

Medicaid & Child Health in Minnesota

Presentation to the National Academies of Sciences, Engineering, and Medicine's
Standing Committee on Primary Care
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Minnesota Medicaid Fast Facts

5,793,151
State Population

Preliminary data from the US Census Bureau as of July 2024

Medicaid Expansion?: YES
**State Financed & Regulated – County
Administered**
**87% Managed Care Organization
Enrollment**

1,414,051
**Monthly Enrollment in
Medicaid* in CY 2023**

620,384
**Monthly Child (0-19)
Enrollment in Medicaid* in CY
2023**

*Source: MN DHS CY 2023 data

How do Minnesota's children get health care



Medicaid pays for 34% of Minnesota births

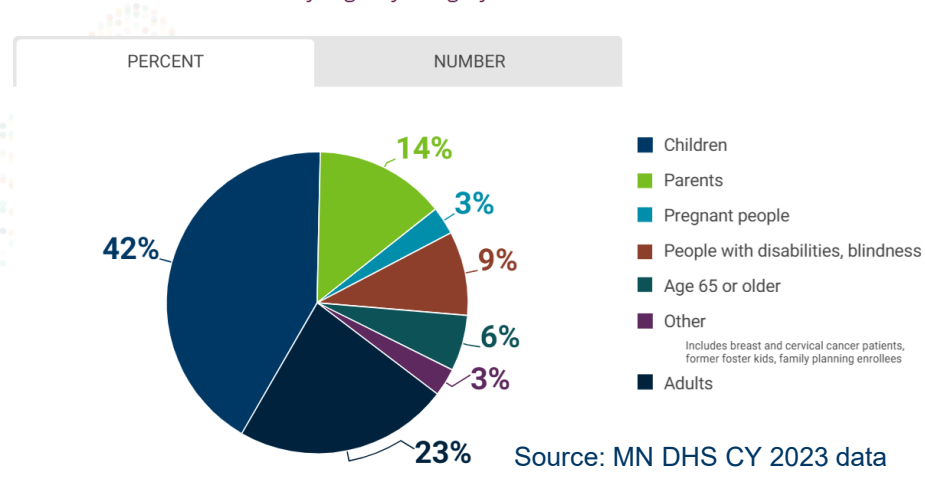
Helps ensure access to critical prenatal care, maternity care, and postpartum services.



Medicaid covers 46% of all Minnesota children

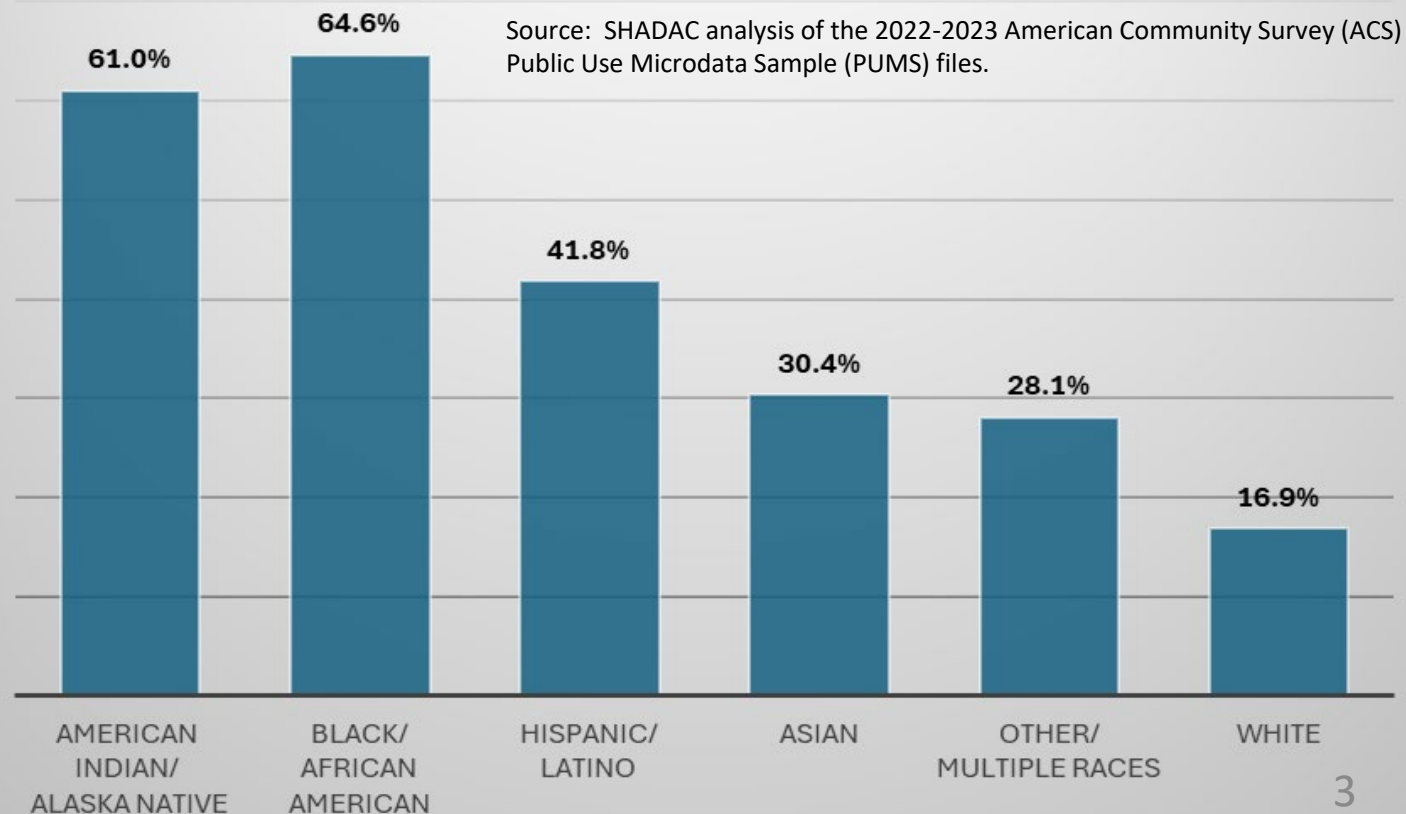
Insures children in low-income families and nearly all children in foster care.

