

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

S.F. No. 3981

(SENATE AUTHORS: ISAACSON, Klein, Marty and Franzen)

DATE
03/04/2020

D-PG

OFFICIAL STATUS
Introduction and first reading
Referred to Human Services Reform Finance and Policy

1.1 A bill for an act
1.2 relating to human services; eliminating medical assistance asset limits for people
1.3 with disabilities; amending Minnesota Statutes 2018, sections 256B.055,
1.4 subdivisions 7, 15, by adding a subdivision; 256B.056, subdivisions 1a, 1b, 4;
1.5 256B.057, subdivisions 3, 4, 9; Minnesota Statutes 2019 Supplement, section
1.6 256B.056, subdivision 3.

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

1.8 Section 1. Minnesota Statutes 2018, section 256B.055, subdivision 7, is amended to read:

1.9 Subd. 7. ~~Aged or blind persons or Persons with disabilities~~ age 65 or older. (a)

1.10 Medical assistance may be paid for a person who meets the categorical eligibility
1.11 requirements of the Supplemental Security Income program based on an age of 65 or more
1.12 years, or; who would meet those requirements except for excess income or assets, and who
1.13 meets the other eligibility requirements of this section.

1.14 ~~(b) Following a determination that the applicant is not aged or blind and does not meet~~
1.15 ~~any other category of eligibility for medical assistance and has not been determined disabled~~
1.16 ~~by the Social Security Administration, applicants under this subdivision shall be referred~~
1.17 ~~to the commissioner's state medical review team for a determination of disability.~~

1.18 Sec. 2. Minnesota Statutes 2018, section 256B.055, is amended by adding a subdivision
1.19 to read:

1.20 Subd. 7b. Persons who are blind or who have been determined to have a disability. (a)

1.21 Medical assistance may be paid for a person who meets the categorical eligibility
1.22 requirements of the Supplemental Security Income program based on blindness or disability,

2.1 or who would meet those requirements except for excess income or assets, and who meets
 2.2 the other eligibility requirements of this section.

2.3 (b) Following a determination that the applicant is not blind, does not meet any other
 2.4 category of eligibility requirements for medical assistance, and has not been determined
 2.5 disabled by the Social Security Administration, an applicant under this subdivision shall be
 2.6 referred to the commissioner's state medical review team for a determination of disability.

2.7 Sec. 3. Minnesota Statutes 2018, section 256B.055, subdivision 15, is amended to read:

2.8 Subd. 15. **Adults without children.** Medical assistance may be paid for a person who
 2.9 is:

2.10 (1) at least age 21 and under age 65;

2.11 (2) not pregnant;

2.12 (3) not entitled to Medicare Part A or enrolled in Medicare Part B under Title XVIII of
 2.13 the Social Security Act;

2.14 (4) not otherwise eligible under subdivision 7 7b as a person who meets the categorical
 2.15 eligibility requirements of the Supplemental Security Income program;

2.16 (5) not enrolled under subdivision 7 7b as a person who would meet the categorical
 2.17 eligibility requirements of the Supplemental Security Income program except for excess
 2.18 income or assets; and

2.19 (6) not described in another subdivision of this section.

2.20 Sec. 4. Minnesota Statutes 2018, section 256B.056, subdivision 1a, is amended to read:

2.21 Subd. 1a. **Income and assets generally.** (a)(1) Unless specifically required by state law
 2.22 or rule or federal law or regulation, the methodologies used in counting income ~~and assets~~
 2.23 to determine eligibility for medical assistance for persons whose eligibility category is based
 2.24 on blindness, disability, or age of 65 or more years, the methodologies for the Supplemental
 2.25 Security Income program shall be used, ~~except as provided under subdivision 3, paragraph~~
 2.26 ~~(a), clause (6).~~

2.27 (2) Increases in benefits under title II of the Social Security Act shall not be counted as
 2.28 income for purposes of this subdivision until July 1 of each year. Effective upon federal
 2.29 approval, for children eligible under section 256B.055, subdivision 12, or for home and
 2.30 community-based waiver services whose eligibility for medical assistance is determined
 2.31 without regard to parental income, child support payments, including any payments made

3.1 by an obligor in satisfaction of or in addition to a temporary or permanent order for child
3.2 support, and Social Security payments are not counted as income.

3.3 (b)(1) The modified adjusted gross income methodology as defined in the Affordable
3.4 Care Act shall be used for eligibility categories based on:

3.5 (i) children under age 19 and their parents and relative caretakers as defined in section
3.6 256B.055, subdivision 3a;

3.7 (ii) children ages 19 to 20 as defined in section 256B.055, subdivision 16;

3.8 (iii) pregnant women as defined in section 256B.055, subdivision 6;

3.9 (iv) infants as defined in sections 256B.055, subdivision 10, and 256B.057, subdivision
3.10 8; and

3.11 (v) adults without children as defined in section 256B.055, subdivision 15.

