

Sec. 34. Minnesota Statutes 1980, Section 180.03, Subdivision 2, is amended to read:

Subd. 2. Every person, firm or corporation that is or has been engaged in the business of mining or removing iron ore, taconite, semitaconite or other minerals except sand, crushed rock and gravel by the open pit method in any county which has appointed an inspector of mines pursuant to section 180.01 shall erect two inch by four inch mesh fencing along the outside perimeter of the excavation, open pit, or shaft of any mine in which mining operations have ceased for a period of six consecutive months or longer. The top and bottom wire shall not be less than 9 gauge and the filler wire shall not be less than 11 gauge. The fencing shall be not less than five feet in height with two strands of barbed wire six inches apart affixed to the top of the fence. The fence posts shall be no more than ten feet apart. In the case of open pit mines in which mining operations cease after November 1, 1979, and before March 1, 1980, the fencing shall be erected as soon as possible after March 1, 1980. Where mining operations cease on or after March 1, 1980, the fencing shall be erected forthwith. In the case of open pit mines in which mining operations had ceased for a period of six consecutive months or longer before November 1, 1979, and not resumed, the fencing shall be erected within ~~three~~ four years after November 1, 1979. Any fencing required by an inspector of mines pursuant to subdivision 3 or other applicable law shall meet the standards of this section as a minimum. This subdivision does not apply to any excavation, open pit, or shaft, or any portion thereof, exempted from its application by the commissioner of natural resources pursuant to laws relating to mineland reclamation or exempted from its application by the county mine inspector pursuant to subdivision 4.

Sec. 35. **EFFECTIVE DATE.**

This act is effective the day following final enactment.

Approved March 23, 1982

CHAPTER 640 — H.F.No. 2188

An act relating to public welfare; providing for a mechanism in the program of aid to families with dependent children to minimize certain recipients' incentives to quit work; modifying certain provisions relating to medical assistance; allowing a cause of action against responsible relatives; providing for payments to health maintenance organizations; appropriating money; amending Minnesota Statutes 1980, Sections 256.74, Subdivisions 1, as amended, and 1a, as added; 256B.04, by adding a subdivision; 256B.05, Subdivision 2; 256B.06, Subdivision 3; 256B.14; 256B.19, Subdivision 1; 256B.27, Subdivision 3; and Minnesota Statutes 1981 Supplement, Section 256.966.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

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

Section 1. Minnesota Statutes 1980, Section 256.74, Subdivision 1, as amended by Laws 1981, Third Special Session Chapter 3, Section 11, is amended to read:

Subdivision 1. **AMOUNT.** The amount of assistance which shall be granted to or on behalf of any dependent child and mother or other needy eligible relative caring for the dependent child shall be determined by the county agency in accordance with rules promulgated by the commissioner and shall be sufficient, when added to all other income and support available to the child, to provide the child with a reasonable subsistence compatible with decency and health. The amount shall be based on the method of budgeting required in Public Law No. 97-35, Section 2315, 42 U.S.C. 602, as amended and federal regulations at 45 C.F.R. Section 233. In making its determination the county agency shall disregard the following from family income:

(1) All of the earned income of each dependent child receiving aid to families with dependent children who is a full-time student or part-time student, and not a full-time employee, attending a school, college, or university, or a course of vocational or technical training designed to fit him for gainful employment;

(2) All educational grants and loans awarded pursuant to a federal law when public assistance was considered in making the award and the award was made on the basis of financial need; and that part of any other educational grant or loan which is used for educational purposes, such as tuition, fees, equipment, transportation and child care expenses necessary for school attendance;

(3) The first \$75 of each individual's earned income. In the case of an individual not engaged in full-time employment or not employed throughout the month the commissioner shall prescribe by rule a lesser amount to be disregarded. For self-employed persons, the expenses directly related to producing goods and services and without which the goods and services could not be produced shall be disregarded pursuant to rules promulgated by the commissioner;

(4) An amount equal to the actual expenditures but not to exceed \$160 for the care of each dependent child or incapacitated individual living in the same home and receiving aid. In the case of a person not engaged in full-time employment or not employed throughout the month, the commissioner shall prescribe by rule a lesser amount to be disregarded; and

(5) Thirty dollars plus one-third of the remainder of each individual's earned income not already disregarded for individuals found otherwise eligible to receive aid or who have received aid in one of the four months before the month of application. With respect to any month, the county welfare agency shall not disregard under this clause any earned income of any person who has:

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(a) Reduced his earned income without good cause within 30 days preceding any month in which an assistance payment is made; or

(b) Refused without good cause to accept an offer of suitable employment;
or

(c) Left employment or reduced his earnings without good cause and applied for assistance so that he might later return to employment with the advantage of the income disregard; or

(d) Failed without good cause to make a timely report of earned income in accordance with rules promulgated by the commissioner of public welfare.

