

H.R. 1: Impacts on Medicaid

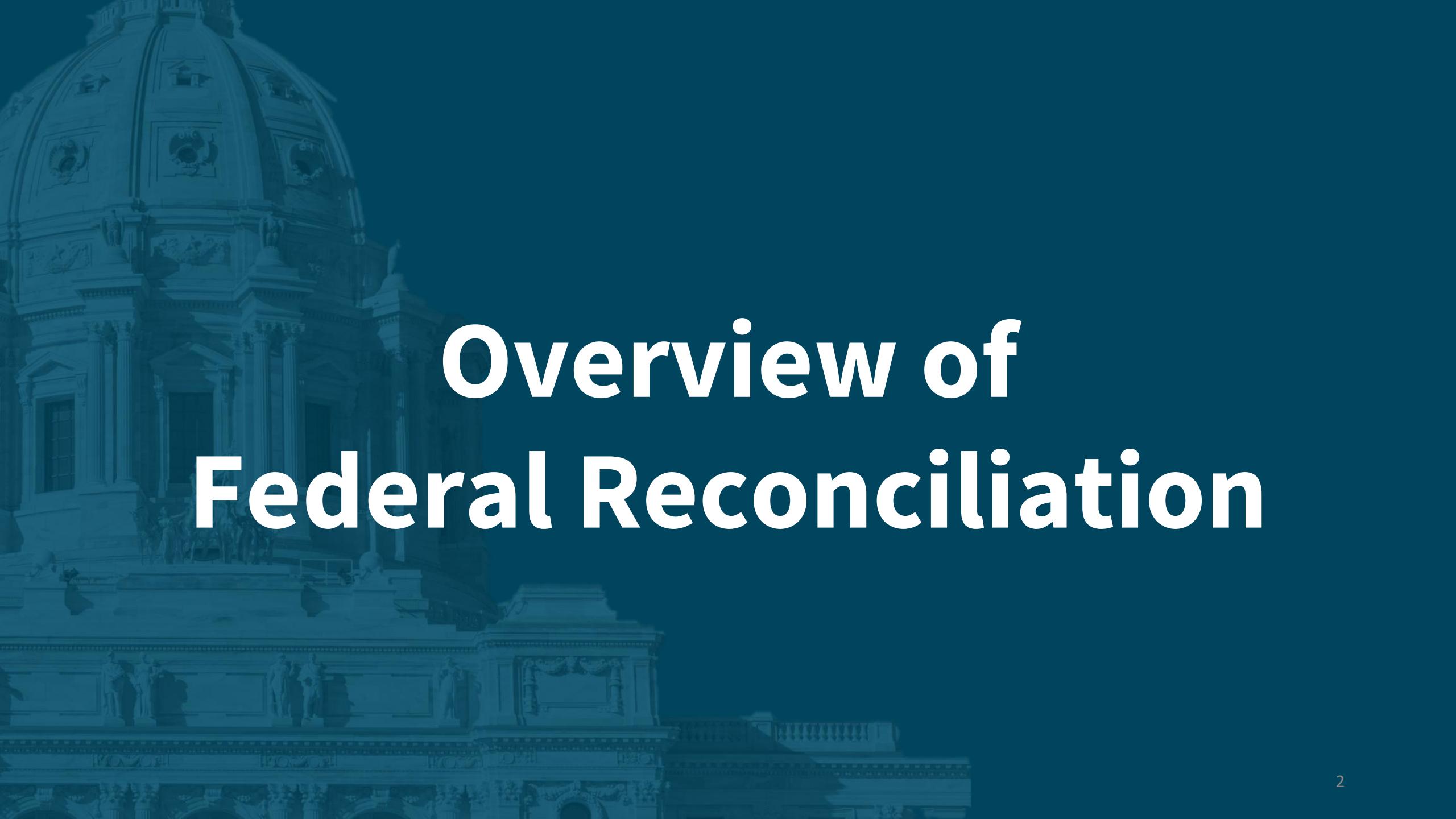
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Pronouns: she/her

