



# **Minnesota Health Care Programs**

## **Eligibility Policy Manual**

**This document provides information about additions and revisions to the Minnesota Department of Human Service's Minnesota Health Care Programs Eligibility Policy Manual.**

**Manual Letter #18.1**

**January 1, 2018**

# Manual Letter #18.1

This manual letter lists new and revised policy for the Minnesota Health Care Programs (MHCP) Eligibility Policy Manual (EPM) as of [January 1, 2018](#). The effective date of new or revised policy may not be the same date the information is added to the EPM. Refer to the Summary of Changes to identify when the Minnesota Department of Human Services (DHS) implemented the policy.

## I. Summary of Changes

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This section of the manual letter provides a summary of newly added sections and changes made to existing sections.

### A. [EPM Home Page](#)

DHS Bulletins #17-21-06, DHS Clarifies the Medical Assistance MAGI-Based Income Calculation, and #17-21-07, DHS Clarifies Use of SAVE for Minnesota Health Care Programs, are removed from the EPM home page as they are incorporated into the EPM with this manual letter.

DHS Bulletin #17-21-09, Expanding Supplemental Payments for Ambulance Services, is not added to the EPM home page because its contents do not include MHCP eligibility policy and will not be incorporated into the EPM.

We also added a link to this manual letter on the home page.

### B. [Section 2.1.2.2.1 Medical Assistance \(MA\) Citizenship](#)

The changes to this section incorporate DHS Bulletin #17-21-07, DHS Clarifies Use of SAVE for Minnesota Health Care Programs, by revising policy to require that agencies exhaust all electronic data options to verify the citizenship of a U.S. citizen or U.S. national. The lists of acceptable paper proof of citizenship is also revised.

### C. [Section 2.1.2.2.2 MA Immigration Status](#)

The changes to this section incorporate Bulletin #17-21-07 by revising policy to require that agencies exhaust all electronic data options to verify the immigration status of a noncitizen before requiring paper documentation from an enrollee.

We also clarify that if an applicant or enrollee's immigration status cannot be verified electronically and they must provide proof, the agency must validate the proof submitted by the enrollee using an electronic data source such as the Systematic Alien Verification for Entitlements (SAVE) program.

We also added that enrollees can work with an agency to resolve clerical discrepancies that prevent electronic verification during the reasonable opportunity period.

#### **D. Section 2.2.3.2 MA for Families with Children and Adults (MA-FCA) Household Composition and Family Size**

The changes to this section adds a reference to new information in Appendix F that explains the tax filing income threshold for children and tax dependents and provides the new thresholds for 2018. Workers should reference this new information to determine whether a child or tax dependent is expected to be required to file a tax return.

#### **E. Section 2.2.3.4 MA-FCA Income Methodology**

This section incorporates DHS Bulletin #17-21-06, DHS Clarifies the Medical Assistance MAGI-Based Income Calculation. The changes include clarifying that lump sum income is counted in the month received if the source of the income is included under the MAGI methodology. As part of this clarification, the list of examples of lump sum income is revised to include two new examples lump sum income that are included in the MAGI methodology, while four previous examples are removed because they are not included in the MAGI methodology.

The changes to this section also add clarification that the types of income losses that would be reported on federal income tax returns can offset income. The applicable types of losses are also added to the list of general types of taxable income.

#### **F. Section 2.3.3.2.3 MA for People Who Are Age 65 or Older and People Who Are Blind or Have a Disability (MA-ABD) Excluded Assets**

This section adds Supplemental Security Income (SSI) dedicated child accounts as an excluded asset if it is identifiable. This type of asset was inadvertently omitted.

The changes to this section also include a clarification that the exclusion of real estate taxes, homeowner's insurance and funds set aside for upkeep expenses only apply to property a person owns. Previously, the policy did not state that the property had to be owned by the person.

#### **G. Section 2.3.3.3.2.1 MA-ABD Countable Income**

This section removes living allowances from AmeriCorps State and National and AmeriCorps National Civilian Community Corps (NCCC) as countable income. These allowances were inadvertently included as countable income.

In the section titled, What is not Income, we clarify that funds withheld from unearned income is not income if it was being reduced to repay a prior overpayment from the same source **and** the overpaid amount was previously counted as unearned income for MA eligibility.

#### **H. Section 2.3.3.3.2.3 MA-ABD Excluded Income**

This section adds living allowances from AmeriCorps State and National and AmeriCorps National Civilian Community Corps (NCCC) as excluded income. These allowances were inadvertently omitted from the list of excluded income when the EPM was published in June 2016.

### **I. Section 2.4.2.5 MA for Long-Term Care Services (MA-LTC) Income Calculations for Long-Term Care Services**

This section replaces the phrase “countable gross income” with the phrase “total income” when discussing a person’s long-term care (LTC) income calculation.

We also clarify in this section that retroactive adjustments include when a person’s SSI benefits are retroactively reduced by the Social Security Administration (SSA) because the person was residing in a long-term care facility (LTCF).

The section also clarifies that a person’s Social Security Income (SSI) and Minnesota Supplemental Aid (MSA) benefits are counted as income in the month of receipt if the person is living in a LTCF.

### **J. Section 2.4.2.5.1 MA-LTC Income Calculation Deductions**

The change to this section adds a deduction from the LTC income calculation if the state approves continued community level MSA benefits for a person who lives in a LTCF because they are expected to live in the LTCF for less than three months and continue to maintain a home in the community, or they have 1619(a) or 1619(b) status in the month prior to the first full month of LTCF residence.

### **K. Section 3.1.1 MinnesotaCare Mandatory Verifications**

This section incorrectly included eligibility for or enrollment in minimum essential coverage (MEC) as a mandatory verification. This is not a mandatory verification for MinnesotaCare eligibility and is removed from the list of mandatory verifications. Government-sponsored MEC are verified through electronic data sources. For nongovernment-sponsored MEC, agencies must accept a person’s attestation without further documentation unless inconsistent information exists.

### **L. Section 3.1.2.2 Premiums and Cost Sharing**

In this section, we are revising the phrase, “children under 21,” to “people under 21.” This wording is more consistent with MinnesotaCare policy.

### **M. Section 3.2.1.1 MinnesotaCare Citizenship**

The changes to this section incorporate Bulletin #17-21-07 by revising policy to require that agencies exhaust all electronic data options to verify the citizenship of a U.S. citizen or U.S. national. The lists of acceptable paper proof of citizenship is also revised.

We also revise the phrase, “child under age 16,” to “person under age 19” to be more consistent with MinnesotaCare policy.

#### **N. Section 3.2.1.2 MinnesotaCare Lawful Presence and DACA**

The changes to this section incorporate Bulletin #17-21-07 by revising policy to require that agencies exhaust all electronic data options to verify the lawful presence of a noncitizen before requiring paper documentation from an enrollee.

We also clarify that if an applicant's or enrollee's immigration status cannot be verified electronically and they must provide proof, the agency must validate the proof submitted by the enrollee using an electronic data source such as the SAVE program.

We also added that enrollees can work with an agency to resolve clerical discrepancies that prevent electronic verification during the reasonable opportunity period.

#### **O. Section 3.2.3 MinnesotaCare Insurance Barriers**

This section is revised to be a landing page for the subchapter on MinnesotaCare Insurance Barriers. This change is part of the larger effort to centralize information about how other health care coverage affects eligibility for MinnesotaCare.

#### **P. Section 3.2.3.1 MinnesotaCare Health Care Coverage Barriers (New)**

This new section was formerly Appendix C Types of Other Health Care Coverage. It is moved to Chapter 3 MinnesotaCare because it applies only to MinnesotaCare eligibility.

The section provides a list of other types of health care coverage and indicates whether the coverage is a barrier to MinnesotaCare eligibility. The list is reorganized into two groups, government-sponsored health care coverage and other health care coverage.

#### **Q. Section 3.2.3.2 MinnesotaCare Employer-Sponsored Coverage (New)**

The information in this new section was previously included in Section 3.2.3 MinnesotaCare Insurance Barriers. We felt that it necessary to create a section specifically for this information to make it easier to find within the EPM. It provides information about employer-sponsored health care coverage and when it affects MinnesotaCare eligibility.

#### **R. Section 3.3.1 MinnesotaCare Household Composition and Family Size**

The changes to this section adds a reference to new information in Appendix F that explains the tax filing income threshold for children and tax dependents and provides the new thresholds for 2018. Workers should reference this new information to determine whether a child or tax dependent is expected to be required to file a tax return.

#### **S. Section 3.3.3 MinnesotaCare Income Methodology**

This section incorporates Bulletin #17-21-06 by adding clarification that the types of income losses that would be reported on federal income tax returns can offset income. The applicable types of losses are also added to the list of general types of taxable income.

### **T. Section 4.2.3.3 Medicare Savings Programs (MSP) Income**

This section has been revised to clarify that the Community Spouse Allocation and the Family Allocation is used for people who are receiving services in an LTCF or on the Elderly Waiver ( EW).

The section has been revised to remove information about MSP eligibility when discussing the Community Spouse Allocation and the Family Allocation. The information now indicates that both allocations apply to people receiving services in an LTCF or on EW.

### **U. Appendix A Types of Assets**

The change to this appendix adds information about Supplemental Security Income (SSI) Dedicated Child Accounts.

### **V. Appendix C Medicare Cost Sharing Amounts**

Appendix C previously provided information about types of other health care coverage. This information is now a new section in the MinnesotaCare chapter, Section 3.2.3.1 MinnesotaCare Health Care Coverage Barriers.

Appendix C is revised to provide cost sharing information for Medicare coverage.

### **W. Appendix F Standards and Guidelines**

The following standards that become effective January 1, 2018, are updated in this appendix:

- Maximum Monthly Income Allowance
- Maximum Monthly Asset Allowance
- Home Equity Limit.

All three standards were published by the federal government in December.

We also add information about tax filing income thresholds for tax dependents. This information affects whether the income of children and tax dependents are counted or excluded for MA-FCA and MinnesotaCare eligibility. The tax filing income thresholds for tax dependents for the 2018 tax year are included as well.

## II. Documentation of Changes

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This section of the manual letter documents all changes made to an existing section. Deleted text is displayed with strikethrough formatting and newly added text is displayed with underline formatting. Links to the revised and archived versions of the section are also provided.

- A. [EPM Home Page](#)
- B. [Section 2.1.2.2.1 MA Citizenship](#)
- C. [Section 2.1.2.2.2 MA Immigration Status](#)
- D. [Section 2.2.3.2 MA-FCA Household Composition and Family Size](#)
- E. [Section 2.2.3.4 MA-FCA Income Methodology](#)
- F. [Section 2.3.3.2.3 MA-ABD Excluded Assets](#)
- G. [Section 2.3.3.3.2.1 MA-ABD Countable Income](#)
- H. [Section 2.3.3.3.2.3 MA-ABD Excluded Income](#)
- I. [Section 2.4.2.5 MA-LTC Income Calculations](#)
- J. [Section 2.4.2.5.1 MA-LTC Income Calculation Deductions](#)
- K. [Section 3.1.1 MinnesotaCare Mandatory Verifications](#)
- L. [Section 3.1.2.2 MinnesotaCare Premiums and Cost Sharing](#)
- M. [Section 3.2.1.1 MinnesotaCare Citizenship](#)
- N. [Section 3.2.1.2 MinnesotaCare Lawful Presence and DACA](#)
- O. [Section 3.2.3 MinnesotaCare Insurance Barriers](#)
- P. [Section 3.2.3.1 MinnesotaCare Health Care Coverage Barriers \(New\)](#)
- Q. [Section 3.2.3.2 MinnesotaCare Employer-Sponsored Coverage \(New\)](#)
- R. [Section 3.3.1 MinnesotaCare Household Composition and Family Size](#)
- S. [Section 3.3.3 MinnesotaCare Income Methodology](#)
- T. [Section 4.2.3.3 MSP Income](#)
- U. [Appendix A Types of Assets](#)
- V. [Appendix C Medicare Cost Sharing Amounts](#)
- W. [Appendix F Standards and Guidelines](#)

## **A. EPM Home Page**

Minnesota Health Care Programs

# **Eligibility Policy Manual**

Welcome to the Minnesota Department of Human Services (DHS) Minnesota Health Care Programs Eligibility Policy Manual (EPM). This manual contains the official DHS eligibility policies for the Minnesota Health Care Programs including Medical Assistance and MinnesotaCare. Minnesota Health Care Programs policies are based on the state and federal laws and regulations that govern the programs. See Legal Authority section for more information.

The EPM is for use by applicants, enrollees, health care eligibility workers and other interested parties. It provides accurate and timely information about policy only. The EPM does not provide procedural instructions or systems information that health care eligibility workers need to use.

## **Manual Letters**

DHS issues periodic manual letters to announce changes in the EPM. These letters document updated sections and describe any policy changes.

[MHCP EPM Manual Letter #18.1, January 1, 2018](#)

### 2017 Manual Letters

MHCP EPM Manual Letter #17.1, April 1, 2017

MHCP EPM Manual Letter #17.2, June 1, 2017

MHCP EPM Manual Letter #17.3, August 1, 2017

MHCP EPM Manual Letter #17.4, September 1, 2017

MHCP EPM Manual Letter #17.5, December 1, 2017

### 2016 Manual Letters

MHCP EPM Manual Letter #16.1, June 1, 2016

MHCP EPM Manual Letter #16.2, August 1, 2016

MHCP EPM Manual Letter #16.3, September 1, 2016

MHCP EPM Manual Letter #16.4, December 1, 2016

## **Bulletins**

DHS bulletins provide information and direction to county and tribal health and human services agencies and other DHS business partners. According to DHS policy, bulletins more than two years old are obsolete. Anyone can subscribe to the Bulletins mailing list.

A DHS Bulletin supersedes information in this manual until incorporated into this manual. The following bulletins have not yet been incorporated into the EPM:

- Corrected Bulletin #17-21-01C, DHS Explains Policy and Procedures for MA Cost-Effective Health Insurance (CEHI) and Why HSAs, MSAs, and VEBAs Are Not CEHI
- Bulletin #17-21-02, DHS Explains: Changes to MA Estate Recovery Resulting from CMS Approval of a Revised State Plan Amendment; and a New Statewide Funeral Expenses Policy
- Bulletin #17-21-05, DHS Explains How Unified Cash Asset Policy Affects Medical Assistance (MA) Eligibility
- ~~Bulletin #17-21-06, DHS Clarifies the Medical Assistance MAGI Based Income Calculation~~
- ~~Bulletin #17-21-07, DHS Clarifies use of SAVE for Minnesota Health Care Programs~~
- Bulletin #17-21-08, DHS Explains Changes to the Minnesota Health Care Programs (MHCP) Application for Medical Assistance for Long-Term Care Services (MA-LTC)

## Archives

This manual consolidates and updates eligibility policy previously found in the Health Care Programs Manual (HCPM) and Insurance Affordability Programs Manual (IAPM). Prior versions of policy from the HCPM and IAPM are available upon request.

Refer to the EPM Archive for archived sections of the EPM.

## Contact Us

Direct questions about the Minnesota Health Care Programs Eligibility Policy Manual to the DHS Health Care Eligibility and Access (HCEA) Division, P.O. Box 64989, 540 Cedar Street, St. Paul, MN 55164-0989, call (888) 938-3224 or fax (651) 431-7423.

Health care eligibility workers must follow agency procedures to submit policy-related questions to HealthQuest.

## Legal Authority

Many legal authorities govern Minnesota Health Care Programs, including but not limited to: Title XIX of the Social Security Act; Titles 26, 42 and 45 of the Code of Federal Regulations; and Minnesota Statutes chapters 256B and 256L. In addition, DHS has obtained waivers of certain federal regulations from the Centers for Medicare & Medicaid Services (CMS). Each topic in the EPM includes applicable legal citations at the bottom of the page.

DHS has made every effort to include all applicable statutes, laws, regulations and other presiding authorities; however, erroneous citations or omissions do not imply that there are no applicable legal citations or other presiding authorities. The EPM provides program eligibility policy and should not be construed as legal advice.

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Previous Versions

Manual Letter #17.5, December 1, 2017

Manual Letter #17.4, September 1, 2017

Manual Letter #17.3, August 1, 2017

Manual Letter #17.2, June 1, 2017

Manual Letter #17.1, April 1, 2017

Manual Letter #16.4, December 22, 2016

Manual Letter #16.3, September 1, 2016

Manual Letter #16.1, June 1, 2016 (Original Version)

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- Publication date: December 1, 2017
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  - [Archived Page](#)
  - [Revised Page](#)

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## B. Section 2.1.2.2.1 MA Citizenship

Medical Assistance

### 2.1.2.2.1 Citizenship

~~In order to~~ To receive Medical Assistance (MA), applicants must be U.S. citizens, U.S. nationals or certain lawfully present noncitizens. See the MA Immigration Status policy for more information.

#### U.S. Citizen

A U.S. citizen is someone who is born in the U.S. (including U.S. territories, except for American Samoa) or who was born outside the U.S. and who either:

- Was naturalized as a U.S. citizen
- Derived citizenship through the naturalization of their parent(s)
- Derived citizenship through adoption by U.S. citizen parents, provided certain conditions are met
- Acquired citizenship at birth because he or she was born to U.S. citizen parent(s)
- Became a U.S. citizen by operation of law

#### U.S. National

A U.S. national is someone who is a U.S. citizen or owes permanent allegiance to the U.S. With extremely limited exceptions, all noncitizen U.S. nationals are people born in American Samoa or people born abroad with one or more American Samoan parents under certain conditions.

#### Verification

Citizenship may be verified electronically at the time of application through a data match with the Federal Data Services Hub (FDSH) or the Social Security Administration (SSA). This is the preferred method of verifying citizenship for applicants and enrollees. The county, tribal, or state agency must attempt and exhaust all trusted electronic sources prior to requiring paper documentation from the enrollee. Only Applicants and enrollees whose U.S. citizenship or U.S. national status cannot be verified electronically must provide proofs.

Eligibility ~~is~~ must be approved for applicants who meet all other eligibility criteria and attest to meeting the citizenship eligibility requirement. A person approved for MA without verification of their citizenship status has a reasonable opportunity to ~~provide proof~~ work with the agency to resolve clerical discrepancies preventing electronic verification or to provide proof. The county, tribal, or state servicing agency must help applicants and enrollees obtain required proofs. A notice is sent to the enrollee to indicate they have 90 days, plus 5 days for mailing, from the date of the notice to ~~provide~~

~~proof satisfy the request. Coverage is must ended~~ with a 10-day advance notice if the person fails to cooperate with the verification process.

~~The county, tribal or state servicing agency must help applicants and enrollees obtain required proofs.~~

People who were previously enrolled in MA in another state were required to verify citizenship as a condition of eligibility for MA. As such, verification of citizenship obtained from another state's MA program is an acceptable form of verification. Proof of citizenship may be requested from the state where the client was previously enrolled in MA, if it is not available through other sources. A signed release, such as the Minnesota Department of Human Services General Authorization for Release of Information (DHS-2243A) must be obtained from the client to contact another state's MA program agency.

Once citizenship is verified, county, tribal and state servicing agencies cannot request proof again, unless an agency possesses inconsistent information regarding a person's citizenship.

## **Verification Paper Proof of Citizenship**

Applicants and enrollees who must provide proof because when citizenship could not ~~cannot~~ be electronically verified can submit a copy of one of the following to verify U.S. citizenship:

- U.S. passport, including a U.S. Passport Card issued by the Department of State, without regard to any expiration date as long as such passport or card was issued without limitation
- Certificate of Naturalization
- Certificate of Citizenship
- Valid Minnesota Enhanced Driver's License or Enhanced Identification Card
- ~~PASS card~~
- Documentary evidence issued by a federally recognized Native American Tribe which identifies the tribe that issued the document, identifies the individual by name, and confirms the individuals membership, enrollment or affiliation with the tribe. These documents include a tribal enrollment card, A Certificate for Degree of Indian Blood; a Tribal census document; or documents on tribal letterhead, issued under the appropriate tribal official.
- ~~Tribal enrollment or membership card, or certificate of degree of Indian blood issued by a federally recognized Indian tribe~~

Applicants and enrollees can also verify citizenship by submitting a copy of one document from each of the following two lists:

- List 1
  - U.S. public Bbirth certificate or other birth document from the U.S. Department of State
    - The birth record document may be issued by a State, Commonwealth, Territory, or local jurisdiction.

- For people born in Minnesota, birth records can only be obtained by sending the Minnesota Department of Health (MDH) the Minnesota Birth Record Application form. For people that were born in another state, birth records can be obtained directly from the state of birth.
- An electronic data match with a State vital statistics agency can substitute for a List 1 document. Electronic Verification of Vital Events (EVVE) is a web-based system that requests birth records for the purpose of verifying U.S. Citizenship for Minnesota and other participating states. Nineteen states are currently participating in the EVVE program.  
Note that EVVE does not verify identity; therefore, an item from List 2 must still be provided with the EVVE.
- A Certificate of Report of Birth, issued to U.S. citizens born outside of the U.S.; or Report of Birth Abroad of a U.S. citizen
- Certification of Birth in the U.S.
- U.S. citizen ID card
- Northern Marianas Identification Card issued by the U.S. Department of Homeland Security
- American Indian card (I-872) from the U.S. Department of Homeland Security
- Final U.S. adoption papers that show the child's name and a U.S. place of birth, or if an adoption is not final, a Statement from a State-approved adoption agency that shows the child's name and U.S place of birth
- Papers showing U.S. government employment before June 1, 1976
- ~~Official U.S. Military Record of Service~~ showing U.S. place of birth
- Documentation that a child meets the requirements of section 101 of the Child Citizenship Act of 2000
- ~~Hospital record~~ Medical Records showing a birth in the U. S. place of birth
- Life, Health or other insurance company record showing a U. S. as the place of birth
- Official religious record recorded in the U.S. showing that the birth occurred in the U.S.
- School records including pre-school records, Head Start and daycare showing the child's name of U.S place of birth
- Federal or state census record showing U.S. citizenship or U.S. place of birth
- An affidavit can be used in lieu of a List 1 proof, if citizenship cannot be verified electronically and the person does not have any List 1 documents
- ~~Medical records from a clinic, doctor or hospital showing U. S. as the place of birth. Records must be from within the last five years~~
- ~~A statement signed by a doctor or midwife who was at the birth. Statement must be from within the last five years.~~
- ~~Institutional admission papers showing the U. S. as the place of birth. Papers must be from within the last five years.~~

- List 2

The following are accepted as proof of identity, as long as the document has a photograph or other identifying information sufficient to establish identity, including (but not limited to) name, age, sex, race, height, weight, eye color, or address:

- State driver's license or state ID card ~~with picture~~
- School ID card ~~with picture~~
- U.S. ~~M~~military ID card or draft record
- Military Dependent's ID Card
- U.S. Coast Guard Merchant Mariner card
- For a child under age 1946:
  - School records including pre-school or daycare records ~~report card~~
  - Clinic, doctor or hospital records
  - ~~Day care records~~
  - Two other documents containing consistent information that corroborates a person's identity.
- Finding of identity from a federal or State government agency
- An affidavit can be used in lieu of List 2 proof, if citizenship cannot be verified electronically and the person does not have any List 2 documents.

### **Exemptions from the Citizenship Verification Requirement**

The following people are exempt from the U.S. citizenship verification requirement:

- People enrolled in or entitled to enroll in Medicare. ~~The Social Security Administration (SSA)~~ has already verified citizenship and identity for these people.
- People who receive or previously received Supplemental Security Income (SSI)
- People who receive or previously received Retirement, Survivors or Disability Insurance (RSDI) benefits due to disability (also known as SSDI). This does not include people who receive RSDI retirement or survivor's insurance benefits. They are not exempt from this requirement unless they meet another condition for exemption (such as enrollment in Medicare).
- Children who receive Northstar
- Auto newborns and children previously enrolled as auto newborns

### **Legal Citations**

Code of Federal Regulations, title 42, section 435.406

Code of Federal Regulations, title 42, section 435.407

Code of Federal Regulations, title 42, section 435.911

Code of Federal Regulations, title 42, section 435.945

Code of Federal Regulations, title 42, section 435.949

Code of Federal Regulations, title 42, section 435.952

Code of Federal Regulations, title 42, section 435.956

Code of Federal Regulations, title 42, section 435.1008

Code of Federal Regulations, title 42, section 457.320

Code of Federal Regulations, title 42, section 457.380

Patient Protection and Affordable Care Act, Public Law 111-148, section 1413

Patient Protection and Affordable Care Act, Public Law 111-148, section 14141

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  - [Revised Page](#)

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## C. Section 2.1.2.2.2 MA Immigration Status

Medical Assistance

### 2.1.2.2.2 Immigration Status

To receive Medical Assistance (MA), applicants must be U.S. citizens, U.S. nationals or certain lawfully present noncitizens. See the MA Citizenship policy for more information.

