

Health Overview

January 2025

Presentation Outline

- Nonpartisan Staff Roles
- Budget Overview
- Subsidized Health Care Programs
- MNsure
- Regulation of Health-Related Occupations
- Minnesota Department of Health
- Office of Emergency Medical Services, Rare Disease Advisory Council

Nonpartisan Staff Roles

House Research Department

Elisabeth Klarqvist and Annie Mach

- Draft bills and amendments
- Write bill summaries
- Provide background research on topics
- Answer questions on bill content and legal consequences

House Fiscal

Joe Harney

- Track revenue and budget effect of legislative and executive policy goals
- Interpret and analyze revenue estimates and fiscal notes
- Offer confidential fiscal analysis of spending, revenue, and policy proposals

Budget Overview

Quick Budget Basics (Funds)

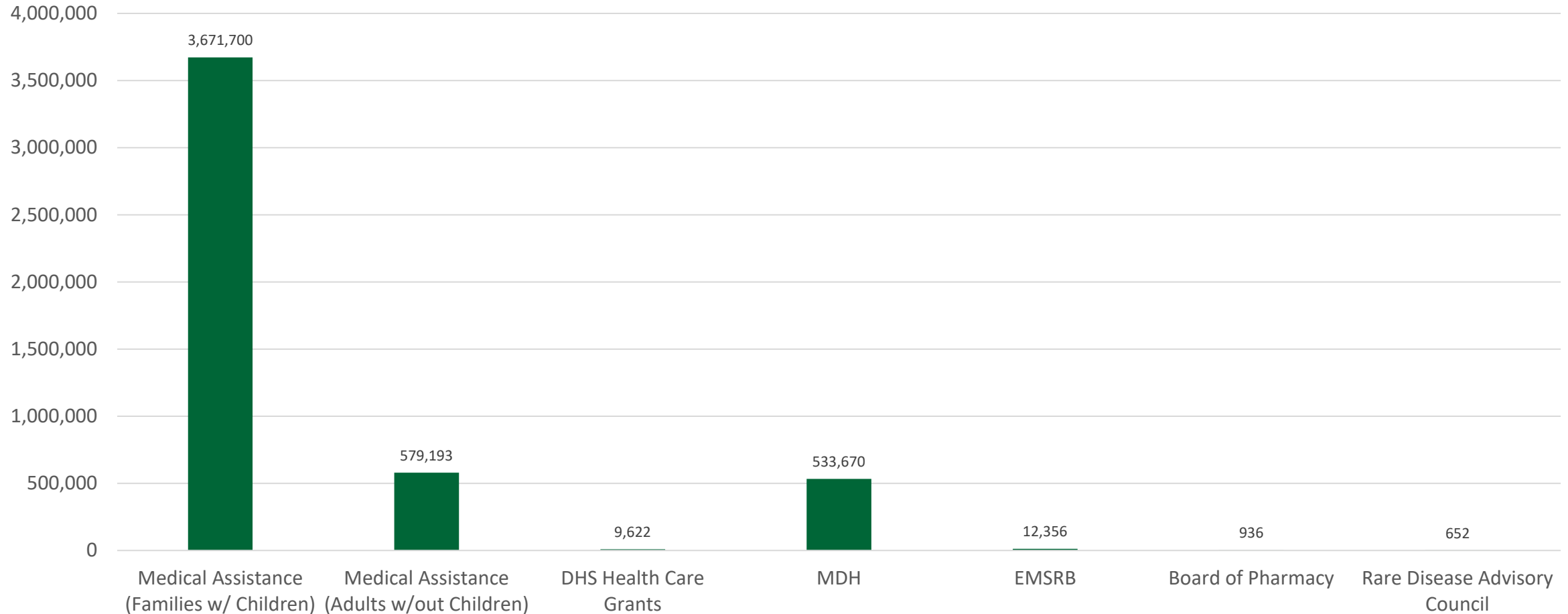
- General Fund
- State Government Special Revenue
- Restricted Miscellaneous Special Revenue
- Other Miscellaneous Special Revenue
- Federal
- Federal TANF
- Health Care Access
- Remediation
- Drinking Water Revolving Fund

Overview of Topics and Accounts

- Human Services Department
 - MA Adults without Children Basic Care
 - MA Families with Children Basic Care
 - MinnesotaCare
 - Other Health Care Grants
- Health Department
- Office of Emergency Medical Services
- Health Related Boards (16)
- MNsure
- Rare Disease Advisory Council

General Fund Base Spending FY26-27

Health Overview Presentation: Base General Fund Appropriations FY 26-27

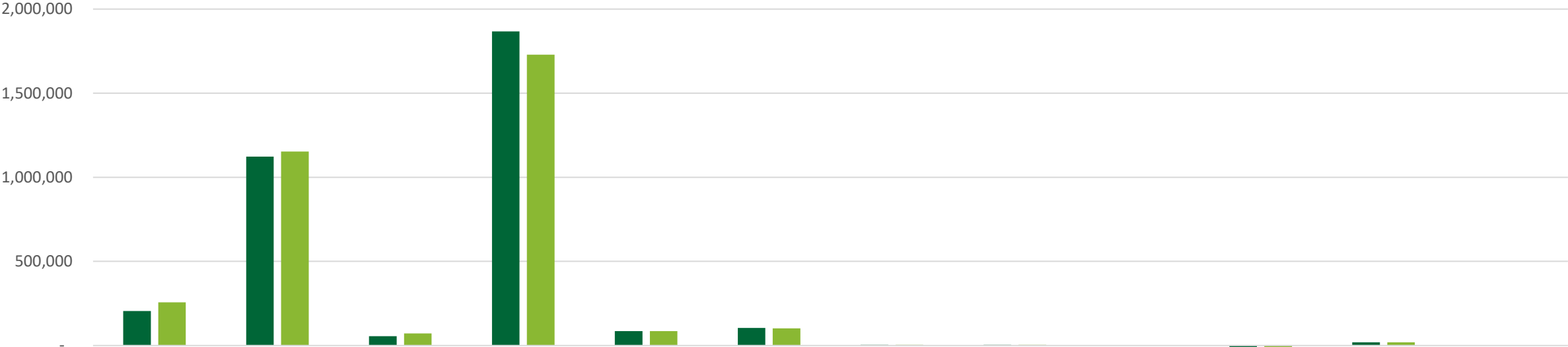


Health Care Access Fund

- Provider Tax Overview
- Who gets taxed
- Tax rate
- Revenue collected
- Other Sources of Revenue
- Health Care Access Fund November 2024 Forecast Statement

