

## Medical Assistance: An Overview

Medical Assistance (MA), the state's Medicaid program, is a federal-state program that pays for health care services for low-income individuals. The program is administered by counties, under the supervision of the state Department of Human Services (DHS). Federal Medicaid law allows states considerable flexibility in designing their Medicaid programs.

### *Eligibility*

To be eligible for MA, an individual must meet the following criteria:

- Be a member of a group for which MA coverage is mandatory under federal law or a member of an optional group that the state has chosen to cover. Covered groups include families, children, pregnant women, the elderly, persons with disabilities, and adults without children.
- Meet program income and any applicable asset limits. Certain types of income and specified assets are excluded when determining eligibility. Income and asset limits for selected groups are described below.
- Be a U.S. citizen or a noncitizen who meets specified immigration criteria.
- Be a resident of Minnesota.
- Meet other program eligibility requirements.

Eligibility group	Net income limit, as % of federal poverty guidelines (FPG)	Asset limit*
Children < age 2	283	None
Children 2 through 18	275	None
Children 19 through 20	133	None
Pregnant women	278	None
Parents and caretakers	133	None, unless on spenddown
Aged, blind, or disabled	100	\$3,000 for one/\$6,000 for two/\$200 each additional
Adults without children	133	None

\* The homestead, household goods, a vehicle, a burial plot and certain assets for burial expenses, and other specified items are not counted as assets.

Individuals with incomes over these limits can also qualify for MA through a spenddown. Under a spenddown, an individual must incur medical bills in an amount that is equal to or greater than the amount by which the individual's income exceeds the spenddown limit of 133 percent of FPG for families and children and 75 percent of FPG for individuals who are aged, blind, or disabled

(to increase to 80 percent of FPG beginning July 1, 2016). There is no spenddown for adults without children.

***Medicaid expansion and other 2013 session changes***

The 2013 Legislature made a number of changes in MA eligibility related to the federal Affordable Care Act (ACA). These changes included raising the income limit and requiring the use of modified adjusted gross income (MAGI) and a standard 5 percent income disregard when determining eligibility for certain groups, and eliminating the asset requirement for parents and caretakers.

***Covered services***

Minnesota provides all federally mandated services and most services designated by the federal Medicaid program as optional. These services include, but are not limited to: physician care, hospitalization, therapy and rehabilitation, dental, medical equipment and supplies, home health care, health clinic services, mental health, prescription drugs, medical transportation, nursing home, and intermediate care facility for persons with developmental disabilities (ICF/DD) services. Adult enrollees who are not pregnant are subject to copayments for certain services.

The state has also received federal approval to provide home and community-based “waivered services” not normally covered by Medicaid that are intended to allow individuals to remain in the community, rather than reside in a hospital, nursing home, or ICF/DD.

***Provider reimbursement***

The MA program reimburses providers under both a fee-for-service system and a managed care system (composed of the Prepaid Medical Assistance Program or PMAP, county-based purchasing initiatives, and programs for the elderly and persons with disabilities).

***Funding and expenditures***

In state fiscal year 2014, total state and federal MA expenditures for services were \$9.265 billion. The federal share of MA costs is determined by a formula based on state per capita income. In most fiscal years, the federal government has paid 50 percent of the cost of MA services, with Minnesota responsible for the remaining 50 percent. The federal government is providing an enhanced federal match, initially 100 percent of the cost of services and phasing down to 90 percent, for services provided to adults without children.

***Recipients***

During state fiscal year 2014, an average of 838,256 individuals were eligible for MA services each month. As of September 2015, 793,322 MA recipients received services through the MA managed care system, with the remaining enrollees served through fee-for-service.

***Application procedure***

Individuals interested in applying for MA should contact their county human services agency or MNsure, the state’s health insurance exchange.

**For more information:** See the House Research information brief [Medical Assistance](#).

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