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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE No. 1935

March 19, 2009

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The bill was read for the first time and referred to the Committee on Health Care and Human Services Policy and Oversight

March 30, 2009

Committee Recommendation and Adoption of Report:

To Pass as Amended and re-referred to the Committee on Finance

1.1 A bill for an act
1.2 relating to health care; consolidating MinnesotaCare and medical assistance;
1.3 streamlining enrollment and eligibility procedures; amending Minnesota Statutes
1.4 2008, sections 256B.056, subdivisions 1a, 4, 5c, 10; 256L.01, subdivision 3a,
1.5 by adding a subdivision; 256L.02, subdivisions 2, 3, by adding a subdivision;
1.6 256L.03, subdivision 5, by adding a subdivision; 256L.04, subdivisions 1,
1.7 8, 13; 256L.05; 256L.07, subdivisions 1, 2, 3; 256L.15, subdivisions 1, 2;
1.8 256L.17, subdivisions 1, 2, 3, 5; proposing coding for new law in Minnesota
1.9 Statutes, chapter 256L; repealing Minnesota Statutes 2008, sections 256B.055,
1.10 subdivisions 3, 3a, 5, 6, 9, 10, 10b; 256B.056, subdivisions 1c, 3c; 256B.057,
1.11 subdivisions 1, 1c, 2, 2c, 7, 8; 256L.07, subdivision 7; 256L.15, subdivision 3;
1.12 256L.17, subdivision 6.

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

1.14 Section 1. Minnesota Statutes 2008, section 256B.056, subdivision 1a, is amended to
1.15 read:

1.16 Subd. 1a. **Income and assets generally.** Unless specifically required by state law or
1.17 rule or federal law or regulation, the methodologies used in counting income and assets
1.18 to determine eligibility for medical assistance for persons whose eligibility category is
1.19 based on blindness, disability, or age of 65 or more years, the methodologies for the
1.20 supplemental security income program shall be used. Increases in benefits under title II of
1.21 the Social Security Act shall not be counted as income for purposes of this subdivision
1.22 until July 1 of each year. Effective upon federal approval, for children eligible under
1.23 section 256B.055, subdivision 12, or for home and community-based waiver services
1.24 whose eligibility for medical assistance is determined without regard to parental income,
1.25 child support payments, including any payments made by an obligor in satisfaction of or
1.26 in addition to a temporary or permanent order for child support, and Social Security
1.27 payments are not counted as income. ~~For families and children, which includes all other~~

2.1 ~~eligibility categories, the methodologies under the state's AFDC plan in effect as of July~~
2.2 ~~16, 1996, as required by the Personal Responsibility and Work Opportunity Reconciliation~~
2.3 ~~Act of 1996 (PRWORA), Public Law 104-193, shall be used, except that effective October~~
2.4 ~~1, 2003, the earned income disregards and deductions are limited to those in subdivision~~
2.5 ~~1e. For these purposes, a "methodology" does not include an asset or income standard, or~~
2.6 ~~accounting method, or method of determining effective dates.~~

2.7 Sec. 2. Minnesota Statutes 2008, section 256B.056, subdivision 4, is amended to read:

2.8 Subd. 4. **Income.** (a) To be eligible for medical assistance, a person eligible under
2.9 section 256B.055, subdivisions 7, 7a, and 12, may have income up to 100 percent of
2.10 the federal poverty guidelines. Effective January 1, 2000, and each successive January,
2.11 recipients of supplemental security income may have an income up to the supplemental
2.12 security income standard in effect on that date.

2.13 ~~(b) To be eligible for medical assistance, families and children may have an income~~
2.14 ~~up to 133-1/3 percent of the AFDC income standard in effect under the July 16, 1996,~~
2.15 ~~AFDC state plan. Effective July 1, 2000, the base AFDC standard in effect on July 16,~~
2.16 ~~1996, shall be increased by three percent.~~

2.17 ~~(c) Effective July 1, 2002, to be eligible for medical assistance, families and children~~
2.18 ~~may have an income up to 100 percent of the federal poverty guidelines for the family size.~~

2.19 ~~(d)~~ (b) In computing income to determine eligibility of persons under ~~paragraphs~~
2.20 ~~paragraph~~ (a) ~~to (c)~~ who are not residents of long-term care facilities, the commissioner
2.21 shall disregard increases in income as required by Public Law Numbers 94-566,
2.22 section 503; 99-272; and 99-509. Veterans aid and attendance benefits and Veterans
2.23 Administration unusual medical expense payments are considered income to the recipient.

2.24 Sec. 3. Minnesota Statutes 2008, section 256B.056, subdivision 5c, is amended to read:

2.25 Subd. 5c. **Excess income standard.** ~~(a) The excess income standard for families~~
2.26 ~~with children is the standard specified in subdivision 4.~~

2.27 ~~(b)~~ The excess income standard for a person whose eligibility is based on blindness,
2.28 disability, or age of 65 or more years is 70 percent of the federal poverty guidelines for the
2.29 family size. Effective July 1, 2002, the excess income standard for this paragraph shall
2.30 equal 75 percent of the federal poverty guidelines.

2.31 Sec. 4. Minnesota Statutes 2008, section 256B.056, subdivision 10, is amended to read:

2.32 Subd. 10. **Eligibility verification.** ~~(a) The commissioner shall require women who~~
2.33 ~~are applying for the continuation of medical assistance coverage following the end of the~~

3.1 ~~60-day postpartum period to update their income and asset information and to submit~~
3.2 ~~any required income or asset verification.~~

3.3 ~~(b) The commissioner shall determine the eligibility of private-sector health care~~
3.4 ~~coverage for infants less than one year of age eligible under section 256B.055, subdivision~~
3.5 ~~10, or 256B.057, subdivision 1, paragraph (d), and shall pay for private-sector coverage~~
3.6 ~~if this is determined to be cost-effective.~~

3.7 ~~(e) The commissioner shall verify assets and income for all applicants, and for all~~
3.8 ~~recipients upon renewal.~~

3.9 Sec. 5. Minnesota Statutes 2008, section 256L.01, subdivision 3a, is amended to read:

3.10 Subd. 3a. **Family with children.** (a) "Family with children" means:

3.11 (1) parents and their children residing in the same household; or

3.12 (2) grandparents, foster parents, relative caretakers as defined in ~~the medical~~
3.13 ~~assistance program~~, the state's AFDC plan in effect as of July 16, 1996, as required by the
3.14 Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA),
3.15 Public Law 104-193, or legal guardians; and their wards who are children residing in
3.16 the same household.

3.17 (b) The term includes children who are temporarily absent from the household in
3.18 settings such as schools, camps, or parenting time with noncustodial parents.

3.19 Sec. 6. Minnesota Statutes 2008, section 256L.01, is amended by adding a subdivision
3.20 to read:

3.21 Subd. 6. **Excess income.** (a) A family who has excess income is eligible for
3.22 MinnesotaCare if the family has expenses for medical care that are more than the amount
3.23 of the family's excess income, computed by deducting incurred medical expenses from the
3.24 excess income to reduce the excess to the income standard specified in paragraph (b). The
3.25 family shall elect to have the medical expenses deducted at the beginning of a one-month
3.26 budget period or at the beginning of a six-month budget period. The commissioner
3.27 shall allow enrollees eligible for assistance on a one-month spenddown basis under this
3.28 subdivision to elect to pay the monthly spenddown amount in advance of the month of
3.29 eligibility to the state agency in order to maintain eligibility on a continuous basis. If
3.30 the enrollee does not pay the spenddown amount on or before the last business day of
3.31 the month, the enrollee is ineligible for this option for the following month. The local
3.32 agency shall code the Medicaid Management Information System (MMIS) to indicate that
3.33 the enrollee has elected this option. The state agency shall convey enrollee eligibility
3.34 information relative to the collection of the spenddown to providers through the Electronic

4.1 Verification System (EVS). An enrollee electing advance payment must pay the state
4.2 agency the monthly spenddown amount on or before noon on the last business day of the
4.3 month in order to be eligible for this option in the following month.

