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 #19.2

April 1, 2019

Manual Letter #19.2

This manual letter lists new and revised policy for the Minnesota Health Care Programs (MHCP) Eligibility Policy Manual (EPM) as of April 1, 2019. 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 this manual letter to the EPM home page.

B. Section 1.2.5 MHCP Retroactive Eligibility

We clarify in this section that eligibility for or enrollment in MinnesotaCare, Advanced Premium Tax Credits (APTC) or qualified health plans (QHP) without subsidy is not a barrier to eligibility for MA with a spenddown, including in retroactive months.

C. Section 2.1.1.2.4 Medical Assistance (MA) Referral for Other Benefits

The changes to this section include the following:

- MA will not pay for Medicare-covered services for people who are eligible for, but do not enroll in Medicare Part A without a premium
- MA cannot pay for any prescription drug costs for eligible Part D beneficiaries regardless of whether or not they are enrolled in Medicare Part D
- Prescription drug bills that are not covered by Medicare can be used to meet a medical spenddown

D. Section 2.1.2.2.1 MA Citizenship

We add new information in this section regarding what is required of an affidavit that can be provided as proof of citizenship.

E. Section 2.1.2.3 MA County Residency

We add information about county of financial responsibility when an applicant moves to a new county during the application processing period. This information was inadvertently left out when we published the EPM.

F. Section 2.2.1.2 MA for Families with Children and Adults (MA-FCA) Mandatory Verifications

The change to this section requires that county, tribal and state agencies retain documentation in accordance with the County Human Service Records Retention Schedule (DHS-6928).

G. Section 2.2.3.4 MA-FCA Income Methodology

We add clarification in this section that money a person receives through a fundraising or donation event is considered a personal gift if the money was given directly or indirectly without the expectation of receiving anything in return. Personal gifts are not included in a person's adjusted gross income.

H. Section 2.2.3.6 MA-FCA Medical Spenddown

The changes to this section include:

- Information that a person may qualify for MA for Families and Children with a Medical Spenddown up to three months before the month of application.
- Information that eligibility for or enrollment in MinnesotaCare, APTC or QHP without subsidy is not a barrier to eligibility for MA for Families and Children with a Medical Spenddown

I. Section 2.3.1.1 MA for People Who Are Age 65 or Older and People Who Are Blind or Have a Disability (MA-ABD) Mandatory Verifications

The change to this section requires that county, tribal and state agencies retain documentation in accordance with the County Human Service Records Retention Schedule (DHS-6928).

J. Section 2.3.3.2.3 MA-ABD Excluded Assets

We revise the policy in this section to indicate that Retirement, Survivors and Disability Insurance (RSDI) and Supplemental Security Income (SSI) benefits must be identifiable to be excluded, but are not required to be segregated, except in the limited case of people under age 18 with representative payees.

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

We add clearer language regarding the impact on non-homestead real property when reasonable efforts to sell the property are no longer made.

L. Section 2.3.3.2.7.7 MA-ABD Automobiles and Other Vehicles Used for Transportation

The change to this section clarifies that a leased vehicle is not an asset because it is not owned by the person and has no equity value to the person.

M. Section 2.3.3.4 MA-ABD Medical Spenddowns

The changes to this section include:

- Information that a person may qualify for MA-ABD with a Medical Spenddown up to three months before the month of application
- Information that eligibility for or enrollment in MinnesotaCare, APTC or QHP without subsidy is not a barrier to eligibility for MA-ABD with a Medical Spenddown

N. Section 2.3.5.3.1 MA for Employed Persons with Disabilities (MA-EPD) Assets

We clarify in this section that individual retirement accounts (IRAs) held in the form of an annuity are also excluded as an asset for MA-EPD.

O. Section 2.5.1.1.2 MA for Women with Breast or Cervical Cancer (MA-BC) Mandatory Verifications

The change to this section requires that county, tribal and state agencies retain documentation in accordance with the County Human Service Records Retention Schedule (DHS-6928).

P. Section 2.5.2.1.1 MA Centers for Victims of Torture (MA-CVT) Mandatory Verifications

The change to this section requires that county, tribal and state agencies retain documentation in accordance with the County Human Service Records Retention Schedule (DHS-6928).

Q. Section 2.5.3.1.1 Emergency Medical Assistance (EMA) Mandatory Verifications

The change to this section requires that county, tribal and state agencies retain documentation in accordance with the County Human Service Records Retention Schedule (DHS-6928).

R. Section 2.5.6.1.1.1 MA Northstar Adoption Assistance (MA-NAA) Mandatory Verifications

The change to this section requires that county, tribal and state agencies retain documentation in accordance with the County Human Service Records Retention Schedule (DHS-6928).

S. Section 2.5.6.2.1.1 MA Northstar Title IV-E Foster Care (FC) and Title IV-E Kinship Assistance (KA) Mandatory Verifications

The change to this section requires that county, tribal and state agencies retain documentation in accordance with the County Human Service Records Retention Schedule (DHS-6928).

T. Section 3.2.3.2 MinnesotaCare Employer-Sponsored Coverage

The affordability standard for employer-sponsored coverage increased from 9.56 percent to 9.86 percent beginning January 1, 2019. We update the percentage in this section to reflect the effective percentage.

U. Section 3.2.5 MinnesotaCare Age

This new section provides information about how a person's age affects their eligibility for MinnesotaCare.

V. Section 3.3.3 MinnesotaCare Income Methodology

The changes to this section include:

- Information about when Medicaid waiver payments received by a person who provides Home and Community-Based Services (HCBS) waiver services are included in a person's adjusted gross income. This change aligns the information for MinnesotaCare with information provided in Section 2.2.3.4 MA-FCA Income Methodology.
- Information that money a person receives through a fundraising or donation event is considered a personal gift if the money was given directly or indirectly without the expectation of receiving anything in return. Personal gifts are not included in a person's adjusted gross income.

W. Appendix F Standards and Guidelines

The Internal Revenue Service (IRS) mileage rate increased from 54.5 cents to 58 cents effective January 1, 2019. We update the current effective rate in this appendix.

We also add the IRS mileage rate of 54.5 cents effective from January 1, 2018, through December 31, 2018, because it had not yet been added to the EPM.

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

B. Section 1.2.5 MHCP Retroactive Eligibility

C. Section 2.1.1.2.4 MA Referral for Other Benefits

D. Section 2.1.2.2.1 MA Citizenship

E. Section 2.1.2.3 MA County Residency

F. Section 2.2.1.2 MA-FCA Mandatory Verifications

G. Section 2.2.3.4 MA-FCA Income Methodology

H. Section 2.2.3.6 MA-FCA Medical Spenddown

I. Section 2.3.1.1 MA-ABD Mandatory Verifications

J. Section 2.3.3.2.3 MA-ABD Excluded Assets

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

L. Section 2.3.3.2.7.7 MA-ABD Automobiles and Other Vehicles Used for Transportation

M. Section 2.3.3.4 MA-ABD Medical Spenddowns

N. Section 2.3.5.3.1 MA-EPD Assets

O. Section 2.5.1.1.2 MA-BC Mandatory Verifications

P. Section 2.5.2.1.1 MA-CVT Mandatory Verifications

Q. Section 2.5.3.1.1 EMA Mandatory Verifications

R. Section 2.5.6.1.1 MA-NAA Mandatory Verifications

S. Section 2.5.2.1.1 MA Title IV-E FC and Title IV-E KA Mandatory Verifications

T. Section 3.2.3.2 MinnesotaCare Employer-Sponsored Coverage

U. Section 3.2.5 MinnesotaCare Age

V. Section 3.3.3 MinnesotaCare Income Methodology

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 #19.1, January 1, 2019

MHCP EPM Manual Letter #19.2, April 1, 2019

2018 Manual Letters

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 Posteligibility Verifications in METS

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 #18.1, January 1, 2018

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

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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, including MA with a spenddown, and MFPP coverage is the first day of the month three months before the month of application. 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.