Minnesota Budget Project



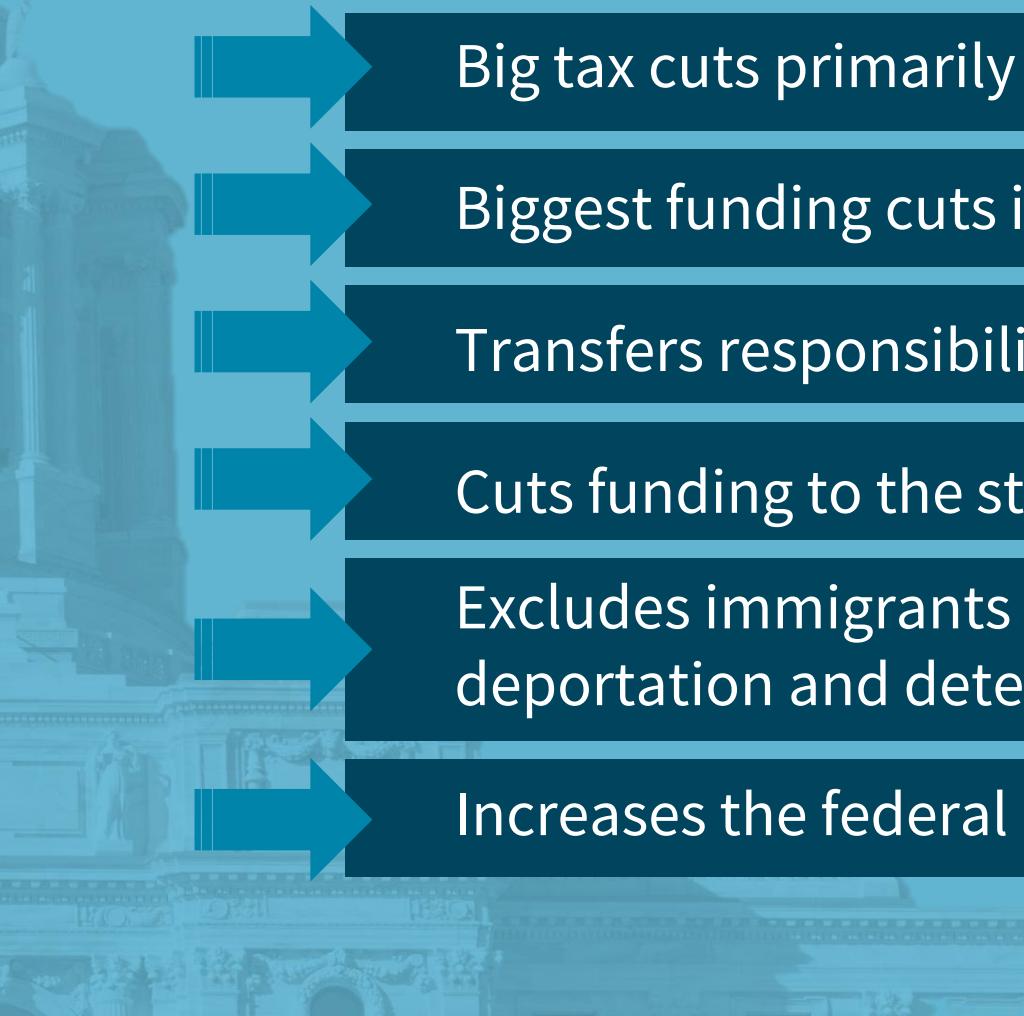
**MINNESOTA
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An