

1.1 A bill for an act

1.2 relating to human services; modifying the medical assistance employed persons
1.3 with disabilities program; changing asset limitation provisions; appropriating
1.4 money; amending Minnesota Statutes 2008, sections 256B.056, subdivision
1.5 3; 256B.057, subdivision 9.

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

1.7 Section 1. Minnesota Statutes 2008, section 256B.056, subdivision 3, is amended to
1.8 read:

1.9 Subd. 3. **Asset limitations for individuals and families.** To be eligible for medical
1.10 assistance, a person must not individually own more than \$3,000 in assets, or if a member
1.11 of a household with two family members, husband and wife, or parent and child, the
1.12 household must not own more than \$6,000 in assets, plus \$200 for each additional legal
1.13 dependent. In addition to these maximum amounts, an eligible individual or family may
1.14 accrue interest on these amounts, but they must be reduced to the maximum at the time
1.15 of an eligibility redetermination. The accumulation of the clothing and personal needs
1.16 allowance according to section 256B.35 must also be reduced to the maximum at the
1.17 time of the eligibility redetermination. The value of assets that are not considered in
1.18 determining eligibility for medical assistance is the value of those assets excluded under
1.19 the supplemental security income program for aged, blind, and disabled persons, with
1.20 the following exceptions:

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

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

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

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

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

2.11 (6) when a person enrolled in medical assistance under section 256B.057,
2.12 subdivision 9, reaches age 65 and has been enrolled during each of the 24 consecutive
2.13 months before the person's 65th birthday, the assets owned by the person and the person's
2.14 spouse must be disregarded, up to the limits of section 256B.057, subdivision 9, paragraph
2.15 (c), when determining eligibility for medical assistance under section 256B.055,
2.16 subdivision 7. The income of a spouse of a person enrolled in medical assistance under
2.17 section 256B.057, subdivision 9, during each of the 24 consecutive months before the
2.18 person's 65th birthday must be disregarded when determining eligibility for medical
2.19 assistance under section 256B.055, subdivision 7, when the person reaches age 65. This
2.20 clause does not apply at the time the person or the person's spouse requests medical
2.21 assistance payment for long-term care services.

2.22 Sec. 2. Minnesota Statutes 2008, section 256B.057, subdivision 9, is amended to read:

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

2.25 (1) meets the definition of disabled under the supplemental security income program;

2.26 (2) ~~is at least 16 but less than 65 years of age;~~

2.27 ~~(3)~~ meets the asset limits in paragraph (c); and

2.28 ~~(4)~~ (3) effective November 1, 2003, pays a premium and other obligations under
2.29 paragraph (e).

2.30 Any spousal income or assets shall be disregarded for purposes of eligibility and premium
2.31 determinations.

2.32 (b) After the month of enrollment, a person enrolled in medical assistance under
2.33 this subdivision who:

3.1 (1) is temporarily unable to work and without receipt of earned income due to a
3.2 medical condition, as verified by a physician, may retain eligibility for up to four calendar
3.3 months; or

3.4 (2) effective January 1, 2004, loses employment for reasons not attributable to the
3.5 enrollee, may retain eligibility for up to four consecutive months after the month of job
3.6 loss. To receive a four-month extension, enrollees must verify the medical condition or
3.7 provide notification of job loss. All other eligibility requirements must be met and the
3.8 enrollee must pay all calculated premium costs for continued eligibility.

3.9 (c) For purposes of determining eligibility under this subdivision, a person's assets
3.10 must not exceed \$20,000, excluding:

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

3.12 (2) retirement accounts, including individual accounts, 401(k) plans, 403(b) plans,
3.13 Keogh plans, and pension plans; and

3.14 (3) medical expense accounts set up through the person's employer.

3.15 (d)(1) Effective January 1, 2004, for purposes of eligibility, there will be a \$65
3.16 earned income disregard. To be eligible, a person applying for medical assistance under
3.17 this subdivision must have earned income above the disregard level.

3.18 (2) Effective January 1, 2004, to be considered earned income, Medicare, Social
3.19 Security, and applicable state and federal income taxes must be withheld. To be eligible,
3.20 a person must document earned income tax withholding.

3.21 (e)(1) A person whose earned and unearned income is equal to or greater than 100
3.22 percent of federal poverty guidelines for the applicable family size must pay a premium
3.23 to be eligible for medical assistance under this subdivision. The premium shall be based
3.24 on the person's gross earned and unearned income and the applicable family size using a
3.25 sliding fee scale established by the commissioner, which begins at one percent of income
3.26 at 100 percent of the federal poverty guidelines and increases to 7.5 percent of income
3.27 for those with incomes at or above 300 percent of the federal poverty guidelines. Annual
3.28 adjustments in the premium schedule based upon changes in the federal poverty guidelines
3.29 shall be effective for premiums due in July of each year.

3.30 (2) Effective January 1, 2004, all enrollees must pay a premium to be eligible for
3.31 medical assistance under this subdivision. An enrollee shall pay the greater of a \$35
3.32 premium or the premium calculated in clause (1).

3.33 (3) Effective November 1, 2003, all enrollees who receive unearned income must
3.34 pay one-half of one percent of unearned income in addition to the premium amount.

3.35 (4) Effective November 1, 2003, for enrollees whose income does not exceed 200
3.36 percent of the federal poverty guidelines and who are also enrolled in Medicare, the

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4.1 commissioner must reimburse the enrollee for Medicare Part B premiums under section
4.2 256B.0625, subdivision 15, paragraph (a).

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

4.5 (f) A person's eligibility and premium shall be determined by the local county
4.6 agency. Premiums must be paid to the commissioner. All premiums are dedicated to
4.7 the commissioner.

4.8 (g) Any required premium shall be determined at application and redetermined at
4.9 the enrollee's six-month income review or when a change in income or household size is
4.10 reported. Enrollees must report any change in income or household size within ten days
4.11 of when the change occurs. A decreased premium resulting from a reported change in
4.12 income or household size shall be effective the first day of the next available billing month
4.13 after the change is reported. Except for changes occurring from annual cost-of-living
4.14 increases, a change resulting in an increased premium shall not affect the premium amount
4.15 until the next six-month review.

4.16 (h) Premium payment is due upon notification from the commissioner of the
4.17 premium amount required. Premiums may be paid in installments at the discretion of
4.18 the commissioner.

4.19 (i) Nonpayment of the premium shall result in denial or termination of medical
4.20 assistance unless the person demonstrates good cause for nonpayment. Good cause exists
4.21 if the requirements specified in Minnesota Rules, part 9506.0040, subpart 7, items B to
4.22 D, are met. Except when an installment agreement is accepted by the commissioner,
4.23 all persons disenrolled for nonpayment of a premium must pay any past due premiums
4.24 as well as current premiums due prior to being reenrolled. Nonpayment shall include
4.25 payment with a returned, refused, or dishonored instrument. The commissioner may
4.26 require a guaranteed form of payment as the only means to replace a returned, refused,
4.27 or dishonored instrument.

4.28 **Sec. 3. APPROPRIATION.**

4.29 \$..... is appropriated from the general fund to the commissioner of human services
4.30 for fiscal year 2011 for the purposes of sections 1 and 2.