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.

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 and MFPP coverage.

Medical Assistance with a Spenddown

Eligibility for or enrollment in MinnesotaCare, Advanced Premium Tax Credits (APTC) or qualified health plans (QHP) without subsidy is not a barrier to eligibility for retroactive MA with a spenddown. A person may be eligible for MA with a spenddown in the same month they are or were eligible for or enrolled in MinnesotaCare, APTC, or QHP without subsidy.

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 2.1.1.2.4 MA Referral for Other Benefits

Medical Assistance

2.1.1.2.4 Referral for Other Benefits

Medical Assistance (MA) enrollees who appear to have eligibility for other programs are required to apply for those programs to continue MA eligibility. Enrollees must apply for benefits from other programs if it could increase their income or help pay medical expenses. Enrollees must apply within 30 days of when the county, tribal or state servicing agency notifies them of their potential eligibility, unless they can show good cause for not doing so.

Social Security benefits

Enrollees, potentially eligible for the following benefits, must apply to maintain MA eligibility.

Retirement Survivors Disability Insurance

The federal Social Security Administration (SSA) administers Retirement, Survivors and Disability Insurance (RSDI) benefits. RSDI provides a monthly income based on payroll contributions made via Social Security taxes.

The following people, if qualified under a Social Security number having at least 40 work quarters, may be eligible for RSDI:

- Retired people who meet SSA age requirements
- People certified disabled by SSA
- Dependents of a wage earner who is disabled or retired
- Dependent survivors of a wage earner who has died

RSDI eligible MA enrollees at full retirement age must apply for benefits. MA enrollees who are family members of RSDI eligible people must also apply for potential benefits.

People who are eligible for RSDI may also be eligible for SSI if their RSDI payment is less than the Supplemental Security Income (SSI) income standard.

Supplemental Security Income

Supplemental Security Income (SSI) is a federal supplemental income program operated by SSA and funded by general tax revenues. It provides monthly cash payments to people aged 65 or older and people certified disabled by SSA, who have little or no income, to help them meet basic needs for food, clothing and shelter. MA enrollees, potentially eligible for SSI, must apply for benefits.

Medicare

Enrollees who are potentially eligible for Medicare must apply to maintain MA eligibility. MA will not pay for Medicare-covered services for people who are eligible for, but do not enroll in Medicare Part A without a premium. MA ~~E~~enrollees who meet one of the following may qualify for Medicare:

- People age 65 or older who qualify for RSDI or Railroad Retirement Board (RRB) benefits
- Citizens and qualifying non-citizens age 65 or older who pay a Medicare Part A premium
- People certified disabled by SSA, after a 24-month waiting period. People with Amyotrophic Lateral Sclerosis (ALS) are eligible the same month they start receiving RSDI benefits.
- Widows and widowers and divorced widows and widowers with a SSA certified disability, after a two-year waiting period
- People with 1619(a) or 1619(b) status
- People with End-Stage Renal Disease (ESRD) defined as permanent kidney failure requiring dialysis or a kidney transplant

Medicare Part A

Medicare Part A is federal hospitalization insurance. People who are eligible for premium-free Medicare Part A may not refuse to apply or turn down this coverage to gain or continue MinnesotaCare or Advance Premium Tax Credit (APTC) eligibility.

Medicare Part B

Medicare Part B is medical insurance. There is a monthly premium for Part B. MA enrollees must apply and maintain Medicare Part B coverage, even if they are required to pay a premium. Medicare Savings Programs (MSP), the Medicare Buy-In and MA-EPD can help eligible clients with premiums and other costs. People who are in an Institution for Mental Diseases (IMD) may also receive help paying for premiums and other costs. People have a wide variety of Medicare-approved plans from which to choose.

Medicare Part D

Medicare Part D is prescription drug coverage. Enrollment in Medicare Part D is not required as a condition of MA eligibility. However, there are specific rules established for clients eligible for Medicare Part D who fail or refuse to enroll in, or opt out of, that program. MA cannot pay any prescription drug costs ~~that would be covered by Medicare Part D~~ for eligible Part D beneficiaries ~~who do not enroll~~ regardless of whether or not they are enrolled in Medicare Part D. However, prescription drug bills that are not covered by Medicare can be used to meet a medical spenddown.

Medicare eligible MA and MSP enrollees qualify for a full Extra Help subsidy automatically and must select a Medicare Part D benchmark plan. Medicare beneficiaries of all ages can get free assistance with selecting a Part D plan by calling the Senior LinkAge Line® at (800) 333-2433.

Railroad Retirement Benefits

The federal Railroad Retirement Board (RRB) administers railroad retirement benefits and Medicare for railroad workers and their families. RRB eligible MA enrollees at full retirement age must apply for benefits. The railroad worker's family members must also apply for potential benefits if the railroad worker is currently receiving RRB benefits or was receiving or eligible to receive benefits but is now deceased. People turning age 65 who are receiving railroad retirement benefits must apply for Medicare through the RRB.

Financial Needs

Enrollees, potentially eligible for the following benefits, must apply to maintain MA eligibility.

Minnesota Unemployment Insurance (UI) benefits provide a temporary partial wage replacement to workers who become unemployed through no fault of their own.

Workers' Compensation provides benefits for people injured or ill from their job.

MA enrollees who are veterans or a spouse of a veteran, using the People Aged 65 or Older, Blind or Disabled basis, living in a long-term care facility, must apply for the federal Veterans' Aid and Attendance program through the U.S. Department of Veterans Affairs (USDVA).

Exceptions

Enrollees are not required to reapply for benefits that were previously denied unless there has been a change in circumstances or eligibility requirements of the benefit program.

Legal Citations

Code of Federal Regulations, title 42, section 435.608

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D. Section 2.1.2.2.1 MA Citizenship

Medical Assistance

2.1.2.2.1 Citizenship

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

Eligibility 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 work with the agency to resolve clerical discrepancies preventing electronic verification or to provide proof. A notice 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. The 90 day plus 5 days for mailing cannot be extended for citizenship verification for MA enrollees. Coverage must end 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 (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.

Paper Proof of Citizenship

Applicants and enrollees who must provide proof because citizenship could not 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
- 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.

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 birth certificate or other birth document
    - 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.
- A Certificate of Report of Birth, issued to the 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
- 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
- Medical Records showing a U. S. place of birth
- Life, Health or other insurance company record showing a U. S. 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.

