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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 9

01/10/2013 Authored by Huntley, Liebling, Kahn, Loeffler, Allen and others
The bill was read for the first time and referred to the Committee on Health and Human Services Policy
01/24/2013 Adoption of Report: Pass as Amended and re-referred to Health and Human Services Finance
02/04/2013 Adoption of Report: Pass as Amended and re-referred to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to human services; expanding medical assistance eligibility; requiring the
1.3 use of modified adjusted gross income and a standard income disregard; amending
1.4 Minnesota Statutes 2012, sections 256B.02, by adding subdivisions; 256B.055,
1.5 subdivision 15; 256B.056, subdivisions 1a, 3, 4, by adding subdivisions.

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

1.7 Section 1. Minnesota Statutes 2012, section 256B.02, is amended by adding a
1.8 subdivision to read:

1.9 Subd. 17. **Affordable Care Act or ACA.** "Affordable Care Act" or "ACA" means
1.10 Public Law 111-148, as amended by the federal Health Care and Education Reconciliation
1.11 Act of 2010 (Public Law 111-152), and any amendments to, or regulations or guidance
1.12 issued under, those acts.

1.13 **EFFECTIVE DATE.** This section is effective January 1, 2014.

1.14 Sec. 2. Minnesota Statutes 2012, section 256B.02, is amended by adding a subdivision
1.15 to read:

1.16 Subd. 18. **Modified adjusted gross income and household income.** "Modified
1.17 adjusted gross income" and "household income" have the meaning provided in section
1.18 2002 of the Affordable Care Act.

1.19 **EFFECTIVE DATE.** This section is effective January 1, 2014.

1.20 Sec. 3. Minnesota Statutes 2012, section 256B.055, subdivision 15, is amended to read:

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

- 2.1 (1) at least age ~~21~~ 19 and under age 65;
- 2.2 (2) not pregnant;
- 2.3 (3) not entitled to Medicare Part A or enrolled in Medicare Part B under Title XVIII
- 2.4 of the Social Security Act;
- 2.5 (4) not an adult in a family with children as defined in section 256L.01, subdivision
- 2.6 3a; and
- 2.7 (5) not described in another subdivision of this section.

2.8 **EFFECTIVE DATE.** This section is effective January 1, 2014.

2.9 Sec. 4. Minnesota Statutes 2012, section 256B.056, subdivision 1a, is amended to read:

2.10 Subd. 1a. **Income and assets generally.** (a) Unless specifically required by state

2.11 law or rule or federal law or regulation, the methodologies used in counting income and

2.12 assets to determine eligibility for medical assistance for persons whose eligibility category

2.13 is based on blindness, disability, or age of 65 or more years, the methodologies for the

2.14 supplemental security income program shall be used, except as provided under subdivision

2.15 3, paragraph (a), clause (6). Increases in benefits under title II of the Social Security Act

2.16 shall not be counted as income for purposes of this subdivision until July 1 of each year.

2.17 (b) Effective upon federal approval, for children eligible under section 256B.055,

2.18 subdivision 12, or for home and community-based waiver services whose eligibility

2.19 for medical assistance is determined without regard to parental income, child support

2.20 payments, including any payments made by an obligor in satisfaction of or in addition

2.21 to a temporary or permanent order for child support, and Social Security payments are

2.22 not counted as income. For families and children, ~~which includes~~ and all other eligibility

2.23 categories exempt from the use of modified gross income and household income under

2.24 section 2002 of the Affordable Care Act, the methodologies under the state's AFDC

2.25 plan in effect as of July 16, 1996, as required by the Personal Responsibility and Work

2.26 Opportunity Reconciliation Act of 1996 (PRWORA), Public Law 104-193, shall be used,

2.27 except that effective October 1, 2003, the earned income disregards and deductions are

2.28 limited to those in subdivision 1c.

2.29 (c) Effective January 1, 2014, for families and children, adults without children, and

2.30 other individuals not otherwise exempt, the income and asset methodology required under

2.31 section 2002 of the Affordable Care Act shall be used.

2.32 (d) For these purposes, a "methodology" does not include an asset or income

2.33 standard, or accounting method, or method of determining effective dates.

2.34 **EFFECTIVE DATE.** This section is effective January 1, 2014.

3.1 Sec. 5. Minnesota Statutes 2012, section 256B.056, is amended by adding a
3.2 subdivision to read:

3.3 Subd. 1e. **Families and children; income methodology effective January 1, 2014.**
3.4 Effective January 1, 2014, the commissioner shall use modified adjusted gross income and
3.5 household income, and replace existing income disregards with a five percent standard
3.6 income disregard, when determining medical assistance income eligibility for applicants
3.7 and enrollees who are families and children and other individuals not exempt from these
3.8 requirements, as required under section 2002 of the Affordable Care Act.

3.9 **EFFECTIVE DATE.** This section is effective January 1, 2014.

3.10 Sec. 6. Minnesota Statutes 2012, section 256B.056, is amended by adding a
3.11 subdivision to read:

3.12 Subd. 1f. **Adults without children income methodology.** Effective January 1,
3.13 2014, the commissioner shall use modified adjusted gross income and household income,
3.14 and replace existing income disregards with a five percent standard disregard, when
3.15 determining medical assistance income eligibility for applicants and enrollees who are
3.16 adults without children under section 256B.055, subdivision 15, as required under section
3.17 2002 of the Affordable Care Act.

