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State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 559

02/02/2015 Authored by Zerwas, Schoen, Loeffler, Hamilton, Franson and others
The bill was read for the first time and referred to the Committee on Health and Human Services Reform
03/26/2015 Adoption of Report: Amended and re-referred to the Committee on Health and Human Services Finance

1.1 A bill for an act
1.2 relating to human services; increasing the income medical assistance eligibility
1.3 limit, the asset limits, and the excess income standard for the blind, disabled, and
1.4 elderly; amending Minnesota Statutes 2014, section 256B.056, subdivisions
1.5 3, 4, 5c.

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

1.7 Section 1. Minnesota Statutes 2014, section 256B.056, subdivision 3, is amended to
1.8 read:

1.9 Subd. 3. Asset limitations for certain individuals. (a) To be eligible for medical
1.10 assistance, a person must not individually own more than ~~\$3,000~~ \$10,000 in assets, or
1.11 if a member of a household with two family members, husband and wife, or parent and
1.12 child, the household must not own more than ~~\$6,000~~ \$18,000 in assets, ~~plus \$200 for each~~
1.13 ~~additional legal dependent.~~ An additional \$10,000 in assets may be held in a separate
1.14 account to be used by a person or a two-person household only for home maintenance and
1.15 required repairs on a freestanding home that has been owned by the person or two-person
1.16 household for more than five years and for which the person or two-person household is
1.17 solely responsible for repairs to the home's roof and heating plant. In addition to these
1.18 maximum amounts, an eligible individual or family may accrue interest on these amounts,
1.19 but they must be reduced to the maximum at the time of an eligibility redetermination. The
1.20 accumulation of the clothing and personal needs allowance according to section 256B.35
1.21 must also be reduced to the maximum at the time of the eligibility redetermination. The
1.22 value of assets that are not considered in determining eligibility for medical assistance is
1.23 the value of those assets excluded under the Supplemental Security Income program for
1.24 aged, blind, and disabled persons, with the following exceptions:

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

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

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;

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

2.14 (6) when a person enrolled in medical assistance under section 256B.057,  
2.15 subdivision 9, is age 65 or older and has been enrolled during each of the 24 consecutive  
2.16 months before the person's 65th birthday, the assets owned by the person and the person's  
2.17 spouse must be disregarded, up to the limits of section 256B.057, subdivision 9, paragraph  
2.18 (d), when determining eligibility for medical assistance under section 256B.055,  
2.19 subdivision 7. The income of a spouse of a person enrolled in medical assistance under  
2.20 section 256B.057, subdivision 9, during each of the 24 consecutive months before the  
2.21 person's 65th birthday must be disregarded when determining eligibility for medical  
2.22 assistance under section 256B.055, subdivision 7. Persons eligible under this clause are  
2.23 not subject to the provisions in section 256B.059; and

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

2.28 (b) No asset limit shall apply to persons eligible under section 256B.055, subdivision  
2.29 15.

2.30 **EFFECTIVE DATE.** This section is effective July 1, 2015.

2.31 Sec. 2. Minnesota Statutes 2014, section 256B.056, subdivision 4, is amended to read:

2.32 Subd. 4. **Income.** (a) To be eligible for medical assistance, a person eligible under  
2.33 section 256B.055, subdivisions 7, 7a, and 12, may have income up to ~~100~~ 133 percent of  
2.34 the federal poverty guidelines for the household size. Effective January 1, 2000, and each

3.1 successive January, recipients of Supplemental Security Income may have an income up  
3.2 to the Supplemental Security Income standard in effect on that date.

3.3 (b) Effective January 1, 2014, to be eligible for medical assistance, under section  
3.4 256B.055, subdivision 3a, a parent or caretaker relative may have an income up to 133  
3.5 percent of the federal poverty guidelines for the household size.

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

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

3.12 (e) To be eligible for medical assistance under section 256B.055, subdivision 3a, a  
3.13 child under age 19 may have income up to 275 percent of the federal poverty guidelines  
3.14 for the household size or an equivalent standard when converted using modified adjusted  
3.15 gross income methodology as required under the Affordable Care Act. Children who are  
3.16 enrolled in medical assistance as of December 31, 2013, and are determined ineligible  
3.17 for medical assistance because of the elimination of income disregards under modified  
3.18 adjusted gross income methodology as defined in subdivision 1a remain eligible for  
3.19 medical assistance under the Children's Health Insurance Program Reauthorization Act  
3.20 of 2009, Public Law 111-3, until the date of their next regularly scheduled eligibility  
3.21 redetermination as required in subdivision 7a.

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

3.27 **EFFECTIVE DATE.** This section is effective July 1, 2015.

3.28 Sec. 3. Minnesota Statutes 2014, section 256B.056, subdivision 5c, is amended to read:

3.29 Subd. 5c. **Excess income standard.** (a) The excess income standard for parents  
3.30 and caretaker relatives, pregnant women, infants, and children ages two through 20 is the  
3.31 standard specified in subdivision 4, paragraph (b).

3.32 (b) The excess income standard for a person whose eligibility is based on blindness,  
3.33 disability, or age of 65 or more years shall equal ~~75~~ 133 percent of the federal poverty  
3.34 guidelines.

4.1

**EFFECTIVE DATE.** This section is effective July 1, 2015.