



# Governor Walz and Lieutenant Governor Flanagan's 2026 Supplemental Budget

Deputy Commissioner Wendy Underwood

House Health Finance and Policy Committee | April 8, 2026



# OUR MISSION

To protect, maintain, and improve the health of all Minnesotans.



# MDH 2026-27 Supplemental Budget



**USER FEE  
ALIGNMENT**



**BUDGET  
NEUTRAL  
PROPOSALS**



**TRANSFERS OF  
AUTHORITY**

# User Fee Alignment



## Minnesota All Payer Claims Database Fee Schedule \$0 net impact, SGSR

- **Create a Fee Schedule Aligning with Legislative Request**– Provides external access to the Minnesota All Payer Claims Database. Ensures the department can manage data requests while supporting research.

## HMO Fees Appropriation, \$440,000, SGSR

- **Aligning Expenditure Amount with Recent Fee Increase**– Allows for spending of additional fee revenue generated by higher HMO application and renew fees enacted in the 2025 legislative session.

# Budget Neutral Proposals



## Health Care Loan Forgiveness Fund Extension

- **Ensures Appropriations Remain Until Expended**

Removes language requiring funds to cancel at the end of a biennium. Allows for multiyear award cycles and varying contract start dates.

## Newborn Screening Fee Exemption

- **Creates Transparency and Ensures Consistency in Exemptions**

Defines the criteria under which fees may be waived for newborn screening to ensure families can access this service.

## Rural Clinical Training Modifications

- **Clarifies Programs, Defines Trainings and Expenditure Usage**

Broadens eligibility in training grant program with updating definitions, while allowing funds to be carried forward until expended.

## Substance Use Grant Appropriation Correction

- **Restore Administration Appropriation**— Reinstates administration funding for the Substance Use Treatment, Recovery and Prevention Grants.

# Transfers of Authority



## Enhanced Health Plan Regulatory Alignment

- **Transition** – Transitions authority over HMOs and CBPs from Health to Commerce. \$1.75m from General Fund and \$1.83m in both revenue and expenditures from SGSR are transferred to Commerce from Health.

## Transfer of Coordination and Crisis Phone Service from Human Services

- **Regional Coordination and 24/7 Statewide Crisis Phone Services** – Appropriates funds directly to the department for work that was previously administered through an Interagency Agreement. \$1.25m from General Fund transferred to Health from Human Services.

# Update on Federal Funding Terminations

In February, MDH received notice of termination of two CDC grants, with the intent to cancel three additional grants

These terminations would cut local and tribal public health, funds to monitor and prevent HIV and STI infections, and funding for MDH employees

On February 12, a multistate lawsuit resulted in a temporary restraining order

On March 12, a federal court granted a preliminary injunction

# Thank you!

For questions about any of these proposals, please contact:

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