  <u>The affidavit must be signed under penalty of perjury by a person other than the applicant who can attest to the applicant's citizenship. The affidavit must include the applicant's name, date of birth, and place of birth. The affidavit does not need to be notarized.</u>

- 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
  - School ID card
  - U.S. Military ID card or draft record
  - Military Dependent's ID Card
  - U.S Coast Guard Merchant Mariner Card

- For a child under age 19:
  - School records including pre-school or daycare records
  - Clinic, doctor or hospital 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 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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E. Section 2.1.2.3 MA County Residency

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 an ~~person~~ enrollee 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.
- When an applicant moves to a new county during the application processing period, the county that received the application is financially responsible, whether or not that county has acted on the application. The new county becomes the county of financial responsibility after two full calendar months following 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 5B, subdivision 1 to 13

Minnesota Statutes, section 256G.02, subdivision 4

Minnesota Statutes, section 256G.02, subdivision 6

Minnesota Statutes, section 256J.75, subdivision 2

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F. Section 2.2.1.2 MA-FCA Mandatory Verifications

Medical Assistance for Families with Children and Adults

2.2.1.2 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.

Medical Assistance for Families With Children and Adults (MA-FCA)

- Current income
- Immigration status
- Social Security number
- U.S. citizenship

MA for parents, relative caretakers, pregnant women and children with a spenddown must also verify:

- Medical expenses to meet a spenddown
- Assets, when an asset limit applies
    - Verification of assets is required at application and when a new asset is reported. If an asset is determined to be excluded it does not need to be verified again at renewal.
    - Verification of the following assets are not required at application or renewal:
        - Homestead, if it qualifies for the real property homestead exclusion. The only exception applies to people who are applying for or renewing Medical Assistance for Long Term Care eligibility. Refer to Section 2.4.1.2 MA LTC Home Equity Limit for more information about the exception.
        - Vehicle, if only one is reported. Refer to Section 2.3.3.2.7.7 MA ABD Automobiles and Other Vehicles Used for Transportation for more information.
        - Household goods and personal effects

<u>County, tribal and state servicing agencies must retain verification documentation in accordance with the County Human Service Records Retention Schedule (DHS-6928).</u>

Legal Citations

Code of Federal Regulations, title 42, section 435.945

Code of Federal Regulations, title 42, section 435.952

Minnesota Rules, part 9505.0095

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G. 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 monthly 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.

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.

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.

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

  Generally, money a person receives through a fundraising or donation event is considered a personal gift if the money was given directly or indirectly without the expectation of receiving anything in return. Personal gifts are not included in a person's adjusted gross income.
- 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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H. Section 2.2.3.6 MA-FCA Medical Spenddown

Medical Assistance for Families with Children and Adults

2.2.3.6 Medical Spenddown

A spenddown is a cost-sharing approach that allows Medical Assistance (MA) eligibility for people whose income is greater than the applicable limit. Federal rules refer to this population as "medically needy."

People can become income eligible for MA by "spending down" their excess income to the appropriate income limit. The excess income is reduced by deducting certain health care expenses.

Parents, caretaker relatives, pregnant women and children who are not eligible for MA because they are over the income limit and who have medical expenses may be eligible for MA with a spenddown. Federal law does not permit stepparents or people using an adults without children basis of eligibility to be eligible for MA with a spenddown.

Retroactive Eligibility for MA for Families and Children with a Medical Spenddown

A person may qualify for MA for Families and Children with a Medical Spenddown up to three months before the month of application.

MA for Families and Children with a Medical Spenddown and Other Insurance Affordability Programs

A person may be eligible for MA for Families and Children with a Medical Spenddown in the same month they are or were eligible for or enrolled in MinnesotaCare, Advanced Premium Tax Credits (APTC) or qualified health plan (QHP) without subsidy. Eligibility for or enrollment in MinnesotaCare, APTC, or QHP without subsidy is not a barrier to eligibility for MA for Families and Children with a Medical Spenddown.

Spenddown Criteria

People may be eligible for MA with a spenddown if they:

- meet all other MA eligibility criteria;
- meet the applicable asset limit;
- have a parent, caretaker relative, pregnant woman or child basis of eligibility;
- have income that exceeds the applicable MA income standard; and
- have medical expenses equal to or greater than their spenddown.

People with an age 65 or older, blind or disabled basis of eligibility must meet different criteria than those described on this page. See MA for People Who Are Age 65 or Older and People Who Are Blind or Have a Disability (MA-ABD) Medical Spenddown for more information.

Spenddown Types and Health Care Expenses

The policies for spenddown types, eligible health care expenses and spenddown adjustments are the same for MA for Families and Children with a Medical Spenddown and MA-ABD with a Medical Spenddown. See the following policies for details:

MA-ABD Medical Spenddowns

MA-ABD Spenddown Types

MA-ABD Health Care Expenses

Non-Financial Eligibility for MA for Families and Children with a Medical Spenddown

People enrolled in MA for Families and Children with a Medical Spenddown must meet the same responsibilities and post-eligibility requirements as enrollees in MA for Families with Children and Adults (FCA) without a spenddown:

Bases of Eligibility

This policy applies to medical spenddowns for the following people:

- Biological, natural or adoptive parent
- Caretaker relative
- Pregnant woman
- Child age birth through 20

Household Composition

Household composition and household size affects asset and income limits. People who live together and have the following relationships are considered in the household composition determination for MA for Families and Children with a Medical Spenddown.

The following people are included in the household size of an adult applicant, age 21 and older:

- Applicant
- Spouse
- Children under age 21, biological, adoptive and step-children

    - Emancipated minors are not included. An emancipated minor is a person under the age of 18 who is or was married, is on active-duty in the uniformed services, or declared emancipated by a court.
- Unborn child or children of the applicant or spouse

The following people are included in the household size of a child applicant, under age 21:

- Applicant
- Parents of applicant, including biological, natural, and adoptive parents
- Siblings under age 21, including biological, adoptive, half and step-siblings
    - Emancipated minors are not included
- Spouse
- Children of the child applicant
- Unborn child or children of the applicant, spouse or children

The following people are included in the household size of an emancipated minor:

- Applicant
- Spouse
- Children of the child applicant
- Unborn child or children of the applicant or spouse

Financial Eligibility for MA for Families and Children with a Medical Spenddown

Asset Limit

Assets are items of value that people own like bank accounts, stocks and bonds, cars and real estate. See Appendix A Types of Assets for definitions of the different types of assets.

- Children and pregnant women eligible for MA with a spenddown have no asset limit.
- Parents and caretaker relatives eligible for MA with a spenddown have the following asset limits:
    - $10,000 asset limit for a household of one
    - $20,000 for a household of two or more

Categories of Assets

Assets fall into two categories, excluded and countable.

- Excluded assets: Certain types and amounts of assets are excluded and do not count against a person’s asset limit. Any assets that are not specifically excluded are countable.

- Countable assets: Countable assets are evaluated for availability and may count towards the person's asset limit.
  - Available assets: count against the asset limit
  - Unavailable assets: do not count against the asset limit

Income received in a given month is not an asset in that month. If retained beyond the month of receipt, income becomes an asset.