Persons who are already employed and who apply for assistance shall have their needs computed with full account taken of their earned and other income. If earned and other income of the family is less than need, as determined on the basis of public assistance standards, the county agency shall determine the amount of the grant by applying the disregard of income provisions. The county agency shall not disregard earned income for persons in a family if the total monthly earned and other income exceeds their needs, unless for any one of the four preceding months their needs were met in whole or in part by a grant payment.

The disregard of \$30 and one-third of the remainder of earned income described in clause (5) shall be applied to the individual's income for a period not to exceed four consecutive months. Any month in which the individual loses this disregard because of the provisions of clause (5)(a) to (5)(d) shall be considered as one of the four months. To again qualify for this earned income disregard, the individual must not be a recipient of aid for a period of 12 consecutive months. If an individual becomes ineligible for aid because this earned income disregard has been applied to income for four consecutive months and will no longer be applied to income, the local agency shall inform the individual of the medical assistance program, its standards of eligibility, and the circumstances under which the individual would be eligible for medical assistance.

(6) The commissioner shall increase the standard of need for persons with earned income in effect on January 1, 1982, by 35 percent for each assistance unit. The maximum amount paid to an assistance unit shall be no more than 74 percent of the increased standard of need. Whenever the commissioner increases the maximum payment amount for all assistance units, the commissioner shall increase the maximum standard of need by an equal percentage.

To determine the amount of assistance to be paid to an assistance unit, net income shall be determined in a manner consistent with this chapter and applicable federal law. Net earned income shall be subtracted from the increased standard of need for an assistance unit of the appropriate size and composition to determine the grant amount, except that the grant shall not exceed the standard of need in effect on January 1, 1982 for an assistance unit of the same size and

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composition. Unearned income shall be subtracted from the maximum payment amount for an assistance unit of the appropriate size and composition to determine the grant amount.

Medical assistance eligibility for medically needy persons who are eligible for aid to families with dependent children shall be determined according to the standard of need in effect on January 1, 1982.

Sec. 2. Minnesota Statutes 1980, Section 256.74, Subdivision 1a, as added by Laws 1981, Third Special Session Chapter 3, Section 12, is amended to read:

Subd. 1a. **STEPPARENT'S INCOME.** In determining income available, the county agency shall take into account the remaining income of the dependent child's stepparent who lives in the same household after disregarding:

(1) The first \$75 of the stepparent's gross earned income. The commissioner shall prescribe by rule lesser amounts to be disregarded for stepparents who are not engaged in full-time employment or not employed throughout the month;

(2) An amount for support of the stepparent and any other individuals whom the stepparent claims as dependents for tax purposes and who live in the same household but whose needs are not considered in determining eligibility for assistance under sections 256.72 to 256.87. The amount equals the standard of need for a family with no earned income of the same composition as the stepparent and these other individuals;

(3) Amounts the stepparent actually paid to individuals not living in the same household but whom the stepparent claims as dependents for tax purposes; and

(4) Alimony or child support, or both, paid by the stepparent for individuals not living in the same household.

Sec. 3. Minnesota Statutes 1980, Section 256B.04, is amended by adding a subdivision to read:

Subd. 14. **COMPETITIVE BIDDING.** The commissioner shall utilize volume purchase through competitive bidding under the provisions of Minnesota Statutes, Chapter 16, to provide the following items:

(1) Eyeglasses;

(2) Hearing aids and supplies; and

(3) Durable medical equipment, including but not limited to:

(a) hospital beds;

(b) commodes;

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- (c) glide-about chairs;
- (d) patient lift apparatus;
- (e) wheelchairs and accessories;
- (f) oxygen administration equipment;
- (g) respiratory therapy equipment; and
- (h) electronic diagnostic, therapeutic and life support systems.