Health Care Access Fund Nov. 2024 Forecast Expenditures

HCAF November 2024 Base Forecast Expenditures

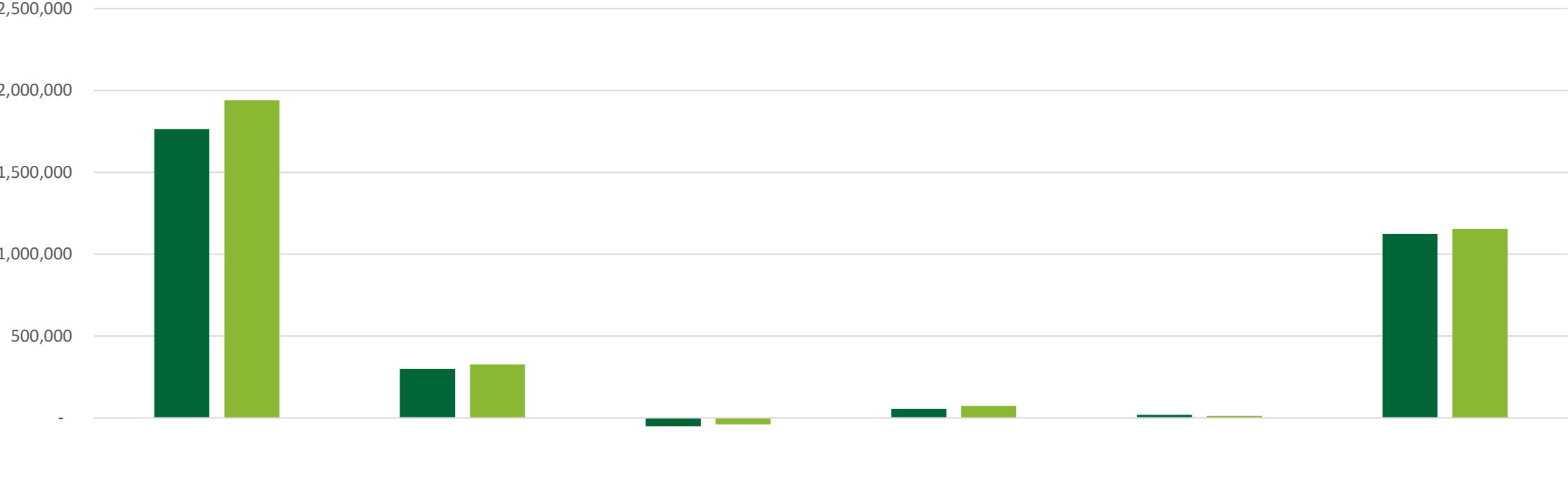


	MinnesotaCare: Direct Approp.	MinnesotaCare: Fed BHP Expenditures	MinnesotaCare: State Share of Enrollee Premiums	Medical Assistance	DHS	MDH	University of Minnesota	Department of Revenue	Interest on Tax Refunds	DHS Federal Reimbursement	xfer to DHS SR for systems	xfer to Insulin Safety Net Acct
FY26-27	204,676	1,122,994	55,210	1,867,210	85,754	104,316	4,314	3,520	1,490	(34,098)	19,020	200
FY28-29	256,896	1,153,521	72,054	1,728,990	85,754	101,924	4,314	3,520	1,120	(34,098)	19,020	200

■ FY26-27 ■ FY28-29

Health Care Access Fund: Nov. 2024 Forecast Revenues

HCAF November 2024 Base Forecast Revenues



	1.8% Provider Tax	1 % Gross Premium Tax	Provider and Premium Tax Refunds	MinnesotaCare Enrollee Premiums	Investment Income	MinnesotaCare: Federal BHP
FY26-27	1,763,340	299,210	(50,370)	55,210	19,210	1,122,994
FY28-29	1,941,470	327,280	(39,650)	72,054	12,690	1,153,521

■ FY26-27 ■ FY28-29

Other Health Care Grants Base Expenditures

Health Care Grants All Funds Base FY26-27



Other Health Care Grants

- In-Person Assister and Minnesota Community Application Agent (MNCAA) Programs
- Emergency Medical Assistance Referral and Assistance Grants
- Immunization Registry Grants
- Child and Teen Checkup Grants
- Integrated Care for High -Risk Pregnancies (ICHRP)
- Periodic Data Matching Grants

Subsidized Health Care Programs

Medical Assistance Funding

Dollars in Thousands	2026	2027	FY26-27	2028	2029	FY28-29
Medical Assistance	3,175,177	3,141,108	6,316,285	3,263,002	3,391,044	6,654,046
- General	2,073,371	2,177,522	4,250,893	2,299,416	2,427,458	4,726,874
- Restrict Misc Special Revenue	99,091	99,091	198,182	99,091	99,091	198,182
- Health Care Access	1,002,715	864,495	1,867,210	864,495	864,495	1,728,990

MinnesotaCare Funding

Dollars in Thousands	2026	2027	FY26-27	2028	2029	FY28-29
Minnesota Care	655,899	704,245	1,360,144	717,046	712,162	1,429,208
- Health Care Access	105,770	154,116	259,886	166,917	162,033	328,950
- Federal	550,129	550,129	1,100,258	550,129	550,129	1,100,258

Category	Medical Assistance (MA)	MinnesotaCare	Premium Tax Credits (PTC) & Cost-sharing Reductions (CSR)
Overview	Federal-state program that pays for health care services for eligible low-income individuals	Federal Basic Health Program administered by the state to provide subsidized health care coverage to low-income individuals not eligible for MA	Federal subsidies available to eligible individuals who purchase qualified health plans through MNsure
Enrollees & Recipients	Monthly Average: 1.3 million	Monthly Average: 101,936	MNsure: 133,728 PTC: 79,268 CSR: 11,032
Annual Funding	Federal: \$ 10.8 billion State: \$ 7.4 billion Local: \$186.4 million	Federal: \$582.9 million State: \$ 79.8 million Premiums: \$391,216	Federal: \$332.7 million

Enrollee and funding data for MA and MinnesotaCare are for FY 2024. PTC and CSR recipient data are from February 2024, and federal spending on PTCs is an estimate for CY 2024.

MA Eligibility

- Must be a Minnesota resident
- Must be a U.S. citizen or a legal noncitizen
- Must belong to an eligible group
- Must meet income limits and any applicable asset limits

MA Income and Asset Limits by Eligibility Group

Eligibility Group	Income Limit	Asset Limit
Adults without children	≤ 133% FPL	None
Parents and caretakers of dependent children on MA	≤ 133% FPL	None, unless on spenddown
Children ages 19 – 20 years	≤ 133% FPL	None
Children ages 2 – 18 years	≤ 275% FPL	None
Pregnant women	≤ 278% FPL	None
Children under age 2 years	≤ 283% FPL	None
Aged, blind, disabled	≤ 100% FPL	\$3,000/household of 1 \$6,000/household of 2
Disabled children eligible for TEFRA children's home care option	≤ 100% FPL	None
Employed persons with disabilities	No income limit	None

MA Covered Services

- MA covers all federally mandated and most optional health care services.
- Most covered services are listed in § 256B.0625.

