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 #18.5

December 1, 2018

Manual Letter #18.5

This manual letter lists new and revised policy for the Minnesota Health Care Programs (MHCP) Eligibility Policy Manual (EPM) as of December 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

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

A. EPM Home Page

We add a link to the following DHS bulletins on the EPM home page:

- #18-21-08, DHS Announces Spousal Impoverishment Protection Rules for Some Waiver Programs Will End (Published October 12, 2018)
- #18-21-09, DHS Announces the Increase in the Medical Assistance Spenddown Standard for Certain Enrollees (Published November 26, 2018)

The policy in these two bulletins has not yet been incorporated into the EPM. Continue to refer to the bulletins for policy information.

The following DHS bulletins are not added to the home page because neither contains new or revised policy that will be incorporated into the EPM:

- #18-21-06, Updates to Medical Assistance Third Party Liability and Cost-Effective Health Insurance Guidance (Published July 9, 2018)
- #18-21-07, DHS Explains Changes to the MHCP Application for Certain Populations and the MHCP Renewal Form (June 27, 2018)

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

B. Section 1.2.5 MHCP Retroactive Eligibility

In this section, we clarify the earliest date eligibility for Medical Assistance (MA) can begin for a person enrolled in MinnesotaCare or another Insurance Affordability Program who reports a change in circumstance that results in MA eligibility.

C. Section 2.1.2.3 MA County Residency for MA

The changes to this section include clarification that the new county of residence becomes a person's county of financial responsibility after two full calendar months. We also add adult foster care to the list of excluded time facilities and situations.

D. Section 2.2.3.3 MA for Families with Children and Adults (MA-FCA) Income Limit

In this section, we provide additional policy about the safety net provision, including information regarding:

- Eligibility under the safety net provision when a new year begins
- Retroactive eligibility for MA under the safety net provision
- Verification of a person's projected annual income (PAI) under the safety net provision

E. Section 2.2.3.4 MA-FCA Income Methodology

The change to this section clarifies what current income means for MA-FCA.

F. Section 2.2.4.2 MA-FCA Renewals

We add a statement to this section to clarify that people enrolled in MA for Families and Children with a Medical Spenddown must complete an annual renewal and a six-month income renewal. This information is also provided in EPM Section 2.2.3.6, MA-FCA Medical Spenddown, but we find it necessary to add the information to this section as well.

G. Section 2.3.3.2.7.4.2 MA-ABD Non-Homestead Real Property

The revision to this section adds policy about how to evaluate a manufactured home that is not a person's principal place of residence.

H. Section 2.3.5.1.3 MA for Employed Persons with Disabilities (MA-EPD) Work Requirements

In this section, we clarify that a person must have earned income greater than $65 from wages or self-employment income to qualify for MA-EPD. Previously, the policy only stated that a person must have monthly average gross income greater than $65 to qualify. The revisions to this section also define earned income for wages and self-employment income.

I. Appendix F Standards and Guidelines

The changes to this appendix include the tax filing thresholds for the 2019 tax year as well as updates to standards and guidelines that are effective January 1, 2019.

II. Documentation of Changes

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

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

MHCP EPM Manual Letter #18.2, April 1, 2018

MHCP EPM Manual Letter #18.3, June 1, 2018

MHCP EPM Manual Letter #18.4, September 1, 2018

MHCP EPM Manual Letter #18.5, December 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:

- Bulletin #17-21-05, DHS Explains How Unified Cash Asset Policy Affects Medical Assistance (MA) Eligibility
- 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)
- Bulletin #18-21-03, Periodic Data Matching for Medical Assistance and MinnesotaCare
- Bulletin #18-21-04, DHS Announces the Addition of DEED Income Data for Medical Assistance and MinnesotaCare Renewals in METS
- Bulletin #18-21-05, DHS Implements Automated Reasonable Opportunity Period Functionality for Post-eligibility Verifications in METS
- Bulletin #18-21-08, DHS Announces Spousal Impoverishment Protection Rules for Some HCBS Waiver Programs Will End
- Bulletin #18-21-09, DHS Announces the Increase in the Medical Assistance Spenddown Standard for Certain Enrollees

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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Manual Letter #17.2, June 1, 2017

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B. Section 1.2.5 MHCP Retroactive Eligibility

Minnesota Health Care Programs

1.2.5 Retroactive Eligibility

People may request retroactive eligibility for Medical Assistance (MA), Minnesota Family Planning Program (MFPP) and the Service Limited Medicare Beneficiary (SLMB), Qualified Individual (QI) and Qualified Working Disabled (QWD) Medicare Savings Programs (MSP) for up to three months prior to the month of application. Retroactive eligibility is not available under MinnesotaCare.