3.18 **EFFECTIVE DATE.** This section is effective January 1, 2014.

3.19 Sec. 7. Minnesota Statutes 2012, section 256B.056, subdivision 3, is amended to read:

3.20 **Subd. 3. Asset limitations for individuals and families.** (a) To be eligible for
3.21 medical assistance, a person must not individually own more than \$3,000 in assets, or if a
3.22 member of a household with two family members, husband and wife, or parent and child,
3.23 the household must not own more than \$6,000 in assets, plus \$200 for each additional
3.24 legal dependent. In addition to these maximum amounts, an eligible individual or family
3.25 may accrue interest on these amounts, but they must be reduced to the maximum at the
3.26 time of an eligibility redetermination. The accumulation of the clothing and personal
3.27 needs allowance according to section 256B.35 must also be reduced to the maximum at
3.28 the time of the eligibility redetermination. The value of assets that are not considered in
3.29 determining eligibility for medical assistance is the value of those assets excluded under
3.30 the supplemental security income program for aged, blind, and disabled persons, with
3.31 the following exceptions:

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

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

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

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

4.9 (5) for a person who no longer qualifies as an employed person with a disability due
4.10 to loss of earnings, assets allowed while eligible for medical assistance under section
4.11 256B.057, subdivision 9, are not considered for 12 months, beginning with the first month
4.12 of ineligibility as an employed person with a disability, to the extent that the person's total
4.13 assets remain within the allowed limits of section 256B.057, subdivision 9, paragraph (d);

4.14 (6) when a person enrolled in medical assistance under section 256B.057, subdivision
4.15 9, is age 65 or older and has been enrolled during each of the 24 consecutive months
4.16 before the person's 65th birthday, the assets owned by the person and the person's spouse
4.17 must be disregarded, up to the limits of section 256B.057, subdivision 9, paragraph (d),
4.18 when determining eligibility for medical assistance under section 256B.055, subdivision
4.19 7. The income of a spouse of a person enrolled in medical assistance under section
4.20 256B.057, subdivision 9, during each of the 24 consecutive months before the person's
4.21 65th birthday must be disregarded when determining eligibility for medical assistance
4.22 under section 256B.055, subdivision 7. Persons eligible under this clause are not subject to
4.23 the provisions in section 256B.059. A person whose 65th birthday occurs in 2012 or 2013
4.24 is required to have qualified for medical assistance under section 256B.057, subdivision 9,
4.25 prior to age 65 for at least 20 months in the 24 months prior to reaching age 65; and

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

4.30 (b) No asset limit shall apply to persons eligible under section 256B.055, subdivision
4.31 15.

4.32 (c) No asset limit shall apply to families and children and other individuals for whom
4.33 asset tests are prohibited under section 2002 of the Affordable Care Act.

4.34 **EFFECTIVE DATE.** This section is effective January 1, 2014.

4.35 Sec. 8. Minnesota Statutes 2012, section 256B.056, subdivision 4, is amended to read:

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

5.6 (b) To be eligible for medical assistance, families and children may have an income
5.7 up to 133-1/3 percent of the AFDC income standard in effect under the July 16, 1996,
5.8 AFDC state plan. Effective July 1, 2000, the base AFDC standard in effect on July 16,
5.9 1996, shall be increased by three percent.

5.10 (c) ~~Effective July 1, 2002~~ January 1, 2014, to be eligible for medical assistance,
5.11 ~~families and children may have an income up to 100 percent of the federal poverty~~
5.12 ~~guidelines for the family size~~ parents and relative caretakers may have an income up to
5.13 133 percent of the federal poverty guidelines for family size.

5.14 (d) To be eligible for medical assistance under section 256B.055, subdivision 15,
5.15 a person may have an income up to ~~75~~ 133 percent of federal poverty guidelines for
5.16 the family size.

5.17 (e) In computing income to determine eligibility of persons under paragraphs (a) to
5.18 (d) who are not residents of long-term care facilities, the commissioner shall disregard
5.19 increases in income as required by Public Laws 94-566, section 503; 99-272; and 99-509.
5.20 Veterans aid and attendance benefits and Veterans Administration unusual medical
5.21 expense payments are considered income to the recipient.

5.22 **EFFECTIVE DATE.** This section is effective January 1, 2014.

5.23 Sec. 9. **CONTINGENT SUNSET.**

5.24 If at any time, the commissioner of human services determines that all federal
5.25 funding will cease for the expansion authorized by the amendment to Minnesota Statutes,
5.26 section 256B.056, subdivision 4, in section 8 of this act, the eligibility standards for
5.27 medical assistance shall revert to the standards that existed on December 31, 2013. For
5.28 this sunset to occur, the commissioner of human services must notify the chairs and
5.29 ranking minority members of the legislative committees with jurisdiction over health and
5.30 human services policy and finance, within 60 days of determining that all federal funding
5.31 has ceased, and the reversion to the medical assistance eligibility standards that existed on
5.32 December 31, 2013, shall become effective on July 1 of the calendar year following the
5.33 calendar year in which all federal funding ceases.

5.34 **EFFECTIVE DATE.** This section is effective January 1, 2014.

6.1 Sec. 10. **TRANSFER.**

6.2 \$63,633,000 is transferred from the health care access fund to the general fund for
6.3 the biennium ending June 30, 2015, to pay for health care services provided under the
6.4 medical assistance program to former MinnesotaCare enrollees.

6.5 **EFFECTIVE DATE.** This section is effective January 1, 2014.