Association *of* Minnesota Counties

COUNTING THE COST: Medicaid Cuts and the County-Level Impact

Last month, the U.S. House of Representatives narrowly passed its version of reconciliation legislation, H.R. 1. The bill includes $1.2 trillion in spending cuts over the next decade (FY 2025–2034). The bill includes significant changes to Medicaid, posing major implications for counties, which help finance and administer the Medicaid program.

MEDICAID IN MINNESOTA: THE COUNTY CONNECTION

- Minnesota's Medicaid and MinnesotaCare programs form the foundation of the state's health and long-term care coverage system, providing services to nearly 1.3 million residents.
- Minnesota is 1 of 25 states where counties contribute financially to Medicaid and 1 of only 19 where that contribution is state-mandated[1].
- Minnesota is also 1 of 10 states where counties administer Medicaid, helping with eligibility, enrollment, and renewals[1].

IMPACT OF MEDICAID CUTS ON MINNESOTA COUNTIES

- **Work requirements and new administrative mandates would drastically increase workloads and costs** for county eligibility workers, estimated at $160 million annually in Minnesota[1].
- **New federal rules would require monthly and quarterly checks** (addresses, deaths, provider eligibility), **plus twice-yearly redeterminations** starting as early as 2026[2].
- **These new administrative requirements will significantly increase county staff workload – more than doubling the work for each Medicaid enrollee.** Counties will either need to hire more staff or have significant application backlogs. Additional administrative barriers often prevent eligible individuals from receiving Medicaid benefits. Backlogs don't only impact the individuals seeking Medicaid, they significantly impact the health care system, who count on counties to get folks covered to reduce uncompensated care in hospitals and nursing homes.
- **The bill would cut retroactive Medicaid coverage from three months to one month**, which makes the impact on individuals and the health care system even more problematic if our backlogs grow.
- Overall, **these changes will strain county budgets, raise property taxes, and limit access to affordable care** across Minnesota communities.

[1] https://naco.sharefile.com/share/view/sb56b8ed2917040b591ee697af35fcf96
[1] https://mn.gov/dhs/assets/2025-05-21_medicaid-cuts-fact-sheet_tcm1053-685438.pdf

COUNTY HIGHLIGHTS - CASELOADS BY COUNTY

- Key concerns include increased administrative burdens from work requirements, address checks, and death checks, which strain staffing capacity.
- Additional burdens will also fall on case managers across counties, not just eligibility workers, compounding the overall staffing strain.
- **Counties estimate that the workload per enrollee will more than double with the new requirements.** Examples of current caseloads are shown at right for reference.

ANNUAL COMBINED FAMILIES AND CHILDREN AND MSHO ENROLLMENTS BY COUNTY

Blue Earth	11,355
Meeker	4,064
Ramsey	146,788
St. Louis	35,375
Scott	22,553
Wright	20,093

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Impact of SNAP Reductions on Minnesota's Counties

Minnesota's 87 counties are deeply concerned about the federal to county cost shift that will occur under the Reconciliation Act, H.R. 1.

The provisions included will both decrease the federal funding and increase administrative responsibility for counties – resulting in dramatic increases in property taxes and reductions in services and supports for Minnesotans.

H.R.1 proposes:

- ✓ $300 billion cut to SNAP over ten years.
- ✓ Estimated 25% Minnesota cost share for SNAP benefits.
- ✓ A reduction in the federal cost share for administrative costs, from 50% to 25%.

AMC anticipates that these costs will be borne by every property taxpayer in Minnesota counties. Unlike in most states, counties in Minnesota administer social services and are responsible for most of the non-federal share of current SNAP costs. The county workforce is responsible for determining eligibility, enrolling, and managing the program. A reduction in the federal cost share for administrative costs, from 50% to 25%, will cost Minnesota counties $30 million per year based on FY24 caseloads. We also anticipate that counties will be responsible for the new state cost share for SNAP benefits, estimated at $220 million annually. **In total, these two cost share proposals are expected to cost Minnesota counties $250 million annually.**

H.R.1 also proposes expanding the work requirement age range for Able-Bodied Adults Without Dependents (ABAWDs) and parents with children over age seven from 18–54 to 18–64. **This expanded definition would increase the number of individuals subject to work requirements, which county administrators warn will raise administrative burdens with limited benefit.** Many SNAP recipients already work, and there are concerns that additional bureaucracy could prevent even eligible Minnesotans from receiving support. While AMC cannot yet fully quantify the staffing impact, any unfunded administrative cost increase would strain already limited county budgets—leading to delays, staff burnout, and reduced service quality. **Without federal funding, counties will be forced to either raise property taxes or reduce services.**

SNAP Reductions - Minnesota County Impact

The proposed changes would affect counties across all eight of Minnesota's congressional districts. **Both large and small counties**—from Hennepin to Meeker—**could be forced to raise property taxes by over 5% just to absorb the added costs.** Such increases risk making life less affordable for residents and could have lasting consequences on both individuals and the systems that serve them. While the policy shift pushes costs to the state level, the practical impact will fall on counties and our residents, in the form of higher property taxes, backlogs, and reductions in other county services.

County/ Congressional District	Blue Earth (1)	Scott (2)	Ramsey (4)	Wright (6)	Meeker (7)	St. Louis (8)
# of Cases (Monthly)	2,848	2,807	35,665	2,918	802	11,556
Benefit Costs	$2,561,244	$2,888,354	$35,957,710	$2,776,486	$687,229	$9,382,238
Administrative Costs	$371,694	$366,310	$4,654,753	$380,874	$104,673	$1,508,246
Total Cost Increase	$2,932,938	$3,254,664	$40,612,463	$3,157,360	$791,902	$10,890,485
Property Tax Increase (%)	**6%**	**4%**	**10%**	**3%**	**5%**	**6%**

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