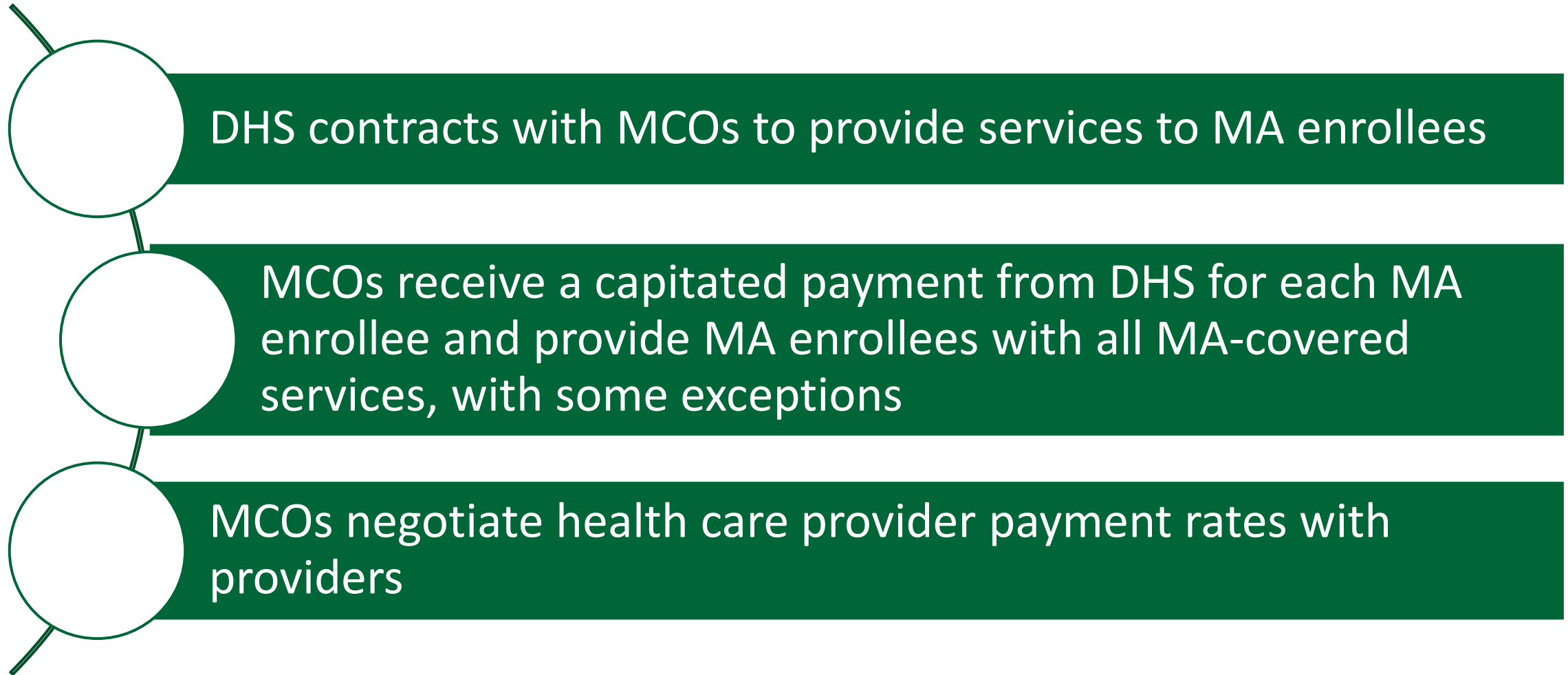
MA Premiums & Cost-Sharing

- MA does not charge premiums
- No cost-sharing (co-payments, coinsurance, deductibles)

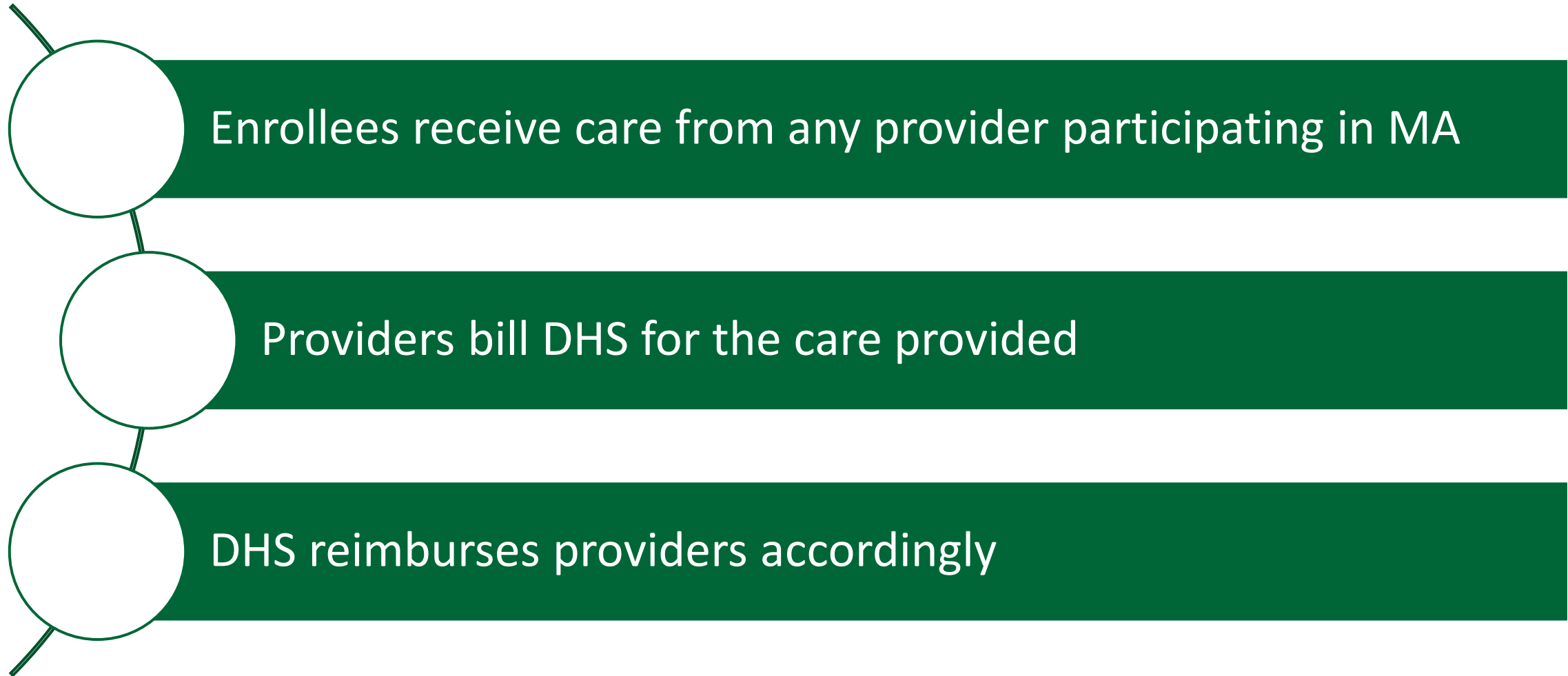
MA Service Delivery

- **Managed Care**
 - Most MA enrollees receive covered services through managed care organizations (MCOs), which include HMOs and county-based purchasing plans
 - Required to enroll in managed care: Families and children, adults without children, and individuals aged 65 and older
- **Fee-for-Service**
 - Individuals with disabilities may opt out of managed care and remain in the fee-for-service system