4.4 (b) The excess income standard for families with children is 100 percent of the
4.5 federal poverty guidelines.

4.6 Sec. 7. Minnesota Statutes 2008, section 256L.02, is amended by adding a subdivision
4.7 to read:

4.8 Subd. 1a. **Authorized coverage.** The MinnesotaCare program covers all families
4.9 with children, to the extent allowed under the federal and state Medicaid law and the
4.10 Prepaid Medical Assistance Project Plus and State Children Health Insurance Program
4.11 Waivers.

4.12 Sec. 8. Minnesota Statutes 2008, section 256L.02, subdivision 2, is amended to read:

4.13 Subd. 2. **Commissioner's duties; county agency duties.** The commissioner and
4.14 county agencies shall ~~establish an office for the state administration of this plan~~ develop a
4.15 plan to administer the MinnesotaCare program. The plan must require county agencies to
4.16 administer MinnesotaCare in their respective counties under the supervision of the state
4.17 agency and the commissioner of human services, and to prepare reports and statistics, and
4.18 keep records and accounts, for MinnesotaCare as required by the commissioner. The plan
4.19 shall be used to provide covered health services for eligible persons. Payment for these
4.20 services shall be made to all eligible providers. The commissioner shall adopt rules to
4.21 administer the MinnesotaCare program. The commissioner shall establish marketing
4.22 efforts to encourage potentially eligible persons to receive information about the program
4.23 and about other medical care programs administered or supervised by the Department of
4.24 Human Services. A toll-free telephone number must be used to provide information about
4.25 medical programs and to promote access to the covered services.

4.26 Sec. 9. Minnesota Statutes 2008, section 256L.02, subdivision 3, is amended to read:

4.27 Subd. 3. **Financial management.** (a) The commissioner shall manage spending
4.28 for the MinnesotaCare program in a manner that maintains a minimum reserve. The
4.29 commissioner shall use medical assistance funding under chapter 256B to pay for covered
4.30 services for adults in families with children with incomes at or below 100 percent of the
4.31 federal poverty guidelines and children with incomes at or below 150 percent of the
4.32 federal poverty guidelines. As part of each state revenue and expenditure forecast, the
4.33 commissioner must make an assessment of the expected expenditures for the covered

5.1 services for the remainder of the current biennium and for the following biennium. The
5.2 estimated expenditure, including the reserve, shall be compared to an estimate of the
5.3 revenues that will be available in the health care access fund. Based on this comparison,
5.4 and after consulting with the chairs of the house of representatives Ways and Means
5.5 Committee and the senate Finance Committee, and the Legislative Commission on Health
5.6 Care Access, the commissioner shall, as necessary, make the adjustments specified in
5.7 paragraph (b) to ensure that expenditures remain within the limits of available revenues for
5.8 the remainder of the current biennium and for the following biennium. The commissioner
5.9 shall not hire additional staff using appropriations from the health care access fund until
5.10 the commissioner of finance makes a determination that the adjustments implemented
5.11 under paragraph (b) are sufficient to allow MinnesotaCare expenditures to remain within
5.12 the limits of available revenues for the remainder of the current biennium and for the
5.13 following biennium.

5.14 (b) The adjustments the commissioner shall use must be implemented in this order:
5.15 first, stop enrollment of single adults and households without children; second, upon 45
5.16 days' notice, stop coverage of single adults and households without children already
5.17 enrolled in the MinnesotaCare program; third, upon 90 days' notice, decrease the premium
5.18 subsidy amounts by ten percent for families with gross annual income above 200 percent
5.19 of the federal poverty guidelines; fourth, upon 90 days' notice, decrease the premium
5.20 subsidy amounts by ten percent for families with gross annual income at or below 200
5.21 percent; and fifth, require applicants to be uninsured for at least six months prior to
5.22 eligibility in the MinnesotaCare program. If these measures are insufficient to limit the
5.23 expenditures to the estimated amount of revenue, the commissioner shall further limit
5.24 enrollment or decrease premium subsidies.

5.25 Sec. 10. Minnesota Statutes 2008, section 256L.03, subdivision 5, is amended to read:

5.26 Subd. 5. **Co-payments and coinsurance.** (a) Except as provided in paragraphs (b)
5.27 ~~and (c)~~ to (h), the MinnesotaCare benefit plan shall include the following co-payments and
5.28 coinsurance requirements for ~~all~~ enrollees:

5.29 (1) ten percent of the paid charges for inpatient hospital services for adult enrollees,
5.30 subject to an annual inpatient out-of-pocket maximum of \$1,000 per individual and
5.31 \$3,000 per family;

5.32 (2) \$3 per prescription for adult enrollees;

5.33 (3) \$25 for eyeglasses for adult enrollees;

5.34 (4) \$3 per nonpreventive visit. For purposes of this subdivision, a "visit" means an
5.35 episode of service which is required because of a recipient's symptoms, diagnosis, or

6.1 established illness, and which is delivered in an ambulatory setting by a physician or
6.2 physician ancillary, chiropractor, podiatrist, nurse midwife, advanced practice nurse,
6.3 audiologist, optician, or optometrist; and

6.4 (5) \$6 for nonemergency visits to a hospital-based emergency room.

6.5 (b) Paragraph (a), clause (1), does not apply to parents and relative caretakers of
6.6 children under the age of 21.

6.7 (c) For adults in families with incomes at or below 100 percent of the federal
6.8 poverty guidelines:

6.9 (1) paragraph (a), clauses (3) and (4), do not apply;

6.10 (2) the co-payment is \$3 per brand-name drug prescription and \$1 per generic drug
6.11 prescription, subject to a \$7 per month maximum for prescription drug co-payments. No
6.12 co-payments shall apply to antipsychotic drugs when used for the treatment of mental
6.13 illness; and

6.14 (3) total monthly co-payments under this subdivision must not exceed five percent
6.15 of family income. For purposes of this paragraph, family income is the total earned and
6.16 unearned income of the individual, and the individual's spouse if the spouse is enrolled in
6.17 MinnesotaCare and also subject to the five percent limit on co-payments.

6.18 (d) Co-payment charges shall not exceed one per day per provider for nonpreventive
6.19 visits, eyeglasses, and nonemergency visits to a hospital-based emergency room.

6.20 ~~(e)~~ (e) Paragraph (a) does not apply to:

6.21 (1) pregnant women and children under the age of 21;

6.22 (2) 100 percent federally funded services provided by an Indian health service; and

6.23 (3) emergency services.

6.24 ~~(f)~~ (f) Paragraph (a), clause (4), does not apply to mental health services.

6.25 ~~(g)~~ (g) Adult enrollees with family gross income that exceeds 200 percent of the
6.26 federal poverty guidelines or 215 percent of the federal poverty guidelines on or after July
6.27 1, 2009, and who are not pregnant shall be financially responsible for the coinsurance
6.28 amount, if applicable, and amounts which exceed the \$10,000 inpatient hospital benefit
6.29 limit.

