

**Summary of Minnesota Health Care Revenues**  
**(Does not include federal funds)**

Revenue Source	Description	FY 2010-11 (in millions)	FY 2010-11 Base (Est.) (in millions)	Fund	Statutory Reference
<b>Surcharges</b>					
Hospitals	1.56% on net patient revenues	243	15,577	General	M.S. 256.9657, Subd. 2
Health Plans	0.6% on HMO premium revenue	48	8,000	General	M.S. 256.9657, Subd. 3
Nursing Facilities	2,815 per bed per year charge	177	31,439 beds	General	M.S. 256.9657, Subd. 1
ICF/MR	2,825 per bed per year charge	4	708 beds	General	M.S. 256.9657, Subd. 3a
<b>Taxes</b>					
HMO Premiums (net of refunds)	A 1% tax currently levied on the gross premiums of HMOs, nonprofit health service plan corporations, and community integrated service networks.	138	13,800	Health Care Access	2971.05
Provider Taxes (net of refunds)	A 2% tax currently levied on the gross revenues of hospitals, surgical centers, health care providers, and wholesale drug distributors. Between 2012-2019, this tax is subject to a reduction contingent upon the fiscal condition of the health care access fund. It is repealed after 2019 in current law.	934	46,700	Health Care Access	295.52
Cigarettes & Tobacco products	\$1.576/pack of 20 cigarettes, which includes \$0.48 excise tax, \$.75 health impact fee, and \$0.346 in-lieu sales tax. In addition, a \$0.35/pack tax on manufacturers not part of the master settlement agreement.	379 62 419	NA	General; Special Revenue; Health Impact	M.S. 297F and Sec. 256.9658
Alcohol	Beer: Taxed by weight. <3.2% \$2.40/barrel; >3.2% \$4.60/barrel Distilled spirits: \$1.33/liter; \$5.03/gallon Wine: varies by volume	154	NA	General	M.S. 297G
Indemnity Premiums	2% tax on all gross premiums (less return premiums) collected by domestic or foreign insurance companies and their agents.	100 (estimate)	NA	General	M.S. 2971.05, Subd. 1
MCHA Assessment	A variable annual assessment on insurers participating in the Minnesota Comprehensive Health Association (the state's high risk pool). The association is not a state agency and as such the assessment does not flow through the state treasury under current law.	\$143 (calendar 2010)	6,049	NA	M.S. 62E.11, subd. 6

**Note 1:** Total state revenues collected in the listing above were \$2.7 billion in FY 2010-11. During the same time period, the state share of expenditures was \$5.8 billion for Medical Assistance, \$947 million for MinnesotaCare, and \$373 million for GAMC. In addition, state expenditures for health care related services like chemical dependency treatment, alternative care, mental health grants, and various health care-related efforts through the Department of Health were \$697 million.