

Key messages: Retroactive coverage

Updated: 06/15/2026

Summary

Federal rules are reducing how far back Medical Assistance can pay for covered medical bills before a person applies. Starting in January 2027, retroactive coverage will decrease from three months to one month for adults in the adult expansion population and from three months to two months for everyone else.

Retroactive coverage protects people from medical debt when illness, emergencies, paperwork barriers or life instability prevent them from applying before they need care. It also helps health care providers get paid for services they already provided.

Minnesota is required to implement this federal change. Our focus is on helping people apply early, renew on time, keep contact information current and avoid gaps in coverage that could lead to unpaid medical bills.

Core messages

- Minnesota is required to implement new federal rules that will shorten how far back Medicaid — called Medical Assistance in Minnesota — can pay for covered medical bills before a person’s application month.
- Retroactive coverage helps protect people from medical debt when they were eligible for Medical Assistance but had not applied yet. It also helps health care providers get paid for care they already provided.
- Starting Jan. 1, 2027, federal law shortens Medical Assistance retroactive coverage protections; however, the Minnesota Legislature voted to fully fund three months of Medical Assistance retroactive coverage for Minnesotans for an additional year with state funds. That means in Minnesota the changes to retroactive coverage are slated to begin Jan. 1, 2028.
- The Minnesota Department of Human services wants to make sure people understand what is changing, why applying and renewing on time matters, and how to avoid gaps in coverage that could lead to unpaid medical bills.

What's changing?

- Retroactive coverage is the period before a person applies for Medical Assistance when Medical Assistance may still pay for covered medical bills, if the person was eligible during that time.
- Federal law is reducing the retroactive coverage period for Medical Assistance starting in January 2027.
- In Minnesota, state funding will ensure three months of retroactive coverage until January 2028.
- When the change goes into effect:
 - Retroactive coverage will decrease from three months to one month for low-income adults ages 21 to 64 without dependent children who are not eligible for Medical Assistance based on a disability. This group is generally known as the adult expansion population.
 - Retroactive coverage will decrease from three months to two months for everyone else, including children, parents, pregnant people, seniors and people with disabilities.
 - This means Medical Assistance may pay for fewer past medical bills when someone applies after receiving care.

Who may be affected?

- This change may affect anyone who applies for Medical Assistance after receiving medical care.
- The largest reduction applies to adults in the Medical Assistance adult expansion population. This generally includes adults who are:
 - Ages 21 to 64.
 - Not living with dependent children.
 - Not pregnant.
 - Not eligible for Medical Assistance based on a disability.
- For this group, retroactive coverage will decrease from three months to one month.
- Other Medical Assistance applicants may also be affected, but the reduction is smaller. For children, parents, pregnant people, seniors and people with disabilities, retroactive coverage will decrease from three months to two months.

Why retroactive coverage matters

- Retroactive coverage protects people when barriers prevent them from applying for Medical Assistance before they need care.

- People often apply for Medical Assistance while dealing with illness, emergencies or major life changes. Delays in applying can happen for many reasons, including:
 - A sudden health condition or ongoing treatment.
 - A hospital stay or medical emergency.
 - Lack of awareness that they may qualify.
 - Housing instability or other life instability.
 - Difficulty getting documents or completing paperwork.
 - Language, technology or transportation barriers.
- With less retroactive coverage, those delays are more likely to result in unpaid medical bills.
- Shortening retroactive coverage can increase medical debt for Minnesotans who are already struggling financially.

The biggest risk is that people may face medical bills that would have been covered under the old rules.

- If someone waits to apply for Medical Assistance until after they need care, fewer past bills may be covered starting in 2027.
- This matters because many people do not apply until they are sick, injured, hospitalized, pregnant, in treatment or facing another urgent need. Under the new rules, some medical bills that could have been covered retroactively may become the person's responsibility.
- The change also increases the importance of avoiding gaps in coverage. If someone loses Medical Assistance because they miss a renewal, do not respond to a notice or have outdated contact information, they may have less retroactive protection if they need to reapply later.

Why this matters for health care providers and communities

- Retroactive coverage also supports health care providers and Minnesota's health care infrastructure.
- When Medical Assistance cannot pay for past care, providers may have more uncompensated care. Over time, those costs can be passed on to other health care consumers or create financial strain for clinics, hospitals and other providers.
- This can have a greater impact in Greater Minnesota, where many counties have a larger share of residents who rely on Medical Assistance. Safety-net providers may be especially affected because they serve more people who are uninsured, underinsured or facing financial hardship.

- Reduced retroactive coverage could also affect access to care if providers reduce services, face longer-term financial strain or have fewer resources to serve their communities.

Estimated financial impact

- Reduced retroactive coverage is estimated to shift about \$37 million a year in costs to vulnerable Minnesotans and health care providers.
- The estimated annual impact includes:
 - \$27.9 million more for low-income Minnesota adults without dependent children or certified disabilities.
 - \$5.4 million more for Minnesota children and families in poverty.
 - \$3.9 million more for Minnesota's poorest seniors and people with disabilities.
- These estimates show that the impact will not be limited to one population. The change affects people who are already financially vulnerable and providers that serve them.

What people may need to do

- People who are uninsured should not wait until an emergency to apply for Medical Assistance.
- People with Medical Assistance should take steps to avoid coverage gaps. That includes renewing coverage on time, responding to notices and keeping contact information current.
- People may need to:
 - Apply for coverage before they need medical care.
 - Renew coverage on time.
 - Respond to requests for information.
 - Report changes that could affect eligibility.
 - Update their mailing address, phone number and email address.
 - Ask for help if they are unsure what to do.
- Taking action early is more important under the new rules because Medical Assistance will have less ability to cover past bills.

What people can do now

- People do not need to wait for an emergency or a medical bill to apply for Medical Assistance.
- Minnesotans can take these steps now:

- Apply for Medical Assistance if uninsured and potentially eligible: <https://mn.gov/dhs/health-care-coverage>
 - Watch the mail for Medical Assistance notices.
 - Read notices carefully and respond right away.
 - Keep contact information up to date: <https://mn.gov/dhs/mycontactinfo/>
 - Renew coverage on time to avoid gaps: <https://mn.gov/dhs/renewmycoverage/>
 - Learn more about federal changes: <https://mn.gov/dhs/federalchanges/>
- People with Medical Assistance should also watch for text messages and other official communications from the state, county, Tribal agency or health plan.

What Minnesota is working on

- Minnesota is preparing to implement this federal change and help people understand what it means.
- The state is working to:
 - Explain how retroactive coverage is changing.
 - Help people understand why applying early matters.
 - Help current enrollees avoid gaps in coverage.
 - Prepare notices, website updates, frequently asked questions and training materials.
 - Coordinate messages with renewal, contact information and federal changes campaigns.
 - Work with counties, Tribal Nations, health care providers, navigators, enrollment assisters, health plans and community partners.
 - Monitor questions and concerns from people, providers and partners.
- More information will be shared as federal guidance is finalized and Minnesota's implementation plans are completed.