Medical Assistance enrollees by eligibility category

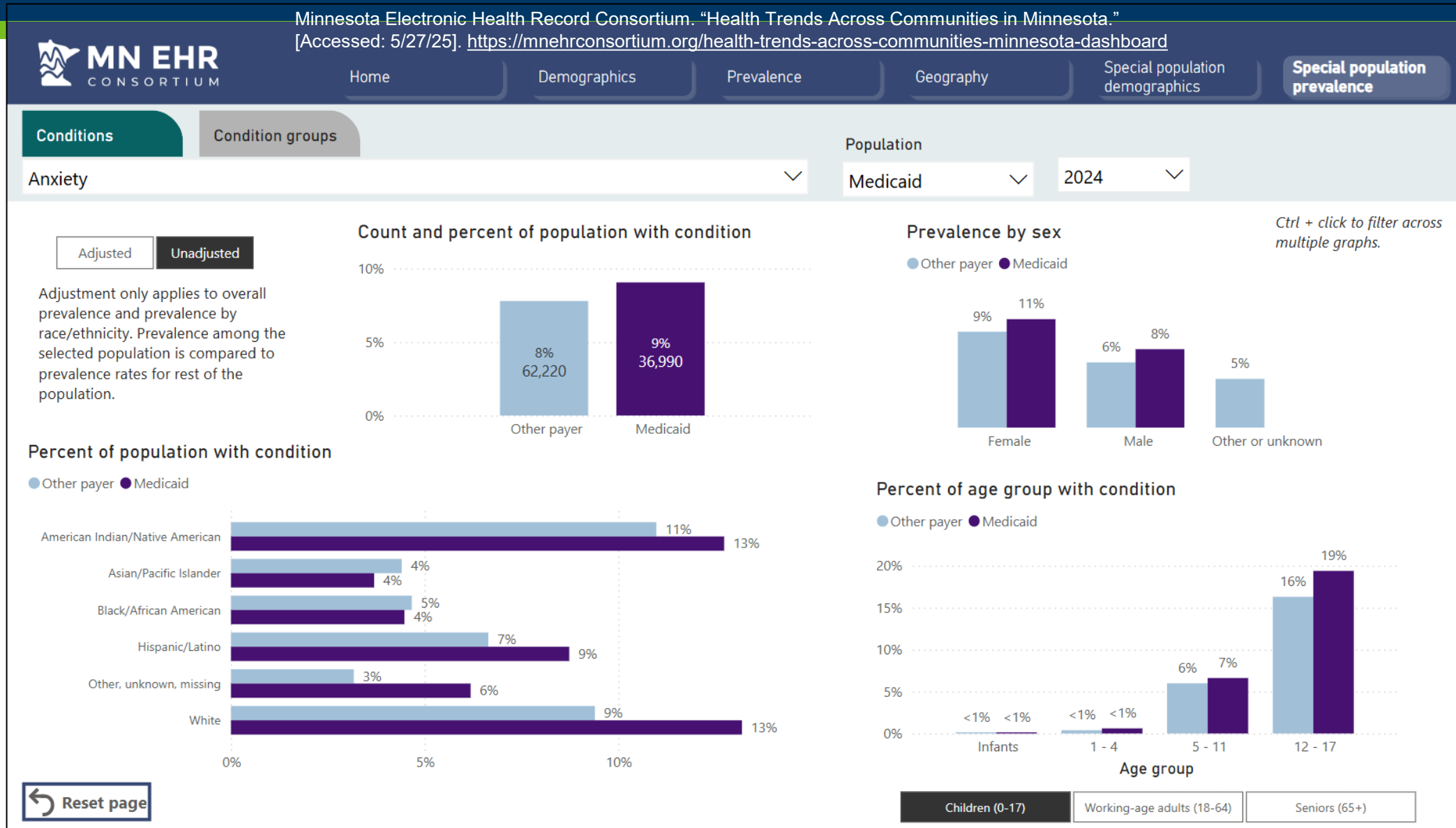


Percent of Minnesotan children with Medicaid as a source of coverage, by race, 2022-2023

Source: SHADAC analysis of the 2022-2023 American Community Survey (ACS) Public Use Microdata Sample (PUMS) files.



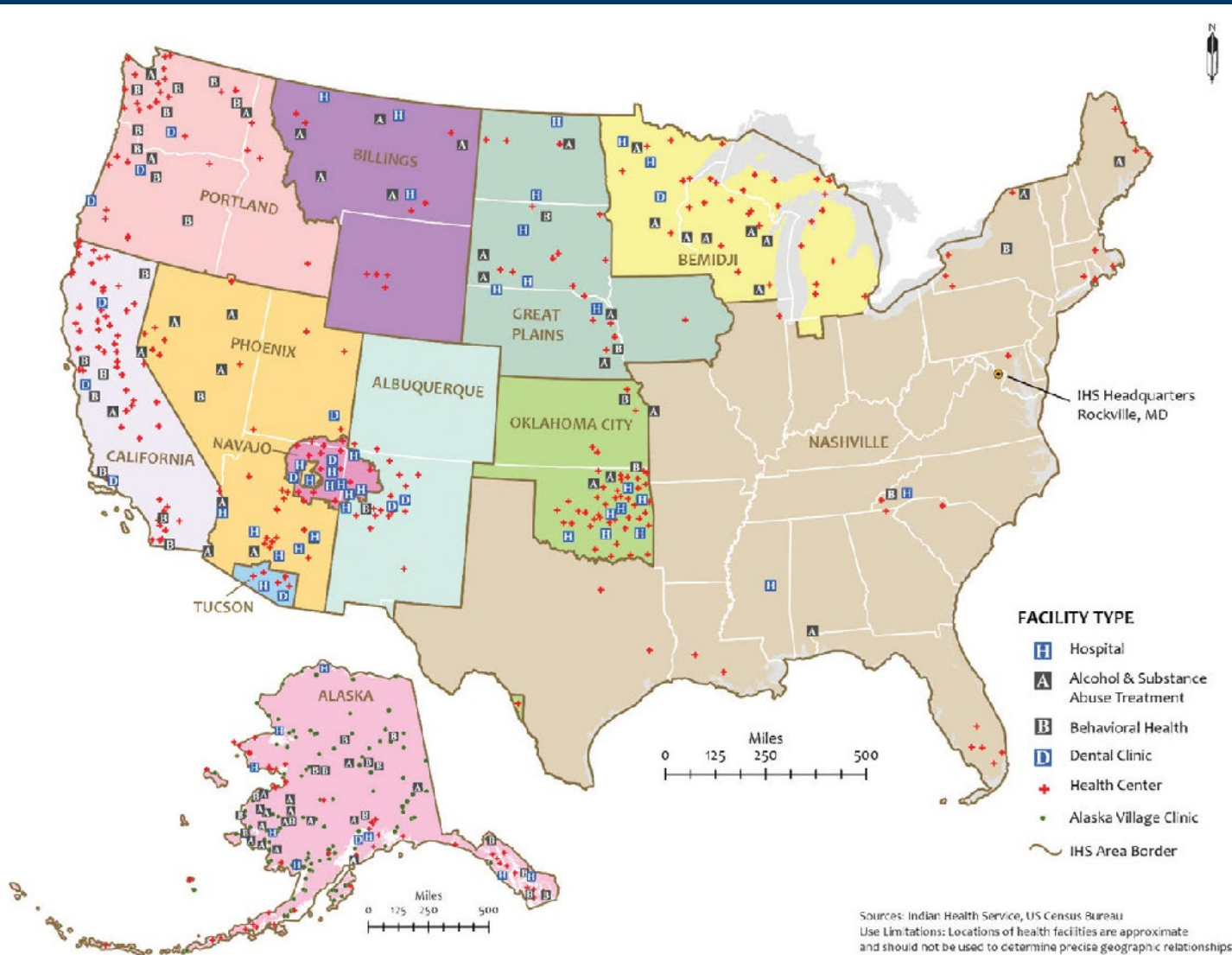
How do Minnesota's children get health care



