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 #17.1

April 1, 2017
Manual Letter #17.1

This manual letter lists new and revised policy for the Minnesota Health Care Programs (MHCP) Eligibility Policy Manual (EPM) as of April 1, 2017. 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

Hyperlinks to the following bulletins are added to the EPM home page because they have not yet been incorporated into the EPM:

- Bulletin #16-21-12, DHS Announces MinnesotaCare Eligibility for Deferred Action for Childhood Arrivals (DACA) Grantees
- Bulletin #16-21-13, DHS Announces Changes to Eligibility Rules for Minnesota Family Planning Program
- Bulletin #17-21-01, DHS Explains Policy and Procedures for MA Cost-Effective Health Insurance (CEHI) and Why HSAs, MSAs, and VEBAs Are Not CEHI
- Bulletin #17-21-02, DHS Explains: Changes to MA Estate Recovery Resulting from CMS Approval of a Revised State Plan Amendment; and a New Statewide Funeral Expenses Policy

Bulletin #17-21-03, DHS Announces Change to Hardship Waiver Criteria under Spousal Impoverishment Rules, is not added to the EPM home page because it does not require an update to the EPM.

Bulletin #17-21-04, DHS Announces Change to Medical Assistance (MA) Special Needs Trust Requirements, is not added to the EPM home page because it is incorporated into the EPM with this manual letter.

Bulletin #16-21-06, DHS Provides Policy for 2016 Legislative Changes to Medical Assistance (MA) and MinnesotaCare, provided a comprehensive summary of legislative changes from the 2016 Minnesota legislative session that affect MA and MinnesotaCare. We had resisted removing this bulletin from the EPM home page because some changes have not yet been implemented, and therefore, not yet incorporated into the EPM. We are removing it with this manual letter because it is causing confusion as to which legislative changes have been implemented. To avoid this issue going forward, we will no longer post our legislative summary bulletins to the EPM home page. As standard practice, DHS issues a new bulletin when it implements a legislative change. We will continue to
post these bulletins on the EPM home page, as they are clearer indicators of when policy have been implemented.

B. **Section 2.2.3.4 MA for Families with Children and Adults (MA-FCA) Income Methodology**

The change to this section under Federal Taxable Income provides clarification on income received from providing services through Home and Community Based Service (HBCS) waivers. Since MA-FCA uses an income methodology based on taxable income and adjustments, the application of income received through this employment type varies depending on living arrangement between the care provider and the waiver recipient, based on IRS rules.

C. **Section 2.3.3.2.7.4.3 MA-ABD Life Estates and Remainder Interests**

A clarification is added about when life estates are considered unavailable.

D. **Section 2.2.3.2.7.9.4 MA for People Who Are 65 or Older and People Who Are Blind or Have a Disability (MA-ABD) Special Needs Trusts**

The change to this section incorporates Bulletin #17-21-04, DHS Announces Change to Medical Assistance (MA) Special Needs Trust Requirements. The bulletin announced that as of December 13, 2016, a person with a disability can establish a special needs trust on their own behalf.

E. **Section 2.3.3.2.7.9.5 MA-ABD Pooled Trusts**

A note and hyperlink has been added under the Evaluation of Trusts section to give guidance to refer to section 2.4.1.3.4 Other Asset Transfer Considerations when evaluating if an uncompensated transfer has occurred for MA LTC applicants and enrollees.

F. **Section 4.2.1.7 Types of Medicare Savings Programs**

This section is updated to state that Qualified Medicare Beneficiary (QMB) eligibility begins the first day of the month after the month in which the county determines eligibility. Eligibility is not possible before or for the month of application.

The Qualified Individuals (QI) section has been updated with the following information:

- A person may have overlapping QI and MA coverage if they are enrolled in QI and request retroactive MA eligibility
- A person eligible for QI and only enrolled in Part B may also enroll in MinnesotaCare if required to pay a premium for Medicare Part A
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 2.2.3.4 MA-FCA Income Methodology
C. Section 2.3.3.2.7.4.3 MA-ABD Life Estates and Remainder Interests
D. Section 2.2.3.2.7.9.4 MA-ABD Special Needs Trusts
E. Section 2.3.3.2.7.9.5 MA-ABD Pooled Trusts
F. Section 4.2.1.7 Types of Medicare Savings Programs
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 #17.1
- 2016 Manual Letters
- MHCP EPM Manual Letter #16.1
- MHCP EPM Manual Letter #16.2
- MHCP EPM Manual Letter #16.3
- MHCP EPM Manual Letter #16.4

