



This month, the U.S. Congress officially passed the “Big Beautiful Bill,” marking a significant legislative milestone. The bill, formally known as H.R. 1, includes \$1.2 trillion in spending cuts over the next decade (FY 2025–2034). Among its major provisions are substantial changes to the Medicaid program, which carry serious implications for counties that play a key role in financing and administering Medicaid services.

IMPACT OF MEDICAID CUTS ON MINNESOTA COUNTIES

- **Work requirements and new administrative mandates will drastically increase workloads and costs** for county eligibility workers, estimated at \$160 million annually in Minnesota¹.
- **New federal rules would require monthly and quarterly checks** (addresses, deaths, provider eligibility), **plus twice-yearly redeterminations** for Medicaid expansion adults starting as early as 2026².
- **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 cuts 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.

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-mandated¹.
- Minnesota is also 1 of 10 states where counties administer Medicaid, helping with eligibility, enrollment, and renewals¹.

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 these new requirements could more than double the workload per enrollee.** 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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Minnesota's 87 counties are deeply concerned about the federal to county cost shift that occurred under the Reconciliation Act, H.R. 1.

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

H.R.1 legislated:

- ✓ \$189 billion cut to SNAP over ten years.
- ✓ Estimated 10% 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 may be responsible for at least a portion of the new state cost share for SNAP benefits, estimated at \$86 million annually. **In total, these two cost share proposals could cost Minnesota counties up to \$116 million annually.**

H.R.1 also legislated expanding the work requirement age range for Able-Bodied Adults Without Dependents (ABAWDs) and parents with children over age fourteen from 18–54 to 18–64. **This expanded definition increases 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 affect counties across all of Minnesota. **Both large and small counties**—from Ramsey to Meeker—**could be forced to raise property taxes as much as 4.8% 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 | Blue Earth | Scott | Ramsey | Wright | Meeker | St. Louis |
|-------------------------|-------------|-------------|--------------|-------------|-----------|-------------|
| # of Cases (Monthly) | 2,848 | 2,807 | 35,665 | 2,918 | 802 | 11,556 |
| Potential Benefit Costs | \$1,024,497 | \$1,155,342 | \$14,383,082 | \$1,110,595 | \$274,892 | \$3,752,895 |
| Administrative Costs | \$376,383 | \$370,931 | \$4,713,468 | \$385,678 | \$105,993 | \$1,527,271 |
| Total Cost Increase | \$1,400,880 | \$1,526,273 | \$19,096,550 | \$1,496,273 | \$380,885 | \$5,280,167 |
| Property Tax Increase | 2.93% | 1.71% | 4.82% | 1.49% | 2.19% | 2.93% |

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