6.30 ~~(h)~~ (h) When a MinnesotaCare enrollee becomes a member of a prepaid health plan,
6.31 or changes from one prepaid health plan to another during a calendar year, any charges
6.32 submitted towards the \$10,000 annual inpatient benefit limit, and any out-of-pocket
6.33 expenses incurred by the enrollee for inpatient services, that were submitted or incurred
6.34 prior to enrollment, or prior to the change in health plans, shall be disregarded.

7.1 Sec. 11. Minnesota Statutes 2008, section 256L.03, is amended by adding a subdivision
7.2 to read:

7.3 Subd. 5b. **Collection of co-payments.** (a) The MinnesotaCare reimbursement to the
7.4 provider shall be reduced by the amount of the co-payment, except that reimbursements
7.5 shall not be reduced:

7.6 (1) once an enrollee has reached the \$12 per month maximum or the \$7 per month
7.7 maximum for prescription drug co-payments; or

7.8 (2) for an enrollee identified by the commissioner under 100 percent of the federal
7.9 poverty guidelines who has met their monthly five percent co-payment limit.

7.10 (b) The provider collects the co-payment from the enrollee. Providers shall not deny
7.11 services to enrollees who are unable to pay the co-payment.

7.12 Sec. 12. Minnesota Statutes 2008, section 256L.04, subdivision 1, is amended to read:

7.13 Subdivision 1. **Families with children.** (a) Families with children with family
7.14 income equal to or less than 275 percent of the federal poverty guidelines for the
7.15 applicable family size shall be eligible for MinnesotaCare according to this section. All
7.16 other provisions of sections 256L.01 to 256L.18, including the insurance-related barriers
7.17 to enrollment under section 256L.07, shall apply unless otherwise specified.

7.18 (b) Parents who enroll in the MinnesotaCare program must also enroll their children,
7.19 if the children are eligible. Children may be enrolled separately without enrollment by
7.20 parents. However, if one parent in the household enrolls, both parents must enroll, unless
7.21 other insurance is available. If one child from a family is enrolled, all children must
7.22 be enrolled, unless other insurance is available. If one spouse in a household enrolls,
7.23 the other spouse in the household must also enroll, unless other insurance is available.
7.24 Families cannot choose to enroll only certain uninsured members.

7.25 (c) Beginning October 1, 2003, the dependent sibling definition no longer applies
7.26 to the MinnesotaCare program. These persons are no longer counted in the parental
7.27 household and may apply as a separate household.

7.28 (d) Beginning July 1, 2003, or upon federal approval, whichever is later, parents are
7.29 not eligible for MinnesotaCare if their gross income exceeds \$57,500.

7.30 ~~(e) Children formerly enrolled in medical assistance and automatically deemed~~
7.31 ~~eligible for MinnesotaCare according to section 256B.057, subdivision 2c, are exempt~~
7.32 ~~from the requirements of this section until renewal.~~

7.33 Sec. 13. Minnesota Statutes 2008, section 256L.04, subdivision 8, is amended to read:

8.1 Subd. 8. **Applicants potentially eligible for medical assistance.** (a) Individuals
8.2 who receive supplemental security income or retirement, survivors, or disability benefits
8.3 due to a disability, or other disability-based pension, who qualify under subdivision 7, but
8.4 who are potentially eligible for medical assistance without a spenddown shall be allowed
8.5 to enroll in MinnesotaCare for a period of 60 days, so long as the applicant meets all other
8.6 conditions of eligibility. The commissioner shall identify and refer the applications of
8.7 such individuals to their county social service agency. The county and the commissioner
8.8 shall cooperate to ensure that the individuals obtain medical assistance coverage for any
8.9 months for which they are eligible.

8.10 (b) The enrollee must cooperate with the county social service agency in determining
8.11 medical assistance eligibility within the 60-day enrollment period. Enrollees who do not
8.12 cooperate with medical assistance within the 60-day enrollment period shall be disenrolled
8.13 from the plan within one calendar month. Persons disenrolled for nonapplication for
8.14 medical assistance may not reenroll until they have obtained a medical assistance
8.15 eligibility determination. Persons disenrolled for noncooperation with medical assistance
8.16 may not reenroll until they have cooperated with the county agency and have obtained a
8.17 medical assistance eligibility determination.

8.18 ~~(c) Beginning January 1, 2000, counties that choose to become MinnesotaCare~~
8.19 ~~enrollment sites shall consider MinnesotaCare applications to also be applications for~~
8.20 ~~medical assistance. Applicants who are potentially eligible for medical assistance, except~~
8.21 ~~for those described in paragraph (a), may choose to enroll in either MinnesotaCare or~~
8.22 ~~medical assistance.~~

8.23 ~~(d)~~ (c) The commissioner shall redetermine provider payments made under
8.24 MinnesotaCare to the appropriate medical assistance payments for those enrollees who
8.25 subsequently become eligible for medical assistance.

8.26 Sec. 14. Minnesota Statutes 2008, section 256L.04, subdivision 13, is amended to read:

8.27 Subd. 13. **Families with relative caretakers, foster parents, or legal guardians.**
8.28 Beginning January 1, 1999, in families that include a relative caretaker as defined in ~~the~~
8.29 ~~medical assistance program~~ section 256L.01, subdivision 3a, paragraph (a), clause (2),
8.30 foster parent, or legal guardian, the relative caretaker, foster parent, or legal guardian
8.31 may apply as a family or may apply separately for the children. If the caretaker applies
8.32 separately for the children, only the children's income is counted and the provisions of
8.33 subdivision 1, paragraph (b), do not apply. If the relative caretaker, foster parent, or legal
8.34 guardian applies with the children, their income is included in the gross family income for
8.35 determining eligibility and premium amount.

9.1 Sec. 15. **[256L.041] ELIGIBILITY REQUIREMENTS FOR SPECIAL**
9.2 **CATEGORIES.**

9.3 Subdivision 1. **Infants and pregnant women.** (a) An infant less than one year of
9.4 age or a pregnant woman who has written verification of a positive pregnancy test from a
9.5 physician or licensed registered nurse is eligible for MinnesotaCare if countable family
9.6 income is equal to or less than 275 percent of the federal poverty guideline for the same
9.7 family size.

9.8 (b) An infant born to a woman who was eligible for and receiving MinnesotaCare
9.9 on the date of the child's birth shall continue to be eligible for MinnesotaCare without
9.10 redetermination until the child's first birthday, as long as the child remains in the woman's
9.11 household.

9.12 Subd. 2. **Children under age two.** MinnesotaCare may be paid for a child under
9.13 two years of age whose countable family income is above 275 percent of the federal
9.14 poverty guidelines for the same size family but less than or equal to 280 percent of the
9.15 federal poverty guidelines for the same size family.

9.16 Subd. 3. **Eligibility verification.** (a) The commissioner shall require women who
9.17 are applying for the continuation of coverage following the end of the 60-day postpartum
9.18 period to update their income information and to submit any required income verification.

9.19 (b) The commissioner shall determine the eligibility of private-sector health care
9.20 coverage for infants less than one year of age and shall pay for private-sector coverage
9.21 if this is determined to be cost-effective.

9.22 Sec. 16. Minnesota Statutes 2008, section 256L.05, is amended to read:

9.23 **256L.05 APPLICATION PROCEDURES.**

9.24 Subdivision 1. **Application assistance and information availability.** (a)
9.25 Applications and application assistance must be made available at provider offices, local
9.26 human services agencies, school districts, public and private elementary schools in which
9.27 25 percent or more of the students receive free or reduced price lunches, community health
9.28 offices, Women, Infants and Children (WIC) program sites, Head Start program sites,
9.29 public housing councils, crisis nurseries, child care centers, early childhood education
9.30 and preschool program sites, legal aid offices, and libraries. These sites may accept
9.31 applications and forward the forms to the commissioner or local county human services
9.32 agencies ~~that choose to participate as an enrollment site.~~ Otherwise, applicants may apply
9.33 directly to the commissioner or to participating local county human services agencies.