Excluded Assets

Excluded assets are not counted against the asset limit when establishing eligibility. Excluded assets for MA with a spenddown for a parent or caretaker relative include:

- Adoption Assistance
- Agent Orange Settlement Fund payments
- Alaska Native Claims Settlement Act (ANCSA) payments
- Blood Product Settlement payments
- Bureau of Indian Affairs (BIA) student financial aid
- Burial assets
- Cobell v. Salazar Class Action Settlement (also known as Claims Resolution Act of 2010)
- Corporation for National and Community Service (CNCS) payments
- Crime victim payments
- Disaster assistance, federal declaration
- Disaster assistance, state declaration
- Filipino Veterans Equity Compensation (FVEC) payments
- First $200,000 of household self-employment assets (net value of assets of a trade or business needed for a client to earn income). This includes self-employment assets that are temporarily not being used due to the self-employed person's illness or disability.
- Foster Care payments
- Gifts to children with life threatening conditions
- Homestead property
- Household goods and personal effects
- I-35W Bridge Collapse payment
- Individual Development Accounts (IDA)
- Interest income from Indian trust land or restricted lands
- James Zadroga 9/11 Health and Compensation Act of 2010
- Japanese-American and Aleutian Restitution payments

- Jensen Settlement Agreement Payment
- Low Income Home Energy Assistance Program (LIHEAP) payments
- Minnesota Housing Finance Agency (MHFA) home improvement loan
- Nazi Persecution payment
- Personal property
- Public assistance appeal payments
- Radiation Exposure Compensation Act payments
- Real property
- Relocation Assistance Payments, federal
- Relocation Assistance Payments, state and local
- Retirement plans
- Ricky Ray Hemophilia Relief Act payments
- Student financial aid
- Tax refund
- Term life insurance
- Trade or business asset
- Tribal Land Settlements or Judgements
- Third Party Trusts
- Vehicles -used for employment or seeking employment, one per household member of legal driving age
- Veterans' Benefits for Educational Assistance
- Veterans' Children with Certain Birth Defects payments
- Vietnamese Commando Compensation Act payments
- Workers' compensation settlement

Countable Assets

Assets not specifically excluded are considered countable assets. Countable assets must be evaluated for availability to determine if their value counts toward the person's asset limit. Countable assets that are available count towards the person's asset limit, unavailable assets do not.

- Assets are unavailable if a person is unable to access or use them for self-support and cannot liquidate them. They include:
  - Legally unavailable assets
  - Non-homestead real property with a reasonable effort to sell

- Countable assets are not explicitly excluded from being counted against the asset limit and are available to the person.
  - Annuities
  - Continuing Care Retirement Community (CCRC) entrance fee
  - Cash Surrender Value (CSV)
  - Certificate of Deposit (CDs)
  - Home Equity
  - Interest
  - Liquid assets
  - Money market account
  - Non-homestead real property
  - Non-term life insurance policy
  - Promissory notes
  - Qualified Tuition Program (QTP), also referred to as a Section 529 Plan
  - Self-employment assets over the maximum excluded net value of $200,000 per household
  - Trusts
  - Vehicles - in excess of one per household member of legal driving age

Reducing Assets

Parents and relative caretakers who are applying for MA and have excess countable assets in the month of application must reduce those assets to be within their asset limit by the end of the processing period to be eligible.

Some acceptable ways to reduce assets for applicants who have excess assets in the application month include, but are not limited to, paying bills or other obligations such as health care expenses or purchasing assets that do not count toward the asset limit.

Applicants who are requesting MA for Long-Term Care (LTC) services may be subject to a transfer penalty if they reduce assets by giving them away without receiving adequate compensation. See MA-LTC Uncompensated Transfers for more information.

Applicants must verify that they have reduced excess countable assets by providing bank statements or other documents that show current asset amounts, but are not required to provide receipts.

Eligibility can begin back to the first day of the month of application if the applicant reduces excess assets within the applicable processing period.

Applicants who are requesting retroactive coverage and need to reduce assets have different rules from applicants not requesting retroactive coverage. Applicants requesting retroactive eligibility can only reduce assets by paying medical expenses or retroactively designate burial funds.

Income

Income is cash or in-kind benefits available to a person. Income is divided into two major categories, earned and unearned:

- Earned income is cash or in-kind benefits received in return for work or services, including employment and self-employment.
- Unearned income is cash or in-kind benefits received without being required to perform any work or service, including spousal maintenance, child support, annuities, pensions, etc.

Income is either counted or not counted. Income is not counted if it is unavailable or if it is excluded by law. Whether income is counted depends on the type of income. Income is counted in the month it is received. See Appendix B Types of Income for descriptions of each type of income.

Counted Income

- AmeriCorps State or National living allowances and other payments
- AmeriCorps-National Civilian Community Corps (AmeriCorps NCCC) living allowances and other payments
- Amount over $2,000 interest income from Indian trust land or other restricted Indian lands
- Amount over $2,000 of cash payments from tax-exempt organizations for a child with a life-threatening condition
- Annuity payments
- Blood and blood plasma sales
- Child support income
- Clergy housing allowances
- Commissions
- Compensation from an employer's vacation donation program, if paid and taxed in the same manner as the employee's usual pay
- Conservation and Youth Service Corps wages
- Court-ordered dependent care expense payments
- Disability payments that are part of the employer’s benefit package
- Experience Works wages
- Extended income support payments through the Trade Adjustment Reform Act of 2002 (TAA)

- Gifts
- Higher Education Innovative Projects wages
- Honoraria
- Hostile fire, imminent danger and combat pay
- Income from self-employment
- Income that is withheld to repay a legal debt or obligation
- Income withheld to repay a legal debt or obligation
- In-kind income if the person has the option to receive cash instead of in-kind income
- Interest and dividends received as payments
- Jury duty pay
- Lump sum income
- National and Community Service Models wages
- Net self-employment income
- Non-Title IV of HEA and non-BIA grants, scholarships, fellowships and other non-loan financial aid that requires teaching, research, or other work in order to receive the aid for graduate students
- Non-Title IV of HEA and non-BIA grants, scholarships, fellowships and other non-loan financial aid that does not require work to receive the aid for graduate students, after deducting allowable student expenses
- Non-Title IV of HEA and non-BIA student loans for graduate students, after deducting allowable student expenses
- Picket duty pay
- Public and private pensions
- Railroad Retirement Board (RRB) benefits
- Refugee Resettlement Program grants
- Regular cash gift income or cash gift income that exceeds $30 per three months
- Retirement, Survivor's and Disability Insurance (RSDI), except for specific exclusions
- Royalties
- Senior Aids Program wages
- Serve America wages
- Severance pay
- Sick pay based on accrued leave time
- Spousal maintenance income
- Tips

- Tribal per capita payments from gaming revenue (casino profits)
- Trust disbursements
- Unemployment insurance
- Vacation pay
- Value of in-kind gifts from tax-exempt organizations for a child with a life-threatening condition when those gifts are converted to cash
- Veteran’s Administration benefits
- Vocational Rehabilitation current living expense payments
- Voluntary Resettlement Agency Matching Grant Program grants
- Wages
- Workers’ Compensation
- Workforce Investment Act (WIA) earned income of a child under age 18 or 18 years old and expected to graduate by age 19, who is not a student, beyond six months per year

