MINNESOTA

Summary of preliminary state analysis – July 2025

Impact of Federal Reconciliation Legislation (HR1) on Minnesota

HR1, signed into law July 4, 2025, introduces significant changes to federal tax, health care, nutrition, and energy policy. These changes represent a historic disinvestment in Minnesotans' health, well-being, and infrastructure — increasing costs, reducing coverage, and destabilizing critical services.

Once fully implemented, HR1 will cost Minnesota at least **$2.5 billion per biennium**

- Costs grow over time due to phased implementation.
- Many provisions require further federal guidance.

Medicaid and Health Care

- Over **140,000 Minnesotans** expected to lose coverage.
- State to lose approximately **$1.4 billion in federal funding** in the first 4 years.
- Uncompensated care for providers will rise significantly.
- Counties face **hundreds of millions** in added administrative costs.

Nutrition (SNAP)

- State assumes **$125M more in costs** from admin cuts and error penalties.
- About **29,000 adults** newly subject to work requirements.
- SNAP-Ed nutrition education program eliminated — **cutting $9.5M/year in support** for families, increasing public health risks.

Private Health Insurance

- Over **62,000 Minnesotans** expected to drop coverage.
- Premiums will rise for at least **89,000 Minnesotans** – with monthly premiums **increasing by 54% on average.**
- New administrative barriers will make coverage harder to get and maintain.

Clean Energy and Electricity

- Loss of clean energy tax credits results in **higher electricity costs** for consumers and state.
- Minnesotans may pay **10% more by 2029, 25–40% more by 2035.**
- Loss of credits & investment reduces jobs and GDP — up to **15,000 fewer jobs and $2.6B GDP loss by 2035.**