

# H.R. 1: Impacts on Medicaid

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**MINNESOTA  
BUDGET  
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An initiative of  
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# **Overview of Federal Reconciliation**

# Federal budget reconciliation harmful impacts



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

### UPON ENACTMENT

Expanded SNAP work reporting requirements in place & eligibility taken away from non-citizens with lawful status



### JANUARY 1, 2027

Deadline for most states to implement Medicaid work reporting requirements



### OCTOBER 1, 2027

Limits on state Medicaid financing; SNAP cost share requirements begin in some states



# 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



# Affordable Care Act (ACA)



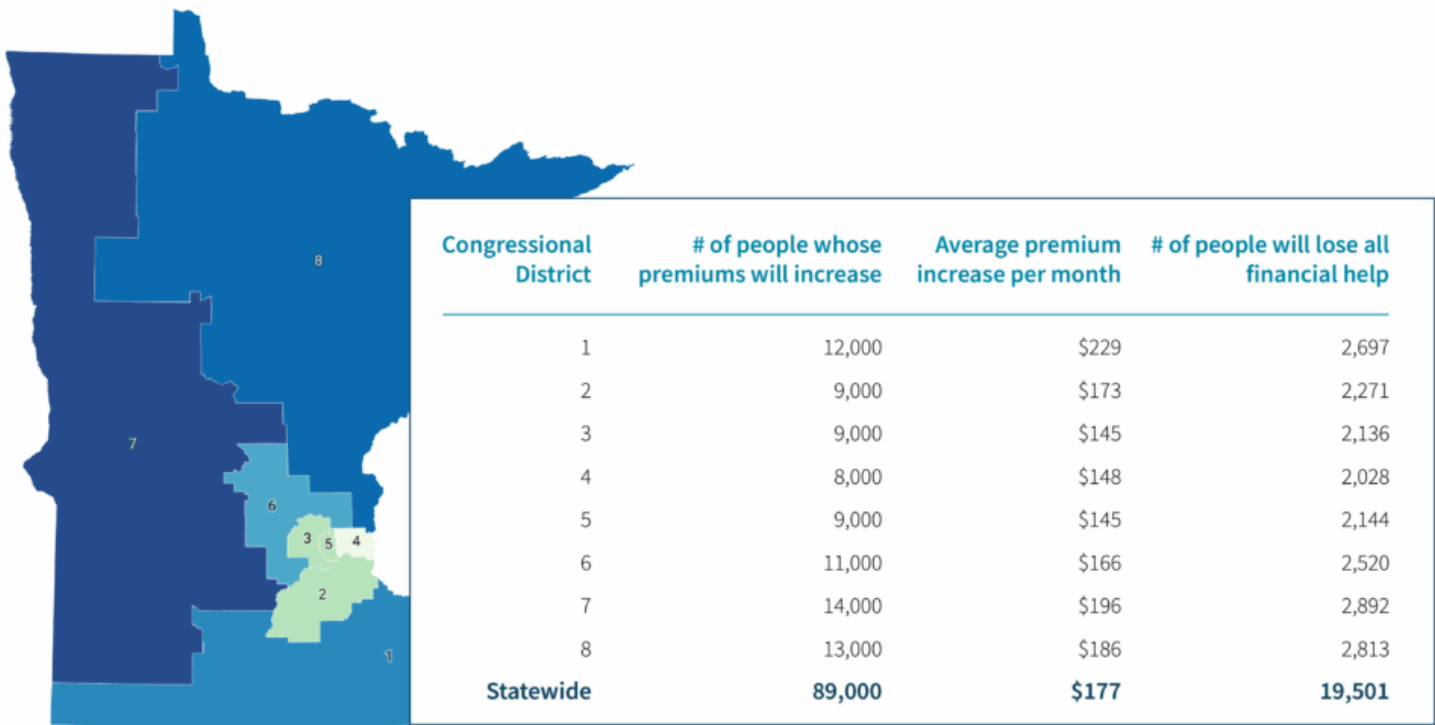
# Expiration of ePTCs will lead to a spike in health insurance costs

- **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



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.mnsure.org/assets/enhanced\\_tax\\_credits-statewide-cds\\_tcm34-674144.pdf](https://www.mnsure.org/assets/enhanced_tax_credits-statewide-cds_tcm34-674144.pdf)



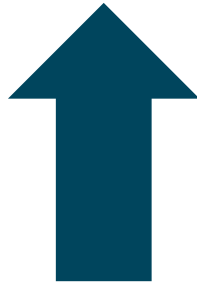
# What's at stake for nonprofits?

- 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:

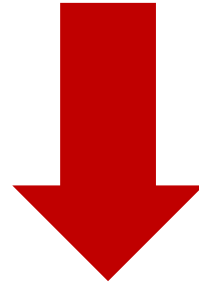
**Expenses for  
nonprofits**

**Demand for  
services**



**Foundation grants and  
corporate giving**

**Individual  
giving**



# 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.

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