

1.1 A bill for an act

1.2 relating to human services; changing eligibility requirements for medical
1.3 assistance and MinnesotaCare; amending Minnesota Statutes 2008, sections
1.4 256B.056, subdivisions 3, 3c; 256L.17, subdivision 3.

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

1.6 Section 1. Minnesota Statutes 2008, section 256B.056, subdivision 3, is amended to
1.7 read:

1.8 Subd. 3. **Asset limitations for individuals and families.** To be eligible for medical
1.9 assistance, a person must not individually own more than \$3,000 in assets, or if a member
1.10 of a household with two family members, husband and wife, or parent and child, the
1.11 household must not own more than \$6,000 in assets, plus \$200 for each additional legal
1.12 dependent. In addition to these maximum amounts, an eligible individual or family may
1.13 accrue interest on these amounts, but they must be reduced to the maximum at the time
1.14 of an eligibility redetermination. The accumulation of the clothing and personal needs
1.15 allowance according to section 256B.35 must also be reduced to the maximum at the
1.16 time of the eligibility redetermination. The value of assets that are not considered in
1.17 determining eligibility for medical assistance is the value of those assets excluded under
1.18 the supplemental security income program for aged, blind, and disabled persons, with
1.19 the following exceptions:

1.20 (1) household goods and personal effects are not considered;

1.21 (2) capital and operating assets of a trade or business that the local agency determines
1.22 are necessary to the person's ability to earn an income are not considered~~;~~, except that
1.23 capital and operating assets used for personal expenses including, but not limited to,

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2.1 mortgage payments, utility payments, motor vehicle payments, and grocery payments paid
2.2 out of a business account shall be considered earned income to the household;

2.3 (3) motor vehicles are excluded to the same extent excluded by the supplemental
2.4 security income program;

2.5 (4) assets designated as burial expenses are excluded to the same extent excluded by
2.6 the supplemental security income program. Burial expenses funded by annuity contracts
2.7 or life insurance policies must irrevocably designate the individual's estate as contingent
2.8 beneficiary to the extent proceeds are not used for payment of selected burial expenses; and

2.9 (5) effective upon federal approval, for a person who no longer qualifies as an
2.10 employed person with a disability due to loss of earnings, assets allowed while eligible
2.11 for medical assistance under section 256B.057, subdivision 9, are not considered for 12
2.12 months, beginning with the first month of ineligibility as an employed person with a
2.13 disability, to the extent that the person's total assets remain within the allowed limits of
2.14 section 256B.057, subdivision 9, paragraph (c).

2.15 The assets specified in clauses (1) to (4) must be disclosed to the local agency at the
2.16 time of application and at the time of an eligibility redetermination, and must be verified
2.17 upon request of the local agency.

2.18 Sec. 2. Minnesota Statutes 2008, section 256B.056, subdivision 3c, is amended to read:

2.19 Subd. 3c. **Asset limitations for families and children.** A household of two or more
2.20 persons must not own more than \$20,000 in total net assets, and a household of one
2.21 person must not own more than \$10,000 in total net assets. In addition to these maximum
2.22 amounts, an eligible individual or family may accrue interest on these amounts, but they
2.23 must be reduced to the maximum at the time of an eligibility redetermination. The value of
2.24 assets that are not considered in determining eligibility for medical assistance for families
2.25 and children is the value of those assets excluded under the AFDC state plan as of July 16,
2.26 1996, as required by the Personal Responsibility and Work Opportunity Reconciliation
2.27 Act of 1996 (PRWORA), Public Law 104-193, with the following exceptions:

2.28 (1) household goods and personal effects are not considered;

2.29 (2) capital and operating assets of a trade or business up to \$200,000 are not
2.30 considered, except that capital and operating assets used for personal expenses including,
2.31 but not limited to, mortgage payments, utility payments, motor vehicle payments, and
2.32 grocery payments paid out of a business account shall be considered earned income to
2.33 the household;

2.34 (3) one motor vehicle is excluded for each person of legal driving age who is
2.35 employed or seeking employment;

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3.1 (4) one burial plot and all other burial expenses equal to the supplemental security
3.2 income program asset limit are not considered for each individual;

3.3 (5) court-ordered settlements up to \$10,000 are not considered;

3.4 (6) individual retirement accounts and funds are not considered; and

3.5 (7) assets owned by children are not considered.

3.6 The assets specified in clauses (1) to (7) must be disclosed to the local agency at the
3.7 time of application and at the time of an eligibility redetermination, and must be verified
3.8 upon request of the local agency.

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

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

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