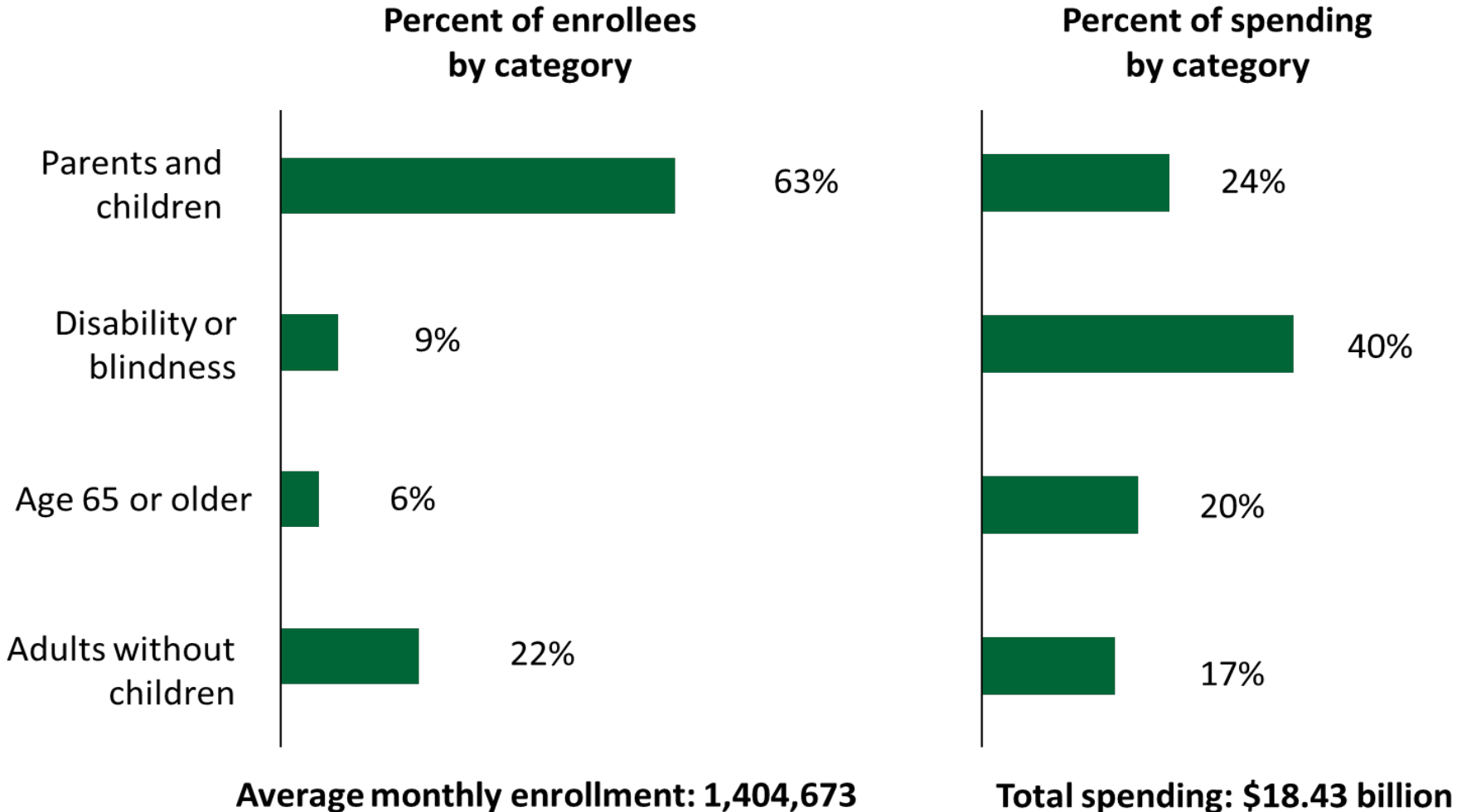
MA Managed Care



MA Fee-for-Service



MA Eligibles – FY 2023



MA Financing

- Entitlement program that's jointly financed by the state and federal government
- States are guaranteed federal matching dollars for qualified services provided to eligible enrollees
- The federal share, or FMAP, is determined by a formula in federal law and is recalculated annually

Program	Federal Matching Rate FFY 2025
General MA	51.16%
CHIP	65.81%
ACA Expansion Population	90.00%

MinnesotaCare Eligibility

- Must be a Minnesota resident
- Must not have access to other health insurance coverage, including MA
- Must meet income limits
 - Eligibility is limited to individuals with incomes greater than 133% FPL but not exceeding 200% FPL (with some exceptions)

MinnesotaCare Covered Services

- MinnesotaCare covers most but not all services eligible for reimbursement under MA.
- Pregnant women and children have access to a broader range of services—nearly all MA benefits—than adults who are not pregnant.

MinnesotaCare Premiums

- Enrollees age 21 and older pay per-person monthly premiums based on a sliding scale:
 - 2021 – 2025: \$0 to \$28
 - 2026: \$0 to \$80
- Some enrollees are exempt from paying premiums:
 - Children
 - Enrollees with incomes less than 160% FPL
 - American Indians and Alaska Natives
 - Members of the military and their families who are determined eligible within 24 months of the end of the member’s tour of active duty

MinnesotaCare Cost-Sharing

- Various cost-sharing requirements apply.
- DHS is required to adjust co-payments, coinsurance, and deductibles to maintain an actuarial value at 94%.
- Some enrollees are exempt from cost-sharing requirements:
 - Pregnant women
 - Children
 - American Indians and Alaska Natives

MinnesotaCare Service Delivery

- Most MinnesotaCare enrollees receive services through managed care organizations (MCOs).
- DHS contracts on a prepaid basis with MCOs, and the MCOs receive a capitated payment from DHS for each enrollee.
- Provider reimbursement rates are the result of negotiation between the providers and the MCOs.
- MinnesotaCare must offer at least two MCOs in each county.

MinnesotaCare Financing

- For federally eligible enrollees, the program is jointly financed by the state and federal government.
- For enrollees who are not federally eligible, the program is financed by the state.

Federal Funding

State receives 95% of the value of premium tax credits and a portion of the value of cost-sharing reductions that MinnesotaCare enrollees would have otherwise received

State Funding

Comes from the Health Care Access Fund (HCAF), which is funded by taxes on health care providers and on certain health plan premiums

MNsure

- MNsure is the state's health insurance exchange
- Governed by a board of directors
- Primary functions:
 - Assist individuals in selecting and purchasing health insurance
 - Determine eligibility for federal premium tax credits and cost-sharing reductions
 - Provide a common entry point for individuals to apply for private health insurance and public programs (e.g., Medical Assistance and MinnesotaCare)
- Primarily financed by a 3.5% assessment on QHP premiums and funding from DHS related to operation of METS eligibility system

Health-Related Licensing Boards

Health-Related Licensing Board Funding

- **Board of Behavioral Health & Therapy:**
(FY26-27 SGSR Base: \$2.338m)
- **Board of Chiropractic Examiners:**
(FY26-27 SGSR Base: \$1.580m)
- **Board of Dentistry:** (FY26-27 SGSR Base: \$8.416m)
- **Board of Dietetics and Nutrition Practice:**
(FY26-27 SGSR Base: \$434k)
- **Board of Executives for Long-Term Services & Supports:** (FY26-27 SGSR Base: \$1.472m)
- **Board of Marriage & Family Therapy:**
(FY26-27 SGSR Base: \$914k)
- **Board of Medical Practice:**
(FY26-27 SGSR Base: \$12.180m)
- **Board of Nursing:** (FY26-27 SGSR Base: \$12.550m)
- **Board of Occupational Therapy Practice:**
(FY26-27 SGSR Base: \$1.120m)
- **Board of Optometry:** (FY26-27 SGSR Base: \$560k)
- **Board of Pharmacy:**
(FY26-27 SGSR Base: \$10.166m, FY26-27 GF Base: \$936k)
- **Board of Physical Therapy:**
(FY26-27 SGSR Base: \$1.578m)
- **Board of Podiatric Medicine:**
(FY26-27 SGSR Base: \$514k)
- **Board of Psychology:** (FY26-27 SGSR Base: \$5.562m)
- **Board of Social Work:** (FY26-27 SGSR Base: \$4.070m)
- **Board of Veterinary Medicine:** (FY26-27 SGSR Base: 888k)

Regulation of Health-Related Occupations

- Minnesota statutes (chapter 214) provide that no occupation may be regulated by the state unless its regulation is required for the safety and well-being of Minnesotans.
- Health-related occupations are regulated by the Minnesota Department of Health, the Office of Emergency Medical Services, or one of the 16 health-related licensing boards. The state regulates at least 56 health-related occupations.
- Some health-related licensing boards regulate a single occupation, while others, like the Board of Medical Practice, regulate a range of related occupations.

State Health-Related Licensing Boards

- Board of Behavioral Health and Therapy
- Board of Chiropractic Examiners
- Board of Dentistry
- Board of Dietetics and Nutrition Practice
- Board of Marriage and Family Therapy
- Board of Medical Practice
 - Physicians
 - Physician assistants
 - Acupuncture practitioners
 - Athletic trainers
 - Genetic counselors
 - Registered naturopathic doctors
 - Traditional midwives
 - Respiratory care practitioners
- Board of Nursing
- Board of Executives for Long-Term Services and Supports
- Board of Occupational Therapy
- Board of Optometry
- Board of Pharmacy
- Board of Physical Therapy
- Board of Podiatric Medicine
- Board of Psychology
- Board of Social Work
- Board of Veterinary Medicine

