MN HOUSE RESEARCH

MinnesotaCare: An Overview

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MinnesotaCare provides subsidized health care coverage to low-income individuals who are not eligible for Medical Assistance (MA) and who do not have access to other types of health insurance coverage. The program is administered by the Department of Human Services (DHS) under federal guidance as a basic health program (BHP). As of January 2026, 80,281 Minnesotans were covered under MinnesotaCare.

Eligibility

DHS, in cooperation with MNsure, the state's health insurance exchange, is responsible for processing applications and determining eligibility for MinnesotaCare. To be eligible for MinnesotaCare, an individual must meet the criteria listed below:

- Have gross income that is greater than 133 percent of the federal poverty guidelines (FPG) but does not exceed 200 percent of FPG (i.e., for a household of one for 2027, annual income must be greater than $21,226 and less than $31,920). Exceptions to the income floor are made for certain groups of individuals.
- Not be eligible for Medical Assistance (MA).
- Not have access to employer-sponsored insurance that is affordable (the employee pays no more than 10.22 percent of income for employee and dependent coverage for 2027) and provides minimum value (pays for at least 60 percent of medical expenses on average).
- Not have access to other minimum essential health coverage, including coverage under Medicare, other government programs, and other specified coverage.
- Be a resident of Minnesota, according to the residency requirements that apply to the MA program.
- Be a U.S. citizen, lawfully present noncitizen, or an undocumented noncitizen under the age of 18.

Covered services

MinnesotaCare coverage is based on MA covered services. Under MinnesotaCare, individuals who are pregnant are eligible for coverage of all MA covered services retroactive to the date of conception. Children under age 19 and individuals who are not pregnant are eligible for most, but not all, services that are covered under MA. Covered services include physician care, hospitalization, prescription drugs, therapy services, and a wide range of other health care services.

Premiums and cost-sharing

Most enrollees age 21 and older pay monthly, per-person premiums based on a sliding scale. The sliding scale is specified in state statute, and it starts at $0 per month for individuals under 35 percent of FPG and incrementally increases to $80 per month for individuals at 200 percent of FPG. In addition to enrollees under age 21 and individuals with income less than 35 percent of FPG, American Indians and Alaska Natives and certain members of the military and their families are exempt from paying MinnesotaCare premiums.

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Most enrollees age 21 and older are also subject to cost-sharing requirements (American Indians and Alaska Natives are exempt from the requirements). DHS is required to adjust MinnesotaCare cost-sharing in a manner sufficient to maintain the actuarial value of the MinnesotaCare benefit at 94 percent (i.e., pays for at least 94 percent of medical costs on average).

Service delivery and provider reimbursement

Most MinnesotaCare enrollees receive health care services through a managed care system rather than through fee-for-service (FFS). Under managed care, the MinnesotaCare program pays participating entities a monthly capitation payment for each MinnesotaCare enrollee. Participating entities are health maintenance organizations and other health carriers, county-based purchasing plans, certain accountable care organizations and county-integrated health care delivery networks, and networks of health care providers.

In general, MinnesotaCare does not set provider reimbursement rates; these rates are the result of negotiation between health care providers and the participating entities.

Expenditures and funding

In fiscal year 2025, the MinnesotaCare program paid about $655 million for medical services provided to enrollees. About 90 percent of this cost was paid for by the federal government, 9.2 percent by the state, and the remainder by enrollees through premium payments (0.8 percent). The state's share of funding is financed with funds from the health care access fund (HCAF), which is a special revenue fund in the state treasury.

Recipients

As of January 2026, 80,281 individuals were enrolled in the MinnesotaCare program. Most were adults without children (50.2 percent) and families with children (39.3 percent). About 10.5 percent were state-only funded enrollees (i.e., individuals who are not eligible for federal BHP funding), including individuals age 64 and over who are not eligible for Medicare, Deferred Action for Childhood Arrival (DACA) grantees, and undocumented noncitizens under the age of 18.

Application procedure

MinnesotaCare applications can be obtained by calling the Department of Human Services (1-800-657-3672) or MNsure, the state's health insurance exchange (1-855-366-7873). Applications are also available at county human services agencies and other locations.

For more information: See the longer House Research Department publication *MinnesotaCare* for more on the administration, eligibility, benefits, premiums, funding and expenditures, recipients, and other aspects of the program.