9.34 (b) Application assistance must be available for applicants choosing to file an
9.35 online application.

10.1 (c) The commissioner and local agencies shall assist enrollees in choosing a
10.2 managed care organization by:

10.3 (1) establishing a Web site to provide information about managed care organizations
10.4 and to allow online enrollment;

10.5 (2) making applications and information on managed care organizations available
10.6 to applicants and enrollees according to Title VI of the Civil Rights Act and federal
10.7 regulations adopted under that law, or any guidance from the United States Department of
10.8 Health and Human Services; and

10.9 (3) making benefit educators available to assist applicants in choosing a managed
10.10 care organization.

10.11 Subd. 1a. **Person authorized to apply on applicant's behalf.** Beginning January 1,
10.12 1999, a family member who is age 18 or over or who is an authorized representative, as
10.13 defined in the medical assistance program, may apply on an applicant's behalf.

10.14 Subd. 1b. **MinnesotaCare enrollment by county agencies.** Beginning September
10.15 1, 2006, county agencies shall enroll single adults and households with no children
10.16 formerly enrolled in general assistance medical care in MinnesotaCare according to
10.17 section 256D.03, subdivision 3. County agencies shall perform all duties necessary
10.18 to administer the MinnesotaCare program ongoing for these enrollees, including the
10.19 redetermination of MinnesotaCare eligibility at renewal.

10.20 Subd. 1c. **Open enrollment and streamlined application and enrollment**
10.21 **process.** (a) The commissioner and local agencies working in partnership must develop
10.22 a streamlined and efficient application and enrollment process that meets the criteria
10.23 specified in this subdivision.

10.24 (b) The commissioners of human services and education shall provide
10.25 recommendations to the legislature by January 15, 2010, on the creation of an open
10.26 enrollment process for MinnesotaCare that is tied to the public education system, including
10.27 prekindergarten programs. The recommendations must:

10.28 (1) be developed in consultation with MinnesotaCare enrollees and representatives
10.29 from organizations that advocate on behalf of children and families, low-income persons
10.30 and minority populations, counties, school administrators and nurses, health plans, and
10.31 health care providers;

10.32 (2) be based on enrollment and renewal procedures best practices, including
10.33 express-lane eligibility as required under subdivision 1d;

10.34 (3) simplify the enrollment and renewal processes wherever possible; and

10.35 (4) establish a process to:

11.1 (i) disseminate information on the MinnesotaCare to all children in the public
11.2 education system, including prekindergarten programs; and

11.3 (ii) enroll children and other household members who are eligible.

11.4 The commissioners of human services and education shall implement an open
11.5 enrollment process by August 1, 2010, to be effective beginning with the 2010-2011
11.6 school year.

11.7 (c) The commissioner and local agencies shall develop an online application process
11.8 for MinnesotaCare.

11.9 (d) The commissioner shall develop an application that is easily understandable
11.10 and does not exceed four pages in length.

11.11 (e) The commissioner of human services shall present to the legislature, by January
11.12 15, 2010, an implementation plan for the open enrollment period and online application
11.13 process.

11.14 Subd. 1d. **Express lane eligibility.** (a) Children who complete an application
11.15 for educational benefits and indicate an interest in enrolling in MinnesotaCare on the
11.16 application form shall have the form considered an application for MinnesotaCare.

11.17 (b) The commissioner of education shall modify the application for educational
11.18 benefits to:

11.19 (1) include a separate section for MinnesotaCare;

11.20 (2) include a check-box to allow all of the children included on the application for
11.21 educational benefits to apply for MinnesotaCare; and

11.22 (3) specify that if the MinnesotaCare application box is checked, the information on
11.23 the application will be shared with the commissioner of human services.

11.24 (c) The commissioner of human services shall match the children's Social Security
11.25 numbers with the Social Security Administration database to comply with federal
11.26 citizenship documentation requirements.

11.27 (d) The commissioner of education shall forward electronically the information for
11.28 families who apply for MinnesotaCare to the commissioner of human services within
11.29 five business days of determining an applicant's eligibility for the free and reduced price
11.30 school lunch program.

11.31 (e) The commissioner of human services shall accept the income determination
11.32 made by the commissioner of education in administering the free and reduced-price school
11.33 lunch program as proof of income for MinnesotaCare eligibility until renewal. Within 30
11.34 days of receipt of information provided by the commissioner of education under paragraph
11.35 (d), the commissioner of human services shall:

11.36 (1) enroll all eligible children in the MinnesotaCare program; and

12.1 (2) provide information about Minnesota Health Care Programs for other household
12.2 members.

12.3 The date of application for the MinnesotaCare program is the date on the signed
12.4 application for educational benefits.

12.5 Subd. 2. ~~Commissioner's~~ Commissioner or county agency duties. The
12.6 commissioner or county agency shall use electronic verification as the primary method of
12.7 income verification. If there is a discrepancy between reported income and electronically
12.8 verified income, an individual may be required to submit additional verification. In
12.9 addition, the commissioner shall perform random audits to verify reported income and
12.10 eligibility. The commissioner may execute data sharing arrangements with the Department
12.11 of Revenue and any other governmental agency in order to perform income verification
12.12 related to eligibility and premium payment under the MinnesotaCare program.

12.13 Subd. 3. **Effective date of coverage.** (a) If adults in a family with children with
12.14 incomes at or below 100 percent of the federal poverty guidelines, or children with
12.15 incomes at or below 150 percent of the federal poverty guidelines, have been determined
12.16 to be eligible for MinnesotaCare, it will be made available for care and services included
12.17 under the plan and furnished in or after the third month before the month in which the
12.18 family or children made application for such assistance, if the adults or children were, or
12.19 upon application would have been, eligible for MinnesotaCare at the time the care and
12.20 services were furnished. The commissioner may limit, restrict, or suspend the eligibility
12.21 of an individual for up to one year, upon that individual's conviction of a criminal offense
12.22 related to application for or receipt of MinnesotaCare benefits.

12.23 (b) For adults in families with children with incomes above 100 percent of the federal
12.24 poverty guidelines, or children with incomes above 150 percent of the federal poverty
12.25 guidelines, the effective date of coverage is the first day of the month following the month
12.26 in which eligibility is approved and the first premium payment has been received. As
12.27 provided in section 256B.057, coverage for newborns is automatic from the date of birth
12.28 and must be coordinated with other health coverage. The effective date of coverage for
12.29 eligible newly adoptive children added to a family receiving covered health services is the
12.30 month of placement. The effective date of coverage for other new members added to the
12.31 family is the first day of the month following the month in which the change is reported.
12.32 All eligibility criteria must be met by the family at the time the new family member is
12.33 added. The income of the new family member is included with the family's gross income
12.34 and the adjusted premium begins in the month the new family member is added.

12.35 ~~(b)~~ (c) The initial premium must be received by the last working day of the month
12.36 for coverage to begin the first day of the following month.

13.1 ~~(e)~~ (d) Benefits are not available until the day following discharge if an enrollee is
13.2 hospitalized on the first day of coverage.

13.3 ~~(d)~~ (e) Notwithstanding any other law to the contrary, benefits under sections
13.4 256L.01 to 256L.18 are secondary to a plan of insurance or benefit program under which
13.5 an eligible person may have coverage and the commissioner shall use cost avoidance
13.6 techniques to ensure coordination of any other health coverage for eligible persons. The
13.7 commissioner shall identify eligible persons who may have coverage or benefits under
13.8 other plans of insurance or who become eligible for medical assistance.

