MINNESOTA BUDGET PROJECT
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Minnesota's rollback of health coverage for immigrants will harm people, health care systems, and the economy

Our health is connected across race, place, and immigration status. When any of us are denied the care we need, we all suffer. We all do better when people of all races, regardless of immigration status, can go to the doctor, afford medicine, and live with dignity. Yet many people in the United States and Minnesota still fall through the cracks of our current health care system, especially people within the immigrant population.

In the 2025 Special Legislative Session, Minnesota policymakers made a choice to take away affordable health insurance eligibility through MinnesotaCare from undocumented adults. Because of this decision, more people won't have the health care coverage they need, costs will increase for hospitals, and the economy and workforce will be worse off. Recent policy decisions in Minnesota and nationally reflect a harmful trend: using immigration status as a barrier to health care, even when it weakens our communities and increases long-term costs.

MinnesotaCare is an affordable public health insurance option for working class Minnesotans.[1] Most Minnesotans enrolled in MinnesotaCare pay premiums, with some paying co-pays as well. In 2023, Minnesota policymakers enacted legislation so that Minnesotans who meet all other eligibility requirements for MinnesotaCare would no longer be excluded simply because of their immigration status. Undocumented Minnesotans were first able to enroll in MinnesotaCare starting January 1, 2025. However, their coverage soon came under attack.

Republicans in the Minnesota Legislature made rolling back MinnesotaCare coverage a top priority in the 2025 Legislative Session. This priority was included in House File 10, along with other policies to restrict access to state services for undocumented Minnesotans. The leadership agreement between the House, Senate, and Governor Tim Walz that set the broad parameters of the state's next two-year budget, unfortunately, also included provisions to remove MinnesotaCare eligibility for undocumented adults. The policy does retain eligibility for children. The bill making these changes passed with a vote of 68-65 in the Minnesota House and 37-30 in the Minnesota Senate.[2]

Immigrants have limited options for health care coverage

Minnesota is known for having high rates of access to health care and health insurance overall. In 2023, of Minnesota's population of roughly 5.7 million people, only 4.6 percent were uninsured in 2023.[3] However, due to policy and structural barriers, immigrant Minnesotans have a much harder time getting the health coverage they need.

About 12 percent of immigrants in Minnesota were uninsured in 2023.[4] While getting data about the undocumented population can be tricky and imprecise, as of 2019 roughly 81,000 undocumented immigrants lived in Minnesota, and nearly 36,000 were uninsured. This means that nearly 45 percent of undocumented immigrants were going without much needed health coverage.[5] Removing restrictions on MinnesotaCare eligibility was projected to decrease the state's overall uninsured rate.

Immigrants tend to have limited access to health care and health insurance coverage compared to their neighbors. Their access varies depending on whether they are citizens, non-citizens, refugees, or undocumented immigrants. Nationally, undocumented individuals "are more likely than citizens to report

barriers to accessing health care and skipping or postponing care." [6] While undocumented immigrants can receive emergency care and limited supports for pregnant people, they are generally not eligible for more ongoing health coverage through public health insurance, including Medicare and Medicaid. The type of services Emergency Medical Assistance (EMA) covers are not comprehensive. For example, EMA *does not* cover most organ transplants, management for chronic conditions such as diabetes, lab or x-ray services, or preventative screening appointments and tests, just to name a few.[7] Services like these are all necessary for good health and well-being, but are now out of reach for many of our neighbors.

Many undocumented immigrants also cannot get employer-sponsored health insurance, since a significant portion work in low-wage jobs and in industries that are less likely to offer such benefits. While the individual insurance market exists, it's simply too unaffordable for many undocumented folks and other Minnesotans. People in these circumstances often simply don't have the money available to be able to afford things like co-pays, premiums, and deductibles. The Affordable Care Act (ACA) helps bring down the costs for private market insurance for many Minnesotans, but not all immigrants qualify, so many people would have to pay the full price.[8]

Policy changes at both the state and federal levels amplify the disconnect between the limited access undocumented immigrants have to public health programs and the substantial taxes they pay into the systems that fund them.[9]

Rolling back MinnesotaCare coverage means more people won't get the health care they need

As a result of the recently passed rollback legislation, on December 31, 2025, an estimated 16,500 Minnesotans will lose their health coverage, some even losing access to life-saving care.[10] Within this group are parents, seniors, and people who are working hard to contribute to the economy and their communities, and to make ends meet. Through MinnesotaCare, prescription drugs, medical equipment, urgent care, and more are all covered.[11] But those who will lose coverage will lose access to potentially life-saving treatments that Emergency Medical Assistance does not cover. The damage will be immediate and direct. Without health insurance, people often delay care for conditions that could have been caught and treated early. Care is often delayed until these conditions are serious and possibly life-threatening.[12]

Those losing coverage will also be less healthy because they will be priced out of preventive care. Regular trips to the doctor have proven benefits for health outcomes such as detecting and treating chronic illnesses and increasing vaccinations and screenings.[13] A study examining five cancer types over 45 years found that 80 percent of deaths avoided were because of advances in cancer prevention and screening.[14] The people who are losing their health coverage will likely see worse health outcomes because they won't have access to preventative care.