3.12 For these purposes, a "methodology" does not include an asset or income standard, or
3.13 accounting method, or method of determining effective dates.

3.14 (2) For individuals whose income eligibility is determined using the modified adjusted
3.15 gross income methodology in clause (1), the commissioner shall subtract from the individual's
3.16 modified adjusted gross income an amount equivalent to five percent of the federal poverty
3.17 guidelines.

3.18 (c) Unless specifically required by state law or rule or federal law or regulation, the
3.19 methodologies used in counting assets to determine eligibility for medical assistance for
3.20 persons whose eligibility is based on an age of 65 or more years, the methodologies for the
3.21 Supplemental Security Income program shall be used, except as provided under subdivision
3.22 3, paragraph (a), clause (6).

3.23 Sec. 5. Minnesota Statutes 2018, section 256B.056, subdivision 1b, is amended to read:

3.24 Subd. 1b. **Aged, blind, and disabled income methodology.** The \$20 general income
3.25 disregard allowed under the Supplemental Security Income program is included in the
3.26 standard and shall not be allowed as a deduction from income for a person eligible under
3.27 section 256B.055, subdivisions 7, 7a, 7b, and 12.

3.28 Sec. 6. Minnesota Statutes 2019 Supplement, section 256B.056, subdivision 3, is amended
3.29 to read:

3.30 Subd. 3. **Asset limitations for certain individuals.** (a) To be eligible for medical
3.31 assistance, a person must not individually own more than \$3,000 in assets, or if a member

4.1 of a household with two family members, husband and wife, or parent and child, the
4.2 household must not own more than \$6,000 in assets, plus \$200 for each additional legal
4.3 dependent. In addition to these maximum amounts, an eligible individual or family may
4.4 accrue interest on these amounts, but they must be reduced to the maximum at the time of
4.5 an eligibility redetermination. The accumulation of the clothing and personal needs allowance
4.6 according to section 256B.35 must also be reduced to the maximum at the time of the
4.7 eligibility redetermination. The value of assets that are not considered in determining
4.8 eligibility for medical assistance is the value of those assets excluded under the Supplemental
4.9 Security Income program ~~for aged, blind, and disabled persons~~, with the following
4.10 exceptions:

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

4.12 (2) capital and operating assets of a trade or business that the local agency determines
4.13 are necessary to the person's ability to earn an income are not considered;

4.14 (3) motor vehicles are excluded to the same extent excluded by the Supplemental Security
4.15 Income program;

4.16 (4) assets designated as burial expenses are excluded to the same extent excluded by the
4.17 Supplemental Security Income program. Burial expenses funded by annuity contracts or
4.18 life insurance policies must irrevocably designate the individual's estate as contingent
4.19 beneficiary to the extent proceeds are not used for payment of selected burial expenses;

4.20 ~~(5) for a person who no longer qualifies as an employed person with a disability due to~~
4.21 ~~loss of earnings, assets allowed while eligible for medical assistance under section 256B.057,~~
4.22 ~~subdivision 9, are not considered for 12 months, beginning with the first month of ineligibility~~
4.23 ~~as an employed person with a disability, to the extent that the person's total assets remain~~
4.24 ~~within the allowed limits of section 256B.057, subdivision 9, paragraph (d);~~

4.25 ~~(6)~~ (5) a designated employment incentives asset account is disregarded when determining
4.26 eligibility for medical assistance for a person age 65 years or older under section 256B.055,
4.27 subdivision 7. An employment incentives asset account must only be designated by a person
4.28 who has been enrolled in medical assistance under section 256B.057, subdivision 9, for a
4.29 24-consecutive-month period. A designated employment incentives asset account contains
4.30 qualified assets owned by the person and the person's spouse in the last month of enrollment
4.31 in medical assistance under section 256B.057, subdivision 9. Qualified assets include
4.32 retirement and pension accounts, medical expense accounts, and up to \$17,000 of the person's
4.33 other nonexcluded assets. An employment incentives asset account is no longer designated
4.34 when a person loses medical assistance eligibility for a calendar month or more before

5.1 turning age 65. A person who loses medical assistance eligibility before age 65 can establish
5.2 a new designated employment incentives asset account by establishing a new
5.3 24-consecutive-month period of enrollment under section 256B.057, subdivision 9. The
5.4 income of a spouse of a person enrolled in medical assistance under section 256B.057,
5.5 subdivision 9, during each of the 24 consecutive months before the person's 65th birthday
5.6 must be disregarded when determining eligibility for medical assistance under section
5.7 256B.055, subdivision 7. Persons eligible under this clause are not subject to the provisions
5.8 in section 256B.059; and

5.9 ~~(7)~~ (6) effective July 1, 2009, certain assets owned by American Indians are excluded
5.10 as required by section 5006 of the American Recovery and Reinvestment Act of 2009,
5.11 Public Law 111-5. For purposes of this clause, an American Indian is any person who meets
5.12 the definition of Indian according to Code of Federal Regulations, title 42, section 447.50.