Excluded Income

- Agent Orange Settlement Fund payments
- All income of refugee unaccompanied minors
- American Indian tribal land settlements and judgment funds that are held in trust by the Secretary of the Interior or distributed per capita pursuant to a plan prepared by the Secretary of the Interior
- AmeriCorps Vista payments
- Assets converted to cash
- Bills paid by a third party
- Blood Product Settlement payments
- Bureau of Indian Affairs (BIA) student financial aid for undergraduate and graduate students
- Child Care and Development Block Grant Act payments
- Class action settlement agreement in Jensen et al v. Minnesota Department of Human Services, et al.
- Clinical trial participation payments
- Cobell Settlement for American Indians
- Community fundraiser income not under the control of the applicant, enrollee or a responsible relative
- Consumer Support Grant (CSG) payments
- Corporation for National and Community Service (CNCS) payments

- Costs necessary to secure the payments of unearned income, such as attorney's fees and medical fees
- Court-ordered medical support
- Coverdell Education Savings Account (ESA) payments used for educational expenses
- Crime victim payments
- Disaster assistance
- Family Support Grant (FSG) payments
- Federal Relocation Assistance
- Filipino Veterans Equity Compensation (FVEC) fund payments
- First $2,000 interest income from Indian trust land or other restricted Indian lands
- First $2,000 of cash payments from tax-exempt organizations for a child with a life-threatening condition
- First $10,000 of court-ordered Workers Compensation settlements
- Foster Care Assistance
- Gifts of cash for tuition or education
- Gifts of cash to purchase a prosthetic device not covered by health care or other insurance
- Housing and Urban Development (HUD) subsidies
- Inaccessible income such as unpaid court ordered child support
- Income excluded by the Social Security Administration to determine Supplemental Security Income (SSI) eligibility
- Income used by the Social Security Administration to determine SSI eligibility
- Income withheld to repay a prior overpayment of benefits made by the same income source
- Individual Development Accounts (IDA)
- In-kind income if the person does not have the option to receive cash
- Insurance payments not payable or available to the applicant
- Interest and dividends accrued and combined with counted assets, within the asset limit
- Irregular cash gift income of less than $30 per three months
- IV-E and State-Subsidized Adoption Assistance
- James Zadroga 9/11 Health and Compensation Act of 2010
- Japanese and Aleutian Restitution payments
- Loans – principal portion of loan payments
- Low Income Home Energy Assistance Program (LIHEAP) payments
- Military salary reductions

- Mille Lacs Band of Ojibwa Elder Supplement Assistance Program
- Money received and spend to cover someone else’s expenses
- Nazi Persecution payments
- Non-Title IV of HEA and non-BIA grants, scholarships, fellowships and other non-loan financial aid that requires teaching, research, or other work to receive the aid for undergraduate students
- Non-Title IV of HEA and non-BIA grants, scholarships, fellowships and other non-loan financial aid that does not require work to receive the aid for undergraduate students
- Non-Title IV of HEA and non-BIA student loans for undergraduate students
- Payments used to reimburse a custodial parent for health insurance premiums
- Per capita distributions of all funds held in trust by the Secretary of the Interior to members of an Indian tribe
- Program participation incentive payments
- Public Assistance Payments, such as general assistance (GA), Minnesota Supplemental Aid (MSA), Minnesota Family Investment Program (MFIP), Refugee Cash Assistance (RCA), Diversionary Work Program benefits (DWP), Work Benefit Program benefits (WB)
- Radiation Exposure Compensation Act payments
- Refunds of security and utility deposits
- Reimbursements for employment and training, medical expenses and property
- Relative Custody Assistance
- Retirement, Survivor’s and Disability Insurance (RSDI) for children under age 18 under the TEFRA option or receiving home and community based waiver services
- Ricky Ray Hemophilia Relief Act payments
- Student financial aid expenses for tuition, mandatory fees, course and lab fees, books, supplies and equipment required for course work, child care costs incurred while at school or in transit, transportation to and from school
- Student financial aid from a Title IV of the Higher Education Act of 1965 program for undergraduate and graduate students
- SSI
- Tax credits, rebates and refunds
- Training expenses under the Trade Adjustment Reform Act of 2002
- Veterans’ Children with Certain Birth Defects payments
- Veterans’ Affairs (VA) education assistance
- Vietnamese Commando Compensation Act payments
- Vocational Rehabilitation payments, except current living expense payments

- Wages and other earned income of a child under age 18 or 18 years old and expected to graduate by age 19, who is a full or part-time student and works less than 37.5 hours per week
- Workforce Investment Act (WIA) earned income of a child under age 18 or 18 years old and expected to graduate by age 19, who is a full or part-time student and works at least 37.5 hours per week
- WIA earned income of a child under age 18 or 18 years old and expected to graduate by age 19, who is not a student, six months per year
- WUV payments from the Dutch government to victims of Nazi persecution

Whose Income and Assets Counts

When calculating income and assets for a person, it is often necessary to count another person's income or assets in that determination. This is called deeming.

Income of the following people, living with the person, is deemed and counted:

- Spouse
- Parents, if the applicant is under age 21 and is not emancipated, including biological, natural and adoptive parents

The assets of the spouse, who is living with the person applying for MA, are deemed and counted.

Sponsor Deeming

Adult immigrant non-citizens who have a sponsor must have the income and assets of the sponsor deemed to them for MA with a spenddown. For MA with a spenddown, sponsor deeming only occurs for applicants using the parent or relative caretaker basis of eligibility.

The following income of the sponsor is deemed to the applicant and counted:

- Gross income
- Cash assistance received by the sponsor
- Net self-employment income

The net assets of the sponsor are deemed to the applicant and counted.

Sponsor Deeming Exceptions

Sponsor deeming does not apply to:

- Pregnant women
- Children younger than 21 years old
- People who need placement in a facility and their placement is jeopardized by the sponsor's failure or inability to provide support

- Sponsored non-citizens who have 40 qualifying work quarters

A person meeting both of the following can have a 12-month deferment of sponsor deeming, with a potential 12-month extension:

A. a battered non-citizen immigration status who is subjected to extreme cruelty and is not living with the batterer; and
B. there is a substantial connection between the need for health care coverage and the battery. There is substantial connection between the need resulting from the battery of the non-citizen or his or her children and the need for health care coverage if any of the following conditions are met:
   - To enable them to become self-sufficient following separation from the abuser
   - To enable escape from the abuser or the community where the abuser lives, or to ensure safety from the abuser
   - Due to a loss of financial support or loss of a job due to their separation from the abuser
     - Including job loss due to work absence or reduced job performance because of the abuse or cruelty or related legal proceedings, such as child support or custody disputes
   - Due to a need to obtain medical attention or mental health counseling or they are disabled because of the battery or cruelty
   - Because of lost housing or income, or the fear of separation from the abuser jeopardizes the ability to care for their children
   - To alleviate nutritional risks or need resulting from the abuse or following the separation from the abuser
   - To provide medical care during an unwanted pregnancy resulting from the abuser's sexual assault, or the relationship with the abuser. Or to care for any resulting children
   - To replace medical coverage or health care services they had when living with the abuser

Income Methodology

Net income is used to determine initial and ongoing eligibility for MA for Families and Children with a Medical Spenddown. Net income is equal to gross counted income minus certain disregards and deductions including:

- Court ordered child support and arrears payments made to another household
- Work expense deductions for children age 2-20 including:
  - First $90 of earned income of a child
  - First $90 of earned income of each person whose income is deemed to the child

- Work expense deductions for pregnant women and infants based on household size using the following chart:

Household Size	Work Expense Deduction
1	$136
2	$140
3	$145
4	$149
5	$156
6	$161
7	$165
8	$170
9	$177
10	$181
each additional person	$5

- Earned income disregard of 17% of a person's gross earned income for four consecutive months
- Dependent care deduction of dependent care expenses of household members with earned income who need dependent care while at work, in transit to or from work, or not at work but in need of dependent care to maintain employment. Expenses of up to $200 per month for each dependent under age two and $175 each month for each dependent age two and older, are deducted. The dependent care deduction is not available when childcare is provided by a parent, stepparent, sibling under age 19, or when others pay for the cost of childcare.

