

**SENATE  
STATE OF MINNESOTA  
NINETIETH SESSION**

**S.F. No. 1501**

(SENATE AUTHORS: WEBER, Ingebrigtsen and Anderson, B.)

DATE  
02/27/2017

D-PG  
794

Introduction and first reading  
Referred to Health and Human Services Finance and Policy

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to human services; modifying medical assistance spenddown procedures;  
1.3 amending Minnesota Statutes 2016, section 256B.056, subdivision 5.

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

1.5 Section 1. Minnesota Statutes 2016, section 256B.056, subdivision 5, is amended to read:

1.6 Subd. 5. **Excess income.** (a) A person who has excess income is eligible for medical  
1.7 assistance if the person has expenses for medical care that are more than the amount of the  
1.8 person's excess income, computed by deducting incurred medical expenses from the excess  
1.9 income to reduce the excess to the income standard specified in subdivision 5c. The person  
1.10 shall elect to have the medical expenses deducted at the beginning of a one-month budget  
1.11 period or at the beginning of a six-month budget period.

1.12 (b) The commissioner shall allow persons eligible for assistance on a one-month  
1.13 spenddown basis under this subdivision to elect to pay the monthly spenddown amount in  
1.14 advance of the month of eligibility to the state agency in order to maintain eligibility on a  
1.15 continuous basis. If the recipient does not pay the spenddown amount on or before the 20th  
1.16 of the month, the recipient is ineligible for this option for the following month. The local  
1.17 agency shall code the Medicaid Management Information System (MMIS) to indicate that  
1.18 the recipient has elected this option. The state agency shall convey recipient eligibility  
1.19 information relative to the collection of the spenddown to providers through the Electronic  
1.20 Verification System (EVS). A recipient electing advance payment must pay the state agency  
1.21 the monthly spenddown amount on or before the 20th of the month in order to be eligible  
1.22 for this option in the following month.

2.1 (c) The commissioner shall require persons on a one-month spenddown eligible under  
2.2 section 256B.055, subdivisions 7, 7a, and 12, who do not elect to pay the monthly spenddown  
2.3 amount in advance as provided under paragraph (b), to pay directly to the commissioner  
2.4 the monthly spenddown amount owed to providers for any services received during the  
2.5 spenddown period. The commissioner shall reimburse providers for services provided to a  
2.6 person during the spenddown period at the rate billed by the provider, except that payment  
2.7 to the provider shall not exceed the medical assistance rate.

2.8 **EFFECTIVE DATE.** This section is effective July 1, 2017.