

# Medicaid Delays at the Expense of Minnesota Families

During the past several years, we have observed a breakdown in the state and county Medicaid financial eligibility processes for seniors and individuals with disabilities. Those needing services, their families, and the assisted living and nursing facilities that provide services, have routinely been unsuccessful in gaining financial approval for Medicaid. **This creates challenges for all involved.**

**For the resident,** waiting for Medicaid financial approval places the person in Medicaid pending where the lack of an approved payer source creates challenges in finding services like transportation, prescriptions, and medical needs outside of the facility

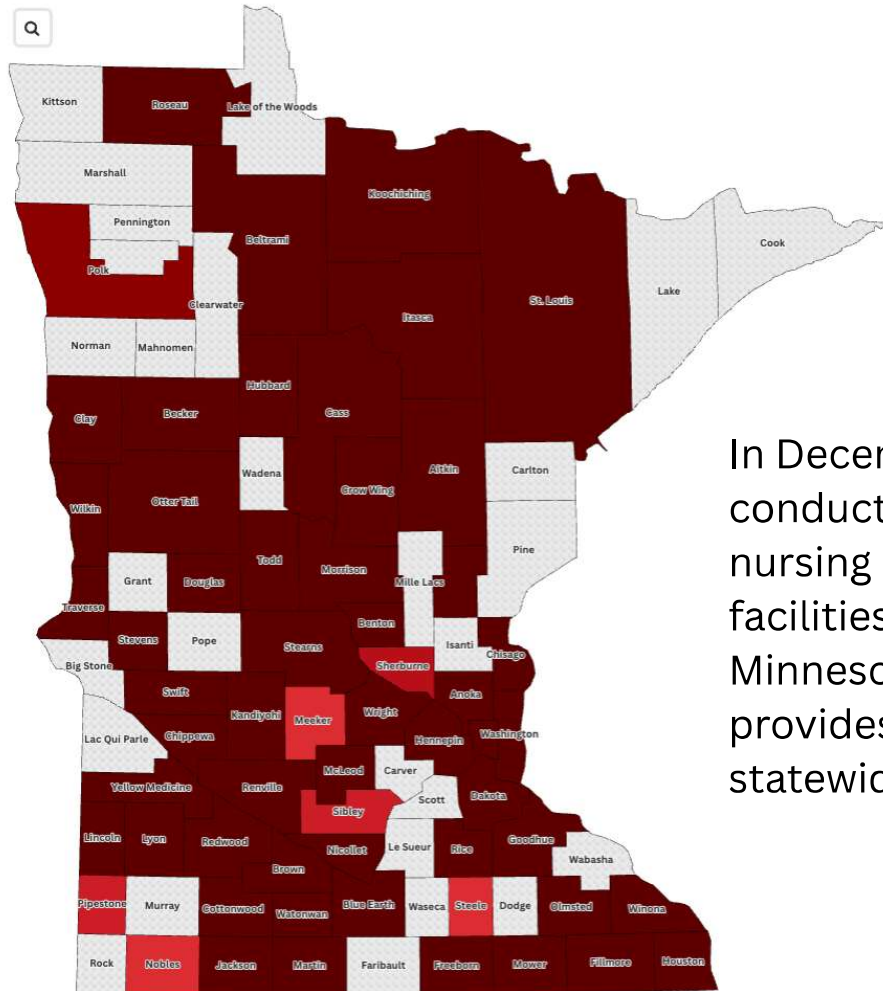
**For the family,** there is frustration and concern about ensuring their loved ones are receiving the care and services they need. This includes access to specialists and other medical practitioners needed to manage chronic and acute conditions.

**For assisted living and nursing facilities,** there are many challenges, including:

- Considerable time spent by staff attempting to communicate with the state and counties.
- Considerable time spent by staff working with the residents and families to gain approval for Medicaid.
- Significant financial challenges since providers are unable to receive payment from the State of Minnesota until residents are approved for Medicaid.
- The delay in payment causes other issues including challenges with making payroll and paying vendors for items like food, utilities, and supplies and uncompensated care

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Scale 0  45+ Days



In December 2025, LTCI conducted a survey of nursing and assisted living facilities throughout Minnesota. The survey provides strong evidence of a statewide problem.

Average	Minnesota	Federal Standard for Timely Determination
Number of Days to Approve Medicaid Application	100.7	45 Days
Longest Outstanding Application	176.5	



April 14, 2026

Dear Honorable Members of the Minnesota Legislature,

Minnesota counties, employers, nonprofit health plans, hospitals, and health care providers are united in calling for urgent modernization of the technology systems used to administer core human services programs. As organizations responsible for delivering care and coverage to hundreds of thousands of Minnesotans—and as major contributors to the state’s economic vitality—we know this is not simply a government IT issue. Modernization directly affects program integrity, the stability of Minnesota’s health care market, and the ability of businesses to plan, invest, and grow.

Minnesota’s hospitals, clinics, and health plans rely daily on state and county human services systems to determine eligibility for programs such as Medical Assistance, ensure benefits are delivered accurately, and connect residents to critical coverage and services. When those systems function well, Minnesotans receive timely care, health care providers can operate efficiently, and employers benefit from a healthier, more stable workforce.

But today’s outdated systems are increasingly unable to meet the scale and complexity of modern demands. Legacy platforms significantly hinder Minnesota’s ability to detect and prevent fraud, waste, and abuse—functions essential to protecting taxpayer resources and maintaining market stability. Modern oversight requires real-time data sharing, automated analytics, and integrated reporting tools. Without these capabilities, potential issues often go undetected for months, forcing the state and counties to rely on slow, manual processes that cannot keep pace. The financial impacts of this inefficiency ultimately fall to patients through higher health care costs and to Minnesota taxpayers and employers who absorb the long-term consequences of an unstable system.

The economic implications for Minnesota businesses are substantial. When improper payments go unchecked or coverage disruptions prevent Minnesotans from accessing care, costs shift into the commercial market—driving premium increases for employers and employees alike. A

modernized system would strengthen program integrity, reduce administrative burden, and generate savings that ripple across the entire economy.

The timing is critical. As new federal and state requirements place additional strain on eligibility processes, the risk of coverage disruptions, workforce instability, and administrative delays will only increase. Minnesota cannot afford a system that threatens continuity of care for residents or introduces volatility into the health care markets that employers rely on to attract and retain workers.

Modernizing Minnesota's human services technology is an investment in statewide stability. It would improve government operations, support a more resilient health care ecosystem, reduce costs for employers and taxpayers, and—most importantly—ensure that Minnesotans who qualify for coverage receive it without avoidable barriers or delays.

Given the serious risk of coverage loss, rising premiums, and avoidable costs driven by inefficiency, fraud, waste, and abuse, we strongly urge the state to make an immediate, comprehensive investment in modernizing the technology systems that serve some of Minnesota's most vulnerable populations and underpin the stability of our health care and business environment. The State needs both a short term and long term plan for systems modernization and the Legislature should make sure that this process starts this session so that we do not waste more valuable time.

Sincerely,

Association of Minnesota Counties  
Blue Cross Blue Shield of Minnesota  
Minnesota Council of Health Plans

Minnesota Business Partnership  
Minnesota Hospital Association  
Minnesota Chamber of Commerce