

Making health care coverage more accessible and affordable

Issues

- Many Minnesotans lack affordable health insurance, and too many are forced into impossible decisions between getting health care or paying bills. With the nation's highest out-of-pocket health care costs, Minnesotans also get less value for their health care dollar with few options for comprehensive coverage. Many low-income working people will face average premium increases of up to almost 80% when federal American Rescue Plan premium reductions end in 2023.
- Long a leader in health insurance coverage, Minnesota has lost ground in recent years and no longer ranks among the top 10 states with the lowest rates of uninsured residents. Minnesota now ranks 15th.
- Nearly 300,000 Minnesotans go without health care coverage. Most of them work. They tend to be younger, primarily between 26 and 34 years old, followed by those between 35 and 44 years old. Black, Indigenous and people of color are overrepresented among Minnesota's uninsured, and undocumented residents make up about 17% of the uninsured population.
- About half of Minnesota's uninsured residents are likely eligible for public health care coverage, but don't have consistent access because of barriers to applying, enrolling and maintaining coverage. Before the pandemic, many cycled on and off Medical Assistance and MinnesotaCare. This churn costs the state and its partners time and money, with lapses in coverage leading to higher medical expenses or gaps in access to care, especially for people with chronic conditions. Communicating with enrollees mainly through postal mail is expensive, lacks immediacy and can be ineffective with people facing economic hardships.
- States are required to maintain public health care coverage during the pandemic, but administrative barriers will cause many eligible Minnesotans to lose coverage when the federal public health emergency ends.

Proposal

- Governor Walz's budget will create a buy-in option for MinnesotaCare, comprehensive health insurance covering primary care, vision, dental, hearing, mental health and substance use disorder services. Those who purchase MinnesotaCare coverage will pay premiums on a sliding scale based on their income.
- Improvements to the renewal process will result in more consistent coverage, fewer coverage gaps and a better experience for Minnesotans enrolled in Medical Assistance and MinnesotaCare. Other investments include software to reduce lost mail and data analytics to target improvements.
- Simplifying the application and enrollment process will make it easier for uninsured Minnesotans to access coverage. The state will invest in community-driven health care improvements, improve the accessibility of applications and forms, and create a more user-friendly digital environment that allows enrollees to manage their coverage online. Enrollees will be able to complete paperwork online and receive text or email notifications about their coverage.
- About 1,700 undocumented children from low-income families will become eligible for MinnesotaCare.

- Lower MinnesotaCare premiums initiated by the federal government through the American Rescue Plan Act will continue beyond 2022.

Benefits

- Minnesotans will gain access to the most comprehensive health care coverage available on the market through the MinnesotaCare buy-in option.
- A quarter of Minnesota’s population – the 1.4 million people enrolled in Medical Assistance and MinnesotaCare – will have an easier time maintaining their health care coverage and updating their information with improvements to the renewal experience.
- Another 150,000 uninsured Minnesotans who are likely eligible for public health care coverage will get help accessing programs through the simplified application and enrollment experience.
- Undocumented children from low-income families will have improved access to care, including well-child visits and immunizations. With childhood development setting the foundation for lifelong learning and health, it’s critical to help children access care as they develop.
- People on MinnesotaCare will continue to pay less out of their own pockets for their coverage.

Fiscal impact

- \$162.9 million in Fiscal Years 2023-25

Related information

Governor’s 2022 Revised Supplemental Budget Recommendations:

- [Increasing Health Care Access and Affordability for Minnesotans](#)

Additional background:

- Medicaid Matters dashboard: [Minnesota Health Care Programs application and enrollment](#)
- [SHADAC State Health Compare](#)
- [Building Racial Equity into the Walls of Minnesota Medicaid for U.S.-born Black Minnesotans](#)
- DHS news release: [MinnesotaCare coverage to cost less through 2022](#)

DHS Communications: March 2022