initiative of
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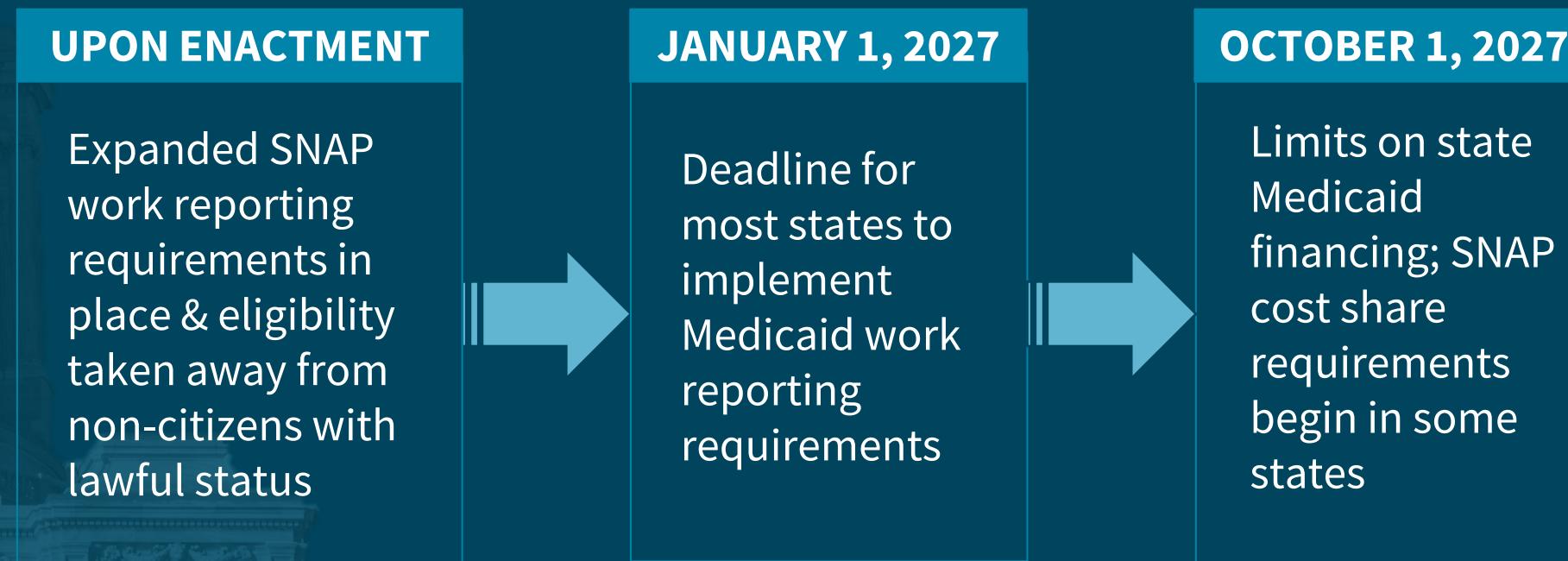


