

MinnesotaCare: An Overview

MinnesotaCare is administered by the Minnesota Department of Human Services (DHS) under federal guidance as a Basic Health Program that provides subsidized health care coverage to low-income individuals. DHS, in cooperation with MNsure, the state's health insurance exchange, is responsible for processing applications and determining eligibility.

Eligibility

Most MinnesotaCare enrollees are parents and caretakers, children ages 19 to 20, and adults without children.

To be eligible for MinnesotaCare, an individual must meet the following criteria:

- Have gross income that is greater than 133 percent of the federal poverty guidelines (FPG) (\$16,039 for a household of one) but does not exceed 200 percent of FPG (\$24,120 for a household of one). Exceptions to the income floor are made for certain children under age 19 and legal noncitizens, who are not eligible for MA.
- Not be eligible for Medical Assistance (MA). This requirement has the effect of shifting the vast majority of pregnant women and children from MinnesotaCare to MA.
- Not have access to subsidized health coverage that, as defined in the federal Affordable Care Act (ACA), is affordable (the employee pays no more than 9.56 percent of income for self-only coverage for 2018) and provides minimum value (pays for at least 60 percent of medical expenses on average).
- Not have minimum essential health coverage (defined in the ACA as coverage under Medicare, Medicaid and other government programs, employer-sponsored coverage, individual market coverage, and other specified coverage).
- Be a resident of Minnesota. Enrollees must meet the residency requirements of the MA program.

Covered services

Enrollees age 21 and over are covered for most, but not all, services covered under MA. Covered services include physician care, hospitalization, prescription drugs, therapy services, and a wide range of other health care services. Services not covered include personal care attendant services, private duty nursing, nursing home care, ICF/DD (intermediate care facility for persons with developmental disabilities), and special transportation services.

Children ages 19 and 20, and certain children under age 19, receive coverage for a broader range of services than adults.

<i>Premiums and cost-sharing</i>	Enrollees age 21 and older pay monthly, per-person premiums based on a sliding scale. Persons under age 21, and persons with incomes less than 35 percent of FPG, are not charged premiums. Adult enrollees are subject to copayments and other cost-sharing for specified services.
<i>Provider reimbursement</i>	Enrollees receive health care services through prepaid health plans. The MinnesotaCare program pays prepaid health plans a monthly capitation payment for each MinnesotaCare enrollee. MinnesotaCare does not set provider reimbursement rates; these rates are instead the result of negotiation between health care providers and the prepaid health plan.
<i>MinnesotaCare as Basic Health Program</i>	Under the ACA, states have the option of operating a basic health program to provide health coverage to persons with incomes greater than 133 percent but not exceeding 200 percent of FPG. The 2013 Legislature directed DHS to seek federal approval to operate MinnesotaCare as a basic health program. Federal approval was received December 15, 2014, and implementation began January 1, 2015. The legislature also made changes in MinnesotaCare eligibility, covered services, and service delivery necessary to meet federal requirements for a basic health program; many of these changes took effect January 1, 2014.
<i>Expenditures and funding</i>	<p>In fiscal year 2016, the MinnesotaCare program paid \$479.9 million for medical services provided to enrollees. About 24 percent of this cost was paid for by the state, 70 percent by the federal government, and 6 percent by enrollees through premium payments (this last category also includes enrollee cost-sharing).</p> <p>Through 2014, the state received federal funding at the MA match rate for health care services provided to enrollees under a federal waiver. Since January 1, 2015, the state has received from the federal government a basic health program payment for each enrollee equal to 95 percent of the subsidy that the individual would have otherwise received through MNsure.</p> <p>State funding for MinnesotaCare and other health care access initiatives is provided by a tax of 2 percent on the gross revenues of health care providers and a tax of 1 percent on the premiums of nonprofit health plan companies. The tax on health care provider revenues is scheduled to sunset January 1, 2020. Prior to that date, the Commissioner of Management and Budget is required to reduce the rate of the tax on health care provider revenues if certain financial criteria are met.</p>
<i>Recipients</i>	As of August 2017, 92,421 individuals were enrolled in the MinnesotaCare program.
<i>Application procedure</i>	MinnesotaCare applications can be obtained by calling the Department of Human Services (1-800-657-3672) or MNsure, the state's health insurance exchange (1-855-366-7873). Applications are also available at county human services agencies and other locations.

For more information: See the House Research information brief [MinnesotaCare](#).

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