Income Limit

People eligible for MA for Families and Children with a Medical Spenddown must spend down to the 133% federal poverty guidelines (FPG) standard.

Post Eligibility for MA for Families and Children with a Medical Spenddown

Enrollees in MA for Families and Children with a Medical Spenddown must meet the same responsibilities and post-eligibility requirements as enrollees in MA-FCA without a spenddown. See the following for more information:

MA-FCA Rights and Responsibilities

MA-FCA Post-Eligibility

Renewals

Enrollees in MA for Families and Children with a Medical Spenddown must complete an annual renewal and a six-month income renewal.

Legal Citations

Code of Federal Regulations, title 42, section 435.811

Code of Federal Regulations, title 42, section 435.831

Code of Federal Regulations, title 42, section 435.840

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

Minnesota Statutes, section 256B.056, subdivision 5

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I. Section 2.3.1.1 MA-ABD Mandatory Verifications

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

2.3.1.1 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. Medical Assistance for People Who Are Age 65 or Older and People Who are Blind or Have a Disability (MA-ABD) has the following mandatory verifications.

- Assets
  - Verification of assets is required at application and when a new asset is reported. If an asset is determined to be excluded it does not need to be verified again at renewal.
  - Verification of the following assets are not required at application or renewal:
    - Homestead, if it qualifies for the exclusion. Refer to Section 2.3.3.2.7.4.1 MA-ABD Homestead Real Property for more information.
    - Vehicle, if only one is reported. Refer to Section 2.3.3.2.7.7 MA-ABD Automobiles and Other Vehicles Used for Transportation for more information.
    - Household goods and personal effects
- Certification of Disability through Social Security Administration (SSA) or State Medical Review Team (SMRT) for people claiming a blind or disabled basis of eligibility
- Income
  - If a person is receiving Supplemental Security Income (SSI), only the SSI income is verified. Eligibility for SSI is accepted as verification of other income SSA considers in determining eligibility.
    - Note: Veteran’s Administration (VA) Aid and Attendance benefits and VA unusual medical expense payments must be verified even if the person is receiving SSI.
- Immigration status
- Medical expenses to meet a spenddown
- Social Security Number
- U.S. Citizenship

County, tribal and state servicing agencies must retain verification documentation in accordance with the County Human Services Records Retention Schedule (DHS-6928).

Legal Citations

Code of Federal Regulations, title 42, section 435.407

Code of Federal Regulations, title 42, section 435.541

Code of Federal Regulations, title 42, section 435.920

Code of Federal Regulations, title 42, section 435.945

Code of Federal Regulations, title 42, section 435.948

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

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J. 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.

- Achieving a Better Life Experience (ABLE) account

- 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
- <u>Retroactive Retirement, Survivors and Disability Insurance (RSDI) and Supplemental Security Income (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.</u>
    - <u>People under age 18 who have representative payees and are eligible for past-due SSI payments must have the funds segregated in a dedicated account in order for the exclusion to apply. If a bank requires a deposit of funds in order to open such an account, these funds may remain commingled in the account until the end of the month following the month in which the retroactive benefits are paid.</u>

    - <u>Supplemental Needs Trusts policy is followed if the lump sum payment is issued under the Sullivan vs Zebley decision, and is used to fund a supplemental needs trust. See MA-ABD Supplemental Needs Trusts for more information.</u>
- 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. Zebley 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

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

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K. 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 with or without buildings or immovable objects attached permanently to the land that are not the person's principal place of residence. Non-homestead real property is generally counted as an asset; however, it is not counted ~~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 the 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~~ otherwise, the property becomes a countable asset at the point reasonable efforts to sell are no longer made.

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.

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

Minnesota Statutes, section 273.125, subdivision 8

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L. Section 2.3.3.2.7.7 MA-ABD Automobiles and Other Vehicles Used for Transportation

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

2.3.3.2.7.7 Automobiles and Other Vehicles Used for Transportation

An "automobile" means any registered or unregistered vehicle used for transportation. Vehicles used for transportation include but are not limited to cars, trucks, motorcycles, boats, snowmobiles, animal-drawn vehicles, and even animals.

- A temporarily broken down vehicle normally used for transportation meets the definition of an automobile.

The following vehicles do not meet the definition of an automobile:

- A vehicle that has been junked
- A vehicle used only as a recreational vehicle, such as a boat used on weekends for pleasure

The equity value of a vehicle that does not meet the definition of an automobile is a countable asset. In addition, the personal effects exclusion does not apply to such vehicles.

A leased vehicle is not an asset because it is not owned by the person and has no equity value to the person.

Verification of an Automobile

Verification of an automobile is not required if the household only reports one vehicle. If the household reports more than one vehicle, verification of the equity value of all vehicles is determined by using the trade in value published in National Automobile Dealers Association (NADA) If the NADA trade in Value results in excess assets the equity value must be verified.

Automobile Exclusion

The automobile exclusion allows the equity value of one automobile per household, regardless of value, to be completely excluded if the person or a member of the person's household uses the automobile for transportation.

It is assumed someone in the household uses the automobile for transportation, absent evidence to the contrary.

Application of the Exclusion

When a person owns more than one automobile, the exclusion is applied as follows:

- In the manner most advantageous to the recipient
- To the automobile with the greatest equity value if the person owns more than one automobile for transportation of the person or a member of the person's household.

The equity value of any automobile, other than the one wholly excluded, is a countable asset when:

- the person is the owner; and
- it cannot be excluded under another provision.

The value of the following is excluded:

- An automobile used as the person's principal place of residence, if a homestead is not already excluded
- An automobile used for self-support or a Plan to Achieve Self Support (PASS) plan

Equity Value of an Automobile

The equity value of an automobile is the price it can sell for on the open market to a private party, in the particular geographic area involved, minus any encumbrances.

The current National Automobile Dealers Association (NADA) can be used to verify the average trade-in value. If the NADA value of a non-excluded vehicle puts the person over the program asset limit, the person may be contacted to see if there are encumbrances.

If the NADA value cannot be obtained or the person disputes the NADA value, the person must submit a written statement from a local automobile dealer to verify the current trade-in value.

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

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M. Section 2.3.3.4 MA-ABD Medical Spenddowns

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

2.3.3.4 Medical Spenddowns

A medical spenddown is a cost-sharing approach that allows Medical Assistance (MA) eligibility for people whose income is greater than the applicable income limit. Federal rules refer to this population as "medically needy."

People with an aged, blind or disabled basis of eligibility, who are not eligible for Medical Assistance for People Who Are Age 65 or Older and People Who Are Blind or Have a Disability (MA-ABD) because they are over the income limit and who have medical expenses may be eligible for MA-ABD with a spenddown.