Sec. 4. Minnesota Statutes 1980, Section 256B.05, Subdivision 2, is amended to read:

Subd. 2. In administering the medical assistance program, no county welfare department shall pay a fee or charge for medical, dental, surgical, hospital, nursing, licensed nursing home care, medicine, or medical supplies in excess of the schedules of maximum fees and charges as established by the state agency. ~~The maximum fee schedule for physicians shall be the usual and customary fee.~~

Sec. 5. Minnesota Statutes 1980, Section 256B.06, Subdivision 3, is amended to read:

Subd. 3. Notwithstanding any law to the contrary, a migrant agricultural worker who meets all of the eligibility requirements of this section other than that he has a permanent place of abode in another state, shall be eligible for medical assistance and shall have his medical needs met by the county in which he resides at the time of making application.

Sec. 6. Minnesota Statutes 1980, Section 256B.14, is amended to read:

256B.14 RELATIVE'S RESPONSIBILITY.

Subdivision 1. IN GENERAL. Subject to the provisions of section 256B.06, ~~the financial responsibility of a relative for an applicant or recipient of medical assistance shall not extend beyond the relationship of a spouse, or a parent of an applicant who is under 18 years of age~~ responsible relative means the spouse of a medical assistance recipient or parent of a minor recipient of medical assistance.

Subd. 2. ACTIONS TO OBTAIN PAYMENT. The state agency shall promulgate rules to determine the ability of responsible relatives to contribute partial or complete repayment of medical assistance furnished to recipients for whom they are responsible. These rules shall not require repayment when payment would cause undue hardship to the responsible relative or his or her immediate family. The county agency shall give the responsible relative notice of the amount of the repayment. If the state agency or county agency finds that notice of the payment obligation was given to the responsible relative, but that the relative failed or refused to pay, a cause of action exists against the

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responsible relative for that portion of medical assistance granted after notice was given to the responsible relative, which the relative was determined to be able to pay.

The action may be brought by the state agency or the county agency in the county where assistance was granted, for the assistance, together with the costs of disbursements incurred due to the action.

In addition to granting the county or state agency a money judgment, the court may, upon a motion or order to show cause, order continuing contributions by a responsible relative found able to repay the county or state agency. The order shall be effective only for the period of time during which the recipient receives medical assistance from the county or state agency.

Sec. 7. Minnesota Statutes 1980, Section 256B.19, Subdivision 1, is amended to read:

Subdivision 1. The cost of medical assistance paid by each county of financial responsibility shall be borne as follows: Payments shall be made by the state to the county for that portion of medical assistance paid by the federal government and the state on or before the 20th day of each month for the succeeding month upon requisition from the county showing the amount required for the succeeding month. Ninety percent of the expense of assistance not paid by federal funds available for that purpose shall be paid by the state and ten percent shall be paid by the county of financial responsibility.

For counties where health maintenance organizations are under contract to the state to provide services to medical assistance recipients, the division of the nonfederal share of medical assistance expenses for payments made to health maintenance organizations in the form of prepaid capitation payments, this division of medical assistance expenses shall be 95 percent by the state and five percent by the county of financial responsibility.

State contracts with health maintenance organizations shall assure medical assistance recipients of at least the comprehensive health maintenance services defined in section 62D.02, subdivision 7. The contracts shall require health maintenance organizations to provide information to the commissioner concerning the number of people receiving services, the number of encounters, the type of services received, evidence of an operational quality assurance program pursuant to section 62D.04 and information about utilization. Persons who become eligible for medical assistance after July 1, 1982 and who choose to receive services from a health maintenance organization under contract to the state pursuant to this section shall be guaranteed six months medical assistance eligibility.

The commissioner of public welfare shall seek a waiver to charge a coinsurance fee to recipients of medical assistance who become eligible for medical assistance benefits and who choose not to receive the benefits of a health

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maintenance organization contracted for by the state pursuant to this section. The coinsurance fee shall be limited to the maximum monthly charge allowed by 42 CFR, sections 447.50 to 447.59, as amended through December 31, 1981. The local welfare agency may waive the coinsurance fee when it determines that the medical needs of the recipient would not be best served by enrollment in a health maintenance organization. The coinsurance fee shall be charged only to recipients who become eligible for medical assistance after the commissioner has reported to the legislature regarding the proposed method of implementing this paragraph.