#### **MA Eligibility for Noncitizen Children under Age 21 and Pregnant Women**

The following people are eligible for MA, regardless of their specific immigration status:

- All lawfully present noncitizen children younger than age 21
- All lawfully present noncitizen pregnant women

People granted Deferred Action for Childhood Arrivals (DACA) are not lawfully present noncitizens for the purpose of MA eligibility and therefore they are not eligible for MA.

See the Appendix H Lawfully Present Noncitizens appendix for more information about lawfully present noncitizens.

#### **MA Eligibility for Noncitizens Age 21 or Older and Not Pregnant**

To be eligible for MA, lawfully present noncitizens who are age 21 or older and not pregnant must have a qualified immigration status. People with certain qualified immigration statuses must wait five years after receiving the qualified immigration status before they are eligible for MA.

The date a person enters the United States (also called date of entry) is not always the same as the date they acquire a qualified immigration status. The date of entry is used to determine eligibility for Refugee Medical Assistance for refugees who are ineligible for MA. The date a person obtains a qualified immigration status is used to determine the start of the five-year waiting period, when applicable.

#### **Qualified Immigration Statuses Without a Five-Year Waiting Period**

Lawfully present noncitizens with the following qualified immigration statuses are eligible for MA **without** a five-year waiting period:

- Afghan or Iraqi Special Immigrants
- Amerasians
- American Indian noncitizens
- Asylees, including asylees who later adjust to lawful permanent resident status
- Conditional Entrants

- Cuban/Haitian Entrants
- Qualified noncitizens who are U.S. veterans or on active military duty and their spouses and children
- Refugees, including refugees who later adjust to lawful permanent resident status
- T-Visa
- Trafficking victims
- Withholding of Removal

### **Qualified Immigration Statuses With a Five-Year Waiting Period**

Lawfully present noncitizens with the following qualified immigration statuses who entered the United States after August 22, 1996, are eligible for MA **after** a five-year waiting period:

- Battered noncitizens
- Immigrants paroled or one year or more
- Lawful permanent residents (LPRs), except LPRs who adjusted from asylee or refugee status. LPRs who were formerly asylees or refugees are eligible for MA without a five-year wait.

### **MA for Noncitizens Not Otherwise Eligible for Medical Assistance**

Four programs are available to certain noncitizens who are not eligible for MA because of their immigration status.

- Children’s Health Insurance Program (CHIP) funded MA may be available for pregnant women who are undocumented or noncitizens not otherwise eligible for MA. Eligibility may continue through the 60–day postpartum period. CHIP-funded MA is not available to people enrolled in other health care coverage.
- People who are receiving services from the Center for Victims of Torture (CVT) may be eligible for state funded MA-CVT
- People with a medical emergency may be eligible for Emergency Medical Assistance (EMA)
- People who meet specific criteria may be eligible for federally funded Refugee Medical Assistance (RMA)

### **Verification**

Immigration status must be verified electronically through a data match with the Federal Data Services Hub (FDSH). If the FDSH is not available or not successful the county, tribal, or state agency must submit a request for verification through SAVE prior to requiring paper documentation from the enrollee may be verified electronically at the time of application. Applicants and enrollees whose immigration status cannot be verified electronically must provide proofs, which then must be

validated using electronic sources, such as SAVE. See Immigration documentation types at HealthCare.gov for information about immigration documentation.

Eligibility is approved for applicants who meet all other eligibility criteria and attest to meeting the ~~citizen or noncitizen~~ eligibility requirements. A person approved for MA, whose immigration status cannot be verified electronically without verification of their immigration status has a reasonable opportunity to provide proof ~~has a reasonable opportunity to work with the agency to resolve clerical discrepancies preventing electronic verification or to provide proof of status for SAVE validation~~. A notice is sent to the enrollee to indicate they have 90 days, plus five days for mailing, from the date of the notice to satisfy the request ~~provide proof~~. Coverage ends with a 10-day advance notice if the person fails to cooperate with the verification process.

The county, tribal or state servicing agency must help applicants and enrollees obtain required proofs.

## Legal Citations

Centers for Medicare and Medicaid Services State Health Officials letter re: Individuals with Deferred Action for Childhood Arrivals (August 28, 2012), at [www.medicare.gov/Federal-Policy-Guidance/downloads/SHO-12-002.pdf](http://www.medicare.gov/Federal-Policy-Guidance/downloads/SHO-12-002.pdf)

Centers for Medicare & Medicaid Services (CMS) State Health Officials letter re: Medicaid and CHIP Coverage of “Lawfully Residing” Children and Pregnant Women (July 1, 2010), at [www.cms.gov/smdl/downloads/SHO10006.pdf](http://www.cms.gov/smdl/downloads/SHO10006.pdf)

Children’s Health Insurance Program Reauthorization Act of 2009 (CHIPRA), Public Law 111-3, Section 214

Code of Federal Regulations, title 42, section 435.406

Code of Federal Regulations, title 42, section 435.945

Code of Federal Regulations, title 42, section 435.949

Code of Federal Regulations, title 42, section 435.952

Code of Federal Regulations, title 42, section 435.956

Minnesota Statutes, section 256B.06, subdivision 4

Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), Public Law 104-193

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## **D. Section 2.2.3.2 MA-FCA Household Composition and Family Size**

Medical Assistance for Families with Children and Adults

### **2.2.3.2 Household Composition and Family Size**

#### **Overview**

Household composition means the people included in an applicant's or enrollee's household. Household composition determines the family size. Household composition and family size are factors used to determine financial eligibility.

Household composition and family size are determined for each person separately. Household composition and family size may be different for each person on an application or in a household.

#### **Tax Filing Status**

Applicants and enrollees do not need to file a federal income tax return or be claimed as tax dependents to be eligible for Medical Assistance for Families with Children and Adults (MA-FCA). Additionally, married couples do not need to file a joint federal income tax return to be eligible.

The household composition policy for tax filers, tax dependents and non-filers are outlined below. Whose income counts in determining financial eligibility is based on the household composition.

#### **Household Composition and Family Size for Tax Filers and Joint Tax Filers**

The household composition for a person who expects to file taxes and who does not expect to be claimed as a tax dependent by someone else includes:

- All of the people expected to be on the taxpayer's federal income tax return including:
  - Tax filer
  - Joint tax filer
  - Tax dependents
- The taxpayer's spouse, if living with the taxpayer and not filing jointly

A person's household composition may include a deceased person. Deceased people who are expected to be included on the federal income tax return continue to count in the household composition for the remainder of the tax year. A person's household composition cannot include a deceased person beyond the tax year in which the person died.

The family size for a person who expects to file taxes and who does not expect to be claimed as a tax dependent by someone else includes:

- All of the people in the person's household composition

- Unborn children of any pregnant women in the household

People who expect to file taxes and expect to be claimed as a tax dependent by someone one else follow the policy for people who expect to be claimed as a dependent.

## **Household Composition and Family Size for Tax Dependents**

The household composition for a person who expects to be claimed as a tax dependent is based on the household composition of the tax filer who expects to claim them as a tax dependent, unless the person meets one of the tax dependent exceptions. This is true even if the person also expects to file their own tax return.

The household composition of a tax dependent includes:

- The tax dependent
- Tax filer
- Joint tax filer
- All other tax dependents
- The taxpayer's spouse, if living with the taxpayer and not filing jointly
- If the tax dependent is married, the spouse, if they live together

A person's household composition may include a deceased person. Deceased people who are expected to be included on the federal income tax return continue to count in household composition for the remainder of the tax year. A person's household composition cannot include a deceased person beyond the tax year in which the person died.

The family size for a person who expects to be claimed as a tax dependent by someone else is the sum of:

- All of the people in the person's household composition
- Unborn children of any pregnant women in the household

### **Tax Dependent Exceptions**

There are different household composition rules for certain tax dependents. Household composition for the people below is determined using the rules for people who do not expect to file taxes and do not expect to be claimed as a tax dependent:

- People who expect to be claimed as a tax dependent, but are not the spouse or child of the tax-filer
- Biological, natural, adopted and step children younger than age 19 who live with two parents and expect to be claimed as a tax dependent by one of the parents and whose parents do not expect to file a joint tax return

- Children younger than age 19 who live with a custodial parent who expect to be claimed as a tax dependent by a non-custodial parent. For purposes of this exception, a court order or binding separation, divorce or custody agreement establishing physical custody determines who is the custodial and non-custodial parent. If there is no such order or agreement or in the event of a shared custody agreement, the custodial parent is the parent with whom the child spends most nights. This does not apply to children who are living with legal guardians, caretaker relatives or on their own who expect to be claimed as a tax dependent by one or more parents.

### **Whose Income Counts for Tax Filers and Tax Dependents?**

The household income of a tax filer, joint tax filer or tax dependent consists of the person's own income and the income of everyone in his or her household composition, unless specifically excluded.

#### **Exclusions**

The income of a child (regardless of age) who:

- is included in the household of his or her biological, natural, adopted or step parent, and
- is not expected to be required to file a tax return for the taxable year that MA-FCA is being determined.

The income of a tax dependent who:

- is not the spouse or child of the tax filer or joint tax filer, and
- is not expected to be required to file a tax return for the taxable year that MA-FCA is being determined.

In Appendix F Standards and Guidelines, refer to the table of Tax Filing Income Thresholds for 2018 to assist in determining whether a child or tax dependent is expected to be required to file a tax return.

Income that is not taxable (for example, non-taxable social security benefits) is not considered when determining if the individual child or tax dependent is expected to be required to file a federal tax return. However, if the child or tax dependent is they are expected to be required to file a federal tax return, all of the sources of income that comprise the child's or tax dependent's Modified Adjusted Gross Income (MAGI) (including both taxable and non-taxable Social Security benefits) are counted for the household. See the MA-FCA Income Methodology policy for more information.

### **Household Composition and Family Size for Non Tax Filers and Non Tax Dependents**

Non-filers are people who do not expect to file taxes and do not expect to be claimed as a tax dependent. The following people living with the person are included in their household composition:

- The person
- The person's spouse
- The person's biological, natural, adopted and step children younger than age 19
- If the person is under age 19, the following are also included:
  - Biological, natural, adopted and step parents
  - Biological, natural, adopted and step siblings, under age 19
- The family size for a non-filer includes:
  - All of the people in the person's household composition
  - Unborn children of any pregnant women in the household

### **Whose Income Counts for Non Tax Filers and Non Tax Dependents?**

The household income of non-filers and non-tax dependents consists of the person's own income and the income of everyone in his or her household composition, unless specifically excluded.

### **Exclusions**

The income of a child (regardless of age) who:

- is included in the household of his or her biological, natural, adopted or step parent, and
- is not expected to be required to file a tax return for the taxable year that MA-FCA is being determined.

In Appendix F Standards and Guidelines refer to the table of Tax Income Filing Thresholds for 2018 to assist in determining whether a child may be expected to be required to file a tax return.

Income that is not taxable (for example, non-taxable social security benefits) is not considered when determining if the ~~individual~~ child is expected to be required to file a federal tax return. However, if the child is ~~are~~ expected to be required to file a federal tax return, all of the sources of income that comprise the child's Modified Adjusted Gross Income (MAGI) (including both taxable and non-taxable Social Security benefits are counted. See the MA-FCA Income Methodology policy for more information.

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## E. Section 2.2.3.4 MA-FCA Income Methodology

Medical Assistance for Families with Children and Adults

### 2.2.3.4 Income Methodology

Income eligibility for Medical Assistance for Families with Children and Adults (MA-FCA) is based on current income and adjustments using the Modified Adjusted Gross Income (MAGI) methodology as follows:

- Household income includes:
  - The types of income included in Federal taxable income, including losses, minus Federal income tax adjustments
  - Nontaxable foreign earned income and housing cost of citizens or residents of the United States living abroad
  - Nontaxable interest income
  - Nontaxable Social Security and tier one railroad retirement benefits
- Household income does not include:
  - Scholarships, awards or fellowship grants used for education purposes and not for living expenses
  - Certain American Indian/Alaska Native income
- Lump sum income is counted in the month received, if it is from a type of income that is included in MAGI methodology. If the lump sum is from an income type that is not included in a person's modified adjusted gross income, it is not counted.

### Federal Taxable Income

Federal taxable income are the different types of income that appear in the Income section of the Internal Revenue Service (IRS) form 1040, IRS form 1040-A and or IRS form 1040-EZ. Only the taxable portions of these types of income are included in the adjusted gross income. The types of losses that would be reported on federal income tax returns can offset income. See the appropriate IRS form instructions for examples of federal taxable income. The general types of taxable income include the following:

- Wages, salary and tips
  - Payroll or pre-tax deductions for childcare, health insurance, retirement plans, transportation assistance and other employee benefits are not taxable and are not included in a person's adjusted gross income.
  - Medicaid waiver payments received by a person who provides HCBS waiver services (personal care services, habilitation services, and other services) to an eligible person

living with them are not taxable and not included in a person's adjusted gross income. See Internal Revenue Bulletin 2014-4 for more information.

If the eligible person does not live with the person providing the HCBS waiver services, the Medicaid waiver payments are taxable and are included in the person's adjusted gross income.

- Interest
- Dividends
- Taxable refunds, credits or offsets of state and local income taxes
- Alimony received
- Business income or loss (includes self-employment)
- Capital gains or losses
- Other gains or losses
- Individual retirement account (IRA) distributions
- Pension and annuity payments
- Income or loss from rental real estate, royalties, partnerships, S corporations, trusts, etc.
- Farm income or loss
- Unemployment compensation
- Social Security benefits
- Other income or loss
- Net operating loss, including a carryforward loss

## **Federal Income Tax Adjustments**

The types of adjustments that appear in the Adjusted Gross Income section of the 1040 or 1040-A are subtracted from gross income to calculate the adjusted gross income. Only specific types of adjustments are allowed. See the appropriate IRS form instructions for specific information about the types of adjustments.

- Educator expenses
- Certain business expenses of reservists, performing artists and fee-basis government officials
- Health savings account
- Moving expenses
- Deductible portion of self-employment tax
- Self-employed Simplified Employee Pension (SEP), Savings Incentive Match Plan for Employees (SIMPLE) and qualified plans

- Self-employed health insurance
- Penalty on early withdrawal of savings
- Alimony paid (spousal support)
- IRA deduction
- Student loan interest
- Tuition and fees
- Domestic production activities

## **Scholarships, Awards or Fellowship Grants**

Taxable scholarships, awards or grants used for education purposes and not for living expenses (room and board) are excluded income under the MA-FCA income methodology.

## **American Indian and Alaska Native Income**

The following income is excluded under the MA-FCA income methodology for American Indian and Alaska Native people:

- Distributions from Alaska Native Corporations and Settlement Trusts
- Distributions from any property held in trust, subject to federal restrictions, located within the most recent boundaries of a prior federal reservation, or otherwise under the supervision of the Secretary of the Interior
- Distributions and payments from rents, leases, rights of way, royalties, usage rights or natural resource extraction and harvest from:
  - rights of ownership or possession in properties held in trust under the supervision of the Secretary of the Interior; or
  - federally protected rights regarding off-reservation hunting, fishing, gathering or usage of natural resources.
- Distributions resulting from real property ownership interests related to natural resources and improvements:
  - located on or near a reservation or within the most recent boundaries of a prior federal reservation, or
  - resulting from the exercise of federally protected rights relating to such real property ownership interests.
- Payments resulting from ownership interests in or usage rights to items that have unique religious, spiritual, traditional, or cultural significance or rights that support subsistence or a traditional lifestyle according to applicable Tribal Law or custom
- Student financial assistance provided under the Bureau of Indian Affairs education programs

## Lump Sum Income

Under MA-FCA, lump sum income is one-time income that is not predictable. Periodic reoccurring income is not lump sum income. Lump sum income is only counted under MA-FCA if it is a type of income that is included in the calculation of modified adjusted gross income (MAGI).

Examples of lump sum income that is part of the MAGI calculation include, but are not limited to:

- Winnings (lottery, gambling)
- Alimony settlements
- Wage bonuses
- ~~Insurance settlements~~
- ~~Worker's Compensation settlements~~
- ~~Inheritances~~
- ~~Retroactive Retirements, Survivors and Disability Insurance (RSDI), Veterans Administration (VA) and unemployment insurance benefits~~

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Code of Federal Regulations, title 42, section 435.603

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## **F. Section 2.3.3.2.3 MA-ABD Excluded Assets**

Medical Assistance for People Who Are Age 65 or Older and People Who Are Blind or Have a Disability

### **2.3.3.2.3 Excluded Assets**

An excluded asset is not counted when calculating a person's total countable assets. An asset can be excluded in whole or in part. Some excluded assets are excluded indefinitely while others are excluded for only a specific period of time. Some excluded assets are excluded only if identifiable from other assets. Income retained after the month of receipt become assets.

#### **Identifiable Assets**

Some assets must be identifiable to be excluded under the bases of eligibility for Medical Assistance for People Who Are Age 65 or Older, or People Who Are Blind or Have a Disability (MA-ABD). Identifiable means that the assets can be distinguished from other assets.

An asset is identifiable in the following situations:

- The funds are kept physically apart from other funds, such as a separate bank account.
- The funds are not kept physically apart from other funds, but can be identified using a complete history of account transactions dating back to the initial date of deposit. The person's own records should be used, if possible. The person's allegation regarding the date and amount of a deposit of excluded funds is accepted if it agrees with the evidence on file for receipt of the funds.
  - When a withdrawal is made from a commingled account, the non-excluded funds are assumed to be withdrawn first, leaving as much of the excluded funds in the account as possible.
  - The excluded funds remaining in the account can only be added to by deposits of subsequently received excluded funds and excluded interest.
  - If interest on the excluded funds is excluded, the percent of an interest payment to be excluded is the same as the percent of funds in the account that is excluded at the time the interest is posted. The excluded interest is then added to the excluded funds in the account.

#### **Excluded Assets if Identifiable**

The following assets are excluded if they are identifiable. Exclude the assets indefinitely unless another time period is indicated. Descriptions of each type of assets are located in Appendix A Types of Assets.

- Agent Orange Settlement Fund payments

- Blood Product Settlement payments
- Corporation for National and Community Service (CNCS) payments. Payments to volunteers, including the following payments authorized under the Domestic Volunteer Services Act, are excluded:
  - AmeriCorps
  - Urban Crime Prevention Program
  - Special Volunteer Programs under Title I
  - Demonstration Programs under Title II
  - Senior Corp:
    - Retired Senior Volunteer Program (RSVP)
    - Foster Grandparent Program
    - Senior Companions
- Individual Development Accounts (IDA)
- Japanese and Aleutian Restitution payments
- Jensen Settlement Agreement payments. Payments received by class members are excluded. Funds received under this agreement from countable assets at the time of application and at each renewal are deducted.
- Low Income Home Energy Assistance Program (LIHEAP) payments
- Nazi Persecution payments
- Radiation Exposure Compensation Trust Fund (RECTF) payments
- Real estate taxes, homeowner's insurance and funds set aside for upkeep expenses of the property a person owns. Up to one year's expenses are excluded. Funds must be kept in a separate account.
- Relocation Assistance payments, federal
- Ricky Ray Hemophilia Relief Fund payments
- Student financial aid
  - Exclude the following types of student financial aid income:
    - Student financial aid received under Title IV of the Higher Education Act
    - Student financial aid received from the Bureau of Indian Affairs (BIA)
  - Non-Title IV and non-BIA grants, scholarships, fellowships and other non-loan financial aid, if used or set aside to pay educational expenses until the month following the last month the student is enrolled in classes.
  - Distributions from a Coverdell Educational Savings Accounts (ESA) if the funds are used for educational expenses.

- Excluded for the designated beneficiary of the account for nine months following the month of receipt of a distribution.
- Excluded for anyone who is not a beneficiary who contributes money to the account beginning the month after the month the funds are transferred into the account.
- Excluded, due to being a conversion of an asset, for a contributor who is the designated beneficiary beginning with the month after the month the cash is transferred into the account.
- Veteran's Affairs (VA) benefits designated as educational assistance both under graduate and graduate students until the month following the last month the student is enrolled in classes.
- Plan to Achieve Self Support (PASS) student financial aid
- Training expenses paid by the Trade Adjustment Reform Act of 2002
- Qualified Tuition Programs (QTP), also known as a 529 Plan, for the designated beneficiary (the student or future student) who is not the owner of the account and does not have any rights to the funds in the account. The account is counted as an asset for the owner.
- Supplemental Security Income (SSI) Dedicated Child Account
- Tribal payments and interests. The following tribal assets are excluded. See MA-ABD Tribal Payments and Interests for other assets owned by American Indians that may not be excluded.
  - Tribal trust or restricted lands, individual interest
  - Tribal per capita payments from a tribal trust
  - Tribal land settlements and judgments
- Uniform Gift to Minors Act/Uniform Transfers to Minors Act (UGMA/UTMA)
  - The full value of assets established under the UGMA/UTMA is excluded.
    - An adult designated to receive, maintain and manage custodial property on behalf of a minor beneficiary is not the owner of UGMA/UTMA assets because he or she cannot legally use any of the funds for his or her support and maintenance.
  - When the UGMA/UTMA property is transferred to the beneficiary at the end of the custodianship (usually at the age of 18 or 21 depending on state law) the property becomes available to the beneficiary. It is counted as income in the month of transfer and as an asset in the following month.
- Veterans' Children with Certain Birth Defects payments
- Vietnamese Commando Compensation Act payments

## **Excluded Assets Regardless of Identifiability**

The following assets may be excluded whether or not they are identifiable. These assets are excluded indefinitely unless another time period is indicated.

- Adoption Assistance payments are excluded in the month of receipt and thereafter.
- Accrued Interest on assets is excluded if any excess is properly reduced at eligibility redetermination.
- Alaska Native Claims Settlement Act (ANCSA) payments
- Appeal Payments are excluded as assets in the month received and for three months after the month of receipt.
- Clinical trial participation payments excluded by SSI. The first \$2,000 a person receives during a calendar year is excluded.
- Cobell Settlement for American Indians for a period of 12 months beginning with the month of receipt. This exclusion applies to all household members.
- Crime victim payments
- Disaster assistance, federal payments
- Disaster assistance, state payments
- Filipino Veterans Equity Compensation (FVEC) payments
- Foster Care payments
- Gifts to Children with Life Threatening Conditions from 501(c)(3) tax-exempt corporation. These are not considered assets of a parent and apply only to children who are under age 18.
  - Cash gifts up to \$2,000 in any calendar year are excluded. The amount of total cash payments that exceed \$2,000 each year are counted as an asset.
    - Multiple cash gifts in the same calendar year are added together and up to \$2,000 of the total is excluded, even if none of the cash gifts exceeds \$2,000 individually.
- Homestead real property
- Household goods and personal effects
- I-35W Bridge Collapse payments. The following payments made to survivors of the I-35W bridge collapse are excluded:
  - Payments from the I-35W Emergency Hardship Relief Fund
  - Payments from the Catastrophic Survivor Compensation Fund
- James Zadroga 9/11 Health and Compensation Act of 2010
- Kinship payments
- Proceeds from the Sale of a Homestead are excluded if a person:
  - Plans to use the proceeds to buy another homestead, and
  - Does so within three full calendar months of receiving the funds

- Reimbursements for replacement of lost, damaged or stolen excluded assets are excluded for the month of receipt and nine months thereafter. The funds are excluded for up to nine more months if the person tries to replace the assets during that time, but cannot do so for good reason.
- Representative Payee Misuse payments. If a person's Supplemental Security Income (SSI), Retirement, Survivors and Disability Insurance (RSDI) benefits, or Veterans Benefits for the Elderly is reissued because an individual representative payee misuses benefits, the reissuance is excluded as an asset for nine months if retained after the month of receipt.
- Retroactive RSDI and SSI benefits are excluded for the nine calendar months following the month in which the person receives the benefits. Any accrued interest on that account is counted as income in the month received and as an asset in the following months.
  - For any month that funds other than accrued interest or other earnings on the account are commingled in this account, the exclusion does not apply to any funds in the account.
  - Funds, other than retroactive benefits, required by a financial institution to open the dedicated account may be commingled in the account, but only until the end of the month following the month that the retroactive benefits are paid. However, these funds other than past-due benefits in the account are not excluded from assets.
  - Supplemental Needs Trusts policy is followed if the lump sum payment is issued under the Sullivan vs. Zebly decision, and is used to fund a supplemental needs trust. See MA-ABD Supplemental Needs Trusts for more information.
- State Annuities for Certain Veterans
- Relocation payments, state and local
- Tax credits, rebates, and refunds are excluded for 12 months after the month of receipt
- Term life insurance

## **Potentially Excluded Assets**

Some assets may be excluded under the following policies. See the corresponding pages for more information:

MA-ABD Tribal Payments and Interests

MA-ABD Burial Space Exclusion

MA-ABD Burial Fund Exclusion

MA-ABD Retirement Funds & Plans

MA-ABD Trusts

MA-ABD Automobile and other vehicles used for transportation

## **Self-Support Excluded Assets**

Self-Support is the use of certain property to earn wages, to produce goods and services for personal use, or to derive income from property. Self-Employment is one type of self-support.