13.9 ~~(e)~~ (f) The effective date of coverage for single adults and households with
13.10 no children formerly enrolled in general assistance medical care and enrolled in
13.11 MinnesotaCare according to section 256D.03, subdivision 3, is the first day of the month
13.12 following the last day of general assistance medical care coverage.

13.13 Subd. 3a. **Renewal of eligibility.** (a) Beginning July 1, 2007, an enrollee's eligibility
13.14 must be renewed every 12 months. The 12-month period begins in the month after the
13.15 month the application is approved.

13.16 (b) Each new period of eligibility must take into account any changes in
13.17 circumstances that impact eligibility and premium amount. An enrollee must provide all
13.18 the information needed to redetermine eligibility by the first day of the month that ends
13.19 the eligibility period. If there is no change in circumstances, the enrollee may renew
13.20 eligibility online or at designated locations that include community clinics and health
13.21 care providers' offices. The designated sites shall forward the renewal forms to the
13.22 commissioner or county agency. The commissioner may establish criteria and timelines
13.23 for sites to forward applications to the commissioner or county agencies. The premium
13.24 for the new period of eligibility must be received as provided in section 256L.06 in order
13.25 for eligibility to continue.

13.26 (c) For single adults and households with no children formerly enrolled in general
13.27 assistance medical care and enrolled in MinnesotaCare according to section 256D.03,
13.28 subdivision 3, the first period of eligibility begins the month the enrollee submitted the
13.29 application or renewal for general assistance medical care.

13.30 (d) An enrollee who fails to submit renewal forms and related documentation
13.31 necessary for verification of continued eligibility in a timely manner shall remain eligible
13.32 for one additional month beyond the end of the current eligibility period before being
13.33 disenrolled. The enrollee remains responsible for MinnesotaCare premiums for the
13.34 additional month.

14.1 Subd. 3b. **Reapplication.** Beginning January 1, 1999, families and individuals
 14.2 must reapply after a lapse in coverage of one calendar month or more and must meet all
 14.3 eligibility criteria.

14.4 Subd. 3c. **Retroactive coverage.** Notwithstanding subdivision 3, the effective
 14.5 date of coverage shall be the first day of the month following termination from medical
 14.6 assistance or general assistance medical care for families and individuals who are eligible
 14.7 for MinnesotaCare and who submitted a written request for retroactive MinnesotaCare
 14.8 coverage with a completed application within 30 days of the mailing of notification of
 14.9 termination from medical assistance or general assistance medical care. The applicant
 14.10 must provide all required verifications within 30 days of the written request for
 14.11 verification. For retroactive coverage, premiums must be paid in full for any retroactive
 14.12 month, current month, and next month within 30 days of the premium billing.

14.13 Subd. 4. **Application processing.** The commissioner of human services or local
 14.14 county agencies shall determine an applicant's eligibility for MinnesotaCare no more
 14.15 than 30 days from the date that the application is received ~~by the Department of Human~~
 14.16 ~~Services. Beginning January 1, 2000, this requirement also applies to local county human~~
 14.17 ~~services agencies that determine eligibility for MinnesotaCare.~~

14.18 Subd. 5. **Availability of private insurance.** The commissioner, in consultation with
 14.19 the commissioners of health and commerce, shall provide information regarding the
 14.20 availability of private health insurance coverage and the possibility of disenrollment
 14.21 under section 256L.07, subdivision 1, paragraphs (b) and (c), to all: (1) families enrolled
 14.22 in the MinnesotaCare program whose gross family income is equal to or more than 225
 14.23 percent of the federal poverty guidelines; and (2) single adults and households without
 14.24 children enrolled in the MinnesotaCare program whose gross family income is equal to
 14.25 or more than 165 percent of the federal poverty guidelines. This information must be
 14.26 provided upon initial enrollment and annually thereafter. The commissioner shall also
 14.27 include information regarding the availability of private health insurance coverage in the
 14.28 notice of ineligibility provided to persons subject to disenrollment under section 256L.07,
 14.29 subdivision 1, paragraphs (b) and (c).

14.30 Sec. 17. Minnesota Statutes 2008, section 256L.07, subdivision 1, is amended to read:

14.31 Subdivision 1. **General requirements.** (a) Children enrolled in the original
 14.32 children's health plan as of September 30, 1992, children who enrolled in the
 14.33 MinnesotaCare program after September 30, 1992, pursuant to Laws 1992, chapter 549,
 14.34 article 4, section 17, and children who have family gross incomes that are equal to or
 14.35 less than ~~150~~ 200 percent of the federal poverty guidelines are eligible without meeting

15.1 the requirements of subdivision 2 and the four-month requirement in subdivision 3, as
15.2 long as they maintain continuous coverage in the MinnesotaCare program ~~or medical~~
15.3 ~~assistance. Children who apply for MinnesotaCare on or after the implementation date~~
15.4 ~~of the employer-subsidized health coverage program as described in Laws 1998, chapter~~
15.5 ~~407, article 5, section 45, who have family gross incomes that are equal to or less than 150~~
15.6 ~~percent of the federal poverty guidelines, must meet the requirements of subdivision 2 to~~
15.7 ~~be eligible for MinnesotaCare.~~

15.8 Families enrolled in MinnesotaCare under section 256L.04, subdivision 1, whose
15.9 income increases above 275 percent of the federal poverty guidelines, are no longer
15.10 eligible for the program and shall be disenrolled by the commissioner. Beginning January
15.11 1, 2008, individuals enrolled in MinnesotaCare under section 256L.04, subdivision
15.12 7, whose income increases above 200 percent of the federal poverty guidelines or 250
15.13 percent of the federal poverty guidelines on or after July 1, 2009, are no longer eligible for
15.14 the program and shall be disenrolled by the commissioner. For persons disenrolled under
15.15 this subdivision, MinnesotaCare coverage terminates the last day of the calendar month
15.16 following the month in which the commissioner determines that the income of a family or
15.17 individual exceeds program income limits.

15.18 (b) Notwithstanding paragraph (a), children may remain enrolled in MinnesotaCare
15.19 if ten percent of their gross individual or gross family income as defined in section
15.20 256L.01, subdivision 4, is less than the annual premium for a policy with a \$500
15.21 deductible available through the Minnesota Comprehensive Health Association. Children
15.22 who are no longer eligible for MinnesotaCare under this clause shall be given a 12-month
15.23 notice period from the date that ineligibility is determined before disenrollment. The
15.24 premium for children remaining eligible under this clause shall be the maximum premium
15.25 determined under section 256L.15, subdivision 2, paragraph (b).

15.26 (c) Notwithstanding paragraphs (a) and (b), parents are not eligible for
15.27 MinnesotaCare if gross household income exceeds \$57,500 for the 12-month period
15.28 of eligibility.

15.29 Sec. 18. Minnesota Statutes 2008, section 256L.07, subdivision 2, is amended to read:

15.30 Subd. 2. **Must not have access to employer-subsidized coverage.** (a) To be
15.31 eligible, a family or individual must not have access to subsidized health coverage through
15.32 an employer and must not have had access to employer-subsidized coverage through
15.33 a current employer for 18 months prior to application or reapplication. A family or
15.34 individual whose employer-subsidized coverage is lost due to an employer terminating
15.35 health care coverage as an employee benefit during the previous 18 months is not eligible.