Interstate Licensure Compacts

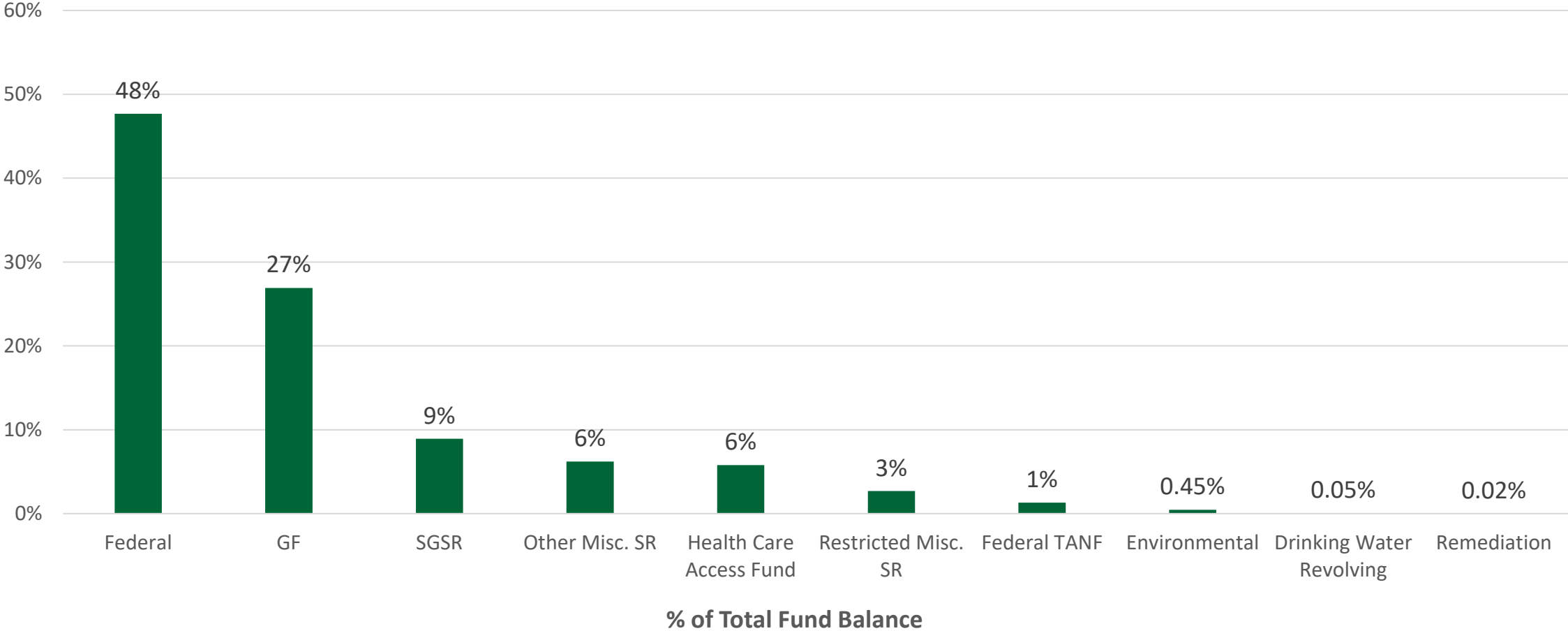
Minnesota has enacted legislation to join interstate licensure compacts for several health-related occupations, allowing qualified individuals in member states to more easily practice their occupation in other states that have joined the interstate compact.

- Interstate Medical Licensure Compact
- Psychology Interjurisdictional Compact
- Physical Therapy Licensure Compact
- Physician Assistant Licensure Compact (active, not yet operational)
- Occupational Therapy Licensure Compact (active, not yet operational)
- Licensed Professional Counselor Compact (active, not yet operational)
- Audiology and Speech-Language Pathology Compact (active, not yet operational)
- Dentist and Dental Hygienist Compact (active, not yet operational)
- Social Work Services Licensure Compact (active, not yet operational)

Minnesota Department of Health

Department of Health Base Budget by Fund, FY 2026-27

Combined Fund Balance: \$1.8 billion



Department of Health Base FTEs

Full Department:

- **FTE FY26: 1873.07**
- **FTE FY27: 1708.03**

Health Improvement:

- FTE FY26: 606.32
- FTE FY27: 602.42

Health Protection:

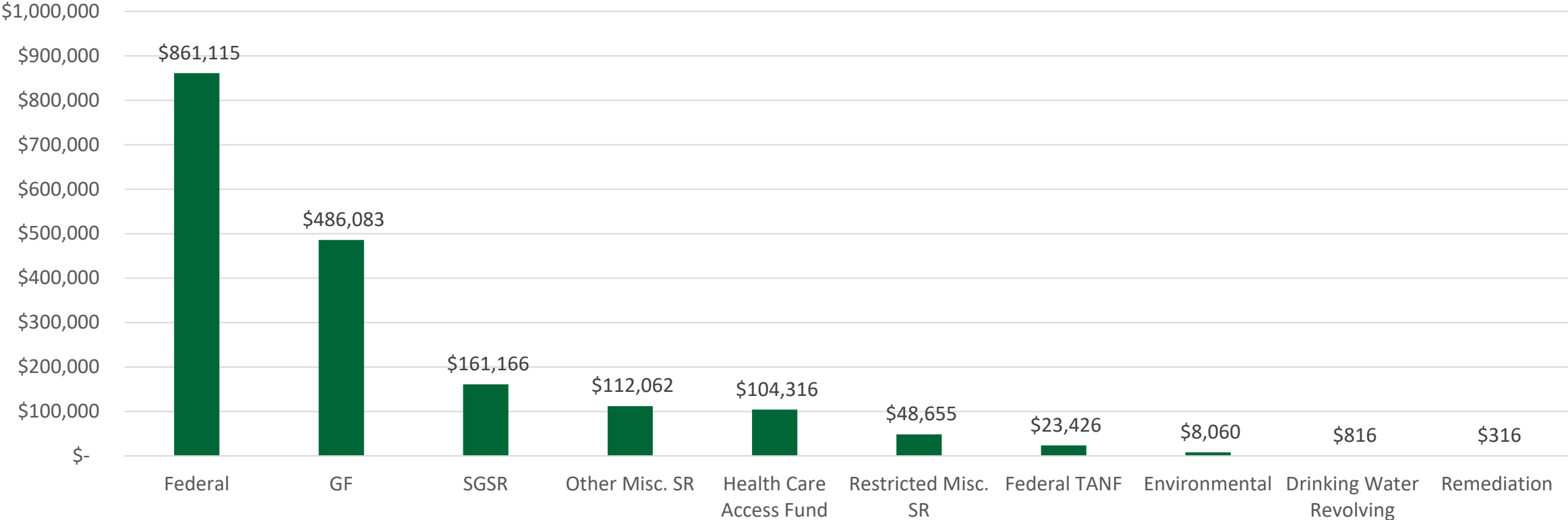
- FTE FY26: 1069.91
- FTE FY27: 908.77

Health Operations:

- FTE FY26: 196.84
- FTE FY27: 196.84

Health Department Programs and Activities

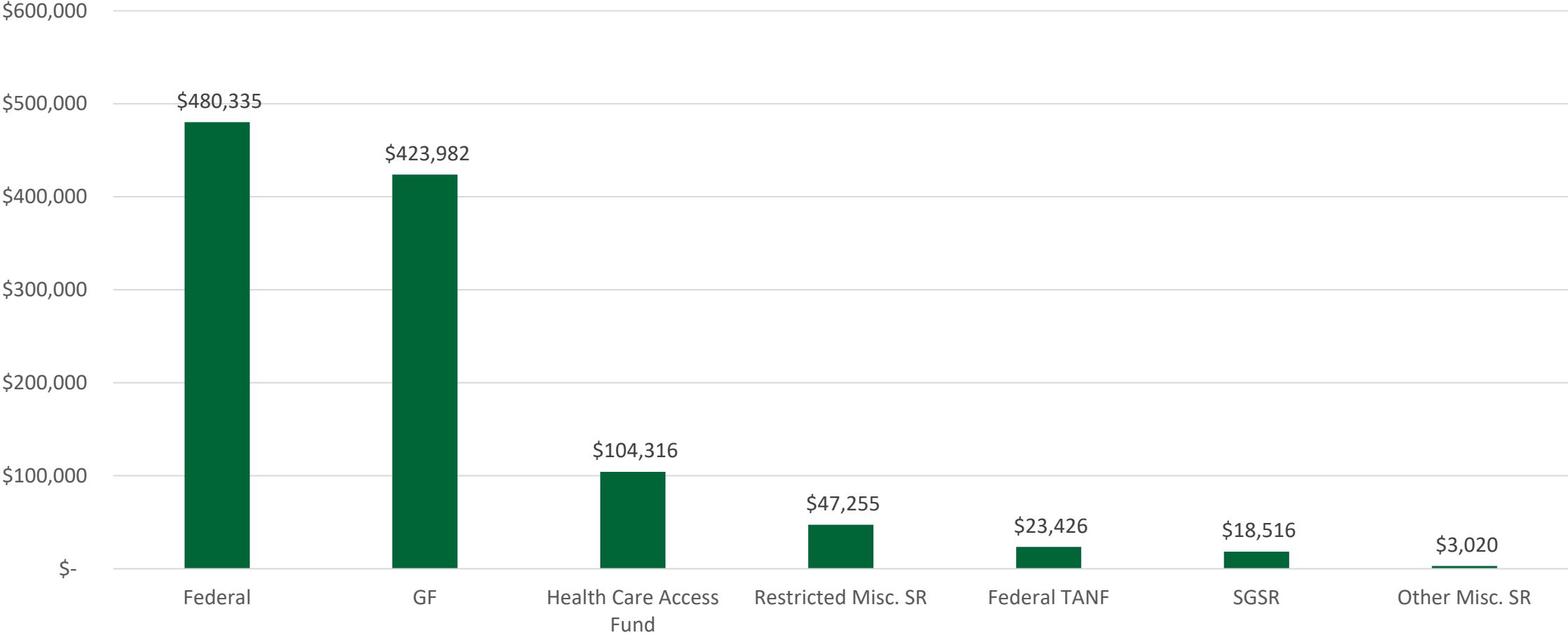
Department of Health Base Budget by Fund, FY 2026-27
Combined Fund Balance: \$1.8 billion