### **Self-Employment Excluded Assets**

All assets of a trade or business, regardless of value, that are in current use and needed for the person to earn income are excluded. Current use includes seasonal use of an asset. The excluded assets can be real or personal property, including liquid assets. There is no limit to the amount of assets that can be excluded under this provision.

When a person alleges owning trade or business property not already being excluded, it must be determined whether a valid trade or business exists, and if the property is in current use. A person must provide a written statement with the following information:

- A description of the trade or business
- A description of the assets of the trade or business
- The number of years the business has been operating
- The identity of any co-owners
- The estimated gross and net earnings of the trade or business for the current tax year

Self-employment assets not currently in use because of reasons beyond the person's control can be excluded if they expect to resume use of the asset within one year. The person must sign a written statement with the following information:

- The reason the asset is not in use
- The date the asset was last used
- When the asset is expected to be used again

The exclusion is extended for an additional year if the reason for not using the asset is a disabling condition. The person must sign a written statement with the following information:

- The nature of the disabling condition
- When the activity ceased
- When the property is expected to be used again

### **Income Producing Self-Support Assets**

Up to \$6,000 of the equity value of non-business, non-liquid, income-producing property that produces an annual return of at least six percent of the equity value is excluded:

- The \$6,000 exclusion is limited to the combined equity value of all property meeting the six percent rule.

- If the person owns more than one piece of income-producing property, each piece must meet the six percent return on the equity value.
- If the earnings drop below six percent for reasons beyond the person's control, the property is excluded up to 24 months to allow the property to resume producing a six percent return.

### **Non-Income Producing Self-Support Assets**

Nonbusiness property essential to self-support can be real or personal property. It produces goods or services essential to daily activities if, for example, it is used to:

- Grow produce or livestock solely for personal consumption in the person's household; or
- Perform activities essential to the production of food solely for home consumption.

Up to \$6,000 of the equity value for each asset is excluded. Any portion of the property's equity value in excess of \$6,000 is not excluded.

While this category of property may encompass a vehicle used solely in a nonbusiness self-support activity (e.g., a garden tractor, or a boat used for subsistence fishing), it does not include any vehicle that qualifies as an automobile. See MA-ABD Automobiles and Other Vehicles for Transportation for more information.

When a person alleges owning property that he or she uses to produce goods or services necessary for daily activities, obtain his or her statement giving:

- A description of the property;
- How it is used; and
- An estimate of its current market value and any encumbrances on it

### **Personal Property Used by an Employee**

Non-liquid personal property used by a person in employment, whether it is required by the employer or not, is excluded. The person must provide a written statement with the following information:

- The name, address and telephone number of the employer
- A general description of the personal assets used for work
- A general description of the person's job duties
- Whether the personal assets are currently being used

Personal property not currently in use because of reasons beyond the person's control can be excluded if they expect to resume use of the asset within one year. The person must sign a written statement with the following information:

- The reason the asset is not in use

- The date the asset was last used
- When the asset is expected to be used again

The exclusion is extended for an additional year if the reason for not using the asset is a disabling condition. The person must sign a written statement with the following information:

- The nature of the disabling condition
- When the activity ceased
- When the property is expected to be used again

If the statement indicates that the person no longer intends to resume using the assets for employment, they become countable assets unless unavailable or excluded under another provision.

## Legal Citations

Code of Federal Regulations, title 20, section 416.1248

Minnesota Statutes, section 256B.056, subdivision 1a

Minnesota Statutes, section 256B.056, subdivision 3

Minnesota Statutes, section 256B.056, subdivision 3b

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## G. Section 2.3.3.3.2.1 MA-ABD Countable Income

Medical Assistance for People Who Are Age 65 or Older and People Who Are Blind or Have a Disability

### 2.3.3.3.2.1 Countable Income

This policy provides information on types of income that must be counted when calculating a person's income for Medical Assistance for People Who Are Age 65 or Older and People Who Are Blind or Have a Disability (MA-ABD) and Medicare Savings Programs (MSP). Some of these types of income are subject to disregards and deductions; see the MA-ABD Disregards and Deductions policy for more information. See the MSP chapter for more information.

#### What is not Income

Some items received by a person are not counted as income in the month received. See MA-ABD Countable Assets and MA-ABD Excluded Assets for more information on how these items are treated if retained after the month of receipt. Items that are not income include, but are not limited to:

- Amounts withheld from unearned income, if both of the following conditions are met:
  - The income is being reduced to repay a prior overpayment from the same source; and
  - The overpaid amount was previously counted as unearned income for MA eligibility.
- Bona fide loans, including student loans, because of the obligation to repay
- Conversion of assets. This includes, but is not limited to, cash received from the sale of assets, money withdrawn from savings accounts or other liquid assets, reverse mortgages, etc.
- Distributions from a Health Flexible Spending Arrangement
- Distributions from a Health Savings Account
- Interest on countable assets

#### Earned Income

Earned income is cash or in-kind benefits people receive in exchange for work or service, including employment and self-employment. See Appendix B Income Types for descriptions of the different types of income. The following types of earned income are counted:

- Employee income, including, but not limited to:
  - ~~AmeriCorps State and National living allowances~~
  - ~~AmeriCorps National Civilian Community Corps (NCCC) living allowances~~
  - Cash payments to clergy for housing

- Commissions
- Severance pay, based on accrued leave time
- Tips
- Vacation donation compensation
- Wages
- Irregular or infrequent earned lump sum, non-gift, or income from an employer, trade or business. See MA-ABD Disregards and Deductions, earned lump sum income, for more information.
- Net earnings from self-employment, which is the gross income minus all expenses the Internal Revenue Service (IRS) allows as a self-employment expense
- Net rental income, which is the gross rental income minus verified rental and repair expenses, when the person spends an average of at least 10 hours per week maintaining or managing the property. Rental deposits are not income while subject to return to the tenant. Rental deposits used to pay rental expenses become income at the point of use. Verified expenses for providing a room or food or both to a roomer or boarder are subtracted from rental income.
- Other income received in exchange for work or service, including, but not limited to:
  - Jury duty pay
  - Picket duty pay
  - Blood and blood plasma sales
  - Royalties and honoraria

## **Unearned Income**

Unearned income is cash that people receive without being required to perform work or service. The following types of unearned income is counted in a person's income calculation:

- Annuity payments
- Child support and arrearage payments made for a deceased child are counted for the person who receives the payment.
- Child support and arrearage payments are unearned income for the child, excluding:
  - Court ordered medical support
  - Payments to reimburse the custodial parent for medical expenses
  - Child support and arrearage payments received and retained by the county child support enforcement agency on behalf of a child enrolled in the Minnesota Family Investment Program (MFIP) or foster care
  - Child support payments received by or on behalf of children who:

- Receive services through the Brain Injury (BI), Community Alternative Care (CAC), Community Access for Disability Inclusion (CADI) or Developmental Disabilities (DD) waiver
- Are enrolled in MA under the TEFRA option
- Disability payments that are part of the employer's benefit package
- Extended income support payments through the Trade Adjustment Reform Act (TAA)
- Interest and dividends earned on excluded assets, unless otherwise excluded. See MA-ABD Countable Assets and MA-ABD Excluded Assets for more information on how these items are treated.
- Irregular or infrequent unearned lump sum income from an individual, organization, or investment. See MA-ABD Disregards and Deductions, unearned lump sum income, for more information.
- Net rental income when the person spends an average of less than 10 hours per week maintaining or managing the property. Rental deposits used to pay rental expenses or repairs become income to the landlord at the point of use. Verified expenses for providing a room or food or both to a roomer or boarder are subtracted from rental income.
- Regular and frequent gift income
- Retirement, Survivor's, and Disability Insurance (RSDI). See MA-ABD Disregards and Deductions, dependent RSDI benefits, for more information.
- RSDI or Veterans Benefits for the Elderly reissued because an individual representative payee of 15 or more beneficiaries or an organization representative payee misused benefits is counted as income in the month received only if the original payment was not used to determine eligibility
- Retroactive RSDI lump sum payments are counted in the month received
- Pension or retirement benefits from public or private sources
- Severance pay that is not based on accrued leave time
- Spousal maintenance
- Student financial aid, in the following situations:
  - Earnings through the Federal Work Study program are counted for MA for Employed Persons with Disabilities (MA-EPD) if:
    - Average gross monthly earnings exceed \$65
    - Social Security and Medicare taxes are withheld
  - Non-Title IV of the Higher Education Act (HEA) and Non-Bureau of Indian Affairs (BIA) grants, scholarships, fellowships and other non-loan financial aid not used for or set aside for educational expenses.
  - Distributions from a Coverdell Educational Savings Accounts (ESA) not used for or set aside for educational expenses.

- Tribal per capita payments from casinos
- Unemployment Insurance
- Veteran's Administration (VA) benefits
- Workers' Compensation

## Availability of Income

For MA-ABD and MSP, income is available when the person has a legal interest and the ability to use that income for support and maintenance. Income is usually available in the following situations:

- The person receives the income
- Someone else receives the income on the person's behalf
- The employer or other payer owes the person money, but withholds the income at the person or the court's request
- Income is withheld from payments due to a garnishment or to pay a legal debt or obligation

For MA-ABD and MSP, income is unavailable when the person:

- Cannot gain access to the income
- Receives money to cover someone else's expenses and then uses that money to pay those expenses
- Receives benefits under credit life and disability insurance coverage. Payments under these policies cover payments on loans, mortgages, etc. in the event of death or disability. These insurance payments are sent directly to the loan or mortgage company and are not available to the person.

A person must try to gain access to potentially available income.

## Legal Citations

Code of Federal Regulations, title 42, section 435.631

Code of Federal Regulations, title 42, section 435.831

Minnesota Statutes, section 256B.056, subdivision 4

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## H. Section 2.3.3.3.2.3 MA-ABD Excluded Income

Medical Assistance for People Who Are Age 65 or Older and People Who Are Blind or Have a Disability

### 2.3.3.3.2.3 Excluded Income

Some types of income are excluded when calculating a person's income for Medical Assistance for People Who Are Age 65 or Older and People Who Are Blind or Have a Disability (MA-ABD) and Medicare Savings Programs (MSP). See the MSP chapter for more information. Descriptions of each type of income are located in Appendix B Income.

Excluded income includes:

- Agent Orange Settlement Fund payments
- AmeriCorps State and National living allowances
- AmeriCorps National Civilian Community Corps (NCCC) living allowances
- Blood Product Settlement payments
- Child Care and Development Block Grant Act payments
- Clinical trial participation payments excluded by Supplemental Security Income (SSI). The first \$2,000 a person receives during a calendar year is excluded.
- Cobell Settlement payments for American Indians for a period of 12 months beginning with the month of receipt. This exclusion applies to all household members.
- Consumer Support Grant (CSG) payments
- Corporation for National and Community Service (CNCS) payments. Payments to volunteers, including the following payments authorized under the Domestic Volunteer Services Act:
  - AmeriCorps
  - Urban Crime Prevention Program
  - Special volunteer programs under Title I
  - Demonstration Programs under Title II
  - Senior Corps:
    - Retired Senior Volunteer Program (RSVP)
    - Foster Grandparent Program
    - Senior Companion Program
- Credit life and credit disability insurance payments
- Crime victim payments
- Disaster assistance, federal payments

- Disaster assistance, state payments
- Employment and training reimbursements and allowances
- Family Support Grant (FSG) payments
- Filipino Veterans Equity Compensation Fund payment
- Gifts to Children with Life Threatening Conditions from 501(c)(3) tax-exempt corporation. This are not considered income of a parent and apply only to children who are under age 18.
  - Any in-kind gift not converted to cash is excluded.
  - Cash gifts up to \$2,000 in any calendar year are excluded. The amount of total cash payments that exceed \$2,000 each year are counted as an asset.
    - Multiple cash gifts in the same calendar year are added together and up to \$2,000 of the total is excluded, even if none of the cash gifts exceeds \$2,000 individually.
- Hostile fire pay
- Housing and Urban Development (HUD) subsidies
- Individual Development Accounts (IDA)
- In-kind income
- Interest on funds that commingle countable and excluded assets
- James Zadroga 9/11 Health and Compensation Act of 2010
- Japanese American and Aleutian Restitution payments
- Jensen Settlement Agreement payments
- Low Income Home Energy Assistance Program (LIHEAP) payments
- Lump sum income
  - Some lump sum income that is used to pay for certain expenses is not counted, including:
    - Costs associated with getting the lump sum, such as attorney's fees
    - Any portion of the lump sum earmarked for and used to pay medical expenses not covered by insurance or any Minnesota Health Care Program (MHCP), such as a prosthetic device
    - Any portion of the lump sum recovered by the DHS Benefit Recovery Section (BRS)
    - Any portion of the lump sum earmarked for and used to pay funeral and burial costs paid upon the death of a spouse or child
  - SSI lump sum payments
    - Retroactive SSI lump sum payments are excluded as income in the month received.
    - If a person's SSI is reissued because a representative payee misuses benefits, the reissuance is excluded as income.

- Social Security Disability Insurance (SSDI) and Veterans Affairs (VA) payment due to representative payee misuse. If a person's SSDI or Veterans Benefits for the Elderly is reissued because an individual representative payee misuses benefits, the reissuance is excluded if the original payment of the income was used to determine the eligibility.
- Medicare Part B Premium Reimbursements. This lump sum is excluded as income in the month received if the Medicare Part B premiums being reimbursed to the client were not used as an MA spenddown expense.
- Nazi Persecution payments
- Participation incentive payments
- Public assistance payments from the following programs:
  - Minnesota Family Investment Program (MFIP)
  - Diversionary Work Program (DWP)
  - General Assistance (GA)
  - General Residential Housing (GRH)
  - Minnesota Supplemental Aid (MSA)
  - Refugee Cash Assistance (RCA)
  - Title IV-E and non-Title IV-E Kinship Assistance
  - Title IV-E and non-Title IV-E Adoption Assistance
  - Foster Care Assistance
  - Mille Lacs Band of Ojibwe Elder Supplement Assistance Program
  - Supplemental Nutrition Assistance Program (SNAP)
  - SSI
    - Note: VA Aid and Attendance benefits and VA unusual medical expense payments are not excluded, even if the person is receiving SSI.
- Radiation Exposure Compensation Trust Fund (RECTF) payments
- Refunds of rental security and utility deposits
- Reimbursements for out-of-pocket expenses incurred while performing volunteer services, jury duty or employment
- Reimbursements for medical expenses
- Reimbursements for replacement of property
- Relocation assistance payments, federal
- Ricky Ray Hemophilia Relief Fund payments
- Student financial aid. The following types of student financial aid income are excluded:

- Student financial aid received under Title IV of the Higher Education Act, with the exception of Federal Work Study earnings which may count for Medical Assistance for Employed Persons with Disabilities (MA-EPD)
- Student financial aid received from the Bureau of Indian Affairs (BIA), with the exception of Federal Work Study earnings which may count for MA-EPD
- Non-Title IV and non-BIA grants, scholarships, fellowships and other non-loan financial aid, if used or set aside to pay educational expenses. Refer to MA-ABD Countable Income for funds that are not used for or set aside for educational expenses.
- Distributions from a Coverdell Educational Savings Accounts (ESA) if the funds are used for educational expenses. Refer to MA-ABD Countable Income for funds that are not used for educational expenses.
- VA benefits designated as educational assistance
- Plan to Achieve Self Support (PASS) student financial aid
- Training expenses paid by the Trade Adjustment Reform Act of 2002
- Tax credits, rebates and refunds
- Third party vendor payments, which include, but are not limited to:
  - MSA or GRH payments made directly to a facility
  - Emergency payments to a utility company made by an emergency assistance program such as Emergency General Assistance (EGA)
- Tribal payments. The following types of tribal payments are excluded:
  - Tribal trust or restricted lands, individual interest: Exclude the first \$2,000 received from this income source.
  - Tribal per capita payments from a tribal trust: Exclude all funds from this income source.
  - Tribal land settlements and judgments: Excluded all funds from this income source.
- Veterans' Children with Certain Birth Defects payments
- Vietnamese Commando Compensation Act payments
- Vocational Rehabilitation Payments

## Legal Citations

Minnesota Statutes, section 256B.056, subdivision 1a

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## I. Section 2.4.2.5 MA-LTC Income Calculations for Long-Term Care Services

Medical Assistance for Long-Term Care Services

### 2.4.2.5 Income Calculations for Long-Term Care Services

#### Income Calculations

There are two income calculations used to determine what amount, if any, a person must contribute from their income toward the cost of their long-term care (LTC) services. People whose Medical Assistance (MA) eligibility is determined using an MA for People Who Are Age 65 or Older and People Who Are Blind or Have a Disability (MA-ABD) basis of eligibility may have to make an income contribution toward the cost of their LTC services. People whose MA eligibility is determined using an MA for Families with Children and Adults (MA-FCA) basis of eligibility are not required to make an income contribution toward the cost of their LTC services.

The type of calculation used to determine the amount of an income contribution is either a community income calculation or an LTC income calculation.

#### Community Income Calculation

A community income calculation determines the amount, if any, of the income contribution for people that:

- Request home and community-based services (HCBS) through a waiver program for persons with disabilities (Brain Injury (BI), Community Alternative Care (CAC), Community Access for Disability Inclusion (CADI), Developmental Disabilities (DD))
- Request HCBS through the Elderly Waiver (EW) program and have gross income above the Special Income Standard (SIS) but do not have a community spouse
- Are expected to reside in a long-term care facility (LTCF) for less than 30 consecutive days

A community income calculation is determined using the MA-ABD income methodology and may result in a medical spenddown. The person can use the cost of their LTC services to meet the medical spenddown, if applicable.

A community income calculation is also used for the months a person requests MA coverage prior to the month in which LTC services begin.

#### LTC Income Calculation

A LTC income calculation determines the amount, if any, of the income contribution for people that:

- Are expected to reside in a LTCF for at least 30 consecutive days

- An MA enrollee who is absent from an LTCF on a leave day is still considered to be residing in a LTCF.
- A Group Residential Housing (GRH), assisted living, or a non-Medicaid certified facility, is not an LTCF.
- Request EW and have income at or below the SIS
- Request EW and have income above the SIS and have a community spouse

A LTC income calculation starts with the amount of a person's countable gross total income and applies certain deductions. This calculation may result in an LTC spenddown, waiver obligation or medical spenddown. The LTC income calculation determines the LTC spenddown, waiver obligation or medical spenddown, if any, based on anticipated countable gross total income and deductions for each month of a six-month period. ~~Retroactive adjustments are made for each month in the six-month period where the actual income or deductions differ from the anticipated income or deductions.~~

The person is responsible for payment of the amount of the LTC spenddown or waiver obligation, if any, toward the cost of their LTC services.

## **Countable Gross Total Income**

The anticipated amount of a person's countable gross total income is used in the LTC income calculation in the month it is expected to be received. Total income includes the gross amount of income a person receives from any source, except: Countable gross income is not averaged or annualized. The Retirement, Survivors, Disability Insurance (RSDI) cost-of-living adjustment (COLA) disregard is not applied in the LTC income calculation.

~~Countable gross income does not include the following income:~~

- Excluded income
  - Note that if a person is residing in an LTCF, Supplemental Security Income (SSI) and Minnesota Supplemental Aid (MSA) are counted in the month of receipt. See MA-LTC Income Calculation Deductions for more information.
- The person's spouse's income
- Sponsor income if the sponsor is the person's community spouse
- LTC insurance payments (LTC insurance payments are considered third-party liability)

Total income is not averaged or annualized; its is a month by month calculation. The Retirement, Survivors, Disability Insurance (RSDI) cost-of-living adjustment (COLA) disregard is not applied in the LTC income calculation.

~~Countable gross Total~~ income must be verified at each request for MA-LTC, at each renewal and when a change is reported. People in an LTCF who have earned income in excess of \$80 per month must use the Household Report Form ([DHS-2120](#)) to report and verify their income monthly.

Retroactive adjustments are made for each month in the six-month period of an LTC income calculation where the actual income or deductions differ from the anticipated income or deductions, including months in which SSI benefits are retroactively reduced by SSA because the person was in an LTCF, resulting in an SSI overpayment.

## **Beginning and Ending the LTC Income Calculation**

Once a person is found eligible for MA-LTC, the LTC income calculation begins:

- The month the person with a community spouse begins receiving LTC services
- The month following the month the person without a community spouse begins receiving LTC services

The LTC income calculation ends:

- The month the person with a community spouse stops receiving LTC services
- The month before the month the person without a community spouse stops receiving LTC services

The LTC income calculation continues through the month in which a person who lives in an LTCF or receives EW dies.

## **LTC Spenddown**

The LTC spenddown is the amount a person must contribute toward the cost of LTC services when the person resides in an LTCF.

A person's MA eligibility cannot be closed for failure to pay the LTC spenddown to the LTCF. A county, tribal or state agency may disqualify an authorized representative who fails to pay the LTCF and assist the person in finding another authorized representative.

### **Interaction with Medicare Part A Payments**

Medicare Part A covers care provided in an LTCF when a person is admitted to the LTCF immediately following three or more consecutive days of hospitalization. In these situations, the MA enrollee must pay the LTC spenddown or the Medicare coinsurance obligation, whichever is less.

The LTC spenddown may be collected before the Medicare payment is known. As a result, the LTCF may have received a higher LTC spenddown than the MA enrollee should have paid. The LTCF may refund the excess LTC spenddown to the MA enrollee or, with the agreement of the MA enrollee, retain the excess spenddown for payment of a past due obligation. Any amount of an LTC spenddown that is refunded to an MA enrollee is treated as follows:

- The refund is not counted as income or as an asset in the month received.

- Any amount refunded to the MA enrollee is counted as an asset beginning with the month following the month the refund is received.

If the refund results in the enrollee having excess assets, MA-LTC may be closed.

## **Waiver Obligation**

A waiver obligation is the amount a person must contribute toward the cost of EW services when the person has income at or below the SIS.

- EW enrollees with a waiver obligation who are enrolled in a managed care plan cannot use the designated provider option.

SIS-EW enrollees who access EW services that cost less than the waiver obligation may keep the income that is not contributed to the cost of their EW services.

## **Medical Spenddown**

A medical spenddown for a person eligible for MA-LTC is the amount the person must contribute toward the cost of LTC services.