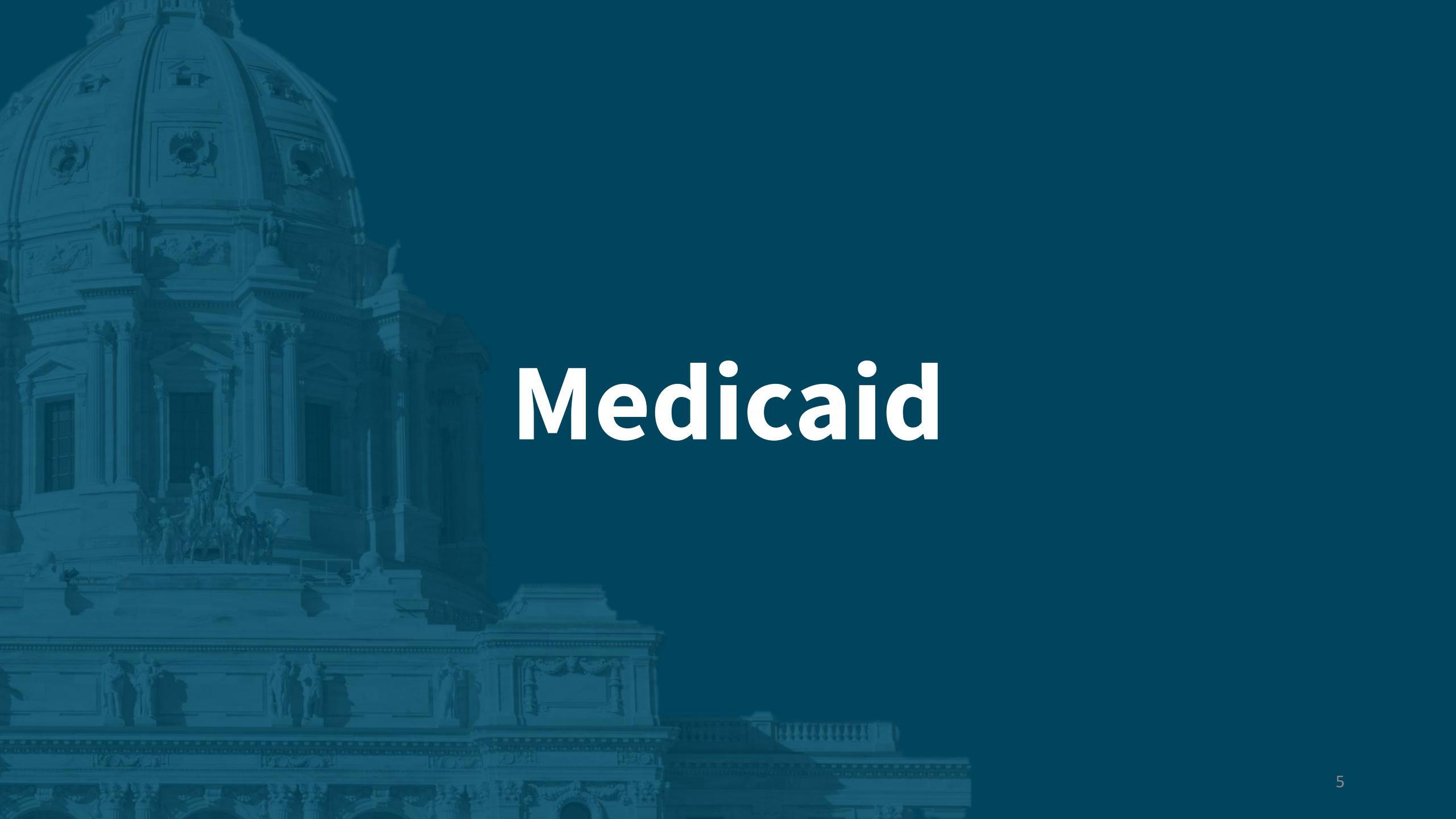
Overview of Federal Reconciliation

Federal budget reconciliation harmful impacts

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- Big tax cuts primarily benefit the wealthy
 - Biggest funding cuts in history to core basic needs services
 - Transfers responsibilities to the states
 - Cuts funding to the states
 - Excludes immigrants from many public services & funds massive deportation and detention program
 - Increases the federal deficit

Harmful impacts happen on a rolling basis: Some examples



A large, ornate building with a prominent dome, representing the U.S. Capitol. The dome is covered in intricate carvings and statues. The building is mostly in shadow, with a bright blue light source from the top left.

