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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 3727

03/31/2016 Authored by Bernardy, Clark and McDonald
The bill was read for the first time and referred to the Committee on Health and Human Services Reform

1.1 A bill for an act
1.2 relating to human services; modifying certain provisions governing medical
1.3 assistance for employed persons with disabilities asset limits; seeking federal
1.4 waiver authority; amending Minnesota Statutes 2015 Supplement, section
1.5 256B.057, subdivision 9.

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

1.7 Section 1. Minnesota Statutes 2015 Supplement, section 256B.057, subdivision 9,
1.8 is amended to read:

1.9 Subd. 9. **Employed persons with disabilities.** (a) Medical assistance may be paid
1.10 for a person who is employed and who:

1.11 (1) but for excess earnings or assets, meets the definition of disabled under the
1.12 Supplemental Security Income program;

1.13 (2) meets the asset limits in paragraph (d); and

1.14 (3) pays a premium and other obligations under paragraph (e).

1.15 (b) For purposes of eligibility, there is a \$65 earned income disregard. To be eligible
1.16 for medical assistance under this subdivision, a person must have more than \$65 of earned
1.17 income. To adjust for income fluctuations, earned income is the person's income averaged
1.18 over the previous six months. Earned income must have Medicare, Social Security, and
1.19 applicable state and federal taxes withheld. The person must document earned income
1.20 tax withholding. Any spousal income or assets shall be disregarded for purposes of
1.21 eligibility and premium determinations.

1.22 (c) After the month of enrollment, a person enrolled in medical assistance under
1.23 this subdivision who:

1.24 (1) is temporarily unable to work and without receipt of earned income due to a
1.25 medical condition, as verified by a physician; or

2.1 (2) loses employment for reasons not attributable to the enrollee, and is without
2.2 receipt of earned income may retain eligibility for up to four consecutive months after the
2.3 month of job loss. To receive a four-month extension, enrollees must verify the medical
2.4 condition or provide notification of job loss. All other eligibility requirements must be met
2.5 and the enrollee must pay all calculated premium costs for continued eligibility.

2.6 (d) For purposes of determining eligibility under this subdivision, a person's assets
2.7 must not exceed \$20,000, excluding:

2.8 (1) all assets excluded under section 256B.056;

2.9 (2) retirement accounts, including individual accounts, 401(k) plans, 403(b) plans,
2.10 Keogh plans, and pension plans;

2.11 (3) medical expense accounts set up through the person's employer; ~~and~~

2.12 (4) spousal assets, including spouse's share of jointly held assets; and

2.13 (5) personally owned business assets.

2.14 (e) All enrollees must pay a premium to be eligible for medical assistance under this
2.15 subdivision, except as provided under clause (5).

2.16 (1) An enrollee must pay the greater of a \$35 premium or the premium calculated
2.17 based on the person's gross earned and unearned income and the applicable family size
2.18 using a sliding fee scale established by the commissioner, which begins at one percent of
2.19 income at 100 percent of the federal poverty guidelines and increases to 7.5 percent of
2.20 income for those with incomes at or above 300 percent of the federal poverty guidelines.

2.21 (2) Annual adjustments in the premium schedule based upon changes in the federal
2.22 poverty guidelines shall be effective for premiums due in July of each year.

2.23 (3) All enrollees who receive unearned income must pay one-half of one percent of
2.24 unearned income in addition to the premium amount, except as provided under clause (5).

2.25 (4) Increases in benefits under title II of the Social Security Act shall not be counted
2.26 as income for purposes of this subdivision until July 1 of each year.

2.27 (5) Effective July 1, 2009, American Indians are exempt from paying premiums as
2.28 required by section 5006 of the American Recovery and Reinvestment Act of 2009, Public
2.29 Law 111-5. For purposes of this clause, an American Indian is any person who meets the
2.30 definition of Indian according to Code of Federal Regulations, title 42, section 447.50.

2.31 (f) A person's eligibility and premium shall be determined by the local county
2.32 agency. Premiums must be paid to the commissioner. All premiums are dedicated to
2.33 the commissioner.

2.34 (g) Any required premium shall be determined at application and redetermined at
2.35 the enrollee's six-month income review or when a change in income or household size is
2.36 reported. Enrollees must report any change in income or household size within ten days

3.1 of when the change occurs. A decreased premium resulting from a reported change in
3.2 income or household size shall be effective the first day of the next available billing month
3.3 after the change is reported. Except for changes occurring from annual cost-of-living
3.4 increases, a change resulting in an increased premium shall not affect the premium amount
3.5 until the next six-month review.

3.6 (h) Premium payment is due upon notification from the commissioner of the
3.7 premium amount required. Premiums may be paid in installments at the discretion of
3.8 the commissioner.

3.9 (i) Nonpayment of the premium shall result in denial or termination of medical
3.10 assistance unless the person demonstrates good cause for nonpayment. Good cause exists
3.11 if the requirements specified in Minnesota Rules, part 9506.0040, subpart 7, items B to
3.12 D, are met. Except when an installment agreement is accepted by the commissioner, all
3.13 persons disenrolled for nonpayment of a premium must pay any past due premiums as well
3.14 as current premiums due prior to being reenrolled. Nonpayment shall include payment with
3.15 a returned, refused, or dishonored instrument. The commissioner may require a guaranteed
3.16 form of payment as the only means to replace a returned, refused, or dishonored instrument.

3.17 (j) For enrollees whose income does not exceed 200 percent of the federal poverty
3.18 guidelines and who are also enrolled in Medicare, the commissioner shall reimburse
3.19 the enrollee for Medicare part B premiums under section 256B.0625, subdivision 15,
3.20 paragraph (a).

3.21 **Sec. 2. FEDERAL AUTHORITY REQUEST.**

3.22 The commissioner of human services shall seek all necessary federal authority
3.23 to implement section 1.

3.24 **Sec. 3. EFFECTIVE DATE.**

3.25 Section 1 is effective upon federal approval. The commissioner of human services
3.26 shall notify the revisor of statutes when federal approval is obtained.