16.1 (b) This subdivision does not apply to a family or individual who was enrolled
 16.2 in MinnesotaCare within six months or less of reapplication and who no longer has
 16.3 employer-subsidized coverage due to the employer terminating health care coverage
 16.4 as an employee benefit. This subdivision does not apply to adults in families with
 16.5 children under 21 years of age with income at or below 100 percent of the federal poverty
 16.6 guidelines and to children with family gross incomes that are at or below 200 percent of
 16.7 federal poverty guidelines.

16.8 (c) For purposes of this requirement, subsidized health coverage means health
 16.9 coverage for which the employer pays at least 50 percent of the cost of coverage for
 16.10 the employee or dependent, or a higher percentage as specified by the commissioner.
 16.11 Children are eligible for employer-subsidized coverage through either parent, including
 16.12 the noncustodial parent. The commissioner must treat employer contributions to Internal
 16.13 Revenue Code Section 125 plans and any other employer benefits intended to pay
 16.14 health care costs as qualified employer subsidies toward the cost of health coverage for
 16.15 employees for purposes of this subdivision.

16.16 Sec. 19. Minnesota Statutes 2008, section 256L.07, subdivision 3, is amended to read:

16.17 Subd. 3. **Other health coverage.** (a) Families and individuals enrolled in the
 16.18 MinnesotaCare program must have no health coverage while enrolled ~~or for at least four~~
 16.19 ~~months prior to application and renewal.~~ Children with family gross incomes above
 16.20 200 percent of the federal poverty guidelines, and adults in families with children with
 16.21 incomes above 100 percent of the federal poverty guidelines must have had no health
 16.22 coverage for at least four months prior to application and renewal. Children enrolled in the
 16.23 original children's health plan and children in families with income equal to or less than
 16.24 ~~150~~ 200 percent of the federal poverty guidelines, who have other health insurance, are
 16.25 eligible if the coverage:

16.26 (1) lacks two or more of the following:

16.27 (i) basic hospital insurance;

16.28 (ii) medical-surgical insurance;

16.29 (iii) prescription drug coverage;

16.30 (iv) dental coverage; or

16.31 (v) vision coverage;

16.32 (2) requires a deductible of \$100 or more per person per year; or

16.33 (3) lacks coverage because the child has exceeded the maximum coverage for a
 16.34 particular diagnosis or the policy excludes a particular diagnosis.

17.1 The commissioner may change this eligibility criterion for sliding scale premiums
17.2 in order to remain within the limits of available appropriations. The requirement of no
17.3 health coverage does not apply to newborns.

17.4 (b) Medical assistance, general assistance medical care, and the Civilian Health and
17.5 Medical Program of the Uniformed Service, CHAMPUS, or other coverage provided under
17.6 United States Code, title 10, subtitle A, part II, chapter 55, are not considered insurance or
17.7 health coverage for purposes of the four-month requirement described in this subdivision.

17.8 (c) For purposes of this subdivision, an applicant or enrollee who is entitled to
17.9 Medicare Part A or enrolled in Medicare Part B coverage under title XVIII of the Social
17.10 Security Act, United States Code, title 42, sections 1395c to 1395w-152, is considered to
17.11 have health coverage. An applicant or enrollee who is entitled to premium-free Medicare
17.12 Part A may not refuse to apply for or enroll in Medicare coverage to establish eligibility
17.13 for MinnesotaCare.

17.14 (d) Applicants who were recipients of ~~medical assistance or~~ general assistance
17.15 medical care within one month of application must meet the provisions of this subdivision
17.16 and subdivision 2.

17.17 (e) Adults in families with children with incomes at or below 100 percent of the
17.18 federal poverty guidelines and children in families with income at or below 200 percent
17.19 may have cost-effective insurance, as determined under section 256B.056, subdivision 8.
17.20 Cost-effective health insurance ~~that was paid for by medical assistance~~ is not considered
17.21 health coverage for purposes of the four-month requirement under this section, ~~except~~
17.22 ~~if unless~~ the insurance continued after ~~medical assistance~~ it was no longer considered it
17.23 cost-effective or after medical assistance closed.

17.24 Sec. 20. Minnesota Statutes 2008, section 256L.15, subdivision 1, is amended to read:

17.25 Subdivision 1. **Premium determination.** (a) Adults in families with children with
17.26 incomes above 100 percent of the federal poverty guidelines, children in families with
17.27 incomes above 200 percent of the federal poverty guidelines, and individuals shall pay a
17.28 premium determined according to subdivision 2.

17.29 (b) Pregnant women and children under age two are exempt from the provisions
17.30 of section 256L.06, subdivision 3, paragraph (b), clause (3), requiring disenrollment
17.31 for failure to pay premiums. For pregnant women, this exemption continues until the
17.32 first day of the month following the 60th day postpartum. Women who remain enrolled
17.33 during pregnancy or the postpartum period, despite nonpayment of premiums, shall be
17.34 disenrolled on the first of the month following the 60th day postpartum for the penalty
17.35 period that otherwise applies under section 256L.06, unless they begin paying premiums.

18.1 (c) Members of the military and their families who meet the eligibility criteria
18.2 for MinnesotaCare upon eligibility approval made within 24 months following the end
18.3 of the member's tour of active duty shall have their premiums paid by the commissioner.
18.4 The effective date of coverage for an individual or family who meets the criteria of this
18.5 paragraph shall be the first day of the month following the month in which eligibility is
18.6 approved. This exemption applies for 12 months. This paragraph expires June 30, 2010.

18.7 Sec. 21. Minnesota Statutes 2008, section 256L.15, subdivision 2, is amended to read:

18.8 Subd. 2. **Sliding fee scale; monthly gross individual or family income.** (a) The
18.9 commissioner shall establish a sliding fee scale to determine the percentage of monthly
18.10 gross individual or family income that households at different income levels must pay to
18.11 obtain coverage through the MinnesotaCare program. The sliding fee scale must be based
18.12 on the enrollee's monthly gross individual or family income. The sliding fee scale must
18.13 contain separate tables based on enrollment of one, two, or three or more persons. Until
18.14 June 30, 2009, the sliding fee scale begins with a premium of 1.5 percent of monthly gross
18.15 individual or family income for individuals or families with incomes below the limits for
18.16 the medical assistance program for families and children in effect on January 1, 1999, and
18.17 proceeds through the following evenly spaced steps: 1.8, 2.3, 3.1, 3.8, 4.8, 5.9, 7.4, and
18.18 8.8 percent. These percentages are matched to evenly spaced income steps ranging from
18.19 the medical assistance income limit for families and children in effect on January 1, 1999,
18.20 to 275 percent of the federal poverty guidelines for the applicable family size, up to a
18.21 family size of five. The sliding fee scale for a family of five must be used for families of
18.22 more than five. The sliding fee scale and percentages are not subject to the provisions of
18.23 chapter 14. If a family or individual reports increased income after enrollment, premiums
18.24 shall be adjusted at the time the change in income is reported.

18.25 (b) Children in families whose gross income is above 275 percent of the federal
18.26 poverty guidelines shall pay the maximum premium. The maximum premium is defined
18.27 as a base charge for one, two, or three or more enrollees so that if all MinnesotaCare
18.28 cases paid the maximum premium, the total revenue would equal the total cost of
18.29 MinnesotaCare medical coverage and administration. In this calculation, administrative
18.30 costs shall be assumed to equal ten percent of the total. The costs of medical coverage
18.31 for pregnant women and children under age two and the enrollees in these groups shall
18.32 be excluded from the total. The maximum premium for two enrollees shall be twice the
18.33 maximum premium for one, and the maximum premium for three or more enrollees shall
18.34 be three times the maximum premium for one.