## **Legal Citations**

Code of Federal Regulations, title 42, section 435.726

Code of Federal Regulations, title 42, section 435.733

Code of Federal Regulations, title 42, section 435.735

Code of Federal Regulations, title 42, section 435.832

Minnesota Statutes, section 256B.0575

Minnesota Statutes, section 256B.058

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## J. Section 2.4.2.5.1 MA-LTC Income Calculation Deductions

Medical Assistance for Long-Term Care Services

### 2.4.2.5.1 LTC Income Calculation Deductions

Certain deductions from countable gross income are allowed in the long-term care (LTC) income calculation to determine the amount a person is required to contribute toward the cost of LTC services, if any. Deductions, like income, count in the month in which they occur. Deductions must be verified at each request for Medical Assistance for Long-Term Care Services (MA-LTC), at each renewal, and when a change is reported.

A person's eligibility for MA-LTC is not denied or closed if the person does not provide required proof of a deduction. However, the deduction is not used in the LTC income calculation if it is not verified.

The following deductions are subtracted from gross countable income in the LTC income calculation in the order listed below:

1. Special Supplemental Security Income (SSI) Deduction
2. Minnesota Supplemental Aid (MSA) Deduction
3. Special Personal Allowance from earned income
4. Medicare premiums paid by the enrollee
5. Applicable LTC Needs Allowance
6. Fees paid to a guardian, conservator, or representative payee
7. Community Spouse Income Allocation
8. Family Allocation
9. Court-ordered child support
10. Court-ordered spousal maintenance
11. Health insurance premiums, co-payments and deductibles
12. Remedial Care Expense
13. Medical expenses

#### **Special Supplemental Security Income (SSI) Deduction**

Supplemental Security Income (SSI) payments received by an enrollee are deducted in the LTC income calculation when the Social Security Administration (SSA) approves continued community level SSI benefits for a person who lives in a long-term care facility (LTCF) ~~are deducted~~ because either:

- the person is expected to live in the LTCF for less than three months and continues to maintain a home in the community; or

- the person had 1619(a) or 1619(b) status in the month prior to the first full month of LTCF residence.

### **Minnesota Supplemental Aid (MSA) Deduction**

Minnesota Supplemental Aid (MSA) payments received by an enrollee are deducted in the LTC income calculation when the state approves continued community level MSA benefits for a person who lives in an LTCF because either:

- The person is expected to live in the LTCF for less than three months and continues to maintain a home in the community; or
- The person had 1619(a) or 1619(b) status in the month prior to the first full month of LTCF residence.

### **Special Personal Allowance from Earned Income**

A special personal allowance from earned income are deducted for a person who is:

- certified disabled by SSA or the State Medical Review Team (SMRT);
- employed under an Individual Plan of Rehabilitation; and
- living in an LTCF.

The following deductions are applied in the order listed but cannot reduce income to less than zero:

- The first \$80 of earned income
- Actual FICA tax withheld
- Actual transportation costs
- Actual employment expenses, such as tools and uniforms
- State and federal taxes if the person is not exempt from withholding

### **Medicare Premiums**

Medicare premiums incurred by an enrollee that are not subject to payment by a third party are deducted. Medicare premiums subject to payment by a third party include Medicare premiums:

- The county, state or tribal agency reimburse to the enrollee as cost effective health insurance
- Paid through the Medicare Buy-In
- Paid through Medicare Part D Extra Help

### **LTC Needs Allowance**

One of the following allowances is deducted:

## **Clothing and Personal Needs Allowance (PNA)**

The Clothing and Personal Needs Allowance (PNA) is used when the enrollee is not eligible for any of the other LTC needs allowances. The PNA is adjusted each year on January 1.

### **Veteran's Improved Pension**

A \$90 veteran's improved pension is available to people who are:

- veterans but who do not have a spouse or dependent child(ren)
- the surviving spouse of a veteran who does not have a dependent child(ren)

### **Home Maintenance Allowance (HMA)**

The Home Maintenance Allowance (HMA) is equal to 100% of the federal poverty guidelines (FPG) for a household size of one. The HMA is adjusted each year on July 1. The HMA is used when all of the following apply:

- the person lives in an LTCF;
- the person is expected to be discharged from the LTCF within three full calendar months from the month in which MA-LTC is requested to begin;
- the person has expenses to maintain a home (owned or rented) in the community, including room and board charges in group residential housing (GRH) or assisted living; and
- the person meets one of the following conditions:
  - The person did not live with a spouse, a child under age 21, or a person who could be claimed as a dependent of the person for federal income tax purposes at the time he or she was admitted to an LTCF.
  - The person lived with a spouse at the time he or she was admitted to an LTCF, and the person's spouse was admitted to an LTCF on the same day.

Only one spouse can receive the HMA when both spouses live in an LTCF. The HMA is used for the spouse for which it is most advantageous.

Eligibility for the HMA is based on the anticipated discharge date at the time eligibility for MA-LTC is determined. Eligibility for the HMA is not delayed to see if the person will actually be discharged on the anticipated discharge date and is not retroactively adjusted if the person lives in the LTCF for more than three full calendar months.

A person must be discharged from an LTCF for a full calendar month before the HMA may be used again.

### **Special Income Standard Elderly Waiver (SIS-EW) Maintenance Needs Allowance (MNA)**

The Special Income Standard Elderly Waiver (SIS-EW) maintenance needs allowance (MNA) is used for people requesting Elderly Waiver (EW) services and who have income at or below the Special Income Standard (SIS). The SIS-EW MNA is updated annually in July. The SIS-EW MNA is not used for a person with income above the SIS.

When an SIS-EW enrollee moves to or from an LTCF:

- The PNA or veteran's improved pension allowance is used beginning the month following the month the SIS-EW enrollee moves into the LTCF.
- The SIS-EW MNA is used beginning the month following the month the person is discharged from the LTCF and begins receiving EW services.

## **Fees Paid to a Guardian, Conservator, or Representative Payee**

Five percent of the enrollee's gross monthly income, up to a maximum of \$100, for fees paid to a guardian, conservator or representative payee is deducted. This deduction cannot be increased over \$100 even if a higher amount is allowed to be paid by SSA or a court.

## **Community Spouse Income Allocation**

An LTC spouse may allocate a portion of their income to the community spouse when the community spouse's income is insufficient to meet their monthly maintenance needs. The community spouse income allocation is calculated by comparing the community spouse's gross monthly income to the minimum monthly allowance plus any excess shelter costs. The income allocation cannot exceed the maximum monthly allowance.

The community spouse's gross monthly income includes all earned and unearned income, including income received from income-producing assets. No exclusions, disregards or deductions apply. If the community spouse's gross monthly income is greater than or equal to the community spouse's monthly maintenance needs, the community spouse does not qualify for an income allocation. If the community spouse's gross monthly income is less than the community spouse's monthly maintenance needs, the community spouse qualifies for an income allocation.

### **Calculation of the Community Spouse's Shelter Costs**

The community spouse's shelter costs, in excess of the basic shelter allowance, are added to the minimum monthly allowance to calculate the community spouse income allocation. Shelter costs include:

- Rent
- Mortgage payments, including principal and interest
- Real estate taxes
- Homeowner's or renter's insurance
- Required maintenance charges for a cooperative or condominium

- Utility allowance

The amount of a shelter expense is based on the full amount that the community spouse must pay. Shelter expenses do not include charges for services received by a person who resides in a residential living arrangement. An itemized statement of monthly charges to identify the amount the community spouse must pay for rent or any other shelter expense is required.

### **Verification Requirements**

A community spouse income allocation cannot be deducted unless the person, or their authorized representative, provides verification of the community spouse's income and shelter expenses at the time of the request for MA-LTC and at each renewal. The community spouse, or the community spouse's authorized representative, must report and verify changes in the income or shelter expenses of the community spouse.

### **When to Deduct the Community Spouse Income Allocation**

The calculated community spouse income allocation is deducted when there is a community spouse at any time in a given month unless:

- There is a court order for spousal support for an amount that is greater than the calculated community spouse income allocation. When this occurs, the court ordered amount replaces the community spouse income allocation as a deduction. This only applies when a court order establishes support while the couple remains married. It does not apply to a court order in a divorce action.
- The LTC spouse does not have enough income remaining, after other allowable deductions, to allocate to the community spouse.
- Exceptional or unusual circumstances have occurred that result in a temporary financial hardship to the community spouse. In these cases, the community spouse income allocation may be temporarily increased while the community spouse takes the necessary steps to resolve the situation. The increased deduction cannot be applied if the situation is not temporary or the community spouse does not take the needed actions to resolve the situation.
- The LTC spouse can choose not to make an income allocation to the community spouse. A deduction can only be made if the income is actually made available to the community spouse.
- The community spouse chooses to accept a reduced income allocation or chooses not to accept any income allocation. The community spouse income allocation is counted as unearned income for the community spouse when determining eligibility for any Minnesota Health Care Program (MHCP). A community spouse may choose to not accept the income allocation if it will result in ineligibility for MA.

### **Family Allocation**

A person may allocate a portion of their income to the following family members who have a calculated need:

- A minor child, who does not live with a community spouse
- The following relatives who live with a community spouse:
  - A child under age 21
  - A child age 21 or older who is claimed as a tax dependent
  - Parents who are claimed as tax dependents
  - Siblings who are claimed as tax dependents

### **Children Not Living with a Community Spouse**

A family allocation may be made to the minor children of the person who does not live with a community spouse. The allocation is calculated by adding together the gross monthly earned and unearned income of all minor children not living with a community spouse and comparing it to 100% of the FPG for a family size equal to the number of minor children not living with the community spouse. No exclusions, disregards or deductions apply. The amount of the allocation is the difference between the gross income of the children and the applicable FPG amount. No allocation is allowed if the gross income of the children exceeds the applicable FPG standard.

### **Family Members Who Live with a Community Spouse**

A separate family allocation may be made for each family member who lives with a community spouse. The allocation is calculated by adding together the gross monthly earned and unearned income of the family member who lives with the community spouse and subtracting it from the minimum monthly income allowance for a community spouse. No exclusions, disregards or deductions apply. No allocation is allowed if the gross income of the family member exceeds the minimum monthly income allowance for a community spouse.

### **Verification Requirements**

The family allocation cannot be deducted unless the person, or their authorized representative, provides verification of the family member's income at the time of the request for MA-LTC and at each renewal. Changes in income for the family member must be reported and verified.

### **When to Deduct the Family Allocation**

A family allocation is deducted in the LTC income calculation in each month that there is a family member eligible to receive an allocation. The family allocation is deducted regardless of whether it is made available to the family member if the income of the family member is verified.

A family allocation is counted as unearned income to the family member when determining eligibility for any MHCP.

### **Court-Ordered Child Support**

Court-ordered child support that is garnished from the person's income up to a maximum of \$250 per month is deducted. The garnishment can be for current child support or arrearages. The garnishment must be verified.

This deduction does not apply when a family allocation is deducted for the child for whom the court-ordered child support obligation is due unless the calculated family allocation is less than \$250. The difference between the calculated family allocation and \$250 may be deducted.

## **Court-Ordered Spousal Maintenance**

Court-ordered spousal maintenance is deducted for people who reside in a long-term care facility (LTCF) when the spousal maintenance is:

- court-ordered under a judgement and decree for dissolution or marriage; and
- garnished from a source of the person's income

In addition to the spousal maintenance amount, the fees associated with the garnishment can be deducted if also garnished from the person's income.

The garnishment of the spousal maintenance and fees must be verified.

## **Health Insurance Premiums, Co-payments and Deductibles**

The cost of health insurance premiums, co-payments and deductibles incurred by the person that are not subject to payment by MA or a third party, including Extra Help through SSA for Medicare Advantage Plan or Part D coverage or cost-effective premium reimbursement through MA, are allowable deductions. Health insurance includes Medicare Advantage plans, dental and LTC insurance policies. Only the portion of the premium that reflects coverage for the person is an allowable deduction.

## **Remedial Care Expense**

A remedial care expense deduction is an amount allowed for people who reside in a residential living arrangement or a housing with services establishment where a county agency has a GRH agreement. The amount can change twice a year, on January 1 and July 1.

## **Medical Expenses**

Verified medical expenses incurred by the person that meet the criteria below are deductions in the LTC income calculation:

### **Medical expenses that are medically necessary and recognized under state law**

A necessary medical expense is a medical service that is provided in any of these situations:

- In response to a life-threatening condition or pain
- To treat an injury, illness or infection
- To achieve a level of physical or mental function consistent with prevailing community standards for the diagnosis or condition

- To care for a mother and child through the maternity period
- To provide preventive health service
- To treat a condition that could result in physical or mental disability

People are not required to provide proof of medical necessity for a medical expense provided by a medical provider, such as a pharmacist or medical facility. These services are assumed to be medically necessary.

**Medical expenses that MA will not pay**

Medical expenses for MA covered services that the person incurred in a month that MA will pay because the person is, or will be, approved for MA are not deductions. A medical expense incurred in a month in which the person is or will be an MA enrollee is assumed an MA covered service unless the person provides proof that it is not.

Medical expenses that are included in the daily rate that MA pays to a Skilled Nursing Facility (SNF) or an Intermediate Care Facility for the Developmentally Disabled (ICF/DD) are medical expenses that MA will pay.

**Medical expenses not covered by a third party**

A medical expense is not a deduction if it is subject to payment by a third party. Third parties include people, entities or benefits that are, or may be, liable to pay the expense. This includes:

- Other health care coverage, such as coverage through Medicare, private or group health insurance, long-term care insurance or through the Veterans Administration (VA) health system
- Automobile insurance
- Court judgments or settlements
- Workers' compensation benefits

The person must provide proof of the exact amount of the third party payment, such as an Explanation of Medical Benefits (EOMB) statement. The person can also sign a release form so the county, tribal, or state agency can contact the third party directly.

If not yet known, the amount of the medical expense that will be covered by a third party is estimated at the time of the eligibility determination so that application processing is not delayed. The LTC income calculation is adjusted for the applicable month once the actual amount of the expense is verified. If not verified before, the person must provide proof of the actual amount of estimated medical expenses that were used in the LTC income calculation at the time of their next renewal. The deduction is removed from the applicable month if proof is not provided.

**The medical expense was incurred during a month in which the person is receiving MA-LTC or during any of the three months prior to the month in which the person requested MA-LTC**

Deductions are allowed for verified medical expenses the person incurred during the month the person requested MA-LTC or while the person is receiving MA-LTC, regardless of whether retroactive MA coverage was requested or approved. Medical expenses incurred during a retroactive month must be unpaid as of the date of the request for MA-LTC. Medical expenses incurred during the month the person requested MA may be paid or unpaid.

Medical expenses are not allowed as a deduction when:

- The medical expense is for LTC services incurred in a month that is included in a transfer penalty period or period of ineligibility for failure to name Minnesota Department of Human Services (DHS) a remainder beneficiary of certain annuities.
- The person paid the medical expense to reduce excess assets.
- The medical expense was previously used:
  - As a deduction in an LTC income calculation. However, the amount of a medical expense that exceeds the amount of the person's income remaining after all other deductions in one month can be carried forward to future months
  - To meet a medical spenddown

The following services received by a person who lives in an LTCF are not medical expenses:

- Personal care items such as shampoo, toothpaste or dental floss that are included in the daily rate (also referred to as a "per diem rate") paid through MA
- Oral hygiene instruction
- Certain house/extended care facility call charges. A charge for a provider to travel to a person's residence is not an allowable medical expense deduction unless the provider delivers a medical service on the same day.
- A charge for a provider to travel to a person's residence is also not an allowable medical expense deduction if the LTCF pays the cost for the provider to travel to the LTCF through an agreement between the LTCF and the provider.

## **Notification**

People who report medical expenses must be notified of the:

- Medical expenses that were not allowed as a deduction and the reason(s) why they were not allowed
- Medical expenses that were deducted in the LTC income calculation based on estimated third party payments
- Amount of the allowed medical expense deduction
- Amount of medical expenses that can be carried forward as a deduction to future months

## Legal Citations

Minnesota Statutes, section 256B.0575

Minnesota Statutes, section 256B.058

Minnesota Statutes, section 256B.0915

Minnesota Statutes, section 256B.35

Minnesota Statutes, section 256I.03

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## K. Section 3.1.1 MinnesotaCare Mandatory Verification

MinnesotaCare

### 3.1.1 Mandatory Verifications

Mandatory verifications must be verified through an available electronic data source or by paper proof, if electronic data sources are unsuccessful or unavailable. Self-attestation alone is not acceptable for eligibility requirements with mandatory verifications. MinnesotaCare has the following required verifications:

- ~~Eligible for or enrolled in Minimum Essential Coverage (MEC)~~
- Lawful presence in the U.S.
- Projected annual income (PAI)
- Social Security number
- U.S. Citizenship

#### Legal Citations

Code of Federal Regulations, title 42, sections 435.940 to 435.956

Code of Federal Regulations, title 42, section 600.345

Code of Federal Regulations, title 45, sections 155.305 to 155.320

Minnesota Statutes, section 256L.04

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## L. Section 3.1.2.2 MinnesotaCare Premiums and Cost Sharing

MinnesotaCare

### 3.1.2.2 Premiums and Cost Sharing

#### Premiums

Many MinnesotaCare enrollees must pay a monthly premium to establish and maintain coverage. The following enrollees have no premium:

- Households that include one or more military members, enrolled in MinnesotaCare, who have completed a tour of active duty within 24 months of MinnesotaCare eligibility, are exempt from paying MinnesotaCare premiums for up to 12 months, which do not have to be consecutive
- Households with one or more American Indians or Alaska Natives enrolled in MinnesotaCare
- Households with projected annual income below 35% of the Federal Poverty Guidelines (FPG)
- ~~Children~~ People younger than 21

American Indian and Alaska Native enrollees are not required to provide proof of status to be exempt from paying MinnesotaCare premiums.

If a person is added to an existing MinnesotaCare household that is required to pay a premium, or is newly determined eligible for MinnesotaCare as an existing household member, the effective date of the resulting premium change is as follows:

- If adding the person to the MinnesotaCare household results in a premium decrease, the decrease is effective the first day of the month after the person was determined eligible.
- If adding the person to the MinnesotaCare household results in an increase in the household's premium, the increase in the overall premium is effective at the next regular billing for the household.

A household may become newly exempt from premiums when a returning military member, American Indian or Alaska Native is added to the household and is determined eligible for MinnesotaCare. A household may also become newly exempt when a person is added to the household, which causes the household to have income below 35% of the federal poverty guidelines. The effective date of the premium exemption is the first day of the month after eligibility for that person was determined.

The MinnesotaCare Premium Estimator Table ([DHS-4139A](#)) lists estimated premiums. The premium listed on a bill is the official calculation and the amount an enrollee must pay.

People who are required to pay a monthly premium must pay it to keep MinnesotaCare coverage. Ongoing MinnesotaCare premiums are due the 15th of the month, but can be paid up through noon

on the last working day of the month. Premiums should be paid on time to avoid a gap in coverage. There is no good cause exception for nonpayment of a MinnesotaCare premium.

Households may pay the premiums for coverage months that have not yet been billed. Once a household pays the MinnesotaCare premium for a particular month, the premium is refunded only if the household paid a premium for a future month of coverage for which the agency has not yet paid a health plan.

### **Grace Month**

MinnesotaCare enrollees who do not pay their premium before the coverage month, have a one-month grace period. An enrollee will remain covered during the grace month, regardless of whether the enrollee pays the premium for that month. Coverage stops at the end of the grace month if they fail to pay their past due premium for the grace month.

A person must pay the grace month premium in full by noon on the last working day of the grace month to avoid a gap in coverage for enrollees who are required to pay a premium. People who are disenrolled from coverage because they did not pay a premium may have a gap in coverage of one month or more.

To restart coverage, the person must pay the past-due premium for the grace month, if it has not yet been forgiven, and the future month's premium. Coverage begins the first day of the month after the month in which the person pays both these premiums in full.

A person may have back-to-back grace months. If the person pays the grace month premium by noon on the last working day of the grace month, but does not pay for a future month of coverage, the future month of coverage is a grace month.

A person approved for retroactive Medical Assistance (MA) for a month in which the person had MinnesotaCare eligibility and was in a grace month must still pay the grace month premium, if it has not yet been forgiven, to re-enroll in coverage.

The MinnesotaCare grace month applies only to enrollees who are required to pay a MinnesotaCare premium. Household members who are not required to pay premiums, such as ~~children~~ people under the age of 21, remain covered, regardless of whether other household members' premiums are paid.

### **Grace Month and Renewals**

Whether a person is a MinnesotaCare enrollee who is in a grace month or was disenrolled for failure to pay premiums has no effect on his or her MinnesotaCare renewal process. The agency must process renewals for MinnesotaCare enrollees who have entered a grace month and people who are disenrolled for nonpayment, following the same process for MinnesotaCare enrollees who are not in a grace month. Disenrollment for nonpayment of a MinnesotaCare premium does not prevent or delay a person's renewal of MinnesotaCare eligibility.

People who are subject to a premium must continue paying their premiums timely during the renewal process to maintain coverage.

A person disenrolled for nonpayment whose eligibility is renewed with a different monthly premium must pay the new premium amount for a future month of coverage in addition to the past due premium for the grace month, if it has not yet been forgiven, to re-enroll in MinnesotaCare coverage.

The grace month and premium payment policies apply to enrollees who are required to complete a renewal form. MinnesotaCare enrollees have a January renewal month. January may be a grace month.

### **Premium Forgiveness**

Any full or partial unpaid grace month premium, whether it is unpaid because of lack of payment or insufficient funds, is forgiven before issuing the MinnesotaCare premium bill for the fourth month of coverage after disenrollment. Premiums are forgiven even though capitation was paid for the grace month. After the grace month's premium is forgiven, a person is only required to pay a future month's premium to re-enroll in coverage.

When a person is added to an existing MinnesotaCare case during a grace month, and, as a result of the person being added, the household is no longer required to pay a premium for coverage, the household is premium exempt effective the first day of the month after the change was reported. Any unpaid grace month premium for the household that is no longer required to pay a MinnesotaCare premium is forgiven once the person is added to the household and determined eligible for MinnesotaCare.

### **Cost Sharing**

Cost sharing includes those costs a MinnesotaCare enrollee pays towards their health care. MinnesotaCare cost sharing includes deductibles, medical visit and prescription copays.

Adults age 21 or older have a:

- Monthly deductible
- Copays for non-preventative visits
- Copays for nonemergency ER visits
- Copays for eyeglasses
- Copays for prescription drugs

There is no cost sharing for mental health services.

American Indians and Alaska Natives enrolled in a federally recognized tribe are exempt from cost sharing. Verification of membership in a federally recognized tribe is required to be exempt from cost sharing. Acceptable verifications include a data match from an electronic data source or paper documentation.

Providers must serve MinnesotaCare enrollees who are not able to pay a copay or deductible at the time of the visit, however, that provider does not have to serve an enrollee again if their cost sharing is still not paid.

## Legal Citations

Code of Federal Regulations, title 42, section 600.505

Code of Federal Regulations, title 42, section 600.510

Code of Federal Regulations, title 42, section 600.525

Code of Federal Regulations, title 45, section 155.350

Minnesota Statutes, section 256L.03

Minnesota Statutes, section 256L.06

Minnesota Statutes, section 256L.15

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## M. Section 3.2.1.1 MinnesotaCare Citizenship

MinnesotaCare

### 3.2.1.1 Citizenship

In order to receive MinnesotaCare, applicants must be U.S. citizens, U.S. nationals or certain lawfully present noncitizens. See the MinnesotaCare Lawful Presence policy for more information.

#### U.S. Citizen

A U.S. citizen is someone who is born in the U.S. (including U.S. territories, except for American Samoa) or who was born outside the U.S. and who either:

- Was naturalized as a U.S. citizen
- Derived citizenship through the naturalization of his or her parent(s)
- Derived citizenship through adoption by U.S. citizen parents, provided certain conditions are met
- Acquired citizenship at birth because he or she was born to U.S. citizen parent(s)
- Became a U.S. citizen by operation of law

#### U.S. National

A U.S. national is someone who is a U.S. citizen or owes permanent allegiance to the U.S. With extremely limited exceptions, all noncitizen U.S. nationals are people born in American Samoa or people born abroad with one or more American Samoan parents under certain conditions.