How do Minnesota's children get health care



How Medicaid impacts child health equity – Indian Health Services



Just under 1/3 of AI/AN children (~30%) get their care via IHS.

IHS receives less funding per person than Medicaid, Medicare, Veterans Affairs, or federal prisons.

Medicaid is a significant payer for IHS clinics & facilities.

In MN over 60% of AI/AN children get coverage via Medicaid.

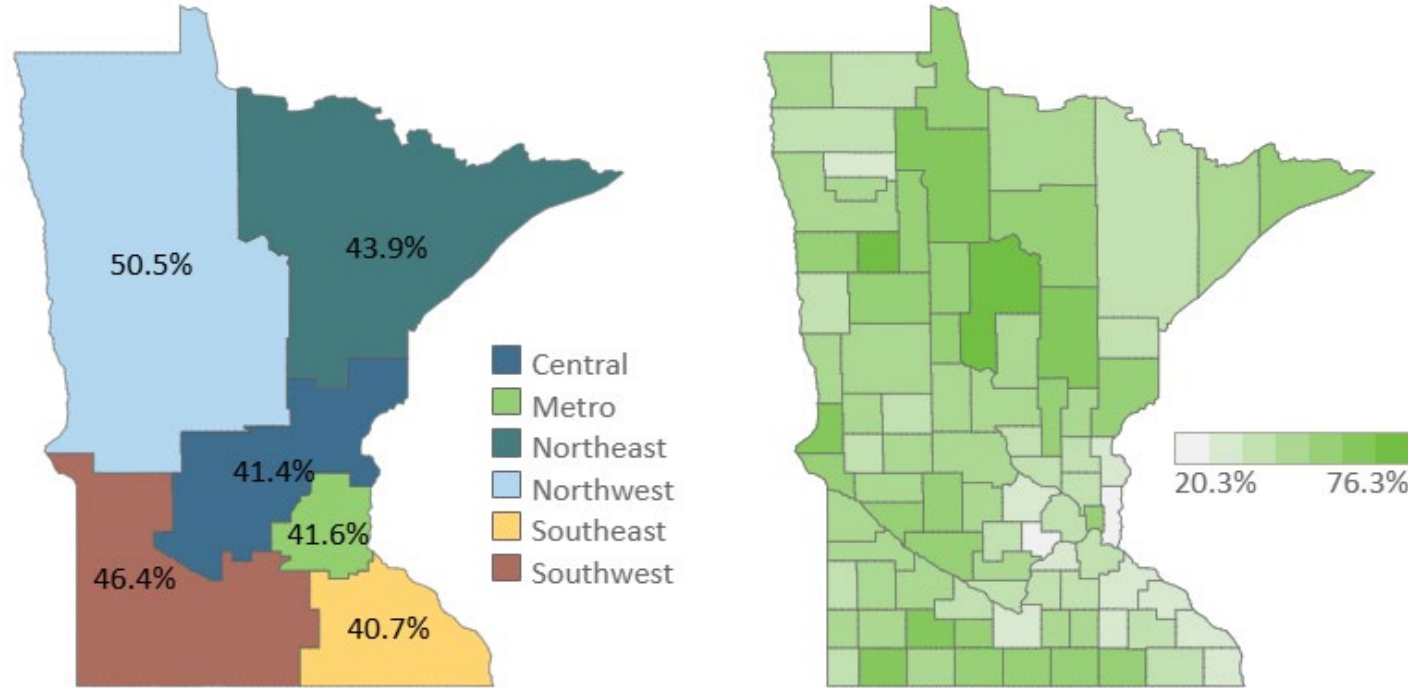
Cuts to Medicaid will therefore create a double-hit to IHS and our AI/AN health care system.

Sources: Indian Health Service, US Census Bureau
Use Limitations: Locations of health facilities are approximate and should not be used to determine precise geographic relationships

NOTE: Colors represent the 12 Indian Health Service Areas (regions): Alaska, Albuquerque, Bemidji, Billings, California, Great Plains, Nashville, Navajo, Oklahoma City, Phoenix, Portland, and Tucson. SOURCE: ASPE, 2022a.

How Medicaid impacts child health equity – Rural Health Care Access

Percentage of the child population (0-19) within Region (left) and County (right) enrolled in Medicaid



Source: MN Medicaid Matters, Children 0-19 years, MN DHS 2023 data

45% of children live outside the Twin Cities Metro

Rural children experience decreased availability and accessibility of primary care and specialty care (especially mental health care) due to a decreased number of health care providers as well as geographical and transportation-related barriers.

Non-elderly adults and children in small towns and rural areas are more likely than those living in metro areas to rely on Medicaid/CHIP for their health insurance.

Bettenhausen JL, Winterer CM, Colvin JD. Health and Poverty of Rural Children: An Under-Researched and Under-Resourced Vulnerable Population. *Acad Pediatr*. 2021 Nov-Dec;21(8S):S126-S133. doi: 10.1016/j.acap.2021.08.001. PMID: 34740419.

How Medicaid impacts child health equity – children with disabilities



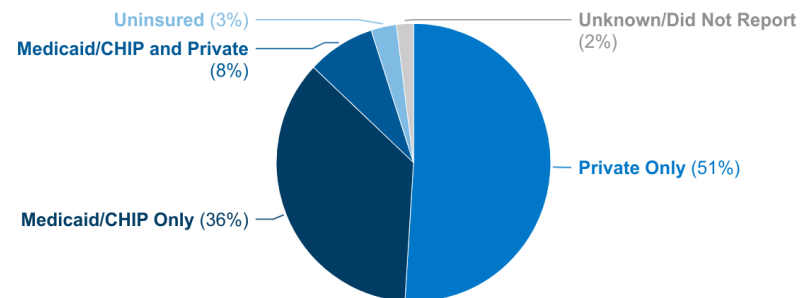
Medicaid covers 37% of children in Minnesota with special health care needs

Provides medical, behavioral health, and long term care for children with special health care needs and disabilities.