See the MA for Families and Children Medical Spenddown policy for more information about medical spenddowns for parents, pregnant women and children.

Topics included in this section are:

MA-ABD Medical Spenddown Types

MA-ABD Health Care Expenses

<u>Retroactive Eligibility for MA-ABD with a Medical Spenddown</u>

<u>A person may qualify for MA-ABD with a Medical Spenddown up to three months before the month of application.</u>

<u>MA-ABD with a Medical Spenddown and Other Insurance Affordability Programs</u>

<u>A person may be eligible for MA-ABD with a Medical Spenddown in the same month they are or were eligible for or enrolled in MinnesotaCare, Advanced Premium Tax Credits or qualified health plan (QHP) without subsidy. Eligibility for or enrollment in MinnesotaCare, APTC or QHP without subsidy is not a barrier to eligibility for MA-ABD with a Medical Spenddown.</u>

MA-ABD Spenddown Standard

The spenddown standard for MA-ABD with a spenddown is:

- Before June 1, 2019: 80% FPG
- On or after June 1, 2019: 81% FPG

Legal Citations

Code of Federal Regulations, title 42, section 435.811

Code of Federal Regulations, title 42, section 435.831

Code of Federal Regulations, title 42, section 435.840

Minnesota Statutes, section 256B.056, subdivision 5

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N. Section 2.3.5.3.1 MA-EPD Assets

Medical Assistance for Employed Persons with Disabilities

2.3.5.3.1 Assets

Assets are items of value that people own like bank accounts, stocks and bonds, cars, and real estate.

Medical Assistance for Employed Persons with Disabilities (MA-EPD) limits the amount of assets people can own to be eligible for coverage. There are also rules about what people must do with their assets in order to establish and maintain eligibility.

Asset Limit

The asset limit is $20,000 for people age 21 and older. Children younger than 21 have no asset limit.

Asset Exclusions

In general, the MA for People Who Are Age 65 or Older and People Who Are Blind or Have a Disability (MA-ABD) asset policies apply to MA-EPD. See the MA-ABD Asset chapter for more information. In addition to the MA-ABD asset exclusions, MA-EPD also excludes:

- Retirement accounts including:
  - Individual retirement accounts (IRA), including IRAs held in the form of an annuity
  - 401(k) plans
  - 403(b) plans
  - Keogh plans
  - Pension plans
- Medical expense accounts set up through an employer, including Health Savings Accounts (HSA)
- Spousal assets, including the spouse's share of jointly held assets

Changing Basis of Eligibility after Job Loss

When an MA-EPD enrollee stops working, their eligibility is redetermined under another MA basis of eligibility. The MA-EPD asset limit and policies continue to apply to the person for up to 12 months, when eligibility is redetermined under MA-ABD. If the person loses MA for one calendar month or more, the MA-EPD asset limit and policies no longer apply.

Changing Basis of Eligibility after Age 65

The MA-EPD income and asset rules continue to apply when redetermining basic MA eligibility for an enrollee, age 65 or older, who loses eligibility for MA-EPD for any reason and who was enrolled in MA-EPD during each of the 24 consecutive months before their 65th birthday. This includes the MA-EPD asset disregards and exclusions, including the disregard of a spouse's assets.

Legal Citations

Minnesota Statutes, section 256B.057

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O. Section 2.5.1.1.2 MA-BC Mandatory Verifications

Medical Assistance for Women with Breast or Cervical Cancer

2.5.1.1.2 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.

Presumptive Eligibility Period

For presumptive eligibility for MA-BC, the following must be verified:

- Screened by the Minnesota Department of Health Sage Screening Program
- Need for treatment or further diagnostic services for breast or cervical cancer

A Minnesota Department of Health Sage Enrollment form, Sage Return Visit form, or Colposcopy Program form are acceptable proof of both Sage screening and the need for treatment.

A Social Security number (SSN) or verification of an SNN is not required for PE. Verification of US citizenship and immigration status is not required for PE.

On-going MA-BC Eligibility

For on-going MA-BC coverage, the following must be verified:

- Screened by the Minnesota Department of Health Sage Screening Program
- Need for treatment or further diagnostic services for breast or cervical cancer

A Minnesota Department of Health Sage Enrollment form, Sage Return Visit form, or Colposcopy Program form are acceptable proof of both Sage screening and the need for treatment.

- U.S. Citizenship
- Immigration Status
- Social Security Number

County, tribal and state servicing agencies must retain verification documentation in accordance with the County Human Services Records Retention Schedule (DHS-6928).

Legal Citations

Minnesota Statutes, section 265B.056, subdivision 10

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P. Section 2.5.2.1.1 MA-CVT Mandatory Verifications

Medical Assistance Center for Victims of Torture

2.5.2.1.1 Mandatory Verifications

Mandatory verifications must be verified through an available electronic data source or by paper verification, if electronic data sources are unsuccessful or unavailable. Self-attestation alone is not acceptable verification of mandatory verifications.

Applicants for Medical Assistance for people receiving services at the Center for Victims of Torture (MA-CVT) have one mandatory verification. A copy of the CVT acceptance letter dated within the past 30 days must be submitted in order to determine if the applicant is receiving services.

County, tribal and state servicing agencies must retain verification documentation in accordance with the County Human Services Records Retention Schedule (DHS-6928).

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Minnesota Statutes, section 256B.06, subdivision 4

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Q. Section 2.5.3.1.1 EMA Mandatory Verifications

Emergency Medical Assistance

2.5.3.1.1 Mandatory Verifications

Mandatory verifications must be verified through electronic data sources or by paper proof, if electronic data sources are unsuccessful or unavailable. Self-attestation alone is not acceptable verification of mandatory verifications.

Emergency Medical Assistance (EMA) for Families with Children and Adults

People using a basis of eligibility under Medical Assistance for Families with Children and Adults (MA-FCA) must verify current income.

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

People using a basis of eligibility under Medical Assistance for People Who Are Age 65 or Older and People Who Are Blind or Have a Disability (MA-ABD) must verify:

- Assets
  - Verification of assets is required at application and when a new asset is reported. If an asset is determined to be excluded, it does not need to be verified again at renewal.
  - Verification of the following assets are not required at application or renewal:
    - Homestead, if it qualifies for the real property homestead exclusion. Refer to Section 2.3.3.2.7.4.1 MA-ABD Homestead Real Property for information.
    - Vehicle, if only one is reported. Refer to Section 2.3.3.2.7.7 MA-ABD Automobiles and Other Vehicles Used for Transportation for more information.
    - Household goods and personal effects
- Certification of Disability through Social Security Administration (SSA) or State Medical Review Team (SMRT) for people claiming a blind or disabled basis of eligibility
- Current income

EMA with a Spenddown

People who qualify for EMA with a spenddown must also verify:

- Assets

The Asset policy depends on the person's basis of eligibility. Refer to Sections 2.2.1.2 FCA Mandatory Verifications and 2.3.1.1 MA ABD Mandatory Verifications for more information about asset policies for bases of eligibility under MA-FCA and MA-ABD, respectively.

- Verification of assets is required at application and when a new asset is reported. If an asset is determined to be excluded it does not need to be verified again at renewal.

