

**SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION**

S.F. No. 3671

(SENATE AUTHORS: GRUENHAGEN)

DATE
02/19/2026

D-PG
6335

Introduction and first reading
Referred to Health and Human Services

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to human services; stopping medical assistance coverage when federal
1.3 financial participation is temporarily withheld or discontinued; amending Minnesota
1.4 Statutes 2024, section 256B.0642.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2024, section 256B.0642, is amended to read:

1.7 **256B.0642 FEDERAL FINANCIAL PARTICIPATION.**

1.8 (a) The commissioner may, in the aggregate, prospectively reduce payment rates for
1.9 medical assistance providers receiving federal funds to avoid reduced federal financial
1.10 participation resulting from rates that are in excess of the Medicare limitations.

1.11 (b) Effective June 1, 2026, if federal financial participation is temporarily withheld or
1.12 discontinued for a covered service provided under this chapter, the covered service is no
1.13 longer available to medical assistance enrollees under this chapter as of the date of the
1.14 temporary withhold or discontinuance and the commissioner is prohibited from making
1.15 payments to medical assistance providers for services provided on or after the date of the
1.16 temporary withhold or discontinuance.

1.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.