Figure 1

Health Insurance Status of Children with Special Health Care Needs, 2019

Total = 13.9 million children with special health care needs



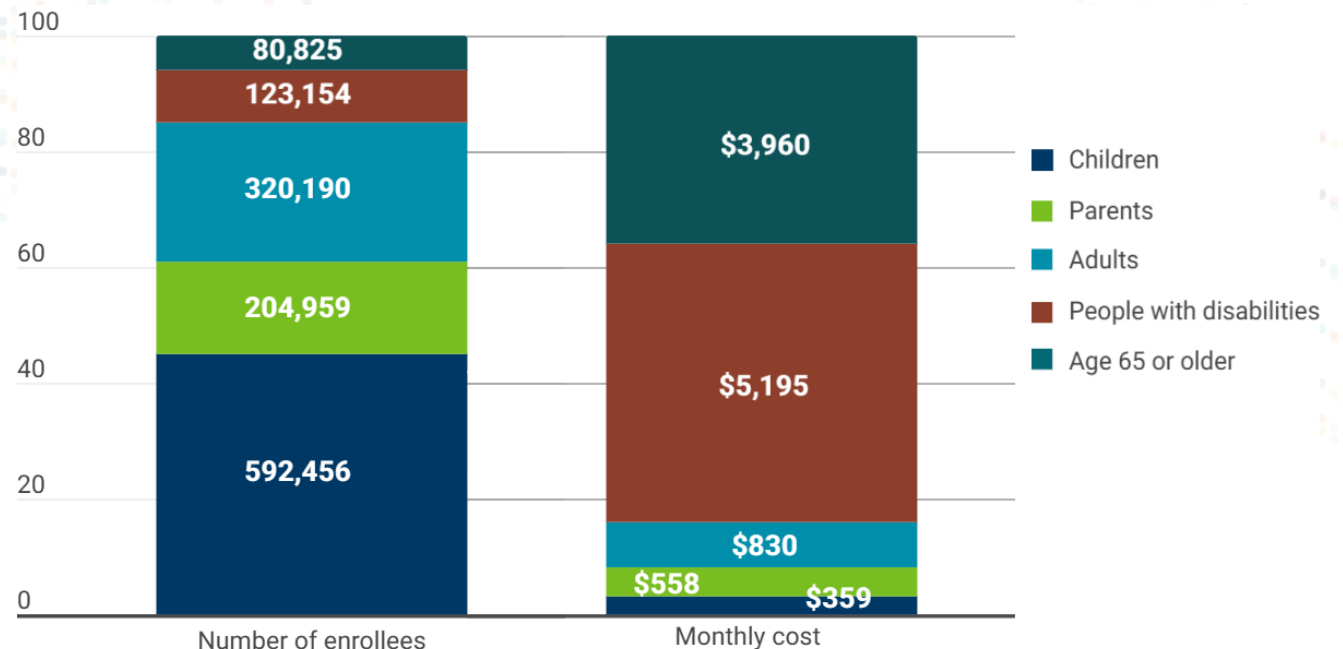
NOTE: Includes non-institutionalized children ages 0-17. Totals may not sum to 100% due to rounding.
SOURCE: KFF analysis of 2019 National Survey of Children's Health.

KFF

Decreasing federal Medicaid funding puts services for the most vulnerable Minnesotans at serious risk.

Parents, children and pregnant people account for only about 22% of spending. Adults 65 or older and people with disabilities make up around 15% of enrollees and account for about 60% of spending.