- Medical expenses to meet a spenddown

Verifications Not Required

People applying for EMA are not required to verify:

- Immigration Status
- Medical Emergency
- Social Security Number

County, tribal and state servicing agencies must retain verification documentation in accordance with the County Human Services Records Retention Schedule (DHS-6928).

Legal Citations

Code of Federal Regulations, title 42, section 435.139

Code of Federal Regulations, title 42, section 435.350

Code of Federal Regulations, title 42, section 440.255

Minnesota Statutes, section 256B.06, subdivision 4

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R. Section 2.5.6.1.1.1 MA-NAA Mandatory Verifications

Medical Assistance Northstar Adoption Assistance

2.5.6.1.1.1 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.

Northstar Adoption Assistance must be verified to establish initial Medical Assistance (MA) eligibility or to extend MA eligibility beyond age 18.The following is acceptable proof:

- Copy of the Adoption Assistance Agreement
- Adoption Assistance Agreement Amendment indicating an Adoption Assistance extension beyond age 18. The amendment lists a new end date for adoption assistance.
- The Interstate Compact on Adoption and Medical Assistance (ICAMA) Form 6.01 and Adoption Assistance Agreement for ICAMA children receiving Adoption Assistance. See MHCP Interstate Residency Agreements policy for more information about ICAMA.
- Report of Change in Child/Family Status (ICAMA Form 6.03) indicating an Adoption Assistance extension beyond age 18. The form lists a new end date for Adoption Assistance.

Social Security Number

A Social Security Number is required for Non-Title IV-E Adoption Assistance. See MA Social Security Number policy for more information.

A Social Security Number is not required for children receiving:

- Title IV-E Adoption Assistance
- Title IV-E and Non-Title IV-E-funded ICAMA

The county, tribal or state servicing agency must assist people in obtaining verification.

<u>County, tribal and state servicing agencies must retain verification documentation in accordance with the County Human Services Records Retention Schedule (DHS-6928).</u>

Legal Citations

Code of Federal Regulations, title 42, section 435.145

Code of Federal Regulations, title 42, section 435.227

Minnesota Statutes, section 256B.055

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S. Section 2.5.6.2.1.1 MA Northstar Title IV-E FC and Title IV-E KA Mandatory Verifications

Medical Assistance Northstar Title IV-E Foster Care and Title IV-E Kinship Assistance

2.5.6.2.1.1 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.

Title IV-E Foster Care and Title IV-E Kinship Assistance must be verified to establish initial Medical Assistance (MA) eligibility or to extend MA eligibility beyond age 18. Written or verbal confirmation from the child's case manager or social worker of the child's Title IV-E eligibility and date of placement is adequate verification.

Social Security Number

A Social Security Number is not required for children receiving Title IV-E Foster Care or Title IV-E Kinship Assistance.

County, tribal and state servicing agencies must retain verification documentation in accordance with the County Human Services Records Retention Schedule (DHS-6928).

Legal Citations

Code of Federal Regulations, title 42, section 435.145

Minnesota Statutes, section 256B.055

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T. Section 3.2.3.2 MinnesotaCare Employer-Sponsored Coverage

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.

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, and the plan's benefits include substantial coverage of inpatient hospital and physician services.

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~~ 9.86 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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U. Section 3.2.5 MinnesotaCare Age

MinnesotaCare

3.2.5 Age

MinnesotaCare covers people of any age who meet the nonfinancial and financial eligibility requirements of the program. Most enrollees are people between the ages of 19 through 64, but children under age 19 and adults age 65 or older may also be eligible for the program.

- Children under age 19 may be eligible for MinnesotaCare if they are not eligible for Medical Assistance (MA).
- Adults who are age 65 or older may be eligible for MinnesotaCare if they are not eligible for MA and cannot get Medicare or must pay a premium for Medicare Part A. Adults who are age 65 or older who can enroll in Medicare Part A without paying a premium are not eligible for MinnesotaCare.
- MinnesotaCare enrollees who become eligible for Medicare Part A without a premium when they turn 65 are eligible for MinnesotaCare until the last day of the month before the month of their 65^{th} birthday.

Legal Citations

Minnesota Statutes 256L.04

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V. 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

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

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 are 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.
  - <u>Medicaid waiver payments received by a person who provides Home and Community-Based Services (HCBS) waiver services, such as personal care services, habilitation services, and other services, to an eligible person living with them are not taxable and not</u>

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 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
- 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

  Generally, money a person receives through a fundraising or donation event is considered a personal gift if the money was given directly or indirectly without the expectation of receiving anything in return. Personal gifts are not included in a person's adjusted gross income.
- Net operating loss, including carryforward loss

Federal Income Tax Adjustments

The types of adjustments that 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 Statues, section 256L.01

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

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, 2017 to September 30, 2018	$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 to December 31, 2019	$585,000
January 1, 2018 to December 31, 2018	$572,000

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~~2019to December 31, ~~2017~~2019	~~53.5~~ 58 cents
January 1, ~~2016~~2018 to December 31, ~~2016~~2018	~~54~~ 54.5 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 to December 31, 2019	$102
January 1, 2018 to December 31, 2018	$99

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 to December 31, 2019	No minimum	$126,420
January 1, 2018 to December 31, 2018	No minimum	$123,600

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 to December 31, 2019	1.028
January 1, 2018 to December 31, 2018	1.02

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 1, 2019 to June 30, 2019	$196
July 1, 2018 to December 31, 2018	$193

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 to December 31, 2019	$2,313
January 1, 2018 to December 31, 2018	$2,250

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 to December 31, 2019	$1,870	$7,550
January 1, 2018 to December 31, 2018	$1,820	$7,350

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 to December 31, 2019	$771
January 1, 2018 to December 31, 2018	$750

Effective Date	Couple
January 1, 2019 to December 31, 2019	$1,157
January 1, 2018 to December 31, 2018	$1,125

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 Thresholds for Tax Dependents

Marital Status	Age over 65?	Blind?	Income Type	2018 Tax Year Threshold Amount	2019 Tax Year Threshold Amount
Single	No	No	Earned Income	$6,350	$12,000
Single	No	No	Unearned Income	$1,050	$1,050
Single	No	No	Gross Income	Larger of $1,050 or Earned Income	Larger of $1,050 or Earned Income

				Reported up to $6,000 + $350	Reported up to $11,650 + $350
Single	Yes	No	Earned Income	$7,900	$13,600
Single	Yes	No	Unearned Income	$2,600	$2,650
Single	Yes	No	Gross Income	Larger of $2,600 or Earned Income Reported up to $6,000 + $1,900	Larger of $2,650 or Earned Income Reported up to $11,650 + $1,950
Single	No	Yes	Earned Income	$7,900	$13,600
Single	No	Yes	Unearned Income	$2,600	$2,650
Single	No	Yes	Gross Income	Larger of $2,600 or Earned Income Reported up to $6,000 + $1,900	Larger of $2,650 or Earned Income Reported up to $11,650 + $1,950
Single	Yes	Yes	Earned Income	$9,450	$15,200
Single	Yes	Yes	Unearned Income	$4,150	$4,250
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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Previous Versions

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Manual Letter #18.4, September 1, 2018

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Manual Letter #17.2, June 1, 2017

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