#### Verification

Citizenship may be verified electronically at the time of application through a data match with the Federal Data Services Hub (FDSH) or the Social Security Administration (SSA). This is the preferred method of verifying citizenship for MHCP applicants and enrollees. The county, tribal, or state agency must attempt and exhaust all trusted electronic sources prior to requiring paper documentation from the enrollee. Only Applicants and enrollees whose U.S. citizenship or U.S. national status cannot be verified electronically must provide proofs.

Eligibility ~~is~~ must be approved for applicants who meet all other eligibility criteria and attest to meeting the citizenship eligibility requirements. A person approved for MinnesotaCare ~~without verification of their citizenship status~~ whose citizenship cannot be electronically verified has a reasonable opportunity to work with the agency to resolve clerical discrepancies preventing electronic verification or to provide proof. The county, tribal, or state servicing agency must help applicants and enrollees obtain required proofs. A notice ~~is~~ must be sent to the enrollee to indicate they have 90 days, plus 5 days for mailing, from the date of the notice to satisfy the request provide

proof. Coverage is must ended with a 10-day advance notice if the person fails to cooperate with the verification process.

~~The county, tribal or state servicing agency must help applicants and enrollees obtain required proofs.~~

Once citizenship is verified, county, tribal and state servicing agencies cannot request proof again, unless an agency possesses inconsistent information regarding a person's citizenship status.

## **Verification Paper Proof of Citizenship**

Applicants and enrollees who must provide proof because ~~when~~ citizenship could not ~~cannot~~ be electronically verified can submit a copy of one of the following to verify U.S. citizenship:

- U.S. passport, including a U.S. Passport Card issued by the Department of State, without regard to any expiration date as long as such passport or card was issued without limitation
- Certificate of Naturalization
- Certificate of Citizenship
- Valid Minnesota Enhanced Driver's License or Enhanced Identification Card
- ~~PASS card~~
- Documentary evidence issued by a federally recognized Native American Tribe which identifies the tribe that issued the document, identifies the individual by name, and confirms the individuals membership, enrollment or affiliation with the tribe. These documents include a tribal enrollment card, A Certificate for Degree of Indian Blood; a Tribal census document; or documents on tribal letterhead, issued under the appropriate tribal official.
- ~~Tribal enrollment or membership card, or certificate of degree of Indian blood issued by a federally recognized Indian tribe~~

Applicants and enrollees can also verify citizenship by submitting a copy of one document from each of the following two lists:

- List 1
  - U.S. public Bbirth certificate or other birth document ~~from the U.S. Department of State~~
    - The birth record document may be issued by a State, Commonwealth, Territory, or local jurisdiction.
    - For people born in Minnesota, birth records can only be obtained by sending the Minnesota Department of Health (MDH) the Minnesota Birth Record Application form. For people that were born in another state, birth records can be obtained directly from the state of birth.
  - An electronic data match with a State vital statistics agency can substitute for a List 1 document. Electronic Verification of Vital Events (EVVE) is a web-based system that

requests birth records for the purpose of verifying U.S. Citizenship for Minnesota and other participating states. Nineteen states are currently participating in the EVVE program.

Note that EVVE does not verify identity; therefore, an item from List 2 must still be provided with the EVVE.

- A Certificate of Report of Birth, issued to U.S. citizens born outside of the U.S.; or Report of Birth Abroad of a U.S. citizen
- Certification of Birth in the U.S.
- U.S. citizen ID card
- Northern Marianas Identification Card issued by the U.S. Department of Homeland Security
- American Indian card (I-872) from the U.S. Department of Homeland Security
- Final U.S. adoption papers that show the child's name and a U.S. place of birth, or if an adoption is not final, a Statement from a State-approved adoption agency that shows the child's name and U.S place of birth
- Papers showing U.S. government employment before June 1, 1976
- ~~Official U.S. Military Record of Service~~ showing U.S. place of birth
- Documentation that a child meets the requirements of section 101 of the Child Citizenship Act of 2000
- ~~Hospital record~~ Medical Records showing a birth in the U. S. place of birth
- Life, Health or other insurance company record showing a U. S. as the place of birth
- Official religious record recorded in the U.S. showing that the birth occurred in the U.S.
- School records including pre-school records, Head Start and daycare showing the child's name of U.S place of birth
- Federal or state census record showing U.S. citizenship or U.S. place of birth
- An affidavit can be used in lieu of a List 1 proof, if citizenship cannot be verified electronically and the person does not have any List 1 documents
- ~~Medical records from a clinic, doctor or hospital showing U. S. as the place of birth. Records must be from within the last five years~~
- ~~A statement signed by a doctor or midwife who was at the birth. Statement must be from within the last five years.~~
- ~~Institutional admission papers showing the U. S. as the place of birth. Papers must be from within the last five years.~~
- List 2
  - The following are accepted as proof of identity, as long as the document has a photograph or other identifying information sufficient to establish identity, including (but not limited to) name, age, sex, race, height, weight, eye color, or address:
  - State driver's license or state ID card ~~with picture~~

- School ID card ~~with picture~~
- U.S. ~~M~~military ID card or draft record
- Military Dependent's ID Card
- U.S. Coast Guard Merchant Mariner card
- For a ~~child~~ person under age 1946:
  - School records including pre-school or daycare records ~~report card~~
  - Clinic, doctor or hospital records
  - ~~Day care records~~
  - Two other documents containing consistent information that corroborates a person's identity.
- Finding of identity from a federal or State government agency
- An affidavit can be used in lieu of List 2 proof, if citizenship cannot be verified electronically and the person does not have any List 2 documents.

## Legal Citations

Code of Federal Regulations, title 42, section 435.945

Code of Federal Regulations, title 42, section 435.949

Code of Federal Regulations, title 42, section 435.952

Code of Federal Regulations, title 42, section 600.305

Code of Federal Regulations, title 42, section 600.345

Code of Federal Regulations, title 45, section 155.305

Code of Federal Regulations, title 45, section 155.315

Minnesota Statutes, section 256L.04, subdivision 10

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## N. Section 3.2.1.2 MinnesotaCare Lawful Presence

MinnesotaCare

### 3.2.1.2 Lawful Presence and DACA

To receive MinnesotaCare, applicants must be U.S. citizens, U.S. nationals or certain lawfully present noncitizens or Deferred Action for Childhood Arrivals (DACA) grantees. See the MinnesotaCare Citizenship policy for more information.

#### Lawfully Present Noncitizens

All [lawfully present noncitizens](#) may be eligible for MinnesotaCare.

People granted DACA status may be eligible for MinnesotaCare. DACA grantees are noncitizens who came to the United States as children and meet certain criteria set out by the US Department of Homeland Security (USDHS). Deferred action is a use of prosecutorial discretion by the USDHS to defer removal action against a person for a period of time. DACA grantees are eligible for work authorization and may receive deferred action for a period of two years, subject to renewal.

Undocumented noncitizens are not eligible for MinnesotaCare.

#### Verification

Lawful presence may be verified electronically at the time of application through a data match with the Federal Data Services Hub (FDSH). If unsuccessful the county, tribal, or state agency must submit a request for verification through SAVE prior to requiring paper documentation from the enrollee. Applicants and enrollees whose lawful presence cannot be verified electronically must provide proofs, which must be validated using electronic sources such as SAVE. People who are DACA grantees must also provide proof that DACA has been approved if their status cannot be verified electronically. See [Immigration documentation types](#) at HealthCare.gov for information about immigration documentation.

Eligibility is approved for applicants who meet all other eligibility criteria and attest to meeting the ~~citizen or noncitizen~~ eligibility requirements. A person approved for MinnesotaCare ~~without verification of~~ and whose lawful presence or DACA grantee status cannot be verified electronically, has a reasonable opportunity to work with the agency to resolve clerical discrepancies preventing electronic verification or to provide proof. A notice is sent to the enrollee to indicate they have 90 days, plus 5 days for mailing, from the date of the notice to satisfy the request provide proof. Coverage ends with a 10-day advance notice if the person fails to cooperate with the verification process.

The county, tribal or state servicing agency must help applicants and enrollees obtain required proofs.

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Code of Federal Regulations, title 42, section 600.305

Code of Federal Regulations, title 42, section 600.5

Code of Federal Regulations, title 42, section 155.315

Minnesota Statutes, section 256L.04, subdivisions 1 and 10

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## O. Section 3.2.3 MinnesotaCare Insurance Barriers

MinnesotaCare

### 3.2.3 Insurance Barriers

#### ~~Other Health Coverage~~

~~Other health coverage~~ Certain types of health care coverage may be a barrier to MinnesotaCare eligibility.

- Access to some types of health coverage is always a barrier, even if the person is not enrolled.
- Some types of health care coverage are a barrier to MinnesotaCare only if the person is enrolled in the coverage.
- Some types of health care coverage are never a barrier to MinnesotaCare.

The following sections in this chapter provide information on which types of health care coverage are a barrier to MinnesotaCare eligibility:

#### Minnesota Health Care Coverage Barriers

#### Minnesota Employer-Sponsored Coverage

~~See Appendix C Types of Other Health Care Coverage for a list of different types of health care coverage and whether or not they are a barrier to MinnesotaCare eligibility.~~

#### ~~Employer-Sponsored Coverage~~

~~Employer-sponsored coverage is a barrier to MinnesotaCare eligibility for an employee in the following circumstances:~~

- ~~The employee has access to coverage that meets both the minimum value and affordability standards.~~
- ~~The employee is enrolled in the coverage, regardless of whether it meets the minimum value or affordability standards.~~

~~Access to employer-sponsored coverage that meets both the minimum value and affordability standards is a barrier to MinnesotaCare eligibility for people when they do not enroll in the employer-sponsored coverage at the time of the employer's open enrollment period or during a special enrollment period.~~

~~When an employer offers open enrollment less often than annually for a plan that meets the minimum value and affordability standards, an employee is considered eligible for the employer-sponsored coverage during the first coverage year that follows each open enrollment period. The~~

~~employee is not eligible for MinnesotaCare for the first coverage year after each open enrollment opportunity.~~

~~When an employer offers open enrollment less often than annually for a plan that meets the minimum value and affordability standards and there was no open enrollment opportunity for the current coverage year an employee is not considered to be eligible for the employer-sponsored coverage until after the next open enrollment period. The employee may be eligible for MinnesotaCare, if the employee meets all other MinnesotaCare eligibility factors, until the employer-sponsored plan is offered again.~~

~~A person does not have access to employer-sponsored coverage until the first day of the first full month it is available to the person.~~

### **~~Minimum Value Standard for Employer-Sponsored Coverage~~**

~~An employer-sponsored health plan meets the minimum value standard if it covers at least 60 percent of the total allowed costs under the plan.~~

### **~~Affordability Standard for Employer-Sponsored Coverage~~**

~~An employer-sponsored health plan is affordable if the employee's portion of the annual premiums for employee-only coverage does not exceed 9.69 percent of their annual household income for the tax year. The lowest-cost plan for employee-only coverage is used when determining affordability.~~

### **~~Employer-Sponsored Coverage for a Spouse and Dependents~~**

~~Employer-sponsored coverage is a barrier to MinnesotaCare eligibility for an employee's spouse or dependents if they are enrolled in the coverage, regardless of whether the employer-sponsored coverage meets the minimum value and affordability standards.~~

~~Employer-sponsored coverage that meets both the minimum value and affordability standards for the employee is a barrier to MinnesotaCare eligibility for the following people if they have access to enroll in the coverage, regardless of whether they enroll:~~

- ~~○ People the employee expects to claim as a tax dependent~~
- ~~○ The employee's spouse, if either of the following are true:~~
  - ~~● The employee and the spouse expect to file taxes jointly~~
  - ~~● The employee and the spouse do not expect to file taxes jointly, but the employee expects to claim a personal exemption for the spouse. The employee expects to claim a personal exemption for the spouse when they expect to list and count the spouse on a federal income tax return.~~

~~Employer-sponsored coverage is a barrier to eligibility for these people if they did not enroll in the employer-sponsored coverage at the time of the employer's open enrollment period or during a special enrollment period.~~

## **Change in Affordability for Employer-Sponsored Coverage**

If a person's employer-sponsored coverage is determined unaffordable at application, and becomes affordable at some point later in the employer-sponsored plan year, they remain eligible for MinnesotaCare for the remainder of the employer-sponsored plan year. Once the person is able to enroll in affordable employer-sponsored coverage through an open enrollment period, they are no longer eligible for MinnesotaCare.

- If a person is determined eligible for MinnesotaCare because they provide incorrect information regarding the affordability of their employer-sponsored plan at application, they can be disenrolled following 10-day advance notice requirements.
- If a person is determined eligible for MinnesotaCare because they did not update information regarding the affordability of their employer-sponsored plan at the time of their renewal, they can be disenrolled following 10-day advance notice requirements.

## **Voluntary Disenrollment from Employer-Sponsored Coverage**

People who are ineligible for MinnesotaCare because they are enrolled in employer-sponsored coverage may qualify for MinnesotaCare if the employer-sponsored coverage does not meet either the affordability or minimum value standard and they disenroll from the coverage. Eligibility begins the month after the employer-sponsored coverage ends.

## **Post-Employment Employer-Sponsored Coverage**

Health insurance available to former employees and dependents of former employees, such as continuation coverage under COBRA or retiree insurance, is only a barrier to MinnesotaCare eligibility if a person is enrolled in the coverage.

## **Legal Citations**

Code of Federal Regulations, title 26, section 1.36B-2

Code of Federal Regulations, title 26, section 1.5000A-2

Code of Federal Regulations, title 26, section 1.5000A-3

Code of Federal Regulations, title 42, section 600.305

Minnesota Statutes, section 256L.07

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## P. Section 3.2.3.1 MinnesotaCare Health Care Coverage Barriers (New)

MinnesotaCare

### **3.2.3.1 Health Care Coverage Barriers**

This section provides policy on whether government-sponsored health care coverage and other types of health care coverage are barriers to MinnesotaCare eligibility. For information about employer-sponsored health care coverage, refer to MinnesotaCare Employer-Sponsored Health Care Coverage.

#### **Government-Sponsored Health Care Coverage**

This chart provides a list of government-sponsored health care coverage and their impact on MinnesotaCare eligibility.

<b><u>Type of Coverage</u></b>	<b><u>Impact on MinnesotaCare Eligibility</u></b>
<u>Emergency Medical Assistance (EMA)</u>	<u>Not a barrier to MinnesotaCare</u>
<u>Health Care for Peace Corp Volunteers</u>	<u>Enrollment is a barrier to MinnesotaCare</u>
<u>Health insurance plans offered by AmeriCorps to its volunteers and their dependents, if recognized by CMS as MEC</u>	<u>Enrollment is a barrier to MinnesotaCare</u>
<u>Health insurance plans offered by AmeriCorps to its volunteers and their dependents, not recognized by CMS as MEC</u>	<u>Not a barrier to MinnesotaCare</u>
<u>Indian Health Services</u>	<u>Not a barrier to MinnesotaCare</u>
<u>Medicaid in another state</u>	<u>Enrollment is a barrier to MinnesotaCare</u>
<u>Medical Assistance, without a spenddown</u>	<u>Access or enrollment is always a barrier to MinnesotaCare</u>
<u>Medical Assistance, with a spenddown</u>	<u>Not a barrier to MinnesotaCare</u>
<u>Medicare Part A, if the person is not required to pay a premium</u>	<u>Access or enrollment is always a barrier to MinnesotaCare</u>
<u>Medicare Part A, if the person is required to pay a premium</u>	<u>Enrollment is a barrier to MinnesotaCare</u>
<u>Medicare Part B</u>	<u>Enrollment is a barrier to MinnesotaCare</u>
<u>Medicare Supplement, unless the person also has access to Medicare Part A or is enrolled in Medicare Part A or Part B</u>	<u>Not a barrier to MinnesotaCare</u>

<u>Type of Coverage</u>	<u>Impact on MinnesotaCare Eligibility</u>
<u>Non-Appropriated Fund Health Benefits Program (NAF) of the Department of Defense</u>	<u>Enrollment is a barrier to MinnesotaCare</u>
<u>TRICARE Continued Health Care Benefit Program</u>	<u>Enrollment is a barrier to MinnesotaCare</u>
<u>TRICARE for Life</u>	<u>Access or enrollment is always a barrier to MinnesotaCare</u>
<u>TRICARE Prime</u>	<u>Access or enrollment is always a barrier to MinnesotaCare</u>
<u>TRICARE Prime Overseas</u>	<u>Access or enrollment is always a barrier to MinnesotaCare</u>
<u>TRICARE Prime Remote</u>	<u>Access or enrollment is always a barrier to MinnesotaCare</u>
<u>TRICARE Reserve Select</u>	<u>Enrollment is a barrier to MinnesotaCare</u>
<u>TRICARE Retired Reserve</u>	<u>Enrollment is a barrier to MinnesotaCare</u>
<u>TRICARE Standard and Extra</u>	<u>Access or enrollment is always a barrier to MinnesotaCare</u>
<u>TRICARE Standard Overseas</u>	<u>Access or enrollment is always a barrier to MinnesotaCare</u>
<u>TRICARE Transitional Assistance Management Program</u>	<u>Access or enrollment is always a barrier to MinnesotaCare</u>
<u>TRICARE US Family Health Plan</u>	<u>Access or enrollment is always a barrier to MinnesotaCare</u>
<u>TRICARE Young Adult (Prime and Standard)</u>	<u>Enrollment is a barrier to MinnesotaCare</u>
<u>Veterans Administration (VA) Civilians Health and Medical Program (CHAMPVA)</u>	<u>Enrollment is a barrier to MinnesotaCare</u>
<u>VA Spina bifida health care benefits program</u>	<u>Enrollment is a barrier to MinnesotaCare</u>
<u>VA Veterans health care plan</u>	<u>Enrollment is a barrier to MinnesotaCare</u>

### **Other Health Care Coverage**

The following chart provides a list of other health care coverage and their impact MinnesotaCare eligibility.

<u>Type of Coverage</u>	<u>Impact on MinnesotaCare Eligibility</u>
<u>Accident insurance</u>	<u>Not a barrier to MinnesotaCare</u>
<u>Automobile medical payment insurance</u>	<u>Not a barrier to MinnesotaCare</u>
<u>Benefits for long-term care, nursing home care, home health or community care</u>	<u>Not a barrier to MinnesotaCare</u>
<u>Cancer only</u>	<u>Not a barrier to MinnesotaCare</u>
<u>Coverage for on-site medical clinics</u>	<u>Not a barrier to MinnesotaCare</u>
<u>Coverage just for specific diseases or illnesses</u>	<u>Not a barrier to MinnesotaCare</u>
<u>Coverage only for accident or disability</u>	<u>Not a barrier to MinnesotaCare</u>
<u>Credit-only insurance</u>	<u>Not a barrier to MinnesotaCare</u>
<u>Employer Sponsored COBRA</u>	<u>Enrollment is a barrier to MinnesotaCare. Refer to Section 3.2.3.2, MinnesotaCare Employer-Sponsored Coverage, for more information.</u>
<u>Employer sponsored health insurance (ESI) that does not meet both affordability and minimum value standards.</u>	<u>Enrollment is a barrier to MinnesotaCare. Refer to Section 3.2.3.2, MinnesotaCare Employer-Sponsored Coverage, for more information.</u>
<u>Employer sponsored health insurance (ESI) that meets both affordability and minimum value standards.</u>	<u>Access or enrollment is always a barrier to MinnesotaCare. Refer to Section 3.2.3.2, MinnesotaCare Employer-Sponsored Coverage, for more information.</u>
<u>Employer Sponsored Retiree Health Coverage</u>	<u>Enrollment is a barrier to MinnesotaCare. Refer to Section 3.2.3.2, MinnesotaCare Employer-Sponsored Coverage, for more information.</u>
<u>Family planning-only coverage</u>	<u>Not a barrier to MinnesotaCare</u>
<u>Grandfathered employer sponsored health plan that does not meet both affordability and minimum value standards.</u>	<u>Enrollment is a barrier to MinnesotaCare</u>
<u>Grandfathered employer sponsored health plan that meets both affordability and minimum value standards.</u>	<u>Access or enrollment is always a barrier to MinnesotaCare</u>
<u>Health care coverage offered by foreign governments and organizations, if</u>	<u>Enrollment is a barrier to MinnesotaCare</u>

<u>Type of Coverage</u>	<u>Impact on MinnesotaCare Eligibility</u>
<u>recognized by CMS as minimum essential coverage (MEC)</u>	
<u>Health care coverage offered by foreign governments and organizations, not recognized by CMS as MEC</u>	<u>Not a barrier to MinnesotaCare</u>
<u>Hospital indemnity or fixed indemnity insurance</u>	<u>Not a barrier to MinnesotaCare</u>
<u>Hospital only</u>	<u>Not a barrier to MinnesotaCare</u>
<u>Liability insurance</u>	<u>Not a barrier to MinnesotaCare</u>
<u>Limited scope dental or vision benefits</u>	<u>Not a barrier to MinnesotaCare</u>
<u>Long term care insurance</u>	<u>Not a barrier to MinnesotaCare</u>
<u>Other similar coverage that is secondary or incidental to other insurance benefits</u>	<u>Not a barrier to MinnesotaCare</u>
<u>Pregnancy-only coverage</u>	<u>Not a barrier to MinnesotaCare</u>
<u>Prescription drug only</u>	<u>Not a barrier to MinnesotaCare</u>
<u>Private health insurance</u>	<u>Enrollment is a barrier to MinnesotaCare</u>
<u>Qualified Health Plan – without subsidy</u>	<u>Enrollment is a barrier to MinnesotaCare</u>
<u>Self-funded student health insurance plans offered by post-secondary institutions to students and their dependents, if recognized by CMS as MEC</u>	<u>Enrollment is a barrier to MinnesotaCare</u>
<u>Self-funded student health insurance plans offered by post-secondary institutions to students and their dependents, not recognized by CMS as MEC</u>	<u>Not a barrier to MinnesotaCare</u>
<u>Supplemental coverage with no comprehensive coverage</u>	<u>Not a barrier to MinnesotaCare</u>
<u>Supplemental liability insurance coverage</u>	<u>Not a barrier to MinnesotaCare</u>
<u>Tuberculosis-only coverage</u>	<u>Not a barrier to MinnesotaCare</u>
<u>Vision only</u>	<u>Not a barrier to MinnesotaCare</u>
<u>Worker's Compensation</u>	<u>Not a barrier to MinnesotaCare</u>

## **Legal Citations**

Code of Federal Regulations, title 26, section 1.5000A-2

Code of Federal Regulations, title 42, section 600.305

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## Q. Section 3.2.3.2 MinnesotaCare Employer-Sponsored Coverage (New)

MinnesotaCare

### **3.2.3.2 Employer-Sponsored Coverage**

Employer-sponsored coverage is a barrier to MinnesotaCare eligibility for an employee in the following circumstances:

- The employee has access to coverage that meets both the minimum value and affordability standards.
- The employee is enrolled in the coverage, regardless of whether it meets the minimum value or affordability standards.

Access to employer-sponsored coverage that meets both the minimum value and affordability standards is a barrier to MinnesotaCare eligibility for people when they do not enroll in the employer-sponsored coverage at the time of the employer's open enrollment period or during a special enrollment period.

Most employers that offer employer-sponsored coverage have an annual open enrollment period. The annual open enrollment period may occur each fall, with employees enrolling for the coverage year of January through December, or it may occur at another time, such as in June each year, with employees enrolling for the coverage year of July through the following June. When an employer offers open enrollment annually, for a plan that meets the minimum value and affordability standards, an employee is considered eligible for the employer sponsored coverage every coverage year. The employee is not eligible for MinnesotaCare.

When an employer offers open enrollment less often than annually for a plan that meets the minimum value and affordability standards, an employee is considered eligible for the employer-sponsored coverage during the first coverage year that follows each open enrollment period. The employee is not eligible for MinnesotaCare for the first coverage year after each open enrollment opportunity.