Medical Assistance and Minnesota Family Planning Program

The earliest possible begin date for MA and MFPP coverage is the first day of the month three months before the month of application. <u>When a person enrolled in MinnesotaCare or another Insurance Affordability Program reports a change in circumstance that results in MA eligibility, the earliest possible begin date for MA is the first day of the month three months prior to the month the change was reported.</u>

An applicant may be eligible for some, but not all months in the retroactive period. The person may be eligible for each retroactive month they meet the MA or MFPP eligibility requirements and has paid or unpaid medical expenses that would be covered by MA or MFPP.

An applicant does not need to be eligible for MA or MFPP in the application month to qualify for coverage in the retroactive months.

Enrollees may add a request for retroactive MA or MFPP up to 12 months from the date of the original application. The original date of application determines the earliest possible date for MA or MFPP coverage.

Medicare Savings Programs

SLMB or QI benefits are available for the three months before the month of application for people who meet all eligibility requirements.

People eligible for Qualified Medicare Beneficiary (QMB) may receive SLMB for the three-month retroactive period and all processing months preceding the month QMB eligibility begins if all other eligibility requirements are met.

Legal Citations

Code of Federal Regulations, title 42, section 435.915

Code of Federal Regulations, title 42, section 435.1200

Code of Federal Regulations, title 45, section 155.410

Code of Federal Regulations, title 45, section 155.420

Code of Federal Regulations, title 45, section 155.410

Code of Federal Regulations, title 45, section 155.420

Minnesota Statutes, section 256L.05

Minnesota Statutes, Section 256B.061

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C. Section 2.1.2.3 County Residency for MA

Medical Assistance

2.1.2.3 County Residency

Medical Assistance (MA) has rules about county residence. County residency policy determines the:

- County of service
- County of financial responsibility

County of Service

The county of service is responsible for administering the case, including, but not limited to:

- Processing paper applications
- Processing change in circumstances
- Processing renewals
- Gathering proofs and documentation
- Issuing manual notices
- Creating case notes

County of Financial Responsibility

The county of financial responsibility is responsible for paying the county share of MA services. The county of financial responsibility is the county where the person lives on the day the county receives a written request for assistance except in the following circumstances:

- When a person moves to a different county, the new county becomes the county of financial responsibility after two full calendar months following the month of the move~~, not including the month of the move~~.
- When a person lives in an excluded time facility or receives excluded time services, the county of financial responsibility is the county in which the person lived immediately before the excluded time started.

Excluded Time

Excluded time facilities and situations include:

- Hospitals
- Long-Term Care Facilities (LTCF)

- Shelters (other than emergency shelters)
- Halfway houses
- Foster homes for children receiving Title IV-E and Non-Title IV-E Foster Care
- Homes for children receiving Title IV-E and Non-Title IV-E Kinship Assistance
- Adult foster care
- Board and lodging facilities
- Maternity homes
- Battered women's shelters
- Correctional facilities
- Regional treatment centers (RTC)
- Placement in a facility based on an emergency hold
- Placements in day training and habilitation programs
- Assisted living services
- Placements with an indeterminate commitment, including independent living

A person may receive excluded time services while living at home or in a group living situation. Excluded time services include:

- Participation in a rehabilitation facility which meets the definition of a long-term sheltered workshop
- Receipt of services from a Semi-Independent Living Services (SILS) Program
- Day training and habilitation programs

Safe at Home

When a person is a Safe at Home (SAH) program participant, they use a PO Box address assigned to them. SAH provides a mail forwarding service. The county of financial responsibility and county of residence are the county in which the person lives. More information about SAH Address Confidentiality Program is available from the Minnesota Secretary of State.