Due solely to immigration status, many Minnesotans will no longer be able to access the care most residents take for granted, such as regular doctor visits, prescriptions, or treatment for a broken bone. These exclusions can cause significant financial and emotional strain.

Children will be more likely to go without health care and families will face financial hardship

While the rollback legislation maintains coverage for children up to age 18, children's health will still be harmed. Looking at lessons learned from Medicaid, even though children are often eligible for coverage, their health coverage increases when more adults are covered. Kids often fare better in households with insured parents. Families where the parents have health coverage have increased health outcomes and better financial security. A study published in 2017 found that children are 29 percent more likely to have an annual check-up

if their parents are enrolled in Medicaid.[15] This type of care is important for the health of children when they are young, and they also have better health outcomes when they grow up. Another study published in 2018 found that Black young adults who had Medicaid coverage during childhood experienced fewer hospitalizations and fewer emergency department visits at age 25 than those without it.[16]

The health of parents is further important for the health of children because of a child's developmental needs. A positive relationship between healthier, more financially stable parents and their children can positively influence a child's brain structure and function and can help reduce the negative effects of trauma, poverty, or other adverse childhood experiences.[17]

Health coverage is necessary for the financial health of a household. When parents have coverage, they are better able to stay at their jobs. Households where parents have coverage are less likely to be burdened by medical debt. For example, the Medicaid expansion policy demonstrates that more health coverage leads to less medical debt being sent to third-party collection agencies.[18]

Undocumented children will lose their MinnesotaCare coverage when they turn 18. This contrasts with their peers, who, under the Affordable Care Act, are allowed to stay on their parents' health insurance until they are 26. But undocumented children are singled out. Most 18-year-olds across the country are finishing high school and possibly starting college, able to wait until later in their careers to start thinking about health coverage. This rollback policy creates a disparity during a critical transition period for education, employment, and independence.

Rolling back coverage increases costs for hospitals

Proponents of this policy argued that it saves the state money. In reality, it shifts costs onto hospitals due to uncompensated care. These cost shifts will come at a time when Minnesota's hospitals are in a fragile position. In 2023, 67 percent of Minnesota hospitals reported losing money and operating with negative profit margins.[19] Currently, urgent and emergency care at hospitals are two of the few options for health care that people regardless of their insurance or immigration status can access. Any hospital that receives Medicaid funds from the federal government is required to provide emergency care, regardless of an individual's ability to pay. This is an important protection for individuals, but it also strains hospitals when uncompensated care costs rise.

Uncompensated care happens when someone receives health care but cannot afford to pay the hospital.[20] More people without health insurance moving through emergency rooms means more costs for hospitals. Many of these emergency visits are due to people delaying care until they are critically sick, because they don't have access to other types of primary care. Research has shown that dollars spent on uncompensated care decrease significantly when more people have health insurance. In 2017, states that expanded health care coverage through the Medicaid expansion saw uncompensated care costs fall by 45 percent, on average where uninsurance rates decreased.[21] Minnesota policymakers are setting our state back by removing health coverage for people.

Hospitals in rural areas are especially vulnerable. As of August 2025, Minnesota has 97 rural hospitals; however, 19 percent are at risk of closing.[22] When hospitals close in rural Minnesota, people often lose access to care because drive times to get to the next nearest hospital are substantial. For example, in 2024 when Mayo Clinic Health System in New Prague stopped providing labor and delivery services, the closest option for labor and delivery care was nearly a 30-minute drive away.[23] This is a dangerous distance for time-sensitive care like labor and delivery.

Our economy and workforce are worse off when people don't have health insurance

Health coverage is important for keeping workers healthy and on the job, and keeping Minnesota's economy running. Immigrants are a vital part of Minnesota's workforce. In 2022, Pew Research estimated that Minnesota was home to 70,000 undocumented individuals who are employed and in the labor force.[24]

Minnesota's labor market, while potentially slowing as Trump Administration policies like tariffs take effect, is currently in a tight position. From 2019 to 2023, Minnesota's workforce grew for people aged 16 to 54, but not enough to counteract the decline in labor force participation of Minnesotans over 55 years old.[25] Immigrant workers are increasingly important as the state faces the economic consequences of an aging population. While roughly 8 percent of Minnesota's population are foreign born, these folks make up about 11 percent of Minnesota's labor force.[26] In Minnesota, immigrants are key workers in the farming, restaurant, construction, and personal, home, and office sectors.

People with health care coverage generally take fewer sick days, which means employers are better able to maintain levels of service. A study from the University of Pennsylvania and the University of Colorado found that workers with health coverage miss 52 percent fewer workdays per year on average than workers without health coverage. That translates to two to three fewer missed days of work each year for those that were insured.[27]

Rolling back health coverage will create worse outcomes for people, increased costs for hospitals, and an economy and workforce that is worse off

Everyone deserves health care, regardless of their immigration status. Rolling back MinnesotaCare eligibility for undocumented adults weakens our health care systems, places new burdens on hospitals, and makes our workforce less resilient.

Recent decisions have moved us away from a future where everyone can thrive. But Minnesota still can build a health care system where no one is left behind, and where people of all backgrounds can get the care they need to live healthy, stable lives.

By Jessie Luévano

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