**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 #16-21-06, DHS Provides Policy for 2016 Legislative Changes to MA and MinnesotaCare
• Bulletin #16-21-12, DHS Announces MinnesotaCare Eligibility for Deferred Action for Childhood Arrivals (DACA) Grantees
• Bulletin #16-21-13, DHS Announces Changes to Eligibility Rules for Minnesota Family Planning Program
• Bulletin #17-21-01, DHS Explains Policy and Procedures for MA Cost-Effective Health Insurance (CEHI) and Why HSAs, MSAs, and VEBAs Are Not CEHI
• Bulletin #17-21-02, DHS Explains: Changes to MA Estate Recovery Resulting from CMS Approval of a Revised State Plan Amendment; and a New Statewide Funeral Expenses Policy

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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  - Revised Page
B. Section 2.2.3.4 MA-FCA Income Methodology

Medical Assistance for Families with Children and Adults

2.2.3.4 Income Methodology

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

- Household income includes:
  - The types of income included in Federal taxable income, 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.

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. 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
- Capital gains
- Other gains
- Individual retirement account (IRA) distributions
- Pension and annuity payments
- Income from rental real estate, royalties, partnerships, S corporations, trusts, etc.
- Farm income
- Unemployment compensation
- Social Security benefits
- Other income

**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. Examples of lump sum income include, but are not limited to:

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

**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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Section 2.3.3.2.7.4.3 MA ABD Life Estates and Remainder Interests

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

2.3.3.2.7.4.3 Life Estates and Remainder Interests

A life estate is an ownership interest in real property. The right of ownership exists for the lifetime of the person holding it, the lives of one or more other designated persons, or one or more other specified conditions within the lifetime of the life estate owner. A life estate document specifies when the life estate terminates.

The owner(s) of a life estate is called a "life tenant" or "tenant for life." Generally, a life estate entitles the life tenant to occupy, possess or otherwise use the property as long as he or she lives.

When the owner of property gives it to one party in the form of a life estate, and designates a second person to inherit it upon the death of the life estate owner, the second person has a remainder interest in the property and is referred to as a remainderman.

A life estate is generally created:

- When a person with property rights in real property transfers a remainder interest in the property to another and retains a life estate in the property
- When a person purchases a life estate interest in someone else’s property
- By operation of probate law

Rights and Responsibilities of the Life Estate Owner

The life estate owner:

- Has the right to occupy, possess, or otherwise use the property until the life estate is terminated
- Has the right to sell the life estate interest if not prohibited in the legal instrument establishing the life estate interest
- Is entitled to all income and profits of the life estate interest, such as rent on the property
- Cannot sell the property or the remainder interest
- Is responsible for paying the mortgage, taxes, and insurance on the property
- Is responsible for the upkeep and the repair of the property

Rights of the Remainderman
The remainderman has ownership interest in the property subject to the life estate interest. The remainderman does not have the right to occupy, possess or otherwise use the property until the life estate is terminated.

The remainderman can:

- Sell his or her interest in the property even before the life estate interest terminates, if allowed by the legal instrument establishing the life estate interest. In such cases, the life estate owner retains the life estate interest until the life estate terminates.
- Sell the entire property with the permission of the life estate owner

**Life Estate Evaluation**

Life estates are treated as real property. The value is not counted when the life estate interest is:

- If the life estate is the person’s principal place of residence, it is considered homestead property and is excluded.
- If the life estate is not the person’s principal place of residence, it is treated as non-homestead real property. However, a person is not required to make a good faith effort to sell a life estate because life estates are assumed not salable. Therefore, non-homestead life estates are considered unavailable and not counted.

The proceeds from the sale of a life estate interest is counted as an asset in the month following the month of the sale, if retained:

- When the property is sold
- When the remainderman or someone else purchases the life estate interest

**Determining the value of a life estate interest in real property**

The value of a life estate interest in real property is the property’s equity value, multiplied by the person’s mortality figure based on the person’s age, as determined by the Life Estate Mortality Table.

If there are two or more life estate owners, each life estate owner has a different amount of life estate interest due to differences in the owners’ ages.

**Remainder Interest Evaluation**

Remainder interests are treated as real property and counted as an asset.

**Determining the value of a remainder interest**
The value of a remainder interest when a person is a remainderman is the property’s equity value, multiplied by the remainderman mortality figure that corresponds to the life estate owner’s age, as determined by the Life Estate Mortality Table.

**When the Remainder Interest is Available to the Life Estate Owner**

If a person owns both the life estate interest and the remainder interest, the life estate and remainder interests merge into full ownership of the property. The property is evaluated as a non-life estate real property.