Legal Citations

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

Minnesota Statutes, section 5B, subdivision 1 to 13

Minnesota Statutes, section 256G.02, subdivision 4

Minnesota Statutes, section 256G.02, subdivision 6

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D. Section 2.2.3.3 MA-FCA Income Limit

Medical Assistance for Families with Children and Adults

2.2.3.3 Income Limit

To be eligible for Medical Assistance for Families with Children and Adults (MA-FCA) a person's income must be less than or equal to the applicable income limit. Income limits are based on federal poverty guidelines.

Federal Poverty Guidelines

The U.S. Department of Health and Human Services (HHS) issues federal poverty guidelines (FPG) each year. New guidelines are used beginning each July 1.

These guidelines determine income eligibility for MA-FCA. A person's applicable income limit is based on many factors, including, but not limited to:

- The basis of eligibility for Medical Assistance (MA)
- The number of people included in the family size
- Whether the person has a medical spenddown for MA

Income Limits for Medical Assistance for Families with Children and Adults

The following income limits determine eligibility for MA -FCA:

- Pregnant women: less than or equal to 278% FPG
- Infants under 2: less than or equal to 283% FPG
  - Children's Health Insurance Program (CHIP) funded MA may be available for infants with income between 275% and 283% FPG who are not enrolled in other health insurance
- Children 2 through 18: less than or equal to 275% FPG
- Children 19 and 20: less than or equal to133% FPG
- Parent and caretaker relatives: less than or equal to 133% FPG
- Adults without children: less than or equal to 133% FPG
- Transition Year MA (TYMA) second six months: less than or equal to 185% FPG

Auto newborns and former foster children younger than age 26 have no income limit.

See the Minnesota Health Care Programs Income and Asset Guidelines (DHS-3461A) for more information regarding family size and income limits.

Five Percent FPG Disregard

When the person's income is above the income limit, an income disregard equal to 5% FPG is applied. When the person's income, minus the disregard, is within the income limit, they qualify for MA-FCA. This disregard effectively raises the MA-FCA income limits by 5%.

Safety Net Provision

In certain situations, a person's income may be greater than his or her income standard for MA-FCA and be less than the MinnesotaCare income standard due to differences in how income is calculated for each program. This results in ineligibility for both programs. This may occur when:

- A lump sum is counted in the month received under the MA-FCA income methodology, but counted as part of annual income using the MinnesotaCare income methodology.
- Sponsor income is counted in the household income using the MA-FCA income methodology, but not counted in the MinnesotaCare income methodology.
- A child younger than age of 19 has income greater than the MA-FCA income limit, but has projected annual income (PAI) less than 100% FPG for MinnesotaCare eligibility. This can happen because MA-FCA and MinnesotaCare have different household composition and family size policies.
- Current income is used in the MA-FCA income methodology, but ~~projected annual income~~ PAI is used for the MinnesotaCare income methodology.

When these situations arise, people are eligible for MA if their ~~projected annual income~~ PAI is below 100% FPG using the MinnesotaCare income methodology and household composition rules. People whose ~~projected annual income~~ PAI is equal to or greater than 100% FPG, but equal to or less than 133% FPG using the MinnesotaCare income methodology and household composition rules are eligible for MinnesotaCare.

A person determined eligible for MA under the safety net provision has PAI for the current calendar year below 100% FPG. When a new year begins, they may have a new PAI amount, and may or may not continue to qualify for MA under the safety net provision.

Retroactive Eligibility Under the Safety Net Provision

A person may be eligible for retroactive MA under the safety net provision for up to three months prior to the month of application. If a person enrolled in another Insurance Affordability Program is determined eligible for MA under the safety net provision due to a change in circumstances, MA is available under the safety net provision for up to three months prior to the date the change was reported.

Verification

Because verification of income is required prior to MA eligibility, PAI is a pre-eligibility verification for people who appear to be eligible under the safety net provision. PAI must be verified through an available electronic data source or by paper proof, if electronic data sources are unsuccessful or unavailable.

Legal Citations

Code of Federal Regulations, title 42, section 435.100

Code of Federal Regulations, title 42, section 435.116

Code of Federal Regulations, title 42, section 435.118

Code of Federal Regulations, title 42, section 435.119

Code of Federal Regulations, title 42, section 435.603

Code of Federal Regulations, title 42, section 435.915

Minnesota Statutes, section 256B.056

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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 <u>monthly</u> 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.