Enrollment and cost by eligibility group



<https://mn.gov/dhs/medicaid-matters/>

How Medicaid impacts child health equity – School-Based Services



90%



of enrolled School Districts in Minnesota received payments

6%

received payments over 500K in Payments

\$60,815,393

Total Payments Across All MN School Districts

\$114,765,993

Total Charges Across All MN School Districts

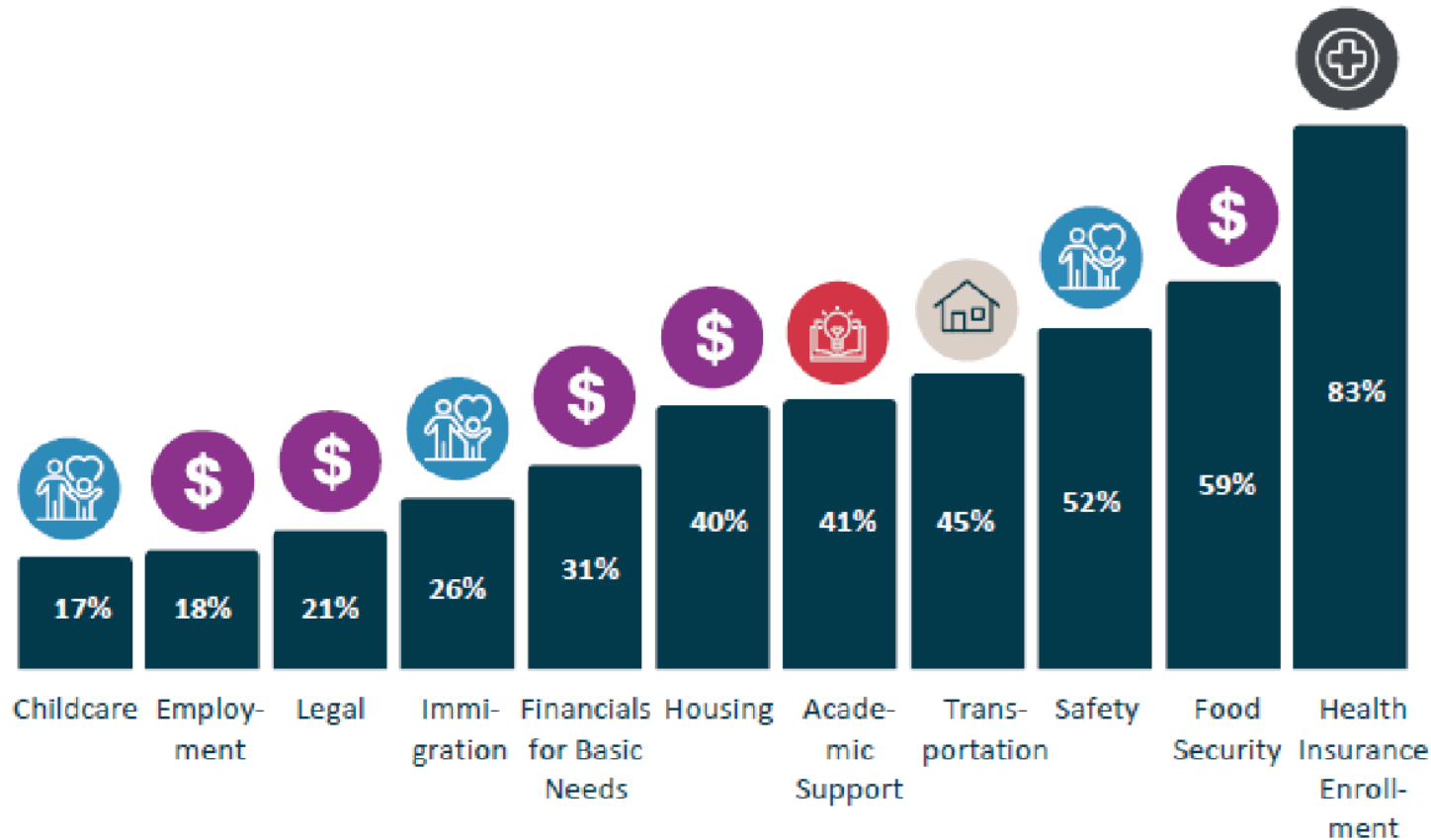
Source: MN DHS SFY 2022 data

Nationally, Medicaid funds an estimated \$4-6 billion in school-based health care services annually.

Majority of funds pay for services to students with disabilities served under the Individuals with Disabilities Education Act (IDEA)

How Medicaid impacts child health equity – School-Based Health Centers

Figure 7. Supports Provided to Clients and/or Their Families to Obtain Social Needs Services



Growing number of states are recognizing school-based health centers (SBHCs) are a critical part of the child health safety net.

Billing and third-party revenue from insurance claims is an integral funding source for SBHCs, supporting 74% of responding sites in a 2023 survey.

MN School-Based Health Center Grant Program

- Launched in 2023
- Increase in SBHCs from 23 to 40
- Now operating in 10.5% of MN school districts.

Soleimanpour S, Cushing K, Christensen J, Ng S, Yang J, Saphir M, Geierstanger S, Even M, Brey L. (2023). Findings from the 2022 National Census of School-Based Health Centers. Washington, DC: School-Based Health Alliance.

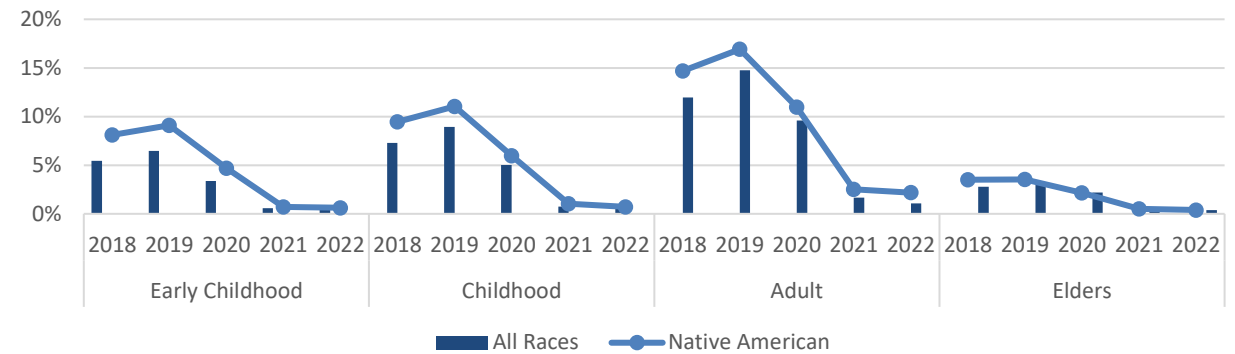
Potential Impacts of 2025 House Reconciliation Bill on MN children

- **12-month redeterminations for MAGI**

- *States will be required to review eligibility within the 12-month period if they receive information about a change in a beneficiary's circumstances that may affect eligibility.

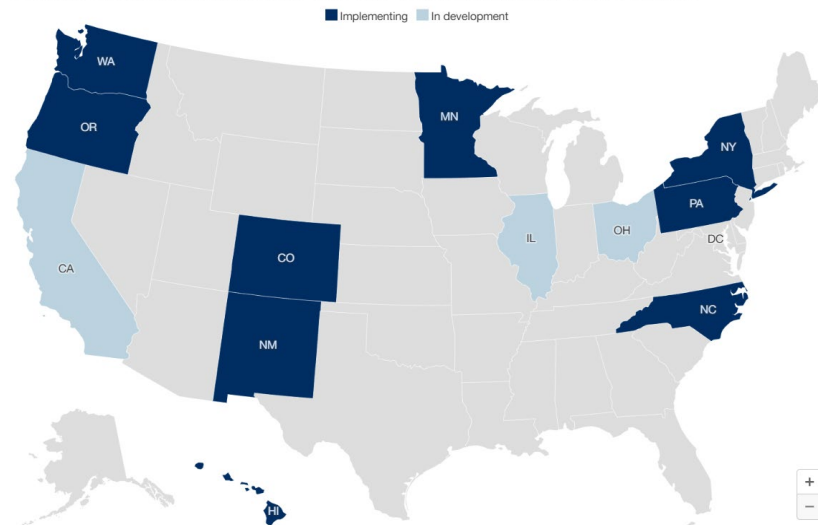
- **Delays Enrollment Rule until 2035**

Medicaid and MNCare 12-Month Churn Rates by Age Group and Year



Minnesota Department of Human Services. (2024, December). *Pathways to Racial Equity in Medicaid: Improving the health and opportunity of American Indians in Minnesota*. <https://edocs.dhs.state.mn.us/lfserver/Public/DHS-8209C-ENG>

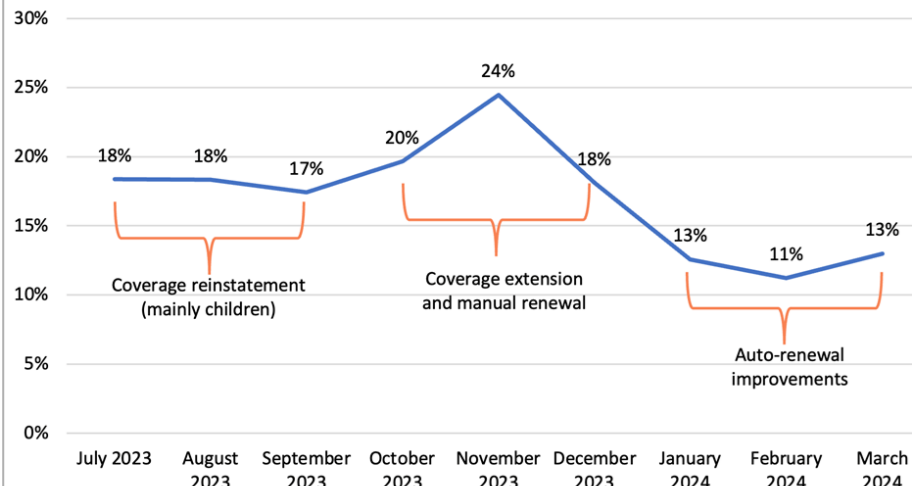
Development and Implementation of Multi-Year Continuous Eligibility (CE) for Children