Sec. 8. Minnesota Statutes 1980, Section 256B.27, Subdivision 3, is amended to read:

Subd. 3. The commissioner of public welfare, with the written consent of the recipient, shall be allowed access to all personal medical records of medical assistance recipients solely for the purposes of investigating whether or not: (a) a vendor of medical care has submitted a claim for reimbursement, a cost report or a rate application which the vendor knows to be false in whole or in part; or (b) the medical care was medically necessary. The vendor of medical care shall receive notification from the commissioner at least 24 hours before the commissioner gains access to such records. ~~To the extent feasible, the commissioner shall contract with a review organization, as defined in section 145.61, in determining whether or not the medical care provided was medically necessary~~ The determination of abuse or provision of services not medically necessary shall be made by the commissioner in consultation with a review organization as defined in section 145.61 or other advisory committees of vendors as appointed by the commissioner on the recommendation of appropriate professional organizations. Notwithstanding any other law to the contrary, a vendor of medical care shall not be subject to any civil or criminal liability for providing access to medical records to the commissioner of public welfare pursuant to this section.

Sec. 9. Minnesota Statutes 1981 Supplement, Section 256.966, is amended to read:

256.966 MEDICAL CARE PAYMENTS; ALLOWABLE INCREASE IN COST PER SERVICE UNIT.

Subdivision 1. IN GENERAL. For the biennium ending June 30, 1983, the annual increase in the cost per service unit paid to any vendor under medical assistance and general assistance medical care shall not exceed eight percent. The period for measuring growth shall be the state fiscal year.

Subd. 2. HEALTH MAINTENANCE ORGANIZATIONS.

Notwithstanding the provisions of subdivision 1, rates paid to health maintenance organizations may increase beyond eight percent. The actual rate paid per month to health maintenance organizations shall not exceed 85 percent of the average monthly per capita fee for service payments made on behalf of eligible

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recipients who qualify to be members of the health maintenance organization who choose not to be members. Rates shall be calculated by the department of public welfare.

Sec. 10. APPROPRIATION; REPORT.

The sum of \$25,000 is appropriated from the general fund to the commissioner of public welfare for the biennium ending June 30, 1983 to implement and coordinate the state, county, and health maintenance organization administrative arrangements required in section 7 and to prepare a report to the legislature by January 15, 1984, on the cost effectiveness of the program.

Sec. 11. EFFECTIVE DATE.

Sections 1 and 2 are effective on the first day of the first month immediately following the month in which a court of competent jurisdiction rules on the merits that section 1 complies with the Social Security Act, as amended. Sections 3, 5, 7, and 8 are effective the day following final enactment. Sections 4, 6, and 9 are effective July 1, 1982.

Approved March 23, 1982

CHAPTER 641 — H.F.No. 2190

An act relating to the financing of government in this state; reducing appropriations for the biennium ending June 30, 1983, with certain conditions; imposing various cost-saving measures; authorizing collection of debts related to trunk highways; clarifying certain provisions for determination of cost of care at state hospitals; directing the commissioner of public welfare to promulgate rules; altering the method of charging for outpatient care; reducing employer and employee contributions to the Minnesota state retirement system; authorizing a certified state development company; making certain changes in the small business finance agency to provide for small business loans; giving claims against estates of deceased patients preferred status; allowing certain claims against estates for medical assistance in some instances; altering the date on which certain property tax refunds are paid; making technical corrections; imposing a tax on on-sales of liquor; delaying the 60 percent exclusion on capital gains for individuals; reducing certain payments to governmental subdivisions; altering the payment date of certain aids to school districts; imposing the sales tax on sales of candy and soft drinks, cable television services, and certain property transported outside Minnesota; appropriating money; amending Minnesota Statutes 1980, Sections 161.20, by adding a subdivision; 246.50, Subdivisions 5 and 6; 246.51; 246.53; 352.04, Subdivisions 2, as amended; and 3, as amended; 352.92, Subdivisions 1, as amended; and 2, as amended; 362.51, Subdivision 1; 362.53, Subdivision 13; 487.39, Subdivision 1; 524.3-805; Minnesota Statutes 1981 Supplement, Sections 246.511; 275.50, Subdivision 2, as amended; 290A.07, Subdivisions 2a, and 3; 297A.01, Subdivision 3, as amended; 297A.25, Subdivision 1, as amended; 362.52, Subdivision 2; 510.05; 525.145;

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