Refer to the MAGI Fact Sheet for a quick reference guide on MAGI.

<u>Current income is the income a person actually receives in a current or past month, and expects to receive during each month of their 12-month certification period.</u>

<u>Current income is reported and counted based on how frequently a person receives it. A person may receive income weekly, biweekly (every other week), semi-monthly (twice a month), monthly, quarterly, or in other frequencies. Current monthly income is counted in the month received. Income received less frequently than monthly is counted based on the average monthly income. Income that varies month to month and seasonal income are reported and counted based on the annual amount a person expects to receive during the 12-month certification period.</u>

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 are 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

Legal Citations

Code of Federal Regulations, title 42, section 435.603

Code of Federal Regulations, title 45, section 155.305

Minnesota Statutes, section 256B.057

Minnesota Statutes, section 256L.01

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F. Section 2.2.4.2 MA-FCA Renewals

Medical Assistance for Families with Children and Adults

2.2.4.2 Renewals

Enrollees in Medical Assistance for Families with Children and Adults (MA-FCA) must have eligibility renewed every 12 months. Renewing eligibility means redetermining eligibility.

<u>Enrollees in MA for Families and Children with a Medical Spenddown must complete an annual renewal and a six-month income renewal. See MA for Families with Children and Adults Medical Spenddown for more information.</u>

Annual Renewal Month

The annual renewal month is the month in which eligibility is redetermined for the next 12 months. The first annual renewal month after application is 12 months from the month of application and occurs annually thereafter as long as the enrollee remains eligible for MA.

Consent to Use Federal Tax Information

Applicants have the option when completing the application to allow the use of income data from the Internal Revenue Service to renew eligibility. Applicants choose one of six options for authorizing automatic eligibility redeterminations:

- Five years
- Four years
- Three years
- Two years
- One year
- Do not use information from my tax returns to renew my coverage

When authorized by the applicant, eligibility is redetermined using information in the case file that can be verified through electronic data sources.

Automatically Renewed MA-FCA Enrollees

Enrollees who have their eligibility automatically renewed receive a notice that includes a summary of the information used to renew their eligibility. If all of the information is correct, the enrollee does not need to do anything. If any of the information is inaccurate, the enrollee must report any corrections or changes.

Renewal Form for MA-FCA Enrollees

Enrollees whose eligibility is not automatically renewed will receive a renewal form. Enrollees must review, make any changes or updates, sign and return the renewal form to their servicing agency within 30 days from the issuance date on the renewal notice.

Late Renewals

A late renewal is a renewal for which either of the following is true:

- the renewal form is received before the last day of the fourth month following closure
- any additional information or verifications that were required are received before the last day of the fourth month following closure

Eligibility for enrollees who do not return the renewal form, or who return the form but do not provide all the information and verifications needed to renew eligibility, is closed. However, eligibility for enrollees who are closed for failing to renew may be redetermined without requiring a new application if the form is returned within four months of the date of closure. A late renewal is a new application. All application policies apply.

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Code of Federal Regulations, title 42, section 435.916

Minnesota Statutes, section 256B.056, subdivision 7a

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G. Section 2.3.3.2.7.4.2 MA-ABD Non-Homestead Real Property

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

2.3.3.2.7.4.2 Non-Homestead Real Property

Non-homestead real property is land ~~and~~ with or without buildings or immovable objects attached permanently to the land ~~but is~~ that are not the person's principal place of residence. Non-homestead real property is generally counted as an asset; however, it is considered unavailable during the time a person makes a reasonable effort to sell the property.

Evaluating Manufactured Homes as Non-Homestead Real Property

A manufactured home, including a mobile home, that is not the person's principal place of residence is evaluated as non-homestead real property only if each of the following criteria is met:

- The owner of the manufactured home holds title to the land on which it is situated;
- The manufactured home is affixed to the land by a permanent foundation, is affixed to the land like other real property in the community, or is installed according to building codes and standards; and
- The manufactured home is connected to public utilities, has a well and septic tank system, or is serviced by water and sewer facilities comparable to other real property in the community.

If a non-homestead manufactured home does not meet these criteria, then it is evaluated as personal property. See Household Goods, Personal Effects, and Other Personal Property.