However, when an employer offers open enrollment less often than annually for a plan that meets the minimum value and affordability standards and there was no open enrollment opportunity for the current coverage year an employee is not considered eligible for the employer-sponsored coverage until after the next open enrollment period. The employee may be eligible for MinnesotaCare, if the employee meets all other MinnesotaCare eligibility factors, until the employer-sponsored plan is offered again.

A person does not have access to employer-sponsored coverage until the first day of the first full month it is available or would have been available to the person had they enrolled during the most recent enrollment opportunity.

#### **Minimum Value Standard for Employer-Sponsored Coverage**

An employer-sponsored health plan meets the minimum value standard if it covers at least 60 percent of the total allowed costs under the plan.

### **Affordability Standard for Employer-Sponsored Coverage**

An employer-sponsored health plan is affordable if the employee's portion of the annual premiums for employee-only coverage does not exceed 9.56 percent of their annual household income for the tax year. The lowest-cost plan for employee-only coverage is used when determining affordability.

### **Employer-Sponsored Coverage for a Spouse and Dependents**

Employer-sponsored coverage is a barrier to MinnesotaCare eligibility for an employee's spouse or dependents if they are enrolled in the coverage, regardless of whether the employer-sponsored coverage meets the minimum value and affordability standards.

Employer-sponsored coverage that meets both the minimum value and affordability standards for the employee is a barrier to MinnesotaCare eligibility for the following people if they have access to enroll in the coverage, regardless of whether they enroll:

- People the employee expects to claim as a tax dependent
- The employee's spouse, if either of the following are true:
  - The employee and the spouse expect to file taxes jointly
  - The employee and the spouse do not expect to file taxes jointly, but the employee expects to claim a personal exemption for the spouse. The employee expects to claim a personal exemption for the spouse when they expect to list and count the spouse on a federal income tax return.

Employer-sponsored coverage is a barrier to eligibility for these people if they did not enroll in the employer-sponsored coverage at the time of the employer's open enrollment period or during a special enrollment period.

### **Change in Affordability for Employer-Sponsored Coverage**

If a person's employer-sponsored coverage is determined unaffordable at application, and becomes affordable at some point later in the employer-sponsored plan year, they remain eligible for MinnesotaCare for the remainder of the employer-sponsored plan year. Once the person is able to enroll in affordable employer-sponsored coverage through an open enrollment period, they are no longer eligible for MinnesotaCare.

- If a person is determined eligible for MinnesotaCare because they provide incorrect information regarding the affordability of their employer-sponsored plan at application, they can be disenrolled following 10-day advance notice requirements.
- If a person is determined eligible for MinnesotaCare because they did not update information regarding the affordability of their employer-sponsored plan at the time of their renewal, they can be disenrolled following 10-day advance notice requirements.

### **Voluntary Disenrollment from Employer-Sponsored Coverage**

People who are ineligible for MinnesotaCare because they are enrolled in employer-sponsored coverage may qualify for MinnesotaCare if the employer-sponsored coverage does not meet either the affordability or minimum value standard and they disenroll from the coverage. Eligibility begins the month after the employer-sponsored coverage ends.

### **Post-Employment Employer-Sponsored Coverage**

Health insurance available to former employees and dependents of former employees, such as continuation coverage under COBRA or retiree insurance, is only a barrier to MinnesotaCare eligibility if a person is enrolled in the coverage.

### **Legal Citations**

Code of Federal Regulations, title 26, section 1.36B-2

Code of Federal Regulations, title 26, section 1.5000A-2

Code of Federal Regulations, title 26, section 1.5000A-3

Code of Federal Regulations, title 42, section 600.305

Code of Federal Regulations, title 42, section 600.345

Code of Federal Regulations, title 45, section 155.320

Minnesota Statutes, section 256L.07

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## R. Section 3.3.1 MinnesotaCare Household Composition and Family Size

MinnesotaCare

### 3.3.1 Household Composition and Family Size

#### Overview

Household composition means the people included in an applicant's or enrollee's household. Household composition determines the family size. Household composition and family size are factors used to determine financial eligibility.

Household composition and family size are determined for each person separately. Household composition and family size may be different for each person on an application or in a household.

#### Tax Filing Status

Applicants and enrollees do not need to file a federal income tax return or be claimed as tax dependents to be eligible for MinnesotaCare. Additionally, married couples do not need to file a joint federal income tax return to be eligible.

The household composition policy for tax filers, tax dependents and non-filers are outlined below. Whose income counts in determining financial eligibility is based on the household composition.

#### Household Composition and Family Size for Tax Filers and Joint Tax Filers

The household composition for a person who expects to file taxes and who does not expect to be claimed as a tax dependent by someone else includes:

- All of the people expected to be on the taxpayer's federal income tax return including:
  - Tax filer
  - Joint tax filer
  - Tax dependents
- The taxpayer's spouse, if living with the taxpayer and not filing jointly

A person's household composition may include a deceased person. Deceased people who are expected to be included on the federal income tax return continue to count in the household composition for the remainder of the tax year. A person's household composition cannot include a deceased person beyond the tax year in which the person died.

The family size for a person who expects to file taxes and who does not expect to be claimed as a tax dependent by someone else includes:

- All of the people in the person's household composition

MinnesotaCare household composition and family size do not include unborn children.

People who expect to file taxes and expect to be claimed as a tax dependent by someone one else follow the policy for people who expect to be claimed as a dependent.

## **Household Composition and Family Size for Tax Dependents**

The household composition for a person who expects to be claimed as a tax dependent is based on the household composition of the tax filer who expects to claim them as a tax dependent. This is true even if the person also expects to file their own tax return.

The household composition of a tax dependent includes:

- The tax dependent
- Tax filer
- Joint tax filer
- All other tax dependents
- The taxpayer's spouse, if living with the taxpayer and not filing jointly
- If the tax dependent is married, the spouse, if they live together

A person's household composition may include a deceased person. Deceased people who are expected to be included on the federal income tax return continue to count in household composition for the remainder of the tax year. A person's household composition cannot include a deceased person beyond the tax year in which the person died.

MinnesotaCare household composition and family size do not include unborn children.

The family size for a person who expects to be claimed as a tax dependent by someone else is the sum of:

- All of the people in the person's household composition

### **Whose Income Counts for Tax Filers and Tax Dependents?**

The household income of a tax filer, joint tax filer or tax dependent consists of the person's own income and the income of everyone in his or her household composition, unless specifically excluded.

### **Exclusions**

The income of a child (regardless of age) who:

- is included in the household of his or her biological, natural, adopted or step parent, and
- is not expected to be required to file a tax return for the taxable year that MinnesotaCare is being determined.

The income of a tax dependent who:

- is not the spouse or child of the tax filer or joint tax filer, and
- is not expected to be required to file a tax return for the taxable year that MinnesotaCare is being determined

In Appendix F Standards and Guidelines, refer to the table of Tax Filing Income Thresholds for 2018 to assist in determining whether a child or tax dependent is expected to be required to file a tax return.

Income that is not taxable (for example, non-taxable social security benefits) is not considered when determining if the ~~individual~~ child or tax dependent is expected to be required to file a federal tax return. However, if the child or tax dependent is are expected to be required to file a federal tax return, all of the child's or tax dependent's projected annual income (including both taxable and non-taxable Social Security benefits) are is counted in the household projected annual income. See the MA-FCA Income Methodology policy for more information.

## **Household Composition and Family Size for Non Tax Filers and Non Tax Dependents**

Non-filers are people who do not expect to file taxes and do not expect to be claimed as a tax dependent. The following people living with the person are included in their household composition:

- The person
- The person's spouse
- The person's biological, natural, adopted and step children younger than age 19
- If the person is under age 19, the following are also included:
  - Biological, natural, adopted and step parents
  - Biological, natural, adopted and step siblings, under age 19

MinnesotaCare household composition and family size do not include unborn children.

The family size for a person who expects to be claimed as a tax dependent by someone else is the sum of:

- All of the people in the person's household composition

### **Whose Income Counts for Non Tax Filers and Non Tax Dependents?**

The household income of non-filers and non-tax dependents consists of the person's own income and the income of everyone in his or her household composition, unless specifically excluded.

### **Exclusions**

The income of a child (regardless of age) who:

- is included in the household of his or her biological, natural, adopted or step parent, and
- is not expected to be required to file a tax return for the taxable year that MinnesotaCare is being determined.

In Appendix F Standards and Guidelines, refer to the table of Tax Filing Income Threshold for 2018 to assist in determining whether a child or tax dependent is expected to be required to file a tax return.

Income that is not taxable (for example, non-taxable social security benefits) is not considered when determining if the individual child is expected to be required to file a federal tax return. However, if ~~they~~ the child is ~~are~~ expected to be required to file a federal tax return, all of the child's projected annual income (including both taxable and non-taxable Social Security benefits) is are counted in the household projected annual income. See the MA-FCA Income Methodology policy for more information.

## Legal Citations

Code of Federal Regulations, title 26, section 1.36B-1(d)

Code of Federal Regulations, title 42, section 600.5

Minnesota Statutes, section 256L.01, subdivision 3a

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## S. Section 3.3.3 MinnesotaCare Income Methodology

MinnesotaCare

### 3.3.3 Income Methodology

Income eligibility for MinnesotaCare is based on projected annual income (PAI). PAI is the Modified Adjusted Gross Income (MAGI) that a person expects to have for a calendar year. PAI includes the MAGI a person has already received for the year as well as the MAGI the person expects to receive for the remaining months of the year. PAI also includes temporary income the person receives or expects to receive within the entire calendar year. When a person is requesting coverage for a future calendar year, PAI consists of the MAGI a person expects to receive for that future year.

An applicant or enrollee may attest to a PAI that is different from his or her current income. When a person reports a change in PAI, current income and adjustments may also change. There may be inconsistent information when the PAI a person reports conflicts with other information or documentation provided by the person or in the case file.

MAGI includes:

- The types of income included in Federal taxable income, including losses, minus Federal income tax adjustments
- Nontaxable foreign earned income and housing cost of citizens or residents of the United States living abroad
- Nontaxable interest income
- Nontaxable Social Security and tier one railroad retirement benefits

#### Federal Taxable Income

Federal taxable income are the different types of income that appear in the Income section of the Internal Revenue Service (IRS) form 1040, IRS form 1040-A or IRS form 1040-EZ. Only the taxable portions of these types of income are included in the adjusted gross income. The types of losses that would be reported on income tax returns can offset income. See the appropriate IRS form instructions for examples of federal taxable income. The general types of taxable income include the following:

- Wages, salary and tips
  - Payroll or pre-tax deductions for childcare, health insurance, retirement plans, transportation assistance and other employee benefits are not taxable and are not included in a person's adjusted gross income.
- Interest
- Dividends
- Taxable refunds, credits or offsets of state and local income taxes

- Alimony received
- Business income or loss
- Capital gains or losses
- Other gains or losses
- Individual retirement account (IRA) distributions
- Pension and annuity payments
- Income or loss from rental real estate, royalties, partnerships, S corporations, trusts, etc.
- Farm income or loss
- Unemployment compensation
- Social Security benefits
- Other income or loss
- Net operating loss, including carryforward loss

## **Federal Income Tax Adjustments**

The types of adjustments that would be listed in the Adjusted Gross Income section of the 1040 or 1040-A are subtracted from gross income to calculate the adjusted gross income. Only specific types of adjustments are allowed. See the appropriate IRS form instructions for specific information about the types of adjustments.

The types of tax adjustments include:

- Educator expenses
- Certain business expenses of reservists, performing artists and fee-basis government officials
- Health savings account
- Moving expenses
- Deductible portion of self-employment tax
- Self-employed Simplified Employee Pension (SEP), Savings Incentive Match Plan for Employees (SIMPLE) and qualified plans
- Self-employed health insurance
- Penalty on early withdrawal of savings
- Alimony paid (spousal support)
- IRA deduction
- Student loan interest
- Tuition and fees

- Domestic production activities

## Legal Citations

Code of Federal Regulations, title 26, section 1.36B-1

Code of Federal Regulations, title 42, section 600.5

Code of Federal Regulations, title 42, section 600.330 (b)

Minnesota Statutes, section 256L.01

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## T. Section 4.2.3.3 MSP Income

Medicare Savings Programs

### 4.2.3.3 Income

Medicare Savings Programs (MSP) follow many of the same income eligibility policies as Medical Assistance for People Who Are Age 65 or Older and People Who Are Blind or Have a Disability (MA-ABD). Specific MSP income policies and links to the relevant MA-ABD income policies are included.

#### Income Limit

To be eligible for a MSP a person's income must be less than or equal to the applicable federal poverty guidelines income limit. The income limit for an MSP is determined by household composition and family size. See MSP Household Composition and Family Size policy for more information about determining household composition. Income deeming rules determine whose income counts for a person. See the MA-ABD Income Deeming policy for more information about whose income's count.

MSP income limits are:

- 100% FPG Qualified Medicare Beneficiary (QMB)
- 120% FPG Service Limited Medicare Beneficiary (SLMB)
- 135% FPG Qualified Individual (QI)
- 200% FPG Qualified Working Disabled (QWD)

See Minnesota Insurance Affordability Programs Income and Asset Guidelines (DHS-3461A) for information about income limits based on the household size.

#### Income Policies

For MSPs, all other factors in income eligibility follow MA-ABD except as follows:

##### MSP Disregards and Deductions

Disregards and deductions for MSP income are applied differently than for MA-ABD income.

- Unearned Income

The following list are the disregards and deductions that are deducted from the specific unearned income:

- Unearned Lump Sum Income Disregard
- Child Support Disregard
- The following disregards and deductions are then deducted in the specific order listed:

- Disabled Widow and Widower Disregard
- Widow and Widower Disregard
- Pickle Disregard
- Disabled Adult Child Disregard
- Retirement, Survivors, Disability Insurance (RSDI) Cost of Living Adjustment (COLA) Disregard
- Plan to Achieve Self-Support (PASS) Deduction
- Standard Deduction. This deduction subtracts \$20 from the income used to determine MSP eligibility. The deduction is first applied to unearned income. When a person has less than \$20 of unearned income, the remainder of the deduction is applied to earned income. An eligible household receives only one \$20 exclusion per month.
- Community Spouse Allocation. This deduction is applied only for people ~~who are eligible for an MSP and are~~ receiving services in a long-term care (LTC) facility or on the Elderly Waiver (EW). The deduction is first applied to unearned income. The remainder, if any, is then applied to a person's earned income.
- Family Allocation. This deduction is ~~also applied~~ only for people ~~who are eligible for an MSP and are~~ receiving services in a LTC facility or on EW. The deduction is first applied to unearned income. The remainder, if any, is then applied to a person's earned income.

○ Earned Income

The Earned Lump Sum Income Disregard is applied to earned lump sum income.

The following disregards and deductions are then deducted in the specific order listed:

- PASS Deduction
- Student Earned Income Exclusion
- Standard Deduction. Any remaining amount from Standard Deduction after applying it to unearned income is applied to a person's earned income.
- Earned Income Disregard
- Impairment Related Work Expense Deduction
- Remaining Earned Income Disregard
- Blind Work Expense Deduction
- Community Spouse Allocation. Any remaining amount from the Community Spouse Allocation after applying it to unearned income is applied to earned income for people ~~who are eligible for an MSP and are~~ receiving services in an LTC facility or on EW.
- Family Allocation. Any remaining amount from the Family Allocation after applying it to unearned income is applied to earned income for people ~~who are eligible for an MSP and are~~ receiving services in an LTC facility or on EW.

## **MSP Excluded Income**

Aid and Attendance benefits and Allowances for Unusual Medical Expenses from the Veteran's Administration are excluded income.

See the following policies for more information.

MA-ABD Income Methodology

MA-ABD Countable Income

MA-ABD Income Deeming

MA-ABD Sponsor Income Deeming

MA-ABD Excluded Income

## **Legal Citations**

Minnesota Statutes, section 256B.056, subdivision 1a

Minnesota Statutes, section 256B.056, subdivision 4

Minnesota Statutes, section 256B.056, subdivision 5

Minnesota Statutes, section 256B.057, subdivision 3

Minnesota Statutes, section 256B.057, subdivision 4

United States Code, title 42, section 1382a

United States Code, title 42, section 1396d(p)

United States Code, title 42, section 1396d(s)

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## **U. Appendix A Types of Assets**

Appendix A

# **Types of Assets**

### **401(k) Plan**

A retirement savings plan in which people contribute a portion of their earnings to a 401(k) account. Sometimes the person's employer may match these contributions.

### **403(b) Plan**

A tax-deferred retirement plan available to employees of educational institutions and certain nonprofit organizations. This plan is also referred to as a tax-sheltered annuity.

### **457 Plan**

A deferred-compensation program made available to employees of state and federal governments and agencies. A 457 plan is similar to a 401(k) plan.

### **Academic Achievement Incentive Scholarships**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

### **Academic Competitiveness Grants**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

### **Adoption assistance**

An adoption assistance grant provided to adoptive parents. It is funded either federally through Title IV-E of the Social Security Act or by the state under Minnesota Statutes, section 259.67.

### **Agent Orange Settlement Fund payments**

Payments made in connection with the case of *In re Agent Orange Product Liability Litigation*. Qualifying survivors of deceased veterans received a single lump sum payment. The settlement fund is now closed as all funds have been distributed.

### **Agricultural homestead**

The property located on agricultural land that meets the definition of home and includes the dwelling, the garage, if any, and one acre of land immediately surrounding the dwelling. This applies to the home equity limit.

### **Alaska Native Claims Settlement Act (ANCSA) payments**

Distributions received by Alaska natives and their descendants from Alaska Native Regional and Village Corporations (ANRVCs).

### **Annuities**

A purchased contract in which one party (annuity issuer) agrees to pay the purchaser, or the person(s) the purchaser designates (the payee or payees), a return on money deposited with the annuity issuer (either in the form of a single lump sum or several payments deposited over several months or years) according to the terms of the annuity contract.

### **Asset conversion**

A change from one type of asset to another.

### **Austrian Reparation payments (also called Austrian Social Insurance payments)**

The nationwide class action lawsuit, *Bondy v. Sullivan*, involved Austrian social insurance payments which were passed, in whole or in part, on wage credits granted under Paragraph 500–506 of the Austrian General Social Insurance Act. (GSIA). These paragraphs grant credits to individuals who suffered a loss (i.e., were imprisoned, unemployed, or forced to flee Austria) during the period from March 1933 to May 1945 for political, religious, or ethnic reasons.

### **Blood product settlement payments**

Payments made pursuant to the class settlement of *Susan Walker v. Bayer Corp., et al*, and to the release of any claims in that case that were entered into in lieu of class settlement.

### **Bureau of Indian Affairs (BIA) student financial aid**

BIA funded student financial aid to eligible individuals.

### **Burial Assets**

Funds paid or designated in advance for funeral expenses. Burial funds provide for preparation of the body, cremation, or burial services. The money is usually held in trust by a bank or other financial institution unless the agreement is funded by an insurance policy or annuity.

## **Cash Surrender Value (CSV)**

The monetary or equity value that a life insurance policy or annuity acquires over time as the policy owner pays the premiums and dividend additions and interest are added to the policy. The CSV is the amount the life insurance policy or annuity owner would receive if the policy were cashed in. A loan against a life insurance policy reduces its CSV.

## **Certificate of Deposit (CDs)**

A promissory note issued by a bank entitling the bearer to receive interest. A CD is a time deposit that restricts holders from withdrawing funds on demand. Although it is still possible to withdraw money, this action will often incur a penalty.

## **Client Funded Trusts**

Trusts funded with the income or assets of the client and/or the client's spouse. The client and/or the client's spouse (grantor(s)) fund the trust by transferring liquid or non-liquid property to the trustee(s) of a trust for the benefit of the grantee(s) or others.

## **Clinical trial participation payments**

Compensation for participation in a clinical trial that involves the research and testing of medical treatments for a rare disease or condition.

## **Clothing and Personal Needs Allowance Accumulation**

Clothing and personal needs allowance of people in long-term care facilities retained between annual renewals.

## **Cobell v. Salazar Class Action Settlement (also known as Claims Resolution Act of 2010)**

Fund reimbursing a large number of Individual Indian Money (IIM) account holders due to inadequate historical accounting of funds held in trust by the federal government.

## **College Assistance Migrant Program (CAMP)**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

## **Commercial annuity**

An annuity that is purchased and set up via an insurance company or financial institution licensed or regulated by the Minnesota Department of Commerce or a similar agency of another state.

## **Continuing Care Retirement Community (CCRC) Entrance Fee**

The entrance fee charged to a person who enters into a written contract with the CCRC. The CCRC offers a range of continuing care services while allowing the person to remain in a familiar setting. A CCRC may also be referred to as a life care community.

## **Contract for deed**

A contract for deed is a conditional sales contract for the purchase of real property. It is similar to a mortgage.

## **Corporation for National and Community Service (CNCS) payments**

Established by the National and Community Service Trust Act of 1993 (NCSTA) by combining two formerly independent agencies: the Commission on National Service and ACTION. CNCS funds payments to volunteers in programs authorized under the Domestic Volunteer Services Act, including:

- AmeriCorps
- Urban Crime Prevention Program
- Special volunteer programs under Title I
- Demonstration programs under Title II
- Senior Corps
  - Retired Senior Volunteer Program (RSVP)
  - Foster Grandparent Program
  - Senior Companions

## **Coverdell Education Savings Account (ESA) (also referred to as a Section 530 Plan and formerly known as an Educational Individual Retirement Account)**

An account established to pay the educational expenses (elementary, secondary, and postsecondary school) of an individual who is the designated beneficiary and is under age 18 or a person with special needs.

## **Crime victim payments**

Payments made to compensate crime victims for losses resulting from the crime.

## **Deemed Individual Retirement Account (IRA)**

An employer sponsored retirement plan that offers the features of an IRA. The plan maintains a separate account or annuity to receive voluntary employee contributions to facilitate employee retirement savings.

### **Deferred annuity**

An annuity contract under which periodic payments will begin sometime in the future. A deferred annuity contract provides the purchaser with the opportunity to accumulate savings over an extended period before the contract enters its payout phase.

### **Disability insurance**

A policy that pays a fixed amount of income to a person who becomes disabled under the terms of the policy. Disability insurance is intended as an income replacement and is not health insurance.

### **Disaster Assistance, federal declaration**

Payments issued pursuant to a presidential declaration of disaster or emergency. These payments may be made by the federal government (including, but not limited to, grants from the Federal Emergency Management Agency (FEMA), states, local governments, and disaster relief organizations such as the Red Cross and Salvation Army).

### **Disaster Assistance, state declaration**

Payments issued pursuant to a state declaration of disaster or emergency. These payments may be made by the state government (including, local governments, and disaster relief organizations such as the Red Cross and Salvation Army).

### **Employee Stock Ownership Plans (ESOPs)**

A form of defined contribution plan in which the investments are primarily in employer stock.

### **Employer-sponsored Individual Retirement Account (IRA)**

An IRA which an employer establishes for an employee. Examples of Employer Based IRAs include:

- Simplified Employee Pension (SEP) IRAs are available to employees and self-employed individuals
- Savings Incentive Match Plans for Employees (SIMPLE) IRAs are available to employees and self-employed individuals
- Deemed IRAs
- Payroll Deduction IRAs

## **Escrow**

A deed, bond, money, or piece of property held in trust by a third party to be turned over to the grantee only on fulfillment of a condition.

## **Face Value (FV)**

The amount that is contracted for at the time the life insurance policy is purchased – it is the amount to be paid out when the insured dies.

## **Federal Family Education Loan (FFEL)**

A student financial aid created by Title IV of the Higher Education Act of 1965. FFEL includes four components:

- Stafford loans (formerly Guaranteed student loans)
- Unsubsidized Stafford loans
- Federal PLUS loans
- Federal Consolidation loans

## **Federal Supplemental Educational Opportunity Grant (FSEOG) Program**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

## **Federal Work-Study (FWS) program**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

## **Filipino Veterans Equity Compensation (FVEC) fund payments**

Section 1002 of the American Recovery and Reinvestment Act of 2009 (ARRA) established the FVECF to issue one-time payments to eligible Filipino veterans who aided American troops during World War II.

## **Fixed annuity**

A type of annuity in which benefits have guaranteed or fixed dollar amounts.