Source: Georgetown University CCF analysis of state legislative actions. See more information on sources [here](#). • [Embed](#) • [Download image](#)



Percent of Total 0-17 Year-Old Due for Renewal Disenrolled



Minnesota Department of Human Services. (2024, July). *Minnesota Health Care Programs Renewal Equity Report*. <https://edocs.dhs.state.mn.us/lfserver/Public/DHS-8209C-ENG>

Potential Impact of 2025 House Reconciliation Bill on children – Loss of the “Welcome Mat”

Policies that make it easier for adults to enroll in Medicaid often result in a spillover effect where more eligible children also get enrolled. This phenomenon is known as the “Welcome Mat” effect.

- Simplified eligibility & streamlined enrollment for adults raises awareness of Medicaid and the application process **for the whole household.**

- Parents who newly enroll are **more likely to enroll their eligible but previously uninsured children.**

- Studies show **increased child enrollment following adult Medicaid expansions** and outreach efforts

- and **increased rates of child uninsurance when barriers to Medicaid enrollment are put in place for adults**

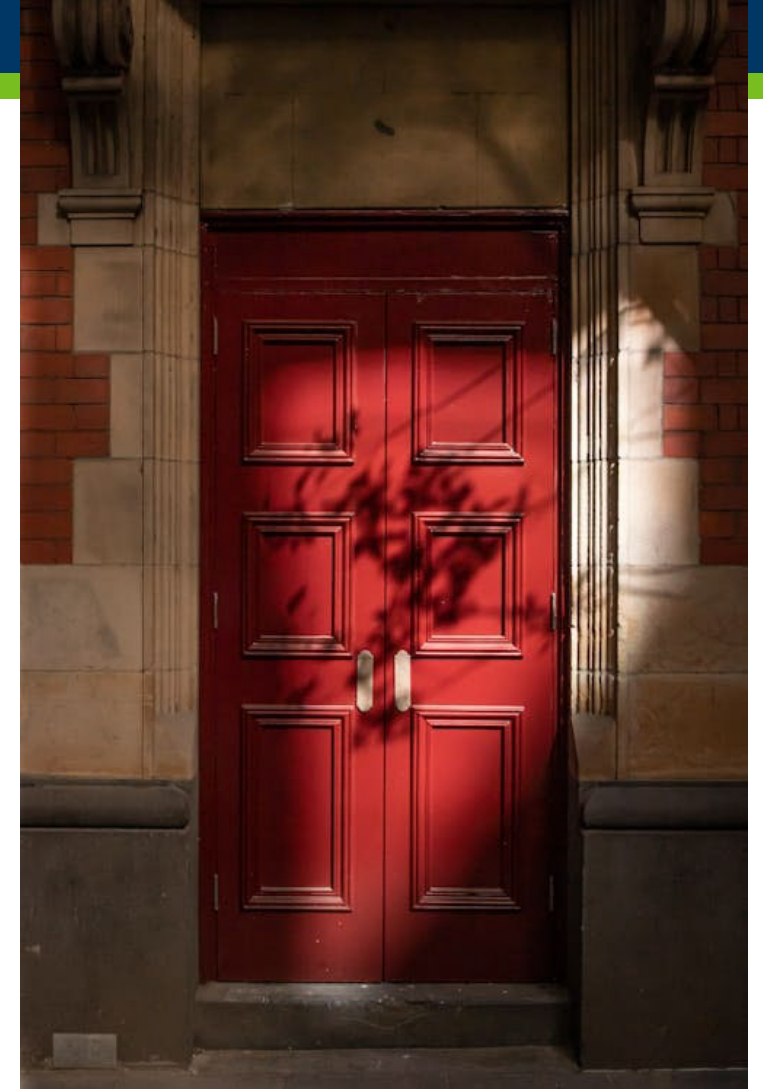
- Hudson, J.L. & Moriya, A.S. (2017). Medicaid expansion and health insurance coverage of previously eligible children. *Health Affairs*, 36(9), 1643–1651.
- DeVoe, J.E. et al. (2015). Effect of expanding Medicaid for parents on children’s health insurance coverage: lessons from the Oregon experiment. *JAMA Pediatrics*, 169(1), e143145.
- Schochet, L. (2018, January 19). Imposing Medicaid Work Requirements Would Be Bad for Children’s Health Too. *Americanprogress*. <https://americanprogress.org/article/imposing-medicaid-work-requirements-bad-childrens-health/>.



Potential Impact of 2025 House Reconciliation Bill on MN children – Loss of the “Welcome Mat”

- **Community Engagement/Work Requirements & 6-month eligibility redeterminations** for expansion adults
 - *Local Impact Note for 2018 legislation to establish almost identical work requirements estimated the administrative and paperwork burden to cost counties across Minnesota to be approximately **\$160M per year**
 - Estimated 20,000 individuals could lose eligibility annually for non-compliance, increasing uninsured rate
 - Estimated annually at **\$5M per year** in State administrative costs
- **Cost-sharing** for expansion adults*
 - Imposes a cost sharing requirement for expansion adults with incomes above 100% Federal Poverty Level, not exceeding 5% of an individual's income
 - Estimated **increase in out-of-pocket costs for enrollees** who make the least amount of income: **\$4.0M per year**

Source: MN DHS analysis of the House 2025 Reconciliation Bill (as of 5/18/25) - <https://mn.gov/dhs/medicaid-matters/communications-toolkit/>



