

# Medical Assistance: An Overview

October 2021

Medical Assistance (MA), the state’s Medicaid program, is a federal-state program that pays for health care services for low-income individuals. The program is administered by counties, under the supervision of the state Department of Human Services (DHS). Federal Medicaid law allows states considerable flexibility in designing their Medicaid programs.

## Eligibility

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

- Be a member of a group for which MA coverage is mandatory under federal law or a member of an optional group that the state has chosen to cover. Covered groups include families, children, pregnant women, persons age 65 and over, persons with disabilities, and adults without children.
- Meet program income and any applicable asset limits. Certain types of income and specified assets are excluded when determining eligibility. Income and asset limits for selected groups are described below.
- Be a U.S. citizen or a noncitizen who meets specified immigration criteria
- Be a resident of Minnesota
- Meet other program eligibility requirements

Eligibility group	Net income limit, as % of federal poverty guidelines (FPG)	Asset limit*
Children < age 2	283	None
Children 2 through 18	275	None
Children 19 through 20	133	None
Pregnant women	278	None
Parents and caretakers	133	None, unless on spenddown
Age 65 or older, blind, or have a disability	100	\$3,000 for one/\$6,000 for two/\$200 each additional
Adults without children	133	None

\* The homestead, household goods, a vehicle, a burial plot and certain assets for burial expenses, and other specified items are not counted as assets.

Some individuals with incomes over these limits can also qualify for MA through a spenddown. Under a spenddown, an individual must incur medical bills in an amount that is equal to or greater than the amount by which the individual’s income exceeds the spenddown limit of 133 percent of FPG for families and children and 81 percent of FPG (to increase to 100 percent of FPG on July 1, 2022) for individuals who are age 65 or older, blind, or have a disability. There is no spenddown for adults without children.

## Covered services

Minnesota provides all federally mandated services and most services designated by the federal Medicaid program as optional. These services include, but are not limited to: physician care, hospitalization, therapy and rehabilitation, dental, medical equipment and supplies, home health care, health clinic services, mental health, prescription drugs, medical transportation, nursing home, and intermediate care facility for persons with developmental disabilities (ICF/DD) services. Adult enrollees who are not pregnant are subject to copayments for certain services.

The state has also received federal approval to provide home and community-based “waivered services” not normally covered by Medicaid that are intended to allow individuals to remain in the community, rather than reside in a hospital, nursing home, or intermediate care facility for persons with development disabilities (ICF/DD).

## Provider reimbursement

The MA program reimburses providers under both a fee-for-service system and a managed care system (composed of the Prepaid Medical Assistance Program or PMAP, county-based purchasing initiatives, and programs for the elderly and persons with disabilities). In recent years, DHS has used competitive bidding to select managed care and county-based purchasing plans to deliver services to MA enrollees who are families and children.

## Funding and expenditures

In state fiscal year 2020, total state and federal MA expenditures for services were \$13.368 billion. The federal share of MA costs is determined by a formula based on state per capita income. The regular federal match is 50.15 percent of the cost of MA services, with Minnesota responsible for the remaining 49.85 percent. Minnesota receives an enhanced federal MA match for services provided to adults without children and an enhanced federal match under the Children’s Health Insurance Program (CHIP) for MA services provided to certain children and pregnant women. Federal legislation also provides Minnesota with a higher MA and CHIP federal match during the federal public health emergency related to COVID-19.

## Recipients

During state fiscal year 2020, an average of 1,078,321 individuals were eligible for MA services each month. As of July 2021, 1,071,411 MA recipients received services through the MA managed care system, with the remaining enrollees served through fee-for-service.

## Application procedure

Individuals interested in applying for MA should contact their county human services agency or MNsure, the state’s health insurance exchange.

**For more information:** See the longer House Research Department publication [Medical Assistance](#) for more on the administration, eligibility, benefits, covered services, funding and expenditures, recipients, and other aspects of the program.



*Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.*