Evaluating the Equity Value of Non-Homestead Real Property

Equity value of non-homestead real property is determined by subtracting encumbrances from the estimated market value (EMV) found on a property tax statement. An encumbrance is any legal debt, such as a mortgage, lien, loan, purchase contract, or security interest. It must be supported with evidence of:

- The original amount owed
- The outstanding principal balance
- The schedule and amount of payments due on the principal balance

Equity value of non-homestead real property is counted toward the asset limit, unless:

- The property is determined to be unavailable, due to a legal or actual barrier to obtaining or disposing of the property.
- The person is making a reasonable effort to sell the property.

What is a reasonable effort to sell?

A reasonable effort to sell has three criteria:

1. Attempting to sell the property, which means:
   - Listing the property with a real estate broker, or
   - Advertising the property for sale using one or more public forms of advertisement available to residents of the geographic area where the property is located.
2. Listing an appropriate price for the property. The asking price should be the EMV on the tax statement, except when the accuracy of the EMV is disputed.
3. The owner must not reject any reasonable offer to buy the property.

The asking price can be the fair market value (FMV) determined by a licensed real estate appraiser if a person disputes the accuracy of the EMV. Neither a letter from a real estate agent with a recommended market price nor comparable listings from the immediate neighborhood are acceptable. A person who disputes the EMV but cannot afford an appraisal can request a new EMV determination from the county in which the property is located.

Reasonable efforts to sell the property must continue until the property is sold in order to continue the exclusion.

What is a reasonable offer?

An owner must attempt to get offers for the EMV or the verified FMV if the owner disputes the EMV.

- No minimum length of time is required for an owner to try to get offers close to the EMV (or FMV). The reasonable length of time is based on the local market, or the time period designated in a real estate contract.
- The property must be offered for sale on the open market before the owner may accept an offer lower than the EMV (or FMV).
- An offer for less than two-thirds of the EMV (or FMV) is not considered reasonable.

Legal Citations

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

Minnesota Statutes, section 273.125, subdivision 8

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H. Section 2.3.5.1.3 MA-EPD Work Requirements

Medical Assistance for Employed Persons with Disabilities

2.3.5.1.3 Work Requirements

A person must be employed to be eligible for Medical Assistance for Employed Persons with Disabilities (MA-EPD). This policy describes specific employment requirements for MA-EPD.

Employment Income

A person must have ~~a monthly average gross~~ earned income greater than $65 from wages or self-employment earnings. For wages, earned income is monthly average gross income. For self-employment income, earned income is the net earnings from self-employment, which is the gross income minus all expenses the Internal Revenue Service (IRS) allows as a self-employment expense.

Social Security and Medicare taxes must be withheld from wages. State and federal income taxes need only be paid or withheld if the person earns enough to be required to pay those taxes. A person with self-employment earnings must pay Social Security and Medicare taxes at least annually. Quarterly estimated state and federal income taxes must be paid if the person earns enough to be required to pay those taxes.

A person cannot retain MA-EPD eligibility or become eligible for MA-EPD simply by filing self-employment taxes. Self-employed people generally must:

- work for themselves rather than for an employer
- be responsible for their own work schedule
- not be covered under an employer's liability insurance or Workers' Compensation
- pay Social Security and Medicare taxes

The following are not considered employment income for MA-EPD:

- Gratuitous money allowances
- Honoraria or stipends that only reimburse expenses or do not have Medicare and Social Security taxes withheld or paid annually
- Payments for participation in a clinical trial
- Payments for the sale of blood or blood plasma

Individuals with two sources of employment income, one source that has taxes withheld and one source that does not, are eligible for MA-EPD. The gross monthly earnings from which taxes are withheld must exceed $65.

Verification of Employment Income

Employment income must be verified at application and renewal.

Medical Leave or Job Loss Extension

MA-EPD enrollees must receive employment income or must engage in self-employment activities each month unless they meet specific medical leave or job loss criteria. However, medical leave and job loss provisions do not pertain to the month of application or in any retroactive month. An MA-EPD applicant must be employed at application and during any retroactive months.

MA-EPD enrollees are still considered employed if they change jobs and receive no paychecks for one month because of different pay periods in each job.

Four-Month Medical Leave

An MA-EPD enrollee may maintain eligibility, without earnings, for up to four calendar months due to a verified medical condition.