Medicaid

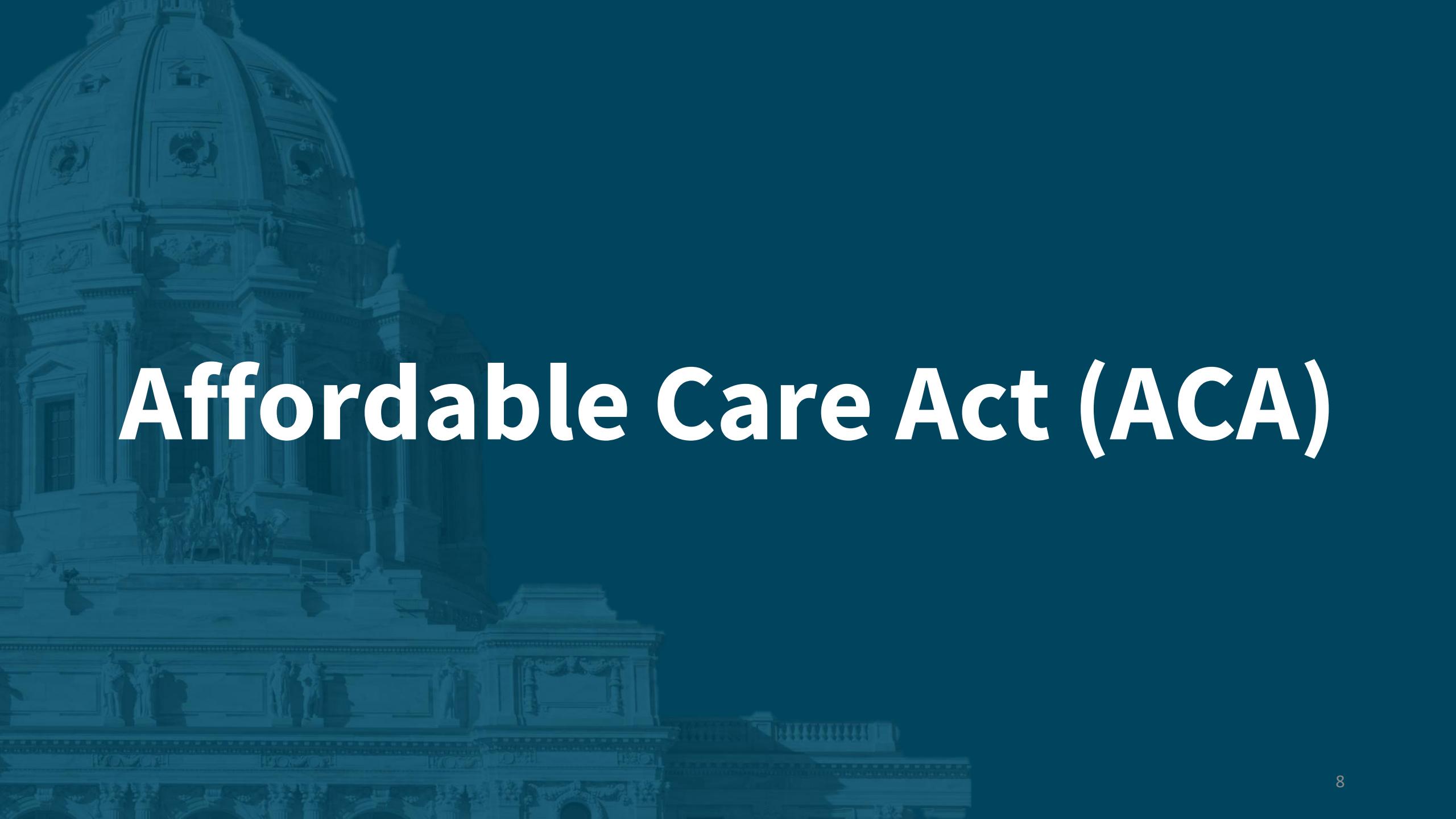
Federal budget reconciliation harmful impacts: **Medicaid**

- **\$1 trillion** funding cut nationally
- New work reporting requirements
- Deep funding cuts could **result in hospitals, nursing homes closing** or cutting services
- Refugees lose health care coverage
- Over **140,000** Minnesotans lose health care coverage
- State of MN lose **\$1.4 billion** in federal funding in first 4 years



Medicaid work reporting requirements create unnecessary red tape leading to coverage loss

- For the first time imposes work requirements on Medicaid participants
- Start at the beginning of 2027 unless the state is granted an extension
- At least **320,000 Minnesotans** likely subject
- An estimated **140,000 people could lose their coverage** or experience delays
- **91 percent** of the expansion population is already working, in school, a caregiver, looking for work, or have health issues that limit their ability to work

A large, ornate dome of a building, likely the U.S. Capitol, is visible in the background, though it is heavily faded and serves as a watermark for the slide.