## **Flexible spending accounts/arrangement (FSA)**

Employer-established benefit plan that allows employees to be reimbursed for out-of-pocket medical, dependent-care, or transportation expenses. These may be offered in conjunction with other employer-provided benefits. FSAs are usually funded through voluntary salary reduction agreements

with an employer. Both employees and employers may contribute to the FSA. Self-employed individuals are not eligible for FSAs.

## **Foster care payments**

A payment made to the foster care provider for the purpose of meeting the needs of the individual in care. Payments include:

- Federally funded foster care IV-E payments
- State funded, non-IV-E, foster care payments
- Adult foster care payments
- Other payments for the care of foster children or adults who live in the household

## **Gear Up (Gaining Early Awareness and Readiness for Undergraduate Programs)**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

## **Gifts to children with life threatening conditions**

Payments made by tax-exempt organizations to or for the benefit of children under age 18 with life-threatening conditions. These gifts include gifts to the child's parents for the child's benefit and indirect benefits to other family members, such as payment to accompany the child on a trip. Such gifts can also include in-kind gifts, which is any food, shelter, or other item donated to the child or another individual on the child's behalf.

## **Guardianship account**

An account established at a financial institution held by a guardian who acts on behalf of and administers the funds for the benefit of a minor under age 18 or a person who is incapacitated or otherwise unable to handle financial transactions.

## **Health Reimbursement Arrangement/Account (HRA)**

An employer-established benefit plan where employees are reimbursed tax free for qualified medical expenses. These may be offered in conjunction with other employer-provided health benefits. Employees may not contribute and the contribution cannot be paid through a voluntary salary reduction agreement. Only employers may contribute to the HRA. Self-employed individuals are not eligible for HRAs.

## **Health Savings Account (HSA)**

A tax-exempt trust or custodial account (an account managed for eligible employees by a custodian) that an individual sets up with a qualified HSA trustee to pay or reimburse certain medical expenses.

To qualify for an HSA an individual must have a high deductible health plan. An HSA trustee can be a bank, an insurance company, or anyone already approved by the IRS to be a trustee of Individual Retirement Arrangements (IRAs) or Archer MSAs. An employer may also contribute to an employee's HSA.

### **High School Equivalency Program (HEP)**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

### **Higher Education Act of 1965 (HEA)**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

### **Home equity**

The market value of the home subtracted by any encumbrances on the home.

### **Homestead property**

A homestead is any property in which a person or a person's spouse has an ownership interest and which serves as the person's principal place of residence. It includes the surrounding land and buildings on that land, provided the land is not separated by any property owned by others. It may be fixed or mobile and located on land or water.

### **Household goods and personal effects**

Items of personal property found in or near a home that are used on a regular basis; items needed by the household for maintenance, use and occupancy of the premises as a home. Also includes personal property ordinarily worn or carried by the person, and articles having sentimental value to the person.

### **I-35W Bridge Collapse payment**

Payments made to survivors of the I-35W Bridge Collapse under the I-35W Emergency Hardship Relief Fund and The Catastrophic Survivor Compensation Fund.

### **Immediate annuity**

An annuity contract under which the periodic payments will begin following the payment of the annuity premium, rather than being deferred.

### **Individual Development Accounts (IDA)**

A special bank account established under the Family Assets for Independence in Minnesota (FAIM) program that helps a person save for education, purchase of a first home, or to start a business. Eligible people must have earned income and have low income and assets.

### **Individual Retirement Arrangement (IRA)**

An umbrella term used to describe a personal savings plan that provides the owner tax advantages for setting aside money for retirement. IRAs can be in the form of a trust, an account, or an annuity.

### **Interest**

Money earned from a bank account, loan, or other investment. Earned interest may be credited to the account or paid directly to the owner.

### **Interest income from Indian trust land or restricted lands**

Income from interests in restricted land allotted to an individual who is of Indian descent from a federally recognized Indian tribe.

### **Irrevocable trust**

A trust that cannot be modified or terminated after its creation by the grantor or the grantor's representative.

### **James Zadroga 9/11 Health and Compensation Act of 2010.**

Payments made to a worker or volunteer, or if deceased, his or her heir, under the World Trade Center (WTC) Litigation Settlement or distributed by the WTC Captive Insurance Company. These payments are considered disaster assistance.

### **Japanese-American and Aleutian restitution payments**

Reparation payments to certain United States citizens of Japanese ancestry and resident Japanese noncitizens and certain eligible Aleuts who were interned or relocated during World War II.

### **Jensen Settlement Agreement payment**

A fund resulting from settlement the lawsuit Jensen et al v. Minnesota Department of Human Services, et al. in which residents of the former Minnesota Extended Treatment Options (METO) program alleged they were unlawfully and unconstitutionally secluded and restrained.

### **Keogh plan**

A tax deferred pension plan available to self-employed individuals or unincorporated businesses for retirement purposes. A Keogh plan can be set up as either a defined-benefit or defined-contribution plan, although most plans are defined-contribution plans.

### **Legal instrument or device similar to a trust**

Any instrument that exhibits the general characteristics of a trust, but is not called a trust. This can include, but is not limited to, escrow accounts, investment accounts, pension funds and other similar devices managed by an individual or entity with fiduciary obligations.

### **Leveraging Educational Assistance Partnership (LEAP) student financial aid (formerly State Student Incentive Grants (SSIG))**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

### **Life annuity payments**

Annuity payments that continue for the life of the annuitant.

### **Life estate**

A life estate is a form of legal ownership that is usually created through a deed, will, or by operation of law. It is an interest in real property held only for the duration of a specified person's life, or some other condition specified in the life estate agreement. The person who is transferring ownership is referred to a life tenant or a life estate owner. The person who is receiving the property following the specified condition is referred to as a remainderman.

### **Life insurance**

A type of policy that pays a beneficiary a designated sum upon the death of the insured person. There are two basic forms of life insurance policies: term and non-term.

### **Liquid assets**

Cash or other types of assets that can be easily converted to cash, such as bank accounts, stocks, bonds, certificates of deposit, some retirement accounts and money market accounts.

### **Low Income Home Energy Assistance Program (LIHEAP) payments**

Federal block grant for energy assistance payments to low income households. The LIHEAP in Minnesota is the Energy Assistance Program (EAP).

### **Lump sum income**

One-time income that is not predictable. Periodic reoccurring income is not lump sum income. Examples of lump sum income include, but are not limited to:

- Winnings (lottery, gambling)
- Insurance settlements
- Worker's Compensation settlements
- Inheritances
- Retroactive Retirements, Survivors and Disability Insurance (RSDI); Supplemental Security Income (SSI); Veterans Administration (VA) and unemployment insurance benefits

### **Medicaid Qualifying Trust (MQT)**

A trust or similar legal device established (other than by a will) by an individual (or spouse) under which the individual may be the beneficiary of all or part of the payments from the trust.

### **Medical Savings Account (MSA)**

A tax-deferred savings account that can be offered by employers as part of a benefits package. Medical savings accounts are designed to help participants pay for medical and health care expenses by allowing them to save for those expenses in a tax-sheltered environment. This is an example of a Health Savings Account (HSA).

### **Minnesota Housing Finance Agency (MHFA) home improvement loan**

Home improvement loans through the MHFA to help homeowners live in safe, accessible, and energy efficient homes.

### **Money market account**

Type of savings account offered by banks and credit unions just like regular savings accounts. The difference is that they usually pay higher interest and have higher minimum balance requirements.

### **Mutual fund share**

A mutual fund is an investment vehicle that is made up of a pool of funds collected from many investors for the purpose of investing in securities such as stocks, bonds, money market instruments and similar assets.

### **National Science and Mathematics Access to Retain Talent (SMART) Grants**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

## **Nazi Persecution payment**

Benefits provided by countries to victims of Nazi persecution. These include:

- Austrian Reparation payments
- German Reparation payments
- Netherlands WUV payments
- Other payments received as a result of being a victim of Nazi persecution

## **Netherlands Act (WUV) payments to victims of Japanese persecution**

The Dutch government makes payments under the Netherlands' Act on Benefits for Victims of Persecution 1940-1945. Payments are for both Dutch and non-Dutch people who, during the Japanese occupation of the Netherlands East Indies (now the Republic of Indonesia) in World War II, were victims of persecution.

## **Netherlands Act (WUV) payments to victims of Nazi persecution**

The Dutch government makes payments under the Netherlands' Act on Benefits for Victims of Persecution 1940-1945. Payments are for both Dutch and non-Dutch people who, during the German occupation of the Netherlands and Netherlands in World War II, were victims of persecution.

## **Non-homestead Real Property**

Land and buildings or immovable objects attached permanently to the land but is not the person's principal place of residence.

## **Non-term life insurance policy**

Often referred to as whole life or universal life policies, non-term life insurance policies have both face value (FV) and cash surrender value (CSV). These types of policies also generate dividends. Generally, the person can borrow against the cash surrender value or the policy can be cashed in for the CSV.

## **Non-Title IV of Higher Education Act and non-Bureau of Indian Affairs student financial aid**

Such aid includes grants, scholarships, gifts and so on.

## **Operating assets**

Assets used in a trade or business such as bank accounts, stocks, bonds, mutual funds, certificates of deposit, trusts or property agreements.

## **Payroll Deduction Individual Retirement Account (IRA)**

A retirement savings plan in which an employer sets up a payroll deduction to fund an IRA program with a financial institution, such as a bank, mutual fund or insurance company.

## **Pell grants**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

## **Pension payments**

A fixed sum paid regularly to retired people or their dependents.

## **Perkins loan**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

## **Personal property**

Property that is not considered real property.

## **Plan to Achieve Self Support (PASS) financial aid**

A plan approved by the county agency for MA or MSA recipients or approved by the Social Security Administration for SSI recipients that allows certain assets or income of the person to be excluded in determining benefits for some assistance programs.

## **Pooled trusts**

A trust established for the sole benefit of a person of any age with a certified disability and that contains a separate account for two or more persons who also have a certified disability for the purpose of investment and management of funds in the accounts. It is administered by a non-profit organization.

## **Presidential Access scholarships**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

## **Private annuity**

An annuity that is set up by a person who is not an employee of an insurance company or financial institution.

## **Profit Sharing Plan**

A plan that gives employees a share in the profits of the company. Each employee receives a percentage of those profits based on the company's earnings. Also known as a deferred profit-sharing plan (DPSP).

## **Promissory notes**

A written, unconditional agreement whereby one party promises to pay a specified sum of money at a specified time (or on demand) to another party. It may be given in return of goods, money loaned, or services rendered.

## **Property agreements**

A pledge or security of particular property for the payment of a debt or the performance of some other obligation within a specified period.

## **Public assistance appeal payments**

Payments resulting from an appeal of public assistance benefits.

## **Qualified Tuition Program (QTP), also referred to as a Section 529 Plan**

Allows individuals to prepay or contribute to an account established for paying a designated beneficiary's education expenses beyond high school at an eligible educational institution. QTPs can be established and maintained by states, agencies, instrumentalities of states, and eligible educational institutions. Individuals may contribute to a QTP regardless of the amount of their income.

## **Radiation Exposure Compensation Act payments**

Payments made by the federal government to certain individuals (or their survivors) who were exposed to radiation from government nuclear testing and uranium mining.

## **Real property**

Land, all buildings, structures, improvements, or other fixtures on it belonging or pertaining to the land, including mobile or manufactured homes attached to a permanent foundation on land owned by the client, all mines, minerals, fossils, and trees on or under it, and life estate and remainder interests.

## **Relocation Assistance payments, federal**

Relocation assistance for displaced persons under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, the Housing and Redevelopment Act of 1965, or the Housing Act of 1965. This assistance is paid when the government requires an individual to move.

### **Relocation Assistance payments, state and local**

Relocation assistance for displaced persons funded by state and local governments. This assistance is paid when the government requires an individual to move.

### **Representative payee misuse payments**

Restitution payments of SSI, RSDI, and Special Veterans Benefits for the Elderly due to representative payee misuse.

### **Retirement plans**

An arrangement to provide individuals and their spouses with income during retirement. Employers, insurance companies, the government or other institutions such as employer associations or trade unions may set up retirement plans.

### **Reverse mortgages**

A special type of home equity loan for people age 62 or older. Reverse mortgages allow owners to convert some of the equity in their home to cash. The loan does not usually have to be repaid during the homeowner's lifetime.

### **Revocable trust**

A trust in which the grantor(s) reserve the right to revoke, reclaim or take back the assets deposited in the trust.

### **Ricky Ray Hemophilia Relief Act payments**

Settlements to people with blood-clotting disorders who may have contracted an HIV infection from a blood transfusion. The current and former spouses of these people as well as their children who also contracted HIV are also eligible for the settlement payment.

### **Robert C. Byrd Honors Scholarship Program (also known as Byrd Honors Scholarships)**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

### **Roth 401(k) Plan**

A retirement savings plan option for employers to offer their employees. A Roth 401(k) is a hybrid that combines features of a Roth Individual Retirement Account and a traditional 401(k).

### **Roth Individual Retirement Account (IRA)**

An IRA allowing a person to set aside after-tax income up to a specified amount each year.

### **Savings Incentive Match Plans for Employees (SIMPLE) Individual Retirement Account (IRA)**

An IRA-based retirement savings plan designed specifically to make it easier for small employers to establish a retirement plan for employees. A Simple IRA is a salary-reduction plan that allows employees to divert some compensation into retirement savings. Contributions to a Simple IRA are deposited into a separate account for each participating employee.

### **Section 529 Plan (also known as Qualified Tuition Program (QTP))**

See Qualified Tuition Program.

### **Self-employment assets**

Property used in a trade or business, including vehicles, tools, machinery, farm implements, unsold inventory, business checking accounts, non-homestead real property, rental property, etc.

### **Settlement agreement**

A resolution between disputing parties in a lawsuit, reached either before or after court action begins.

### **Simplified Employee Pension (SEP) Individual Retirement Account (IRA)**

A special type of IRA that can be established by a small-business employer or by self-employed people. Under a SEP IRA, each participant has his or her own Traditional IRA to which the employer contributes. The contributions are excluded from the employee's pay and are not taxable until distributed from the plan.

### **Special Leveraging Educational Assistance Partnership (SLEAP) Program**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

### **Special Needs Trusts**

A trust established for the sole benefit of a person who is certified disabled.

## **Spousal Individual Retirement Account (IRA)**

An IRA set up by an employed spouse to contribute for a non-working spouse or for a spouse who has little or no income.

## **State annuities for certain veterans**

An annuity paid by a state, to a person, and/or a person's spouse, on the basis of the state's determination that the person is a veteran and is over age 65, is blind, or has a disability.

## **State Student Incentive Grant Program (also known as the Leveraging Educational Assistance Partnership (LEAP) program)**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

## **Stocks**

Shares of stock represent ownership in a business corporation.

## **Student financial aid**

Loans, grants, scholarships, fellowships, internships, some training expenses, gifts and work study funds provided to a person enrolled in and attending an educational institution.

## **Supplemental Education Opportunity Grants (SEOG) Program**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

## **Supplemental Needs Trusts**

Trust established and funded by a third party to provide for the reasonable living expenses and other basic needs of a person with a disability when benefits from publicly funded benefit programs are not sufficient to provide adequately for those needs.

## **Supplemental Security Income (SSI) Dedicated Child Account**

This account is set up by the representative payee of a child under age 18 with past due monthly benefits. The account continues to be excluded after the child has reached age 18.

## **Tax credits**

An amount of money that can be offset against a tax liability.

## **Tax refund**

A state or federal refund of the difference between the taxes paid and taxes owed.

## **Teacher Education Assistance for College and Higher Education (TEACH) grants**

A student financial aid program created by Title IV of the Higher Education Act of 1965.

## **Term certain annuity**

An annuity under which payments are scheduled to continue for a specified period, such as for 10 years. The payments will be paid out to the annuitant's beneficiaries or estate if the annuitant dies before the payment term ends.

## **Term life insurance**

Insurance policies that have Face Value (FV) but do not have a Cash Surrender Value (CSV) or pay dividends. The insured can cancel the policy but there is no cash value to receive. The death benefit is only available upon the insured's death.

## **Third Party Trusts**

A trust established and funded by a person (third party grantor) during his or her lifetime or through a will for the benefit of another person.

## **Thrift Savings Plans (TSPs)**

A federal government sponsored retirement defined contribution plan for federal employees. Contributions are held in individual accounts rather than in a trust fund.

## **Time deposits**

Another term for a savings account or certificate of deposit (CD) held in a financial institution.

## **Title IV of the Higher Education Act of 1965 (HEA) student financial aid**

A federal law that authorizes programs that provide student financial aid. These programs include, but are not limited to:

- Pell grants
- Academic Competitiveness Grants
- National Science and Mathematics Access to Retain Talent (SMART) grants

- Federal Family Education Loan (FFEL) Program. FFEL includes four components:
  - Stafford Loans
  - Unsubsidized Stafford Loans
  - Federal PLUS Loans
  - Federal Consolidation Loans
- Perkins Loans
- Federal Supplemental Education Opportunity Grant (SEOG) Program
- Supplemental Education Opportunity Grants (SEOG) Program
- Work Study Program
- Teacher Education Assistance for College and Higher Education (TEACH) Grants
- Direct Loan Program. Direct Loans include four components:
  - Direct Subsidized Loans
  - Direct Unsubsidized Loans
  - Direct PLUS Loans
  - Direct Consolidation Loans
- Leveraging Educational Assistance Partnership (LEAP) Program
- Special Leveraging Educational Assistance Partnership (SLEAP) Program
- Robert C. Byrd Honors Scholarship Program (also known as Byrd Honors Scholarships)
- TRIO Program
- Academic Achievement Incentive Scholarships
- Gear Up
- High School Equivalency Program (HEP)
- College Assistance Migrant Program (CAMP)
- State Student Incentive Grant Program
- Presidential Access Scholarships

## **Tort settlement**

Rights, obligations, and remedies applied by courts in civil proceedings to provide relief for persons who have suffered harm from the wrongful acts of others.

## **Trade or business asset**

Property used in a trade or business, including vehicles, tools, machinery, farm implements, unsold inventory, business checking accounts, non-homestead real property, rental property, etc.

## **Traditional Individual Retirement Account (IRA)**

An IRA that allows individuals to direct pretax income, up to specific annual limits, toward investments that can grow tax-deferred (no capital gains or dividend income is taxed).

## **Treasury bill**

A short-term debt obligation backed by the U.S. government with a maturity of less than one year.

## **Tribal Land Settlements or Judgements**

Funds held in trust by the Secretary of the Interior or distributed per capita pursuant to a plan prepared by the Secretary of the Interior. Including:

- Judgment funds distributed per capita under P.L. 99-377 to the Mississippi Band Chippewa Indians of White Earth, Leech Lake, and Mille Lacs reservations.
- Distributions of claims settlement funds under P.L. 99-264, P.L. 100-153, and P.L. 100-212 to members of the White Earth Band of Chippewa Indians from the White Earth Reservation Land Settlement Act of 1985 (WELSA).
- Per capita payments made under 25 USC § 1407 to members of the Bois Forte Band of Chippewa Indians pursuant to the agreement to restrict tribal rights to hunt and fish in ceded territories.
- Per capita payments made under P.L. 85-794 to members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation.
- Receipts derived from trust lands and distributed under P.L. 94-114 to the White Earth Band of Chippewa Indians regarding submarginal land held in trust by the United States.
- Judgment funds distributed under P.L. 98-123 § 3 to the Red Lake Band of Chippewa Indians.
- Per capita and dividend payment distributions of judgment funds made under P.L. 99-130 to members of the Prairie Island Sioux, Lower Sioux, and Shakopee Mdewakanton Sioux Communities of Minnesota.
- Funds distributed per capita under P.L. 99-146 to members of the Chippewa of Lake Superior and the Chippewa of the Mississippi.

## **TRIO Programs (TRIO)**

Student financial aid programs created by Title IV of the Higher Education Act of 1965. TRIO includes eight programs targeted to serve and assist low-income individuals, first-generation college students, and people with disabilities:

- Educational Opportunity Centers
- Ronald E. McNair Post-baccalaureate Achievement
- Student Support Services
- Talent Search
- Training Program for Federal TRIO Programs Staff
- Upward Bound
- Upward Bound Math-Science
- Veterans Upward Bound

## **Trust**

Any arrangement, in which a grantor transfers money or property to a trustee with the intention that it be held, managed or administered by the trustee for the benefit of certain designated persons.

## **Uniform Gift to Minors Act (UGMA)/Uniform Transfer to Minors Act (UTMA)**

The Uniform Gift to Minors Act (UGMA) established a way for a minor to own securities without requiring the services of an attorney to prepare trust documents or the court appointment of a trustee. The terms of this trust are established by a state statute instead of a trust document. The Uniform Transfer to Minors Act (UTMA) is similar, but also allows minors to own other types of property, such as real estate, fine art, patents and royalties, and for the transfers to occur through inheritance.

## **United States savings bond**

A bond issued by the government and sold to the general public.

## **Universal Life Insurance**

Provides insurance over a specified period, and builds cash value for policy owners over time. There are several types of universal life policies, including variable universal and equity indexed universal life. All universal life policies include a cash account in addition to the standard death benefit.

## **Variable annuity**

A type of annuity in which periodic payments vary according to income generated by assets in an underlying investment portfolio. Payment amounts may fluctuate because the annuity payments vary based upon the performance of the market.

## **Vehicles**

May be any registered or unregistered conveyance used on air, land, or water, including, but not limited to cars, trucks, motorcycles, boats, snowmobiles, animal-drawn vehicles, and animals.

### **Veterans Benefits for educational assistance**

The Department of Veterans Affairs (VA) provides educational assistance through different programs, including vocational rehabilitation.

### **Veterans' Children with Certain Birth Defects payments**

Payments made to children of Vietnam or Korean veterans born with spina bifida, or payments made to the children of women Vietnam veterans if they have certain birth defects.

### **Vietnamese Commando Compensation Act Payments**

Payments made to an individual who was captured and interned by the Democratic Republic of North Vietnam as a result of that person's participation in certain military operations (known as OPLAN 34A or its predecessor, or OPLAN 35).

### **Voluntary Employees' Beneficiary Association (VEBA) payments**

Benefits paid to members of the mutual association or their beneficiaries.

### **Whole Life Insurance**

A form of life insurance that applies part of the premium payments to build an investment or savings value for the policy owner. The investment or savings value is the cash surrender value (CSV) of the policy. A modified whole life policy charges smaller premiums for a specified length of time after which the premiums increase for the remainder of the policy.

### **Women, Infant and Children (WIC) vouchers**

A federal program authorized by the Child Nutrition Act of 1966 to provide nutritious food and nutrition education to low-income pregnant and postpartum women and their children.

### **Workers' compensation settlement**

An agreement between a worker injured on the job and an employer-paid insurance program providing benefits in the form of medical expenses and lost wages. If a worker dies due to an injury on the job, the worker's beneficiaries are eligible to receive benefits on the worker's behalf, known as death benefits.

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## V. Appendix C Medicare Cost Sharing Amounts

Appendix C

# Types of Other Health Care Coverage Medicare Cost Sharing Amounts

This appendix provides cost sharing amounts for Medicare.