Source: Data from FY 2026-27 Agency Base Budget Books

Health Improvement Funding

Health Improvement All Funds Base Budget FY26-27

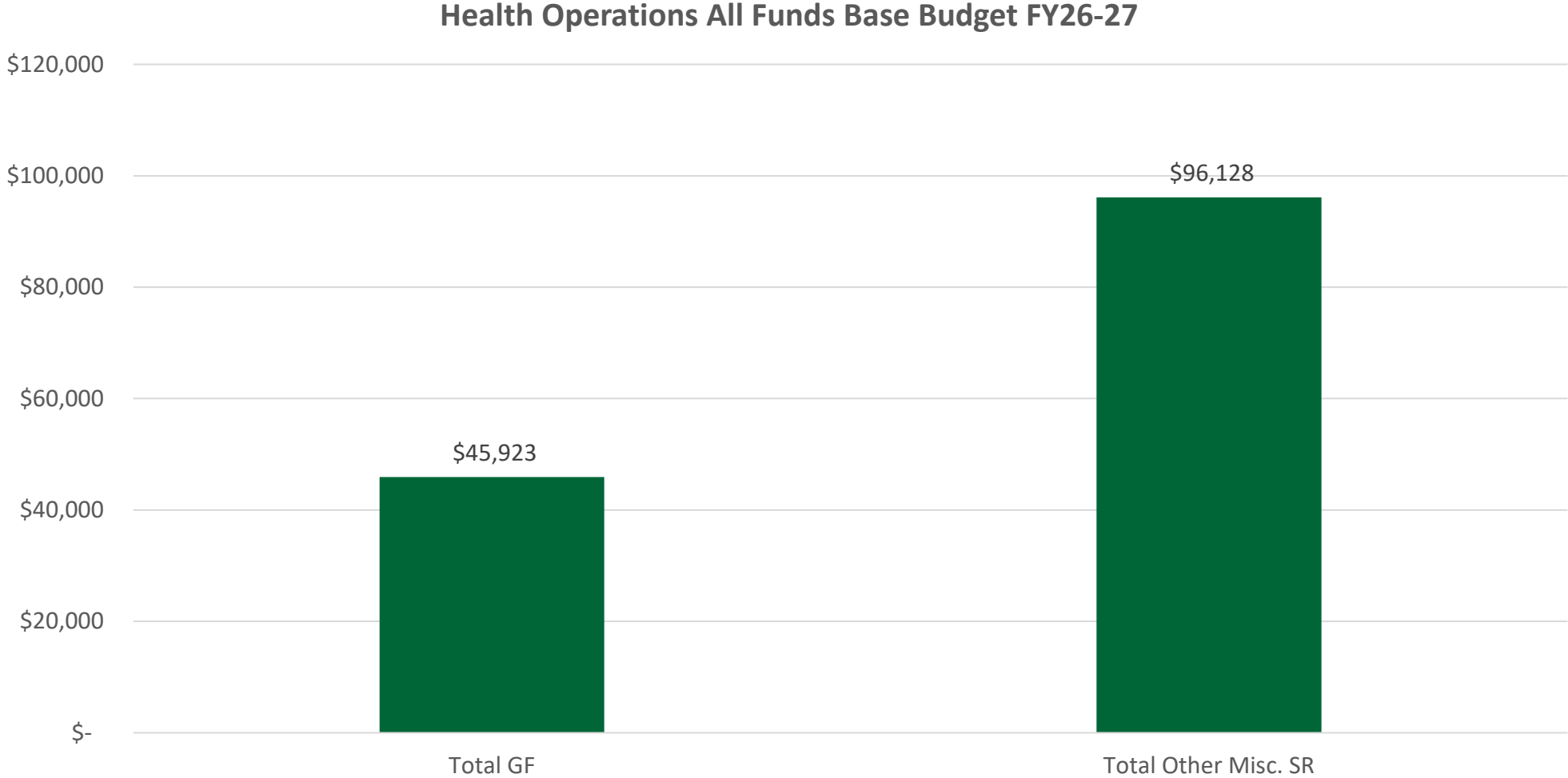


Health Protection Funding

Health Protection All Funds Base Budget FY26-27



Health Operations



MDH Programs and Activities - Public Health

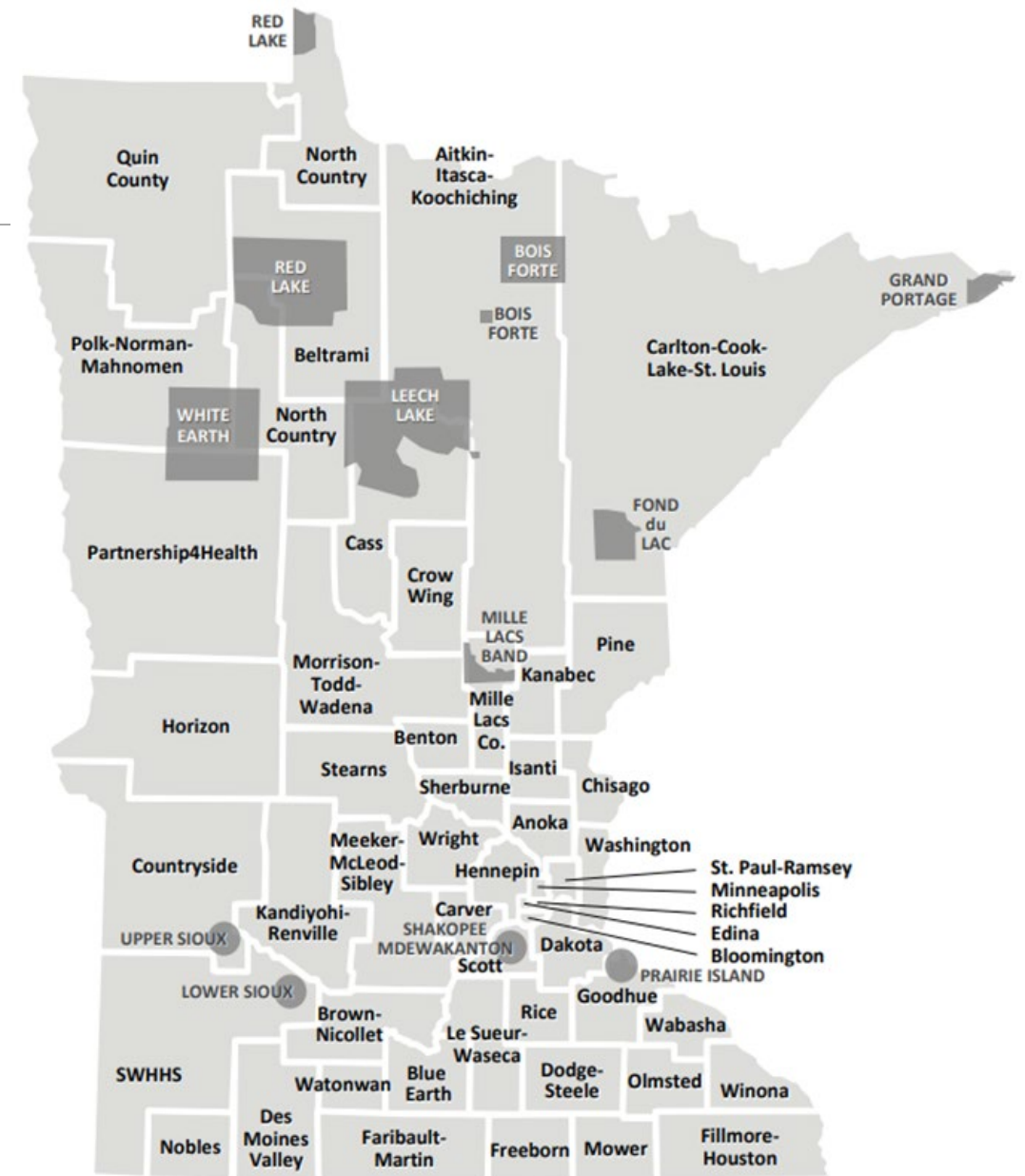
Three broad categories of activities:

- **Public Health:** activities to protect and promote the health of people and communities
- Health Care Regulation
- Health Care Reform

Public Health

Public health is a partnership between MDH, community health boards, Tribal governments, and other organizations.

All areas of the state are covered by a community health board or Tribal government.



Public Health Programs

Health Equity

Health Improvement

- Child and Family Health
 - Maternal and child health
 - Children and youth with special health needs
 - Family home visiting
- Health Promotion and Chronic Disease
 - Cancer control
 - Heart disease, stroke, diabetes, and asthma
 - Injury and violence prevention
- Community Health

Health Protection

- Environmental Health Programs
 - Indoor air quality
 - Drinking water protection
 - Food, pools, and lodging establishments
 - Well management
- Infectious Disease Epidemiology, Prevention, and Control
 - Foodborne illnesses
 - Immunizations
 - Emerging infectious diseases
 - Health care-associated infections
 - STDs, HIV, tuberculosis
- Public Health Laboratory

Health Equity, Child and Family Health

Health Equity programs and activities

Child and Family Health

- Maternal and child health activities
- Home visiting programs
- Special Supplemental Nutrition Program for Women, Infants and Children (WIC) and Commodity Supplemental Food Program (CSFP)
- Children and youth with special health needs

Health Promotion, Community Health, OVR

- Health Promotion and Chronic Disease
 - Center for Health Promotion
 - Cancer control and prevention programs
 - Injury and violence prevention activities
 - Chronic disease
- Community Health
 - Office of Statewide Health Improvement Initiatives
 - Center for Health Statistics
- Office of Vital Records

Environmental Health Programs

- Safe Indoor Environments
 - Indoor air quality, including Clean Indoor Air Act
 - Lead testing and abatement
 - Asbestos abatement
 - Radon mitigation
- Drinking Water
 - Drinking water protection
 - Well management
- Regulation of Food and Beverage Establishments and Lodging Establishments
- Food Safety
- Radiation Safety
- Climate

Infectious Disease Programs

Infectious Disease Epidemiology, Prevention, and Control

- Foodborne, waterborne, and zoonotic disease outbreaks
- Immunizations
- Sexually transmitted diseases, HIV, and tuberculosis
- Collecting data on and investigating infectious diseases
- Health care-associated infections and antimicrobial resistance

Public Health Laboratory

- Analysis of environmental samples to detect public health hazards
- Testing human samples for infectious disease agents to detect disease outbreaks
- Reference and confirmation testing of human specimens, and conducting tests not available in other settings
- Newborn screening program:
 - Tests newborn infants for disorders of metabolism, hormones, the immune system, blood, breathing, digestion, hearing, and the heart
 - State law governs the retention, destruction, and use of blood spots and test results

MDH Programs and Activities – Regulation

- Public Health
- **Health Care Regulation:** includes regulation of certain health occupations, managed care systems, health facilities, and home care providers; and investigation of complaints regarding care provided in health care facilities
- Health Reform

Regulation of Health/Public Health Occupations

Allied Health Professionals

- Speech-language pathologists
- Audiologists
- Spoken language health care interpreters
- Doulas
- Nursing assistants
- Hearing instrument dispensers

Environmental Health Professionals

- Lead workers
- Asbestos workers
- Environmental health specialists/sanitarians
- Food managers
- Water supply system operators
- Well and borings contractors
- Mortuary science practitioners and transfer care specialists

Body Artists and Unlicensed Complementary and Alternative Health Care Practitioners

- Body artists
- Culturally traditional healing practices
- Aroma therapy
- Meditation
- Massage therapy
- Mind-body healing practices
- Acupressure

Regulation of Health Facilities and Providers

- Regulates health facilities such as hospitals, nursing homes, boarding care homes, supervised living facilities, board and lodging establishments providing special services, outpatient surgical centers, hospices, birth centers, and assisted living facilities
- Certifies clinical laboratories
- Licenses home care providers and conducts periodic surveys of these providers
- Registers supplemental nursing services agencies
- Office of Health Facility Complaints
- Administers the case mix review program for nursing home residents

Regulation of Health Carriers

- Licenses health maintenance organizations (HMOs) and regulates their fully insured health plans
- Regulates county-based purchasing organizations
- Ensures provider network adequacy of HMO networks and the networks of health carriers regulated by the Department of Commerce
- Administers an external complaint process for HMO enrollees
- Administers the essential community provider designation program

MDH Programs and Activities – Reform

- Public Health
- Health Care Regulation
- **Health Care Reform:** initiatives and programs to improve access to care, improve quality of care, or reduce health care costs
 - Health care workforce development programs
 - Initiatives to address efficiency, cost, or quality using technology
 - Other reform initiatives

Health Care Workforce Development Programs

- Loan Forgiveness Program
- Clinical or Residency Training Grant Programs
- Medical Education and Research Costs (MERC) Program
- Home and Community-Based Services Employee Scholarship and Loan Forgiveness Program
- International Medical Graduates Assistance Program
- Mental Health Continuing Education Grant Program

Addressing Efficiency, Cost, or Quality Using Technology

- Electronic health records
- Health information exchange
- All-payer claims database (MN APCD)
- Statewide quality reporting and measurement system (SQRMS)

