MN HOUSE RESEARCH

Medical Assistance: An Overview

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Medical Assistance (MA), the state's Medicaid program and state Children's Health Insurance Program (CHIP), is a federal-state program that pays for health care services and long-term services and supports for low-income individuals. The program is administered by counties, under the supervision of the state Department of Human Services (DHS). Federal law allows states considerable flexibility in designing their Medicaid and CHIP programs.[1]

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
- Meet program income and any applicable asset limits
- Be a U.S. citizen or a noncitizen who meets specified immigration criteria
- Be a resident of Minnesota
- Meet other program eligibility requirements

See the table below for more details.

MA Eligibility Groups and Corresponding Income and Asset Limits

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

Source: HRD analysis of federal and state laws

* 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 the applicable MA limit 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

[1] The content of this publication does not reflect federal enactment of Public Law 119-21, referred to as the One Big Beautiful Bill Act.

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greater than the amount by which the individual's income exceeds the spenddown limit of 133 percent of FPG for families and children and 100 percent of FPG for individuals who are age 65 or older, blind, or have a disability. Adults without children cannot qualify for MA through a spenddown.

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.

The state has also received federal approval to provide home and community-based "waiver 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 developmental disabilities (ICF/DD).

Since January 1, 2024, MA enrollees have not been subject to cost-sharing.

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 procurement to select managed care and county-based purchasing plans to deliver services to MA enrollees.

Funding and expenditures

In state fiscal year 2024, total state and federal MA expenditures for services were $18.513 billion. The federal government covered about 58 percent of the expenditures, or $10.8 billion, and the state covered the remaining amount, or about $7.6 billion.

The federal share of MA costs is determined by a formula based on state per capita income. The regular federal match for the federal fiscal year beginning October 1, 2025, is 50.68 percent of the cost of MA services, with Minnesota responsible for the remaining 49.32 percent. Minnesota receives an enhanced federal match for services provided to adults without children and an enhanced federal match under CHIP for MA services provided to certain children and pregnant women.

Recipients

In fiscal year 2024, an average of 1.3 million individuals, or about 23 percent of the state's population, were eligible for MA services each month. Parents and children make up the largest eligibility group, constituting 63 percent of eligible individuals.

For more information: See the longer House Research Department publication, *Medical Assistance*, which is part of a larger series on public assistance programs.