### Medicare Part A Cost Sharing Amounts

<u>Cost Type</u>	<u>2017</u>	<u>2018</u>
<u>Premium</u>	<u>Varies</u>	<u>Varies</u>
<u>Deductible</u>	<u>\$1,316</u>	<u>\$1,340</u>
<u>Hospital Coinsurance days 61-90</u>	<u>\$329</u>	<u>\$335</u>
<u>Hospital Coinsurance days 91-150</u>	<u>\$658</u>	<u>\$670</u>
<u>Skilled Nursing Facility Coinsurance days 1-20</u>	<u>\$0</u>	<u>\$0</u>
<u>Skilled Nursing Facility Coinsurance days 21-100</u>	<u>\$164.50</u>	<u>\$167.50</u>

### Medicare Part B Cost Sharing Amounts

<u>Cost Type</u>	<u>2017</u>	<u>2018</u>
<u>All Other Premium Amounts</u>	<u>Varies</u>	<u>Varies</u>
<u>Deductible</u>	<u>\$166</u>	<u>\$183</u>
<u>MSHO and SNBC plans that will pay the portion listed of the Medicare Part B Premium</u>	<u>Health Partners Classic MSHO - \$17.50</u>	<u>Health Partners Classic MSHO - \$6.60</u>

### Medicare Part D Cost Sharing Amounts

#### Standard Benefit Information

<u>Cost Type</u>	<u>2017</u>	<u>2018</u>
<u>Premium</u>	<u>Varies</u>	<u>Varies</u>
<u>Annual Deductible</u>	<u>\$400</u>	<u>\$405</u>
<u>Coinsurance Costs</u>	<u>25% of drug costs between \$400.01 and \$3,700 (Cap of \$7,425)</u>	<u>25% of drug costs between \$405.01 and \$3,750 (Cap of \$7,508.75)</u>
<u>Coverage Gap Costs</u>	<u>100% of costs between the initial coverage limit based on drug costs between \$3,700.01 and \$7,425.</u> <ul style="list-style-type: none"> <li>• <u>60% discount on brand name drugs</u></li> <li>• <u>49% discount on generic drugs</u></li> </ul>	<u>100% of costs between the initial coverage limit based on drug costs between \$3,750.01 and \$7,508.75.</u> <ul style="list-style-type: none"> <li>• <u>65% discount on brand name drugs</u></li> <li>• <u>56% discount on generic drugs</u></li> </ul>
<u>Copayments</u>	<ul style="list-style-type: none"> <li>• <u>\$3.30 generic drugs</u></li> <li>• <u>\$8.25 brand name drugs</u></li> </ul>	<ul style="list-style-type: none"> <li>• <u>\$3.35 generic drugs</u></li> <li>• <u>\$8.35 brand name drugs</u></li> </ul>

**Extra Help Full Subsidy Information**

<u>Cost Type</u>	<u>2017</u>	<u>2018</u>
<u>Premium</u>	<u>\$0</u>	<u>\$0</u>
<u>Annual Deductible</u>	<u>\$0</u>	<u>\$0</u>
<u>Coinsurance Costs</u>	<u>None</u>	<u>None</u>
<u>Coverage Gap Costs</u>	<u>None</u>	<u>None</u>
<u>Copayments</u>	<u>&lt; 100% FPG:</u> <ul style="list-style-type: none"> <li>• <u>\$1.20 generic drugs</u></li> <li>• <u>\$3.70 brand name drugs</u></li> </ul>	<u>&lt; 100% FPG</u> <ul style="list-style-type: none"> <li>• <u>\$1.25 generic drugs</u></li> <li>• <u>\$3.70 brand name drugs</u></li> </ul>

- Note that Medicare recipients who receive the Extra Help full subsidy pay no premium only if they are enrolled in a benchmark plan. If they are not enrolled in a benchmark plan, Extra Help pays the standard premium amount and the Medicare recipient pays the premium cost that exceeds that amount.
- MA enrollees who reside in a medical institution, nursing facility or ICF/DD whose costs are paid by MA, or who receive Home and Community Based Services are exempt from paying copayments.

**Extra Help Partial Subsidy Information**

<u>Cost Type</u>	<u>2017</u>	<u>2018</u>
<u>Premium</u>	<u>Sliding scale premiums</u>	<u>Sliding scale premiums</u>
<u>Annual Deductible</u>	<u>\$82</u>	<u>\$83</u>
<u>Coinsurance Costs</u>	<u>15%</u>	<u>15%</u>
<u>Coverage Gap Costs</u>	<u>None</u>	<u>None</u>
<u>Copayments</u>	<ul style="list-style-type: none"> <li>• <u>\$3.35 generic drugs</u></li> <li>• <u>\$8.25 brand name drugs</u></li> </ul>	<ul style="list-style-type: none"> <li>• <u>\$3.35 generic drugs</u></li> <li>• <u>\$8.35 brand name drugs</u></li> </ul>

Other health coverage may be a barrier to MinnesotaCare eligibility.

- Access to some types of health coverage is always a barrier, even if the person is not enrolled.
- Some types of health care coverage are a barrier to MinnesotaCare only if the person is enrolled in the coverage.
- Some types of health care coverage are never a barrier to MinnesotaCare.

Applicants who are currently ineligible for MinnesotaCare may disenroll from other health coverage when only enrollment is a barrier to MinnesotaCare.

The following table lists types of health care coverage and whether or not it is a barrier to MinnesotaCare.

<b>Other Health Care Coverage and MinnesotaCare</b>	
Accident insurance	Not a barrier to MinnesotaCare
Automobile medical payment insurance	Not a barrier to MinnesotaCare
Benefits for long-term care, nursing home care, home health or community care	Not a barrier to MinnesotaCare
Cancer only	Not a barrier to MinnesotaCare
Coverage for on-site medical clinics	Not a barrier to MinnesotaCare
Coverage just for specific diseases or illnesses	Not a barrier to MinnesotaCare
Coverage only for accident or disability	Not a barrier to MinnesotaCare
Credit-only insurance	Not a barrier to MinnesotaCare

<b>Other Health Care Coverage and MinnesotaCare</b>	
Emergency Medical Assistance (EMA)	Not a barrier to MinnesotaCare
Employer Sponsored COBRA	Enrollment is a barrier to MinnesotaCare
Employer sponsored health insurance (ESI) that does not meet both affordability and minimum value standards.	Enrollment is a barrier to MinnesotaCare
Employer sponsored health insurance (ESI) that meets both affordability and minimum value standards.	Access or enrollment is always a barrier to MinnesotaCare
Employer Sponsored Retiree Health Coverage	Enrollment is a barrier to MinnesotaCare
Family planning only coverage	Not a barrier to MinnesotaCare
Grandfathered employer sponsored health plan that does not meet both affordability and minimum value standards.	Enrollment is a barrier to MinnesotaCare
Grandfathered employer sponsored health plan that meets both affordability and minimum value standards.	Access or enrollment is always a barrier to MinnesotaCare
Health care coverage offered by foreign governments and organizations, if <a href="#">recognized by CMS as MEG</a>	Enrollment is a barrier to MinnesotaCare
Health care coverage offered by foreign governments and organizations, not recognized by CMS as MEG	Not a barrier to MinnesotaCare
Health Care for Peace Corp Volunteers	Enrollment is a barrier to MinnesotaCare
Health insurance plans offered by AmeriCorps to its volunteers and their dependents, if <a href="#">recognized by CMS as MEG</a>	Enrollment is a barrier to MinnesotaCare
Health insurance plans offered by AmeriCorps to its volunteers and their dependents, not recognized by CMS as MEG	Not a barrier to MinnesotaCare
Hospital indemnity or fixed indemnity insurance	Not a barrier to MinnesotaCare

<b>Other Health Care Coverage and MinnesotaCare</b>	
Hospital only	Not a barrier to MinnesotaCare
Indian Health Services	Not a barrier to MinnesotaCare
Liability insurance	Not a barrier to MinnesotaCare
Limited scope dental or vision benefits	Not a barrier to MinnesotaCare
Long term care insurance	Not a barrier to MinnesotaCare
Medicaid in another state	Enrollment is a barrier to MinnesotaCare
Medical Assistance, without a spenddown	Access or enrollment is always a barrier to MinnesotaCare
Medical Assistance, with a spenddown	Not a barrier to MinnesotaCare
Medicare part A, if the person is not required to pay a premium	Access or enrollment is always a barrier to MinnesotaCare
Medicare part A, if the person is required to pay a premium	Enrollment is a barrier to MinnesotaCare
Medicare part B, if the applicant or enrollee does not have access to Medicare part A without a premium	Not a barrier to MinnesotaCare
Medicare supplement, unless the individual also has access to or is enrolled in Medicare A	Not a barrier to MinnesotaCare
Non-appropriated Fund Health Benefits Program (NAF) of the Department of Defense	Enrollment is a barrier to MinnesotaCare
Other similar coverage that is secondary or incidental to other insurance benefits	Not a barrier to MinnesotaCare
Pregnancy only coverage	Not a barrier to MinnesotaCare
Prescription drug only	Not a barrier to MinnesotaCare
Private health insurance	Enrollment is a barrier to MinnesotaCare
Qualified Health Plan – without subsidy	Enrollment is a barrier to MinnesotaCare

<b>Other Health Care Coverage and MinnesotaCare</b>	
Self-funded student health insurance plans offered by post-secondary institutions to students and their dependents, if <a href="#">recognized by CMS as MEC</a>	Enrollment is a barrier to MinnesotaCare
Self-funded student health insurance plans offered by post-secondary institutions to students and their dependents, <b>not</b> recognized by CMS as MEC	Not a barrier to MinnesotaCare
Supplemental coverage with no comprehensive coverage	Not a barrier to MinnesotaCare
Supplemental liability insurance coverage	Not a barrier to MinnesotaCare
TRICARE Continued Health Care Benefit Program	Enrollment is a barrier to MinnesotaCare
TRICARE for Life	Access or enrollment is always a barrier to MinnesotaCare
TRICARE Prime	Access or enrollment is always a barrier to MinnesotaCare
TRICARE Prime Overseas	Access or enrollment is always a barrier to MinnesotaCare
TRICARE Prime Remote	Access or enrollment is always a barrier to MinnesotaCare
TRICARE Reserve Select	Enrollment is a barrier to MinnesotaCare
TRICARE Retired Reserve	Enrollment is a barrier to MinnesotaCare
TRICARE Standard and Extra	Access or enrollment is always a barrier to MinnesotaCare
TRICARE Standard Overseas	Access or enrollment is always a barrier to MinnesotaCare
TRICARE Transitional Assistance Management Program	Access or enrollment is always a barrier to MinnesotaCare

<b>Other Health Care Coverage and MinnesotaCare</b>	
TRICARE US Family Health Plan	Access or enrollment is always a barrier to MinnesotaCare
TRICARE Young Adult (Prime and Standard)	Enrollment is a barrier to MinnesotaCare
Tuberculosis-only coverage	Not a barrier to MinnesotaCare
Veterans Administration (VA) Civilians Health and Medical Program (CHAMPVA)	Enrollment is a barrier to MinnesotaCare
VA Spina bifida health care benefits program	Enrollment is a barrier to MinnesotaCare
VA Veterans health care plan	Enrollment is a barrier to MinnesotaCare
Vision only	Not a barrier to MinnesotaCare
Worker's Compensation	Not a barrier to MinnesotaCare

## **Legal Citations**

~~Code of Federal Regulations, title 26, section 1.36B-2~~

~~Code of Federal Regulations, title 26, section 1.5000A-2~~

~~Code of Federal Regulations, title 26, section 1.5000A-3~~

~~Code of Federal Regulations, title 45, section 155 Subpart D~~

~~Patient Protection and Affordable Care Act, Public Law 111-148, section 1401~~

~~Patient Protection and Affordable Care Act, Public Law 111-148, section 5000A~~

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## W. Appendix F Standards and Guidelines

Appendix F

# Standards and Guidelines

This appendix provides figures used to determine eligibility for a person, or in a specific calculation completed to determine eligibility.

## Community Spouse Allowances

The Community Spouse Allowances are used when determining the long-term care (LTC) income calculation's community spouse allocation.

### Basic Shelter Allowance

The Basic Shelter Allowance is used to determine if the community spouse has any excess shelter expenses.

Effective Dates	Basic Shelter Allowance
July 1, 2017 to June 30, 2018	\$609
July 1, 2016, to June 30, 2017	\$602

### Maximum Monthly Income Allowance

The Maximum Monthly Income Allowance, along with the Minimum Monthly Income Allowance, is used to determine the community spouse's monthly maintenance needs amount.

Effective Dates	Maximum Monthly Income Allowance
January 1, 201 <u>8</u> 7, to December 31, 201 <u>8</u> 7	<u>\$3,090</u> 3,022.50
January 1, 201 <u>7</u> 6, to December 31, 201 <u>7</u> 6	<u>\$3,022.50</u> 2,980.50

### Minimum Monthly Income Allowance

The Minimum Monthly Income Allowance, along with the Maximum Monthly Income Allowance, is used to determine the community spouse's monthly maintenance needs amount.

Effective Dates	Minimum Monthly Income Allowance
July 1, 2017 to June 30, 2018	\$2031
July 1, 2016 – June 30, 2017	\$2,005

### Utility Allowance

The Utility Allowance is allowed as a shelter expense if the community spouse is responsible for heating or cooling costs.

Effective Dates	Utility Allowance
October 1, 2017 to September 30, 2018	\$556
October 1, 2016 to September 30, 2017	\$532

The Electricity and Telephone Allowances are allowed as shelter expenses if the community spouse is not responsible for heating or cooling expenses, but is responsible for electricity or telephone expenses.

Effective Dates	Electricity Allowance
October 1, 2017 to September 30, 2018	\$172
October 1, 2015 to September 30, 2016	\$141

Effective Dates	Telephone Allowance
October 1, 2017 to September 30, 2018	\$41
October 1, 2016 to September 30, 2017	\$38

## Federal Poverty Guidelines

The federal poverty guidelines (FPG) are used to determine income eligibility for the Minnesota Health Care Programs (MHCP).

Refer to Insurance and Affordability Programs (IAPs) Income and Asset Guidelines (DHS-3461A) for the current FPG.

## Home Equity Limit

The Home Equity Limit is applied only in specific situations and at certain times.

Effective Dates	Home Equity Limit
January 1, 2018 <del>7</del> , to December 31, 2018 <del>7</del>	<del>\$572,000</del> 560,000
January 1, 2017 <del>6</del> , to December 31, 2017 <del>6</del>	<del>\$560,000</del> 552,000

## IRS Mileage Rate

The IRS mileage rate is used in many calculations to determine eligibility or reimbursement costs.

<b>Effective Dates</b>	<b>IRS Mileage Rate</b>
January 1, 2017, to December 31, 2017	53.5 cents
January 1, 2016, to December 31, 2016	54 cents

## **Long-Term Needs Allowances**

The LTC needs allowances provide figures for needs allowances used in the LTC income calculation and for determining the community spouse or family allocation amounts.

### **Clothing and Personal Needs Allowance**

The Clothing and Personal Needs Allowance is used when the enrollee is not eligible for any of the other LTC needs allowances.

<b>Effective Dates</b>	<b>Clothing and Personal Needs Allowance</b>
January 1, 2018, to December 31, 2018	\$99
January 1, 2017, to December 31, 2017	\$97

### **Home Maintenance Allowance**

The Home Maintenance Allowance can be deducted from a person's LTC income calculation if certain conditions are met.

<b>Effective Dates</b>	<b>Home Maintenance Allowance</b>
July 1, 2017 to June 30, 2018	\$1,005
July 1, 2016, to June 30, 2017	\$990

### **Special Income Standard for Elderly Waiver Maintenance Needs Allowance**

The Special Income Standard for Elderly Waiver (SIS-EW) maintenance needs allowance is used in the LTC income calculation for persons who have income at or below the Special Income Standard (SIS).

<b>Effective Dates</b>	<b>Maintenance Needs Allowance</b>
July 1, 2017 to June 30, 2018	\$990
July 1, 2016, to June 30, 2017	\$988

## **Maximum Asset Allowance**

The Maximum Asset Allowance is used for the community spouse asset allowance for an asset assessment.

<b>Effective Dates</b>	<b>Minimum</b>	<b>Maximum</b>
January 1, 2018 <del>7</del> , to December 31, 2018 <del>7</del>	No minimum	<u>\$123,600</u> 120,900
<del>June</del> <u>January</u> 1, 2017 <del>6</del> to December 31, 2017 <del>6</del>	No minimum	<u>\$120,900</u> 119,220
January 1, 2016, to May 31, 2016	\$33,851	\$119,220

## MinnesotaCare Premium Amounts

MinnesotaCare premiums are calculated using a sliding fee scale based on household size and annual income.

Refer to MinnesotaCare Premium Estimator Table (DHS-4139) for information about MinnesotaCare premiums. The table provides an estimate of the premium before receiving the actual bill. The premium calculated by the system and listed on the bill is the official calculation and the amount to be paid.

## Pickle Disregard

The Pickle Disregard is a disregard of the Retirement, Survivors and Disability Insurance (RSDI) cost of living adjustment (COLA) amounts for Medical Assistance (MA) Method B and the Medicare Savings Programs (MSP).

<b>Effective Date</b>	<b>Pickle Disregard</b>
January 1, 2018, to December 31, 2018	1.02
January 1, 2017, to December 31, 2017	1.003

## Remedial Care Expense

The Remedial Care Expense deduction amount can be used as a health care expense when meeting a spenddown or as an income deduction in an LTC income calculation.

<b>Effective Dates</b>	<b>Remedial Care Expense</b>
January 1, 2018 to June 30, 2018	\$188
July 1, 2017 to December 31, 2017	\$186

## Roomer and Boarder Standard Amount

The Roomer and Boarder Standard income is used in calculating the amount of self-employment income a person who rents or boards another person has to add to the MA Method A income calculation.

<b>Roomer and Boarder Standard</b>	<b>Amount</b>
Roomer Amount	\$71
Boarder Amount	\$155
Roomer plus Boarder Amount	\$226

### **Special Income Standard**

The Special Income Standard (SIS) is used to determine certain criteria for the Elderly Waiver (EW) Program.

<b>Effective Dates</b>	<b>SIS</b>
January 1, 2018, to December 31, 2018	\$2,250
January 1, 2017, to December 31, 2017	\$2,205

### **Statewide Average Payment for Skilled Nursing Facility Care**

The statewide average payment for skilled nursing facility (SAPSNF) care amount is used to determine a transfer penalty for MA. The SAPSNF is updated annually in July.

<b>Effective Dates</b>	<b>SAPSNF</b>
July 1, 2017 to June 30, 2018	\$7,106
July 1, 2016, to June 30, 2017	\$6,280

### **Student Earned Income Exclusion**

The Student Earned Income Exclusion is a disregard of earned income for people who are under age 22 and regularly attending school. It is only available for MA Method B and MSP.

<b>Effective Date</b>	<b>Monthly</b>	<b>Annual</b>
January 1, 2018, to December 31, 2018	\$1,820	\$7,350
January 1, 2017, to December 31, 2017	\$1,790	\$7,200

### **Supplemental Security Income Maximum Payment Amount**

These figures are the maximum benefit amounts for people eligible for Supplemental Security Income (SSI). A person's SSI benefit amount is based on the income of the person and certain responsible household members.

SSI benefit payments may be deducted from the LTC income calculation if the person qualifies for the Special SSI Deduction.

<b>Effective Date</b>	<b>Individual</b>
January 1, 2018, to December 31, 2018	\$750
January 1, 2017, to December 31, 2017	\$735

<b>Effective Date</b>	<b>Couple</b>
January 1, 2018, to December 31, 2018	\$1,125
January 1, 2017, to December 31, 2017	\$1,103

### **Tax Filing Income Threshold for Children and Tax Dependents**

The tax filing income threshold refers to the income level at which a person must file a federal income tax return. The thresholds for tax dependents determines whether a child's or tax dependents income is counted or excluded when calculating household income for MA-FCA and MinnesotaCare eligibility.

The income threshold for tax filing varies based on the tax dependents age and marital status and whether the person is blind. If a child or tax dependent has income at or below these thresholds, his or her income will not count toward the household income for MA-FCA and MinnesotaCare eligibility.

The income threshold applies to the taxable income that a child or tax dependent is expected to receive in the tax year. Nontaxable income, such as Supplemental Security Income (SSI) and veteran's benefits, is not included in determining whether a child's or tax dependent's income is at or below the income threshold. Any nontaxable portion of a child's Social Security dependent or survivor benefits is not included.

The income thresholds for children and tax dependents are:

#### **Tax Filing Income Threshold for Tax Dependents for the 2018 Tax Year**

<b><u>Marital Status</u></b>	<b><u>Age over 65?</u></b>	<b><u>Blind?</u></b>	<b><u>Income Type</u></b>	<b><u>Threshold Amount</u></b>
<u>Single</u>	<u>No</u>	<u>No</u>	<u>Earned Income</u>	<u>\$6,350</u>
<u>Single</u>	<u>No</u>	<u>No</u>	<u>Unearned Income</u>	<u>\$1,050</u>

<u>Marital Status</u>	<u>Age over 65?</u>	<u>Blind?</u>	<u>Income Type</u>	<u>Threshold Amount</u>
<u>Single</u>	<u>No</u>	<u>No</u>	<u>Gross Income</u>	<u>Larger of \$1,050 or Earned Income Reported up to \$6,000 + \$350</u>
<u>Single</u>	<u>Yes</u>	<u>No</u>	<u>Earned Income</u>	<u>\$7,900</u>
<u>Single</u>	<u>Yes</u>	<u>No</u>	<u>Unearned Income</u>	<u>\$2,600</u>
<u>Single</u>	<u>Yes</u>	<u>No</u>	<u>Gross Income</u>	<u>Larger of \$2,600 or Earned Income Reported up to \$6,000 + \$1,900</u>
<u>Single</u>	<u>No</u>	<u>Yes</u>	<u>Earned Income</u>	<u>\$7,900</u>
<u>Single</u>	<u>No</u>	<u>Yes</u>	<u>Unearned Income</u>	<u>\$2,600</u>
<u>Single</u>	<u>No</u>	<u>Yes</u>	<u>Gross Income</u>	<u>Larger of \$2,600 or Earned Income Reported up to \$6,000 + \$1,900</u>
<u>Single</u>	<u>Yes</u>	<u>Yes</u>	<u>Earned Income</u>	<u>\$9,450</u>
<u>Single</u>	<u>Yes</u>	<u>Yes</u>	<u>Unearned Income</u>	<u>\$4,150</u>
<u>Single</u>	<u>Yes</u>	<u>Yes</u>	<u>Gross Income</u>	<u>Larger of \$4,150 or Earned Income Reported up to \$6,000 + \$3,450</u>
<u>Married</u>	<u>No</u>	<u>No</u>	<u>Earned Income</u>	<u>\$6,350</u>
<u>Married</u>	<u>No</u>	<u>No</u>	<u>Unearned Income</u>	<u>\$1,050</u>
<u>Married</u>	<u>No</u>	<u>No</u>	<u>Gross Income</u>	<u>Larger of \$1,050 or Earned Income Reported up to \$6,000 + \$350</u>
<u>Married</u>	<u>Yes</u>	<u>No</u>	<u>Earned Income</u>	<u>\$7,600</u>
<u>Married</u>	<u>Yes</u>	<u>No</u>	<u>Unearned Income</u>	<u>\$2,300</u>
<u>Married</u>	<u>Yes</u>	<u>No</u>	<u>Gross Income</u>	<u>Larger of \$2,300 or Earned Income Reported up to \$6,000 + \$1,600</u>
<u>Married</u>	<u>No</u>	<u>Yes</u>	<u>Earned Income</u>	<u>\$7,600</u>
<u>Married</u>	<u>No</u>	<u>Yes</u>	<u>Unearned Income</u>	<u>\$2,300</u>
<u>Married</u>	<u>No</u>	<u>Yes</u>	<u>Gross Income</u>	<u>Larger of \$2,300 or Earned Income Reported up to \$6,000 + \$1,600</u>
<u>Married</u>	<u>Yes</u>	<u>Yes</u>	<u>Earned Income</u>	<u>\$8,850</u>

<u>Marital Status</u>	<u>Age over 65?</u>	<u>Blind?</u>	<u>Income Type</u>	<u>Threshold Amount</u>
<u>Married</u>	<u>Yes</u>	<u>Yes</u>	<u>Unearned Income</u>	<u>\$3,550</u>
<u>Married</u>	<u>Yes</u>	<u>Yes</u>	<u>Gross Income</u>	<u>Larger of \$3,550 or Earned Income Reported up to \$6,000 + \$2,850</u>

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Previous Versions

Manual Letter #17.5, December 1, 2017

Manual Letter #17.4 September 1, 2017

Manual Letter #17.2, June 1, 2017

Manual Letter #16.4 December 22, 2016

Manual Letter #16.3, September 1, 2016

Manual Letter #16.1, June 1, 2016 (Original Version)

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