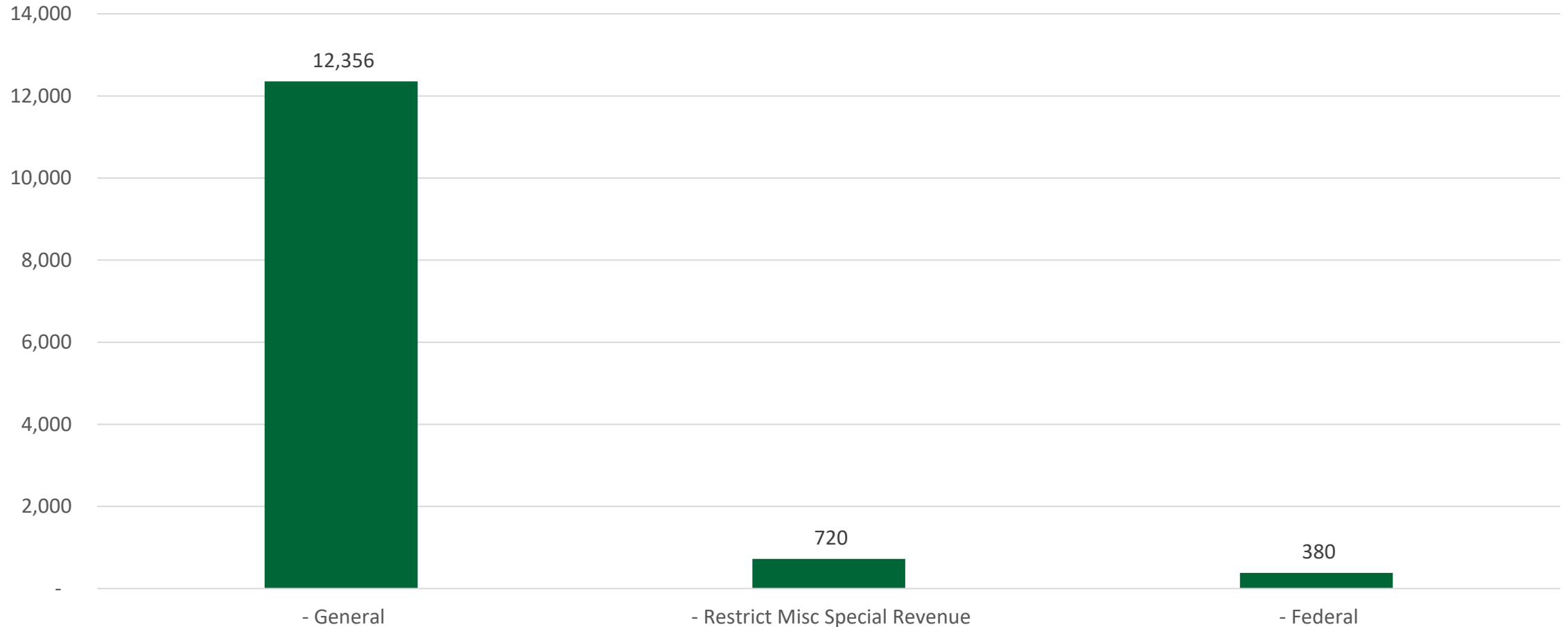
Other Reform Initiatives

- Care coordination through health care homes
- Center for Health Care Affordability

Office of Emergency Medical Services, Rare Disease Advisory Council

Office of Emergency Medical Services Funding

Office of EMS All Funds Base Budget FY26-27



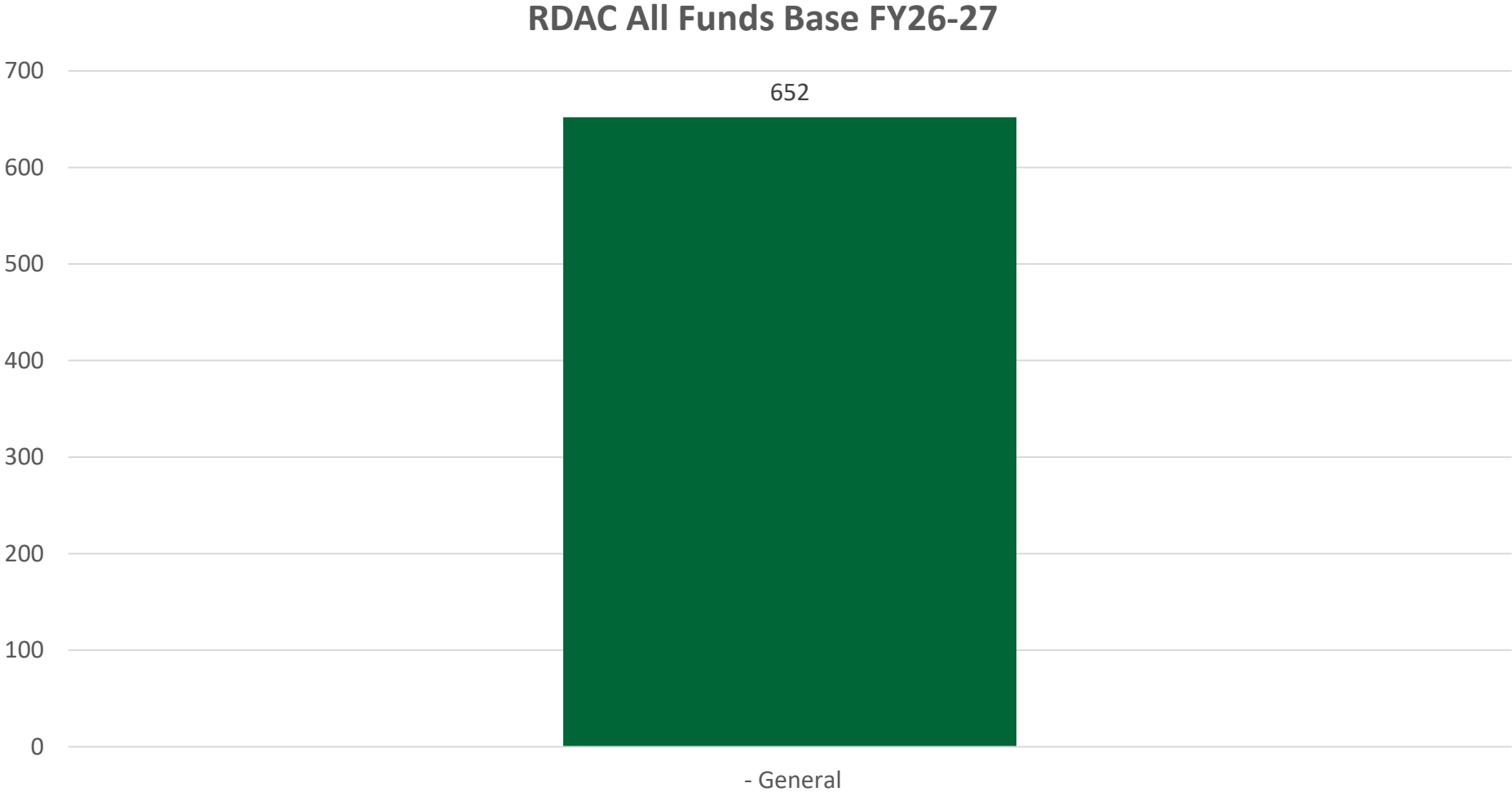
Office of Emergency Medical Services

Replaced the Emergency Medical Services Regulatory Board effective January 1, 2025

Duties of the office include:

- Licensing ambulance services
- Registering medical response units and emergency medical responders
- Certifying EMTs, AEMTs, paramedics, and community EMTs
- Approving education programs for EMR, EMT, AEMT, and paramedic training
- Administering a pilot program and disbursing grants

Rare Disease Advisory Council Funding



Rare Disease Advisory Council

Established in 2019 at the University of Minnesota

Became an independent advisory council in 2022

Membership consists of at least 17 public members and 4 legislators

Duties include:

- Developing resources and recommendations for quality of treatment and services and access to treatment and services
- Advising and consulting with state agencies
- Advising on and advancing policies at the state and federal levels

Contact Information

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