaries](#)
- 15.7% of [adults aged 19-64](#)

What is Medicaid called in Minnesota?

Medicaid goes by many names. For example, in Minnesota, Medicaid is also known by:

- **Minnesota Medical Assistance**
- The insurance companies that cover Medicaid beneficiaries—**Blue Plus, Health Partners, Hennepin Health, Itasca Medical Care, Medica, Prime West Health, South Country Health Alliance, UCare, and United HealthCare**
- Minnesota's Medicaid home and community-based services programs—**Personal Care Assistance (PCA) Program/Community First Services and Supports (CFSS) Program, Elderly Waiver, and Minnesota Senior Care Plus (MSC+) Program/Minnesota Senior Health Options (MSHO) Program**

MEDICAID IS A SIGNIFICANT SOURCE OF FEDERAL FUNDING TO MINNESOTA

What role does Medicaid play in Minnesota's budget?

- Federal Medicaid funding to Minnesota was **\$11 billion in 2023—58% of all federal funding to Minnesota**.¹
- Most of **Minnesota's** Medicaid expenditures are matched by the federal government at a rate known as the [Federal Medical Assistance Percentage or FMAP](#)—Minnesota's FMAP is **51%**.
- The federal matching rate for services provided to the Affordable Care Act (ACA) Medicaid expansion population (adults 19-64 not eligible on another basis such as pregnancy) and family planning services is 90%.

SLASHING FEDERAL MEDICAID FUNDING WOULD LEAVE MINNESOTA WITH THE HARD CHOICE OF WHOSE COVERAGE AND BENEFITS TO CUT

Medicaid is a [lean](#) program. It has grown to cover more people, but per-person spending growth has been [much lower](#) than other payers. With few options for how to fill the budget hole left by cuts to Medicaid funding, states will consider cuts to coverage and benefits, leaving more people uninsured and underinsured.

¹ The author's calculations based on the [National Association of State Budget Officers State Expenditure Report data](#).

Who could lose coverage in Minnesota?

Federal law requires states to cover certain groups of people, while [others are optional](#). With less federal Medicaid funding, Minnesota policymakers may consider cutting coverage for optional groups like:

- **Certain children with disabilities** such as children under age 19 who are disabled and living at home.
- **Elderly and disabled adults** such as those who are institutionalized or eligible for home and community-based services.
- **Individuals who need breast or cervical cancer treatment** and do not have other treatment coverage.
- **Postpartum moms** whose pregnancies ended in the prior 12 months.
- **Adults with disabilities, chronic health conditions, and behavioral health care needs.**
- Minnesota also may consider reducing [income eligibility levels for mandatory eligibility groups](#), such as **children, pregnant women, and parents/caretakers.**

For Minnesotans who remain on Medicaid, what benefits could they lose?

Federal law requires states to cover certain benefits for adults, while [others are optional](#). Minnesota policymakers may consider cutting optional benefits such as:

- **Home- and community-based services (HCBS)** that allow the elderly and people with disabilities to receive services in their own homes or communities rather than institutional settings.
- **Dental services.**
- **Optometry services.**
- **Hospice services.**
- **Physical therapy; occupational therapy; and/or speech, hearing, and language disorder services.**

CUTTING FEDERAL MEDICAID FUNDING WOULD CLOSE HEALTH CARE PROVIDERS' DOORS IN MINNESOTA AND REDUCE QUALITY OF SERVICES

With more people uninsured and underinsured, providers will experience an increase in uncompensated care. Making matters even worse, states are very likely to further cut Medicaid provider payment rates as another way to make up for the loss in federal funding.

How does Medicaid support Minnesota's hospitals?

- In addition to payments for services provided to Medicaid managed care plan enrollees, **Minnesota hospitals [received](#) \$573 million in Medicaid payments in 2023**, including \$179.5 million in Medicaid Disproportionate Share Hospital (DSH) and other supplemental payments that help to offset uncompensated care for Medicaid patients and the uninsured.

How does Medicaid support Minnesota's nursing homes and other facilities?

- **53% of Minnesota's nursing home residents [rely on](#) Medicaid** as their primary source of coverage.
- Minnesota mental health facilities, nursing facilities, and intermediate care facilities for people with disabilities [received](#) nearly **\$1.4 million in Medicaid payments** in 2023.

How does Medicaid support home and community-based services providers in Minnesota?

- In 2021, **117,100 people in Minnesota [relied on](#) Medicaid for HCBS.**
- Nationally, Medicaid accounted for nearly [70% of home and community-based services spending in 2022.](#)

How does Medicaid support [community health centers](#) in Minnesota?

- **37%** of Minnesota [community health centers' revenue](#) came from Medicaid in 2023.
- **50%** of [community health center patients](#) in Minnesota have Medicaid.