19.1 (c) Beginning July 1, 2009, MinnesotaCare enrollees shall pay premiums according
 19.2 to the premium scale specified in paragraph (d) with the exception that adults in families
 19.3 with children in families with income at or below ~~150~~ 100 percent of the federal poverty
 19.4 guidelines and children in families with incomes at or below 200 percent of the federal
 19.5 poverty guidelines shall pay ~~a monthly premium of \$4~~ no premiums. For purposes of
 19.6 paragraph (d), "minimum" means a monthly premium of \$4.

19.7 (d) The following premium scale is established for individuals and families with
 19.8 gross family incomes of 300 percent of the federal poverty guidelines or less:

19.9		Percent of Average Gross Monthly
19.10	Federal Poverty Guideline Range	Income
19.11	0-45%	minimum
19.12	46-54%	1.1%
19.13	55-81%	1.6%
19.14	82-109%	2.2%
19.15	110-136%	2.9%
19.16	137-164%	3.6%
19.17	165-191%	4.6%
19.18	192-219%	5.6%
19.19	220-248%	6.5%
19.20	249-274%	7.2%
19.21	275-300%	8.0%

19.22 Sec. 22. Minnesota Statutes 2008, section 256L.17, subdivision 1, is amended to read:

19.23 Subdivision 1. **Definitions.** For purposes of this section, the following definitions
 19.24 apply.

19.25 (a) "Asset" means cash and other personal property, as well as any real property, that
 19.26 ~~a family or an~~ individual owns which has monetary value.

19.27 (b) "Homestead" means the home that is owned by, and is the usual residence of,
 19.28 ~~the family or an~~ individual, together with the surrounding property which is not separated
 19.29 from the home by intervening property owned by others. Public rights-of-way, such as
 19.30 roads that run through the surrounding property and separate it from the home, will not
 19.31 affect the exemption of the property. "Usual residence" includes the home from which the
 19.32 family or individual is temporarily absent due to illness, employment, or education, or
 19.33 because the home is temporarily not habitable due to casualty or natural disaster.

19.34 (c) "Net asset" means the asset's fair market value minus any encumbrances
 19.35 including, but not limited to, liens and mortgages.

19.36 Sec. 23. Minnesota Statutes 2008, section 256L.17, subdivision 2, is amended to read:

20.1 Subd. 2. **Limit on total assets.** (a) ~~Effective July 1, 2002, or upon federal approval,~~
20.2 ~~whichever is later,~~ In order to be eligible for the MinnesotaCare program, a household of
20.3 two or more persons must not own more than \$20,000 in total net assets, and a household
20.4 of one person must not own more than \$10,000 in total net assets.

20.5 (b) For purposes of this subdivision, assets are determined according to section
20.6 256B.056, subdivision 3c, except that workers' compensation settlements received due to
20.7 a work-related injury shall not be considered.

20.8 (c) State-funded MinnesotaCare is not available for applicants or enrollees who are
20.9 otherwise eligible for medical assistance but fail to verify assets. Enrollees who become
20.10 eligible for federally funded medical assistance shall be terminated from state-funded
20.11 MinnesotaCare and transferred to medical assistance.

20.12 Sec. 24. Minnesota Statutes 2008, section 256L.17, subdivision 3, is amended to read:

20.13 Subd. 3. **Documentation.** (a) The commissioner of human services shall require
20.14 individuals ~~and families~~, at the time of application or renewal, to indicate on a checkoff
20.15 form developed by the commissioner whether they satisfy the MinnesotaCare asset
20.16 requirement.

20.17 (b) The commissioner may require individuals ~~and families~~ to provide any
20.18 information the commissioner determines necessary to verify compliance with the asset
20.19 requirement, if the commissioner determines that there is reason to believe that an
20.20 individual ~~or family~~ has assets that exceed the program limit.

20.21 Sec. 25. Minnesota Statutes 2008, section 256L.17, subdivision 5, is amended to read:

20.22 Subd. 5. **Exemption.** This section does not apply to pregnant women and families
20.23 with children under 21 years of age. For purposes of this subdivision, a woman is
20.24 considered pregnant for 60 days postpartum.

20.25 Sec. 26. **[256L.19] FEDERAL APPROVAL.**

20.26 The commissioner shall seek all federal waivers and approvals necessary to
20.27 implement sections 256L.01 to 256L.17.

20.28 Sec. 27. **REPEALER.**

20.29 (a) Minnesota Statutes 2008, sections 256B.055, subdivisions 3, 3a, 5, 6, 9, 10,
20.30 and 10b; 256B.056, subdivisions 1c and 3c; and 256B.057, subdivisions 1, 1c, 2, 2c, 7,
20.31 and 8, are repealed effective July 1, 2010.

21.1 (b) Minnesota Statutes 2008, sections 256L.07, subdivision 7; 256L.15, subdivision
21.2 3; and 256L.17, subdivision 6, are repealed effective July 1, 2010.

21.3 Sec. 28. **EFFECTIVE DATE.**

21.4 Sections 1 to 27 are effective July 1, 2010, or upon federal approval, whichever is
21.5 later.

256B.055 ELIGIBILITY CATEGORIES.

Subd. 3. **AFDC families.** Until March 31, 1998, medical assistance may be paid for a person who is eligible for or receiving, or who would be eligible for, except for excess income or assets, public assistance under the aid to families with dependent children program in effect as of July 16, 1996, as required by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), Public Law 104-193.

Subd. 3a. **Families with children.** Beginning July 1, 2002, medical assistance may be paid for a person who is a child under the age of 18, or age 18 if a full-time student in a secondary school, or in the equivalent level of vocational or technical training, and reasonably expected to complete the program before reaching age 19; the parent of a dependent child, including a pregnant woman; or a caretaker relative of a dependent child.

Subd. 5. **Pregnant women; dependent unborn child.** Medical assistance may be paid for a pregnant woman who has written verification of a positive pregnancy test from a physician or licensed registered nurse, who meets the other eligibility criteria of this section and who would be categorically eligible for assistance under the state's AFDC plan in effect as of July 16, 1996, as required by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), Public Law 104-193, if the child had been born and was living with the woman. For purposes of this subdivision, a woman is considered pregnant for 60 days postpartum.

Subd. 6. **Pregnant women; needy unborn child.** Medical assistance may be paid for a pregnant woman who has written verification of a positive pregnancy test from a physician or licensed registered nurse, who meets the other eligibility criteria of this section and whose unborn child would be eligible as a needy child under subdivision 10 if born and living with the woman. For purposes of this subdivision, a woman is considered pregnant for 60 days postpartum.

Subd. 9. **Children.** Medical assistance may be paid for a person who is under 21 years of age and in need of medical care that neither the person nor the person's relatives responsible under sections 256B.01 to 256B.26 are financially able to provide.

Subd. 10. **Infants.** Medical assistance may be paid for an infant less than one year of age, whose mother was eligible for and receiving medical assistance at the time of birth and who remains in the mother's household or who is in a family with countable income that is equal to or less than the income standard established under section 256B.057, subdivision 1.

Subd. 10b. **Children.** This subdivision supersedes subdivision 10 as long as the Minnesota health care reform waiver remains in effect. When the waiver expires, the commissioner of human services shall publish a notice in the State Register and notify the revisor of statutes. Medical assistance may be paid for a child less than two years of age with countable family income as established for infants under section 256B.057, subdivision 1.

256B.056 ELIGIBILITY REQUIREMENTS FOR MEDICAL ASSISTANCE.