Affordable Care Act (ACA)

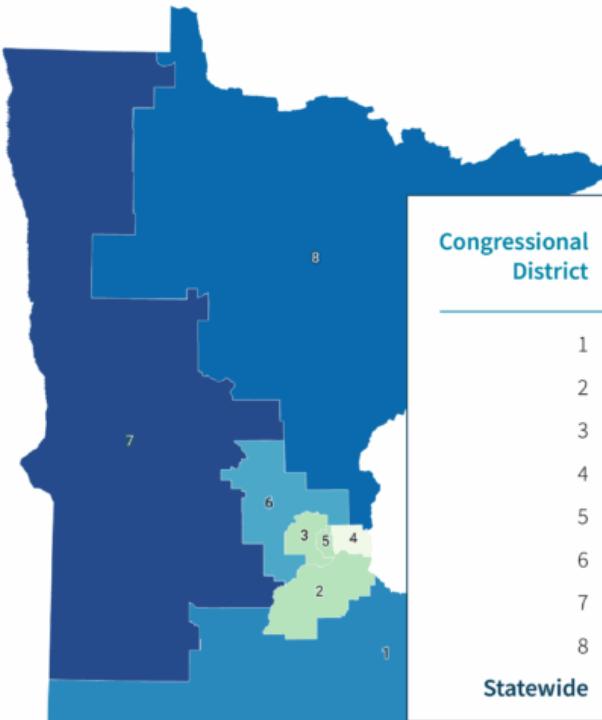
Expiration of ePTCs will lead to a spike in health insurance costs

- **MNsure enrollees are** farmers, independent contractors, early retirees, and people who do not have health insurance through their employer
- If they expire, premiums will rise for **89,000 Minnesotans**
- An estimated **19,500 people across the state** will lose all financial help



Expiration of ePTCs lead to a spike in health insurance costs

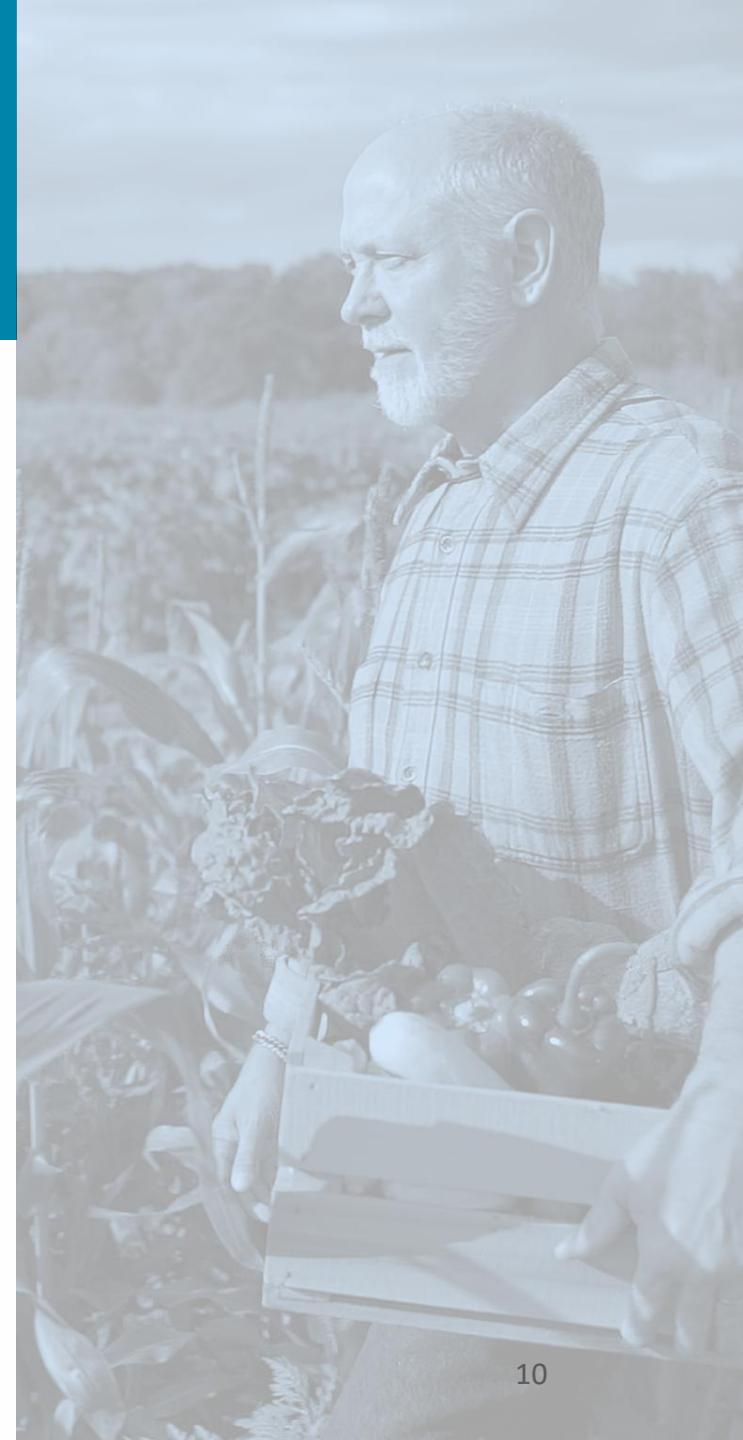
89,000 Minnesotans will see health insurance premiums increase for 2026 if enhancements on premium tax credits expire