5.13 (b) No asset limit shall apply to persons eligible under section 256B.055, subdivision
5.14 15.

5.15 (c) No asset limit shall apply to persons eligible under section 256B.055, subdivision
5.16 7b.

5.17 Sec. 7. Minnesota Statutes 2018, section 256B.056, subdivision 4, is amended to read:

5.18 Subd. 4. **Income.** (a) To be eligible for medical assistance, a person eligible under section
5.19 256B.055, subdivisions 7, 7a, 7b, and 12, may have income up to 100 percent of the federal
5.20 poverty guidelines. Effective January 1, 2000, and each successive January, recipients of
5.21 Supplemental Security Income may have an income up to the Supplemental Security Income
5.22 standard in effect on that date.

5.23 (b) Effective January 1, 2014, to be eligible for medical assistance, under section
5.24 256B.055, subdivision 3a, a parent or caretaker relative may have an income up to 133
5.25 percent of the federal poverty guidelines for the household size.

5.26 (c) To be eligible for medical assistance under section 256B.055, subdivision 15, a
5.27 person may have an income up to 133 percent of federal poverty guidelines for the household
5.28 size.

5.29 (d) To be eligible for medical assistance under section 256B.055, subdivision 16, a child
5.30 age 19 to 20 may have an income up to 133 percent of the federal poverty guidelines for
5.31 the household size.

5.32 (e) To be eligible for medical assistance under section 256B.055, subdivision 3a, a child
5.33 under age 19 may have income up to 275 percent of the federal poverty guidelines for the

6.1 household size or an equivalent standard when converted using modified adjusted gross
 6.2 income methodology as required under the Affordable Care Act. Children who are enrolled
 6.3 in medical assistance as of December 31, 2013, and are determined ineligible for medical
 6.4 assistance because of the elimination of income disregards under modified adjusted gross
 6.5 income methodology as defined in subdivision 1a remain eligible for medical assistance
 6.6 under the Children's Health Insurance Program Reauthorization Act of 2009, Public Law
 6.7 111-3, until the date of their next regularly scheduled eligibility redetermination as required
 6.8 in subdivision 7a.

6.9 (f) In computing income to determine eligibility of persons under paragraphs (a) to (e)
 6.10 who are not residents of long-term care facilities, the commissioner shall disregard increases
 6.11 in income as required by Public Laws 94-566, section 503; 99-272; and 99-509. For persons
 6.12 eligible under paragraph (a), veteran aid and attendance benefits and Veterans Administration
 6.13 unusual medical expense payments are considered income to the recipient.

6.14 Sec. 8. Minnesota Statutes 2018, section 256B.057, subdivision 3, is amended to read:

6.15 Subd. 3. **Qualified Medicare beneficiaries.** ~~A person who is entitled to Part A Medicare~~
 6.16 ~~benefits, whose income is equal to or less than 100 percent of the federal poverty guidelines,~~
 6.17 ~~and whose assets are no more than \$10,000 for a single individual and \$18,000 for a married~~
 6.18 ~~couple or family of two or more, is eligible for medical assistance reimbursement of Part~~
 6.19 ~~A and Part B premiums, Part A and Part B coinsurance and deductibles, and cost-effective~~
 6.20 ~~premiums for enrollment with a health maintenance organization or a competitive medical~~
 6.21 ~~plan under section 1876 of the Social Security Act. (a) A person is eligible for medical~~
 6.22 assistance reimbursement of Part A and Part B premiums, Part A and Part B coinsurance
 6.23 and deductibles, and cost-effective premiums for enrollment with a health maintenance
 6.24 organization or a competitive medical plan under section 1876 of the Social Security Act
 6.25 if:

6.26 (1) the person is entitled to Part A Medicare;

6.27 (2) the person's income is equal to or less than 100 percent of the federal poverty
 6.28 guidelines; and

6.29 (3) for a person 65 years of age or older, the person's assets do not exceed \$10,000 for
 6.30 a single individual and \$18,000 for a married couple or family of two or more.

6.31 (b) Reimbursement of the Medicare coinsurance and deductibles, when added to the
 6.32 amount paid by Medicare, must not exceed the total rate the provider would have received
 6.33 for the same service or services if the person were a medical assistance recipient with

7.1 Medicare coverage. Increases in benefits under Title II of the Social Security Act shall not
7.2 be counted as income for purposes of this subdivision until July 1 of each year.