Impact of 2025 House Reconciliation Bill on MN

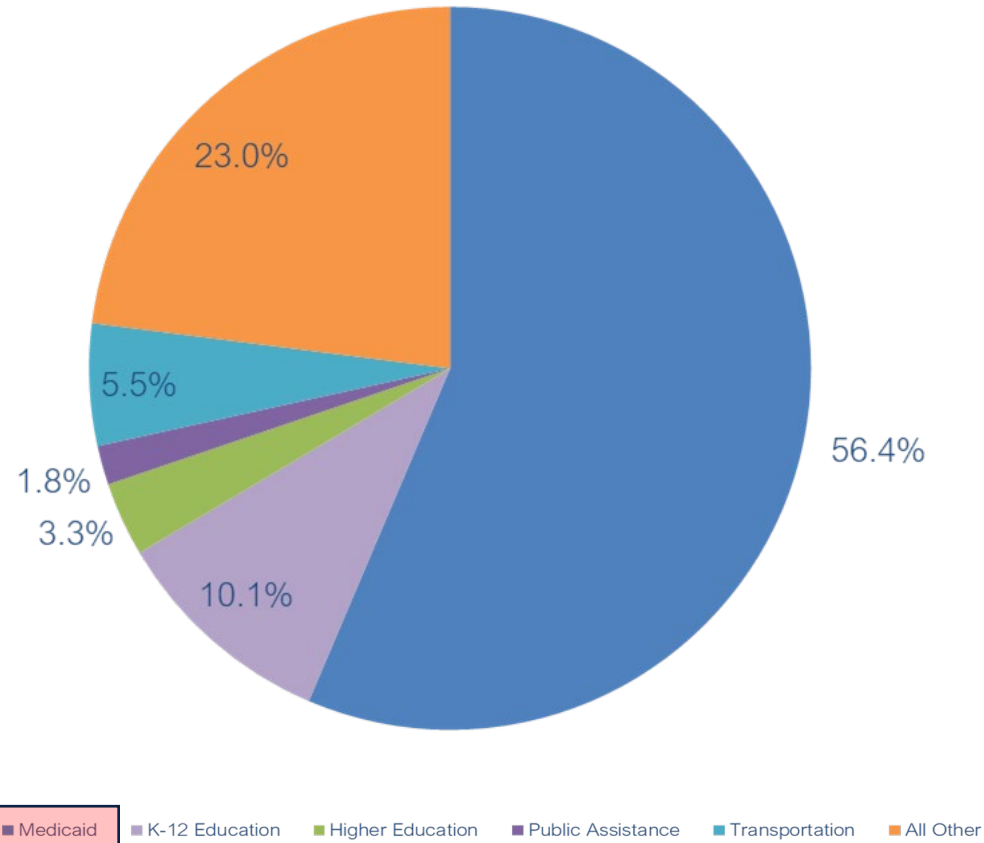
- **10% FMAP reduction** for expansion group in states like Minnesota that provide coverage to undocumented persons
 - **Estimated loss of federal funds \$330M per year**
- **Prohibits federal Medicaid/CHIP funding for gender affirming care for youth** under age 18
 - **Estimated loss of federal funds: \$3.0M per year**
- Prohibits federal Medicaid funding for many family planning and reproductive health services:
 - o Loss of funding for Planned Parenthood and family planning clinics
 - **Estimated loss of federal funds: \$170M per year**
- Limits retroactive Medicaid coverage to one month rather than three, effectively driving up uncompensated care for hospitals and other health care providers
 - **Estimated reduction in state and federal spending: \$60M per year**

MN DHS Projects a net cost of \$500 million annually to the state in lost federal funding and millions in increased costs to counties, hospitals, and enrollees

Kaiser Family Foundation estimates up to 253,000 Minnesotans could lose coverage

Commonwealth Fund estimates 9,300 lost jobs

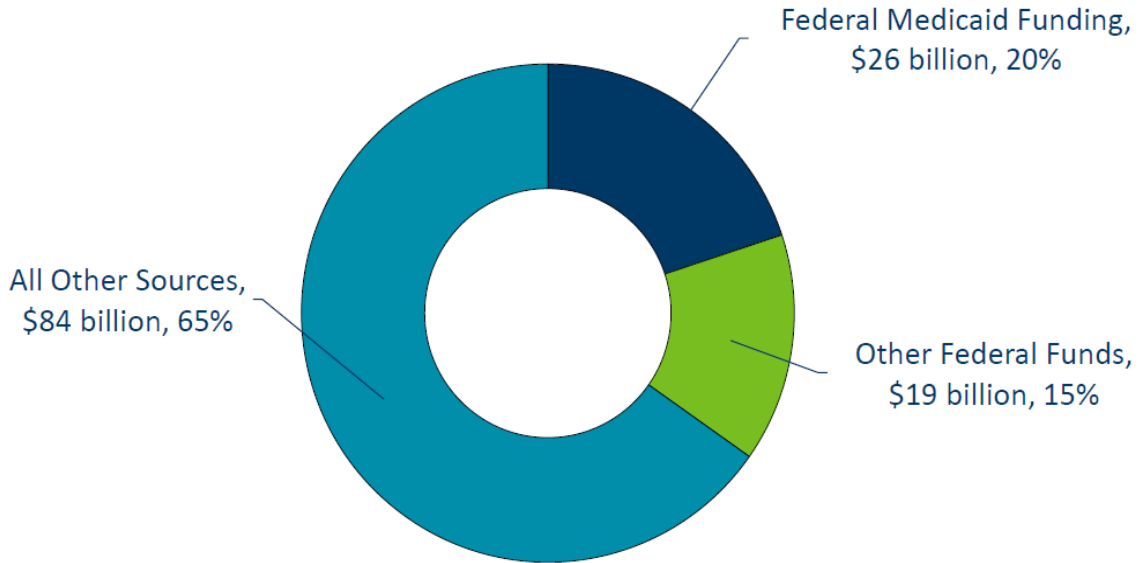
Child health equity impacts of Medicaid - Cuts to the Largest Source of Federal Funds for States



Source: CCF analysis of National Association of State Budget Officers (NASBO) data for state fiscal year 2023 (estimated).

Minnesota Projected FY 2026-27 State Revenues

Total = \$128 billion



Budget and Economic Forecast / Minnesota Management and Budget (MMB). (March 6, 2025). Minnesota Management and Budget (MMB). <https://mn.gov/mmb/forecast/forecast/>