Subd. 1c. **Families with children income methodology.** (a)(1) [Expired, 1Sp2003 c 14 art 12 s 17]

(2) For applications processed within one calendar month prior to July 1, 2003, eligibility shall be determined by applying the income standards and methodologies in effect prior to July 1, 2003, for any months in the six-month budget period before July 1, 2003, and the income standards and methodologies in effect on July 1, 2003, for any months in the six-month budget period on or after that date. The income standards for each month shall be added together and compared to the applicant's total countable income for the six-month budget period to determine eligibility.

(3) For children ages one through 18 whose eligibility is determined under section 256B.057, subdivision 2, the following deductions shall be applied to income counted toward the child's eligibility as allowed under the state's AFDC plan in effect as of July 16, 1996: \$90 work expense, dependent care, and child support paid under court order. This clause is effective October 1, 2003.

(b) For families with children whose eligibility is determined using the standard specified in section 256B.056, subdivision 4, paragraph (c), 17 percent of countable earned income shall be disregarded for up to four months and the following deductions shall be applied to each individual's income counted toward eligibility as allowed under the state's AFDC plan in effect as of July 16, 1996: dependent care and child support paid under court order.

(c) If the four-month disregard in paragraph (b) has been applied to the wage earner's income for four months, the disregard shall not be applied again until the wage earner's income has not been considered in determining medical assistance eligibility for 12 consecutive months.

APPENDIX

Repealed Minnesota Statutes: H1935-1

(d) The commissioner shall adjust the income standards under this section each July 1 by the annual update of the federal poverty guidelines following publication by the United States Department of Health and Human Services.

Subd. 3c. **Asset limitations for families and children.** A household of two or more persons must not own more than \$20,000 in total net assets, and a household of one person must not own more than \$10,000 in total net assets. In addition to these maximum amounts, an eligible individual or family may accrue interest on these amounts, but they must be reduced to the maximum at the time of an eligibility redetermination. The value of assets that are not considered in determining eligibility for medical assistance for families and children is the value of those assets excluded under the AFDC state plan as of July 16, 1996, as required by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), Public Law 104-193, with the following exceptions:

- (1) household goods and personal effects are not considered;
- (2) capital and operating assets of a trade or business up to \$200,000 are not considered;
- (3) one motor vehicle is excluded for each person of legal driving age who is employed or seeking employment;
- (4) one burial plot and all other burial expenses equal to the supplemental security income program asset limit are not considered for each individual;
- (5) court-ordered settlements up to \$10,000 are not considered;
- (6) individual retirement accounts and funds are not considered; and
- (7) assets owned by children are not considered.

256B.057 ELIGIBILITY REQUIREMENTS FOR SPECIAL CATEGORIES.

Subdivision 1. **Infants and pregnant women.** (a)(1) An infant less than one year of age or a pregnant woman who has written verification of a positive pregnancy test from a physician or licensed registered nurse is eligible for medical assistance if countable family income is equal to or less than 275 percent of the federal poverty guideline for the same family size. For purposes of this subdivision, "countable family income" means the amount of income considered available using the methodology of the AFDC program under the state's AFDC plan as of July 16, 1996, as required by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), Public Law 104-193, except for the earned income disregard and employment deductions.

(2) For applications processed within one calendar month prior to the effective date, eligibility shall be determined by applying the income standards and methodologies in effect prior to the effective date for any months in the six-month budget period before that date and the income standards and methodologies in effect on the effective date for any months in the six-month budget period on or after that date. The income standards for each month shall be added together and compared to the applicant's total countable income for the six-month budget period to determine eligibility.

(b)(1) [Expired, 1Sp2003 c 14 art 12 s 19]

(2) For applications processed within one calendar month prior to July 1, 2003, eligibility shall be determined by applying the income standards and methodologies in effect prior to July 1, 2003, for any months in the six-month budget period before July 1, 2003, and the income standards and methodologies in effect on the expiration date for any months in the six-month budget period on or after July 1, 2003. The income standards for each month shall be added together and compared to the applicant's total countable income for the six-month budget period to determine eligibility.

(3) An amount equal to the amount of earned income exceeding 275 percent of the federal poverty guideline, up to a maximum of the amount by which the combined total of 185 percent of the federal poverty guideline plus the earned income disregards and deductions allowed under the state's AFDC plan as of July 16, 1996, as required by the Personal Responsibility and Work Opportunity Act of 1996 (PRWORA), Public Law 104-193, exceeds 275 percent of the federal poverty guideline will be deducted for pregnant women and infants less than one year of age.

(c) Dependent care and child support paid under court order shall be deducted from the countable income of pregnant women.

(d) An infant born on or after January 1, 1991, to a woman who was eligible for and receiving medical assistance on the date of the child's birth shall continue to be eligible for medical assistance without redetermination until the child's first birthday, as long as the child remains in the woman's household.

APPENDIX

Repealed Minnesota Statutes: H1935-1

Subd. 1c. **No asset test for pregnant women.** Beginning September 30, 1998, eligibility for medical assistance for a pregnant woman must be determined without regard to asset standards established in section 256B.056, subdivision 3.

Subd. 2. **Children.** (a) Except as specified in subdivision 1b, effective October 1, 2003, a child one through 18 years of age in a family whose countable income is no greater than 150 percent of the federal poverty guidelines for the same family size, is eligible for medical assistance.

(b) For applications processed within one calendar month prior to the effective date, eligibility shall be determined by applying the income standards and methodologies in effect prior to the effective date for any months in the six-month budget period before that date and the income standards and methodologies in effect on the effective date for any months in the six-month budget period on or after that date. The income standards for each month shall be added together and compared to the applicant's total countable income for the six-month budget period to determine eligibility.

Subd. 2c. **Seamless coverage for MinnesotaCare eligible children.** A child receiving medical assistance under subdivision 2, who becomes ineligible due to excess income, is eligible for seamless coverage between medical assistance and MinnesotaCare. The child shall remain eligible under this section for two additional months and is deemed automatically eligible for MinnesotaCare until renewal. MinnesotaCare coverage begins in accordance with section 256L.05, subdivision 3. Eligibility under this section is effective following any coverage available under section 256B.0635.

Subd. 7. **Waiver of maintenance of effort requirement.** Unless a federal waiver of the maintenance of effort requirement of section 2105(d) of title XXI of the Balanced Budget Act of 1997, Public Law 105-33, Statutes at Large, volume 111, page 251, is granted by the federal Department of Health and Human Services by September 30, 1998, eligibility for children under age 21 must be determined without regard to asset standards established in section 256B.056, subdivision 3c. The commissioner of human services shall publish a notice in the State Register upon receipt of a federal waiver.

Subd. 8. **Children under age two.** Medical assistance may be paid for a child under two years of age whose countable family income is above 275 percent of the federal poverty guidelines for the same size family but less than or equal to 280 percent of the federal poverty guidelines for the same size family.

256L.07 ELIGIBILITY FOR MINNESOTACARE.

Subd. 7. **Exception for certain children.** Children formerly enrolled in medical assistance and automatically deemed eligible for MinnesotaCare according to section 256B.057, subdivision 2c, are exempt from the requirements of this section until renewal.

256L.15 PREMIUMS.

Subd. 3. **Exceptions to sliding scale.** Children in families with income at or below 150 percent of the federal poverty guidelines pay a monthly premium of \$4.

256L.17 ASSET REQUIREMENT FOR MINNESOTACARE.

Subd. 6. **Waiver of maintenance of effort requirement.** Unless a federal waiver of the maintenance of effort requirements of section 2105(d) of title XXI of the Balanced Budget Act of 1997, Public Law 105-33, Statutes at Large, volume 111, page 251, is granted by the federal Department of Health and Human Services by September 30, 1998, this section does not apply to children. The commissioner shall publish a notice in the State Register upon receipt of a federal waiver.