



Expanding Medical Assistance eligibility

Issue:

Key aspects of the federal Affordable Care Act (ACA) taking effect in 2014 will significantly change the way people access health care coverage. This proposal will expand access to affordable health coverage to low-income Minnesotans and presents opportunities and requirements for Minnesota to make changes to its publicly funded health care programs to provide a more streamlined and accessible process that makes it easier obtain and keep health care coverage.

Proposal:

Effective Jan. 1, 2014, the governor's budget proposes several changes that expand MA eligibility:

- **Implement optional MA expansions to 138 percent of FPG.**
Expand Medical Assistance (MA) coverage to adults without children with incomes between 75 and 138 percent of federal poverty guidelines (FPG) at 100 percent federal funding, and parents and people ages 19 through 20 with incomes between 100 and 138 percent of FPG.
- **Expand MA to maintain coverage for children and pregnant women up to 275 percent of FPG.**
Raise the MA income limit for children ages 2 through 18 from 150 to 275 percent of FPG. Enroll pregnant women with incomes up to 275 percent FPG in MA instead of MinnesotaCare. This eliminates premiums for children and pregnant women.
- **Makes MA eligibility and enrollment changes.**
Streamline eligibility through use of the Modified Adjusted Gross Income (MAGI) methodology and automated annual renewals using electronic verification methods. In addition, ease program barriers by permitting hospitals to presume MA eligibility, eliminating asset tests for parents and providing coverage to children leaving foster care until age 26. These changes are required under ACA.

Impact:

These three related proposals:

- Expand access to public health care programs for low-income Minnesotans.
- Maximize federal funding for public health care programs.
- Simplify the enrollment process and comply with ACA requirements.

Number of people affected (FY 2015):

- Expanding MA to adults with incomes up to 138 percent of FPG will increase average monthly enrollment by approximately 87,000 (about 53,000 of whom come from MinnesotaCare).
- Raising the income limit for children and enrollment of pregnant women will increase average monthly enrollment by roughly 107,000 (about 60,000 from MinnesotaCare).
- Streamlining eligibility and easing barriers will increase average monthly enrollment by 64,000.

Fiscal impact:

These three proposals combined provide savings to the state.

- Implement optional MA expansion to 138 percent of FPG.
 - FY 2014: \$257.08 million General Fund savings; \$141.43 million HCAF costs
 - FY 2015: \$5.94 million General Fund savings; \$251.50 million HCAF savings
 - FY 2016: \$16.44 million General Fund costs; \$350.56 million HCAF savings
 - FY 2017: \$23.26 million General Fund savings; \$297.27 million HCAF savings

- Expand MA to maintain coverage for children and pregnant women up to 275 FPG.
 - FY 2014: \$47.36 million General Fund costs; \$26.88 million HCAF savings
 - FY 2015: \$141.99 million General Fund costs; \$73.08 million HCAF savings
 - FY 2016: \$182.25 million General Fund costs; \$84.09 million HCAF savings
 - FY 2017: \$184.85 million General Fund costs; \$87.71 million HCAF savings

- Make MA eligibility and enrollment changes.
 - FY 2014: \$30.24 million General Fund costs
 - FY 2015: \$136.07 million General Fund costs
 - FY 2016: \$152.65 million General Fund costs
 - FY 2017: \$165.69 million General Fund costs

Related information:

- Minnesota Management & Budget website: <http://www.mmb.state.mn.us>

DHS Communications: January 2013