7.3 Sec. 9. Minnesota Statutes 2018, section 256B.057, subdivision 4, is amended to read:

7.4 Subd. 4. **Qualified working adults with disabilities.** ~~A person who is entitled to~~
7.5 ~~Medicare Part A benefits under section 1818A of the Social Security Act; whose income~~
7.6 ~~does not exceed 200 percent of the federal poverty guidelines for the applicable family size;~~
7.7 ~~whose nonexempt assets do not exceed twice the maximum amount allowable under the~~
7.8 ~~Supplemental Security Income program, according to family size; and who is not otherwise~~
7.9 ~~eligible for medical assistance, is eligible for medical assistance reimbursement of the~~
7.10 ~~Medicare Part A premium.~~ A person is eligible for medical assistance reimbursement if:

7.11 (1) the person is entitled to Medicare Part A benefits under section 1818A of the Social
7.12 Security Act;

7.13 (2) the person's income does not exceed 200 percent of the federal poverty guidelines
7.14 for the applicable family size;

7.15 (3) for a person 65 years of age or older, the person's nonexempt assets do not exceed
7.16 twice the maximum amount allowable under the Supplemental Security Income program
7.17 according to family size; and

7.18 (4) the person is not otherwise eligible for medical assistance.

7.19 Sec. 10. Minnesota Statutes 2018, section 256B.057, subdivision 9, is amended to read:

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

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

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

7.25 ~~(3)~~ (2) pays a premium and other obligations under paragraph ~~(e)~~ (d).

7.26 (b) For purposes of eligibility, there is a \$65 earned income disregard. To be eligible
7.27 for medical assistance under this subdivision, a person must have more than \$65 of earned
7.28 income. Earned income must have Medicare, Social Security, and applicable state and
7.29 federal taxes withheld. The person must document earned income tax withholding. Any
7.30 spousal income or assets shall be disregarded for purposes of eligibility and premium
7.31 determinations.

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

8.3 (1) is temporarily unable to work and without receipt of earned income due to a medical
8.4 condition, as verified by a physician, advanced practice registered nurse, or physician
8.5 assistant; or

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

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

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

8.14 ~~(2) retirement accounts, including individual accounts, 401(k) plans, 403(b) plans, Keogh~~
8.15 ~~plans, and pension plans;~~

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

8.17 ~~(4) spousal assets, including spouse's share of jointly held assets.~~

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

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

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

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

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

8.31 (5) Effective July 1, 2009, American Indians are exempt from paying premiums as
8.32 required by section 5006 of the American Recovery and Reinvestment Act of 2009, Public

9.1 Law 111-5. For purposes of this clause, an American Indian is any person who meets the
9.2 definition of Indian according to Code of Federal Regulations, title 42, section 447.50.

9.3 ~~(f)~~ (e) A person's eligibility and premium shall be determined by the local county agency.
9.4 Premiums must be paid to the commissioner. All premiums are dedicated to the
9.5 commissioner.

9.6 ~~(g)~~ (f) Any required premium shall be determined at application and redetermined at the
9.7 enrollee's six-month income review or when a change in income or household size is reported.
9.8 Enrollees must report any change in income or household size within ten days of when the
9.9 change occurs. A decreased premium resulting from a reported change in income or
9.10 household size shall be effective the first day of the next available billing month after the
9.11 change is reported. Except for changes occurring from annual cost-of-living increases, a
9.12 change resulting in an increased premium shall not affect the premium amount until the
9.13 next six-month review.

9.14 ~~(h)~~ (g) Premium payment is due upon notification from the commissioner of the premium
9.15 amount required. Premiums may be paid in installments at the discretion of the commissioner.

9.16 ~~(i)~~ (h) Nonpayment of the premium shall result in denial or termination of medical
9.17 assistance unless the person demonstrates good cause for nonpayment. "Good cause" means
9.18 an excuse for the enrollee's failure to pay the required premium when due because the
9.19 circumstances were beyond the enrollee's control or not reasonably foreseeable. The
9.20 commissioner shall determine whether good cause exists based on the weight of the
9.21 supporting evidence submitted by the enrollee to demonstrate good cause. Except when an
9.22 installment agreement is accepted by the commissioner, all persons disenrolled for
9.23 nonpayment of a premium must pay any past due premiums as well as current premiums
9.24 due prior to being reenrolled. Nonpayment shall include payment with a returned, refused,
9.25 or dishonored instrument. The commissioner may require a guaranteed form of payment as
9.26 the only means to replace a returned, refused, or dishonored instrument.

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