- A physician's statement is necessary to verify the need for medical leave before continuing coverage under MA-EPD.
- The four-month medical leave begins the month after the enrollee is unable to work.

Four-Month Job Loss

An MA-EPD enrollee may maintain eligibility, without earnings, for up to four months due to job loss that was not caused by or attributed to the enrollee. Situations that would allow a four-month extension include, but are not limited to, layoffs due to lack of work or business closing.

- Verification of the reason the enrollee became unemployed is required before continuing coverage under MA-EPD.
- The four-month job loss leave begins after the enrollee stops working or receives the last paycheck, whichever is later.

MA-EPD enrollees who become unemployed for reasons attributable to them, such as poor work performance, discharge for misconduct, or resignation for reasons other than medical leave, are not eligible for the four-month extension.

Employees who become unemployed while on medical leave from their jobs may remain enrolled for four additional months following the month in which they are terminated or laid off.

There is no annual limit on the number of times the MA-EPD medical leave or job loss extensions can be used. The enrollee must return to work between leaves and meet all requirements. Enrollees who remain eligible for MA-EPD due to the four-month job loss extension may not extend eligibility with a medical leave without returning to work between leaves.

Enrollees must continue to pay MA-EPD premiums during the four-month medical leave or job loss extension.

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I. 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, 2018 to June 30, 2019	$617
July 1, 2017, to June 30, 2018	$609

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, 2019 ~~2018~~ to December 31, 2019 ~~2018~~	$3,160.50 ~~3,090~~
January 1, 2018 ~~2017~~ to December 31, 2018 ~~2017~~	$3,090 ~~3,022.50~~

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, 2018 to June 30, 2019	$2,058
July 1, 2017 to June 30, 2018	$2,031

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, 2018 to September 30, 2019	$493
October 1, 2016 to September 30, 2017	$556

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, 2018 to September 30, 2019	$126
October 1, 2017 to September 30, 2018	$172

Effective Dates	Telephone Allowance
October 1, 2018 to September 30, 2019	$47
October 1, 2017 to September 30, 2018	$41

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, 2019 ~~2018~~ to December 31, 2019 ~~2018~~	$585,000 ~~572,000~~
January 1, 2018 ~~2017~~ to December 31, 2018 ~~2017~~	$572,000 ~~560,000~~

IRS Mileage Rate

The IRS mileage rate is used in many calculations to determine eligibility or reimbursement costs.

Effective Dates	IRS Mileage Rate
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.

Effective Dates	Clothing and Personal Needs Allowance
January 1, 2019 ~~2018~~ to December 31, 2019 ~~2018~~	$102 ~~99~~
January 1, 2018 ~~2017~~ to December 31, 2018 ~~2017~~	$99 ~~97~~

Home Maintenance Allowance

The Home Maintenance Allowance can be deducted from a person's LTC income calculation if certain conditions are met.

Effective Dates	Home Maintenance Allowance
July 1, 2018 to June 30, 2019	$1,012
July 1, 2017 to June 30, 2018	$1,005

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).

Effective Dates	Maintenance Needs Allowance
July 1, 2018 to June 30, 2019	$1,003
July 1, 2017 to June 30, 2018	$990

Maximum Asset Allowance

The Maximum Asset Allowance is used for the community spouse asset allowance for an asset assessment.

Effective Dates	Minimum	Maximum
January 1, 2019 ~~2018~~ to December 31, 2019 ~~2018~~	No minimum	$126,420 ~~123,600~~
January 1, 2018 ~~2017~~ to December 31, 2018 ~~2017~~	No minimum	$123,600 ~~120,900~~

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).

Effective Date	Pickle Disregard
January 1, 2019 ~~2018~~ to December 31, 2019 ~~2018~~	1.028 ~~1.02~~
January 1, 2018 ~~2017~~ to December 31, 2018 ~~2017~~	1.02 ~~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.

Effective Dates	Remedial Care Expense
January ~~July~~ 1, 2019 ~~2018~~ to June 30 ~~December 31~~, 2019 ~~2018~~	$196 ~~193~~
July ~~January~~ 1, 2018 to December 31 ~~June 30~~, 2018	$193 ~~188~~

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.

