

HF 2591/SF 2867 - Fifth tier of individual income tax at a rate sufficient to offset lost federal Medicaid funds established.

Medicaid is a vital federally funded program that provides access to free and low-cost health care for low-income families, children, adults with disabilities, and seniors. Medicaid covers 20 percent of hospital and health care spending nationwide and is the largest payer of long-term care coverage. A recent budget resolution passed by congress could lead to significant cuts to this essential program. Over 1.4 million Minnesotans, including 600,000 children, currently rely on Medicaid for crucial health care and Minnesota will face a striking gap if the current administration pursues these cuts.

The City of Saint Paul is concerned by the possibility of a significant coverage gap for Minnesotans currently on Medicaid. The City of Saint Paul supports the establishment of a fifth-tier individual income tax at a rate that offsets the loss of federal Medicaid funding.