Congressional District	# of people whose premiums will increase	Average premium increase per month	# of people will lose all financial help
1	12,000	\$229	2,697
2	9,000	\$173	2,271
3	9,000	\$145	2,136
4	8,000	\$148	2,028
5	9,000	\$145	2,144
6	11,000	\$166	2,520
7	14,000	\$196	2,892
8	13,000	\$186	2,813
Statewide	89,000	\$177	19,501

Note: MNSure data is rounded down at the congressional district level, resulting in a statewide sum that does not match the sum of column two, number of people whose premiums will increase.

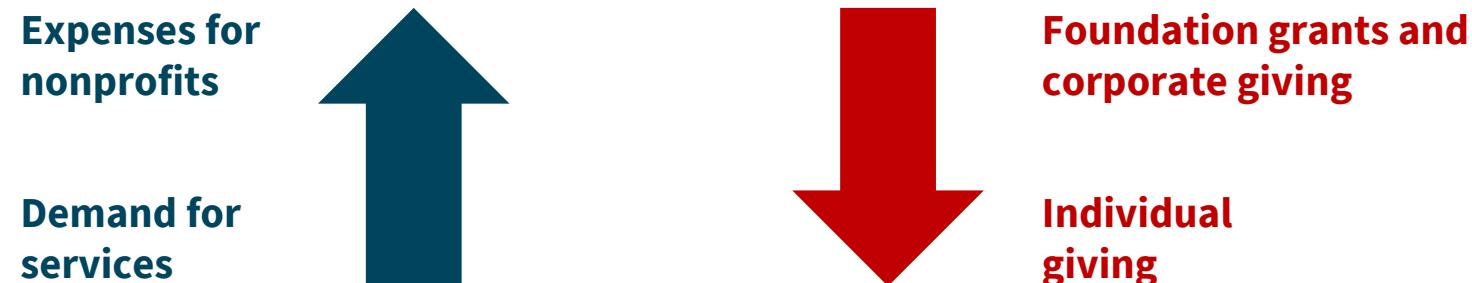
Source: MNSure. 2025. Impacts of Enhanced Tax Credits in Minnesota, March 2025. Minnesota Department of Commerce.
[https://www.mnensure.org/assets/enhanced_tax_credits-statewide-cds_tcm34-674144.pdf](https://www.mnsure.org/assets/enhanced_tax_credits-statewide-cds_tcm34-674144.pdf)



What's at stake for nonprofits?

- Nonprofits do incredible work, often stepping up in times of crisis—but even we have limits
- Billions in funding cuts is beyond what any nonprofit system can absorb

Additional factors are adding to the challenge:



State level policy response: What this moment calls for

- ✓ **Take bold action** to prioritize and protect Minnesotans' access to basic needs.
- ✓ **Harmful federal decisions should not dictate state tax and budget priorities.** Push back against targeting of certain people and services.
- ✓ **Minnesotans should not be excluded from public services** because of their immigration status or other identities or circumstances beyond their control.
- ✓ **Raise state revenues**, especially from those with the most resources, to protect crucial services and meet Minnesotans' needs.

Learn more and connect



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