Roomer and Boarder Standard	Amount
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.

Effective Dates	SIS
January 1, 2019 ~~2018~~ to December 31, 2019 ~~2018~~	$2,313 ~~2,250~~
January 1, 2018 ~~2017~~ to December 31, 2018 ~~2017~~	$2,250 ~~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.

Effective Dates	SAPSNF
July 1, 2018 to June 30, 2019	$7,288
July 1, 2017 to June 30, 2018	$7,106

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.

Effective Date	Monthly	Annual
January 1, 2019 ~~2018~~ to December 31, 2019 ~~2018~~	$1,870 ~~1,820~~	$7,550 ~~7,350~~
January 1, 2018 ~~2017~~ to December 31, 2018 ~~2017~~	$1,820 ~~1,790~~	$7,350 ~~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.

Effective Date	Individual
January 1, 2019 ~~2018~~ to December 31, 2019 ~~2018~~	$771 ~~750~~
January 1, 2018 ~~2017~~ to December 31, 2018 ~~2017~~	$750 ~~735~~

Effective Date	Couple
January 1, 2019 ~~2018~~ to December 31, 2019 ~~2018~~	$1,157 ~~1,125~~
January 1, 2018 ~~2017~~ to December 31, 2018 ~~2017~~	$1,125 ~~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<u>s</u> for Tax Dependents ~~for the 2018 Tax Year~~

Marital Status	Age over 65?	Blind?	Income Type	<u>2018 Tax Year</u> Threshold Amount	<u>2019 Tax Year Threshold Amount</u>
Single	No	No	Earned Income	$6,350	<u>$12,000</u>
Single	No	No	Unearned Income	$1,050	<u>$1,050</u>
Single	No	No	Gross Income	Larger of $1,050 or Earned Income Reported up to $6,000 + $350	<u>Larger of $1,050 or Earned Income Reported up to $11,650 + $350</u>
Single	Yes	No	Earned Income	$7,900	<u>$13,600</u>
Single	Yes	No	Unearned Income	$2,600	<u>$2,650</u>
Single	Yes	No	Gross Income	Larger of $2,600 or Earned Income Reported up to $6,000 + $1,900	<u>Larger of $2,650 or Earned Income Reported up to $11,650 + $1,950</u>
Single	No	Yes	Earned Income	$7,900	<u>$13,600</u>
Single	No	Yes	Unearned Income	$2,600	<u>$2,650</u>
Single	No	Yes	Gross Income	Larger of $2,600 or Earned Income Reported up to $6,000 + $1,900	<u>Larger of $2,650 or Earned Income Reported up to $11,650 + $1,950</u>
Single	Yes	Yes	Earned Income	$9,450	<u>$15,200</u>
Single	Yes	Yes	Unearned Income	$4,150	<u>$4,250</u>

Single	Yes	Yes	Gross Income	Larger of $4,150 or Earned Income Reported up to $6,000 + $3,450	Larger of $4,250 or Earned Income Reported up to $11,650 + $3,550
Married	No	No	Earned Income	$6,350	$12,000
Married	No	No	Unearned Income	$1,050	$1,050
Married	No	No	Gross Income	Larger of $1,050 or Earned Income Reported up to $6,000 + $350	Larger of $1,050 or Earned Income Reported up to $11,650 + $350
Married	Yes	No	Earned Income	$7,600	$13,300
Married	Yes	No	Unearned Income	$2,300	$2,350
Married	Yes	No	Gross Income	Larger of $2,300 or Earned Income Reported up to $6,000 + $1,600	Larger of $2,350 or Earned Income Reported up to $11,650 + $1,650
Married	No	Yes	Earned Income	$7,600	$13,300
Married	No	Yes	Unearned Income	$2,300	$2,350
Married	No	Yes	Gross Income	Larger of $2,300 or Earned Income Reported up to $6,000 + $1,600	Larger of $2,350 or Earned Income Reported up to $11,650 + $1,650
Married	Yes	Yes	Earned Income	$8,850	$14,600
Married	Yes	Yes	Unearned Income	$3,550	$3,650
Married	Yes	Yes	Gross Income	Larger of $3,550 or Earned Income Reported up to $6,000 + $2,850	Larger of $3,650 or Earned Income Reported up to $11,650 + $2,950

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