State Levers to absorb Federal cuts to Medicaid funding



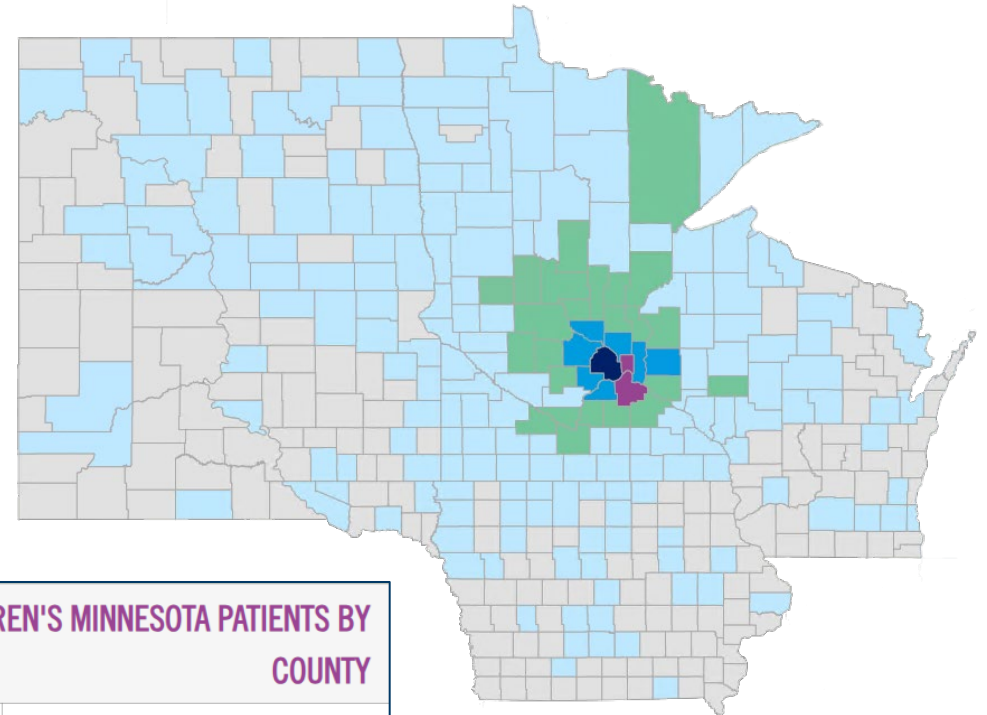
Decrease eligibility/enrollment

Limit or Cut Optional benefits

Decrease provider reimbursement

Potential Impact on Children's MN

- One of the largest freestanding pediatric health systems in the United States — with two hospitals, nine primary care clinics, seven rehabilitation and nine specialty care sites.
- The only health system and Level I Trauma Center in Minnesota to provide care exclusively to children.
- The first hospital system in Minnesota and the 13th center in the nation to be verified as a Level I Children's Surgery Center by the American College of Surgeons.
- In 2023:
 - 389,372 Outpatient clinic visits
 - 85,200 Emergency Department visits
 - 23,686 Surgical procedures

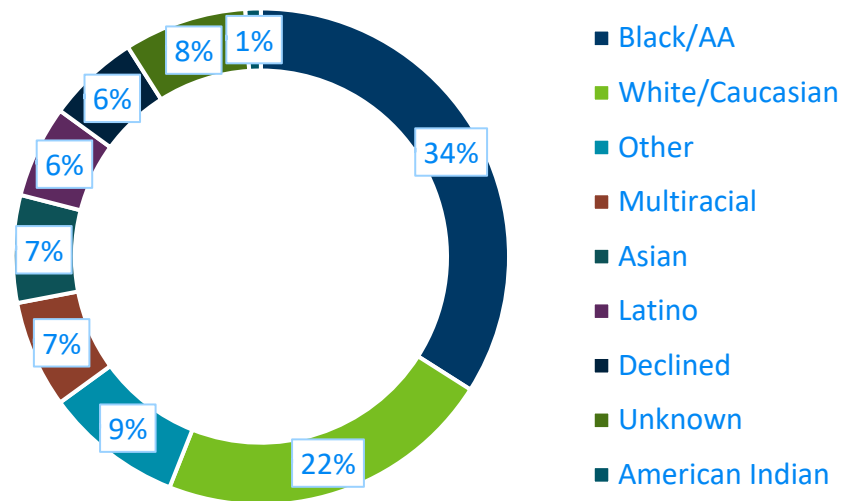


CHILDREN'S MINNESOTA PATIENTS BY COUNTY	
●	114,469-286,173
●	57,235-114,468
●	5,723-57,234
●	572-5,722
●	3-571
●	No patient encounters

Potential Impact on Children's MN

- **Percent of services provided covered by Medicaid: 48.7%**
- Approximately **42%** of “high-risk/special needs” patients are covered by Medicaid, self-pay or uninsured
 - Chronic health or medical conditions
 - Persistent serious mental health issues
 - Chemically dependent
 - High-cost pre-existing conditions
 - Adolescents

Children's MN Racial Demographics



- Among patients attributed to **MN Medicaid's Integrated Health Partnerships (ACO)**
 - 2% with diabetes
 - 5% with depression
 - 15% with asthma

What We Know: Societal Gains in Investing in Children

Protect the future workforce for economic productivity and national security

Address early antecedents to adult disease now with payoff later

Uphold national values and the moral imperative to nurture healthy young minds and bodies

Protect the workforce productivity of parents

Leverage the prevention potential in emerging science

Ensure the health of future caretakers for a growing retired population

Support future child bearers in a time of declining birth rates



Key Recommendations to Strengthen Medicaid

5/30/2025

- ❖ Reform payment systems to emphasize prevention and health promotion
- ❖ Ensure full implementation of EPSDT (Early and Periodic Screening, Diagnosis, and Treatment)
- ❖ Eliminate disparities in coverage and access across states and territories
- ❖ Invest in innovations like team-based care, community partnerships and school-based health care centers
- ❖ Increase Medicaid payment rates to ensure provider participation
- ❖ Streamline eligibility, enrollment, and continuity of coverage
- ❖ Promote equity through standardized quality measures and accountability systems



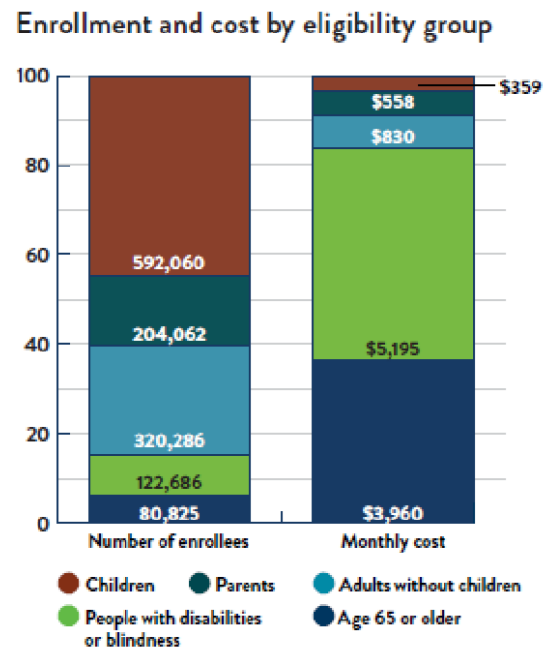
MN Medicaid Infographics

Minnesota DHS Medicaid Matters -

<https://mn.gov/dhs/medicaid-matters/communications-toolkit/>

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How much does Medicaid and MinnesotaCare help the health care providers in your county?