**Legal Citations**

Minnesota Statutes, section 256B.056, subdivision 1a
Minnesota Statutes, section 256B.056, subdivision 4a
D. Section 2.3.3.2.7.9.4 MA-ABD Special Needs Trusts

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

**2.3.3.2.7.9.4 Special Needs Trusts**

A Special Needs Trust is a trust established for the sole benefit of a person under age 65 who is certified disabled. The property held within a trust that meets all the requirements of a Special Needs Trust is an excluded asset.

**Trust Requirements**

A trust must satisfy all of the following statutory requirements in order to be excluded as a Special Needs Trust. If a trust does not meet all of the requirements, the trust is not an excluded asset.

**Date Established**

It is established on or after August 11, 1993.

**Beneficiary Age Limit for Establishing a Special Needs Trust**

The trust is established before the beneficiary turns age 65. A special needs trust established before the beneficiary reaches age 65 remains an excluded asset after the beneficiary reaches age 65.

**Established By**

The Special needs trusts established before December 13, 2016, must be established by the beneficiary's parents, grandparents, legal guardian, or a court. A special needs trust cannot be established by the beneficiary. Special needs trusts established before December 13, 2016, cannot be established by the beneficiary.

Special needs trust established on or after December 13, 2016, include trusts established by the beneficiary on their own behalf.

**Funded By**

It is funded with the income or assets of the beneficiary. A special needs trust may also contain assets of other people.

**Disability Standard**

The beneficiary must meet the disability criteria of the Supplemental Security Income (SSI) program at the time the trust is established. A person with a disability established by the Social Security Administration (SSA) or State Medical Review Team (SMRT) meets this qualification.
The trust does not meet the criteria for the exclusion if the beneficiary’s disability began after the trust was established.

If SSA or SMRT did not determine the beneficiary’s disability at the time the trust was established, SMRT must determine whether the beneficiary was disabled according to SSI disability criteria at the time the trust was established.

**Sole Benefit Requirement**

The trust must be established for the sole benefit of the beneficiary. The trust provisions must state that disbursements from the trust must be for the sole benefit of the beneficiary at the time the trust is established and any time in the future.

Trusts that allow for payments to a spouse or dependents during the lifetime of the beneficiary do not meet this requirement even if the beneficiary does not currently have a spouse or dependent.

**DHS Remainder Beneficiary**

The trust must contain a provision stating that, upon the death of the beneficiary, Minnesota Department of Human Services (DHS), or “the State” receives all amounts remaining in the trust, up to an amount equal to the total amount of Medical Assistance (MA) paid on behalf of the beneficiary.

- Trust provisions allowing payment of administrative expenses and fees are acceptable if the trust also contains a provision that the expenses and fees must be reasonable.

- Trust provisions are also acceptable if the trust clearly states reasonable and necessary administrative expenses may be paid only if DHS is provided with advance notice and approves such expenses.

Trusts that include provisions that allow for payment of the following expenses prior to repayment to the State do not qualify as a Special Needs Trust:

- Payment for last illness and funeral, outstanding debts or other payments

- Payment of administrative expenses or attorney and trustee fees if the trust does not require such payment(s) to be reasonable

**Evaluation of Trust Assets**

**Trust Corpus**

Trust assets, including any income generated by the trust assets that is retained by the trust, are considered excluded assets as long as the trust is established, or any additions occur, before the beneficiary reaches age 65.
A special needs trust cannot be added to after the beneficiary reaches age 65. Additions to the trust after the beneficiary reaches age 65 are not considered excluded assets. The value of any non-excluded assets added to the trust after the beneficiary reaches age 65 are considered available to the beneficiary.

**Distributions**

Disbursements from the trust made directly to the person or to someone acting on the person’s behalf, such as, a guardian or legal representative, are counted as unearned income in the month received.

Payments made by the trustee for the benefit of the person, but not made directly to the person, are not counted.

**Special Needs Trust Verifications**

Verification of a Special Needs Trust is required. A copy of the trust instrument and most recent trust accounting along with a completed Special Needs/Pooled Trust Referral Form (DHS-4759) must be sent to the DHS Special Recovery Unit (SRU).

**Annual Reporting by Trustees**

The trustee of a Special Needs Trust with a beneficiary who is an applicant or recipient for MA is required by state law to submit an annual trust accounting directly to the SRU. The person is not required to provide this information as part of the renewal process.

If the person or the person’s authorized representative or trustee provides this information to the county, the information must be forwarded to the SRU.

**Legal Citations**

Minnesota Statutes, section 256B.056, subdivision 3b
Minnesota Statutes, section 501C.1205, subdivisions 3 and 4
United States Code, title 42, section 1396p(d)
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E. Section 2.3.3.2.7.9.5 MA-ABD Pooled Trusts

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

2.3.3.2.7.9.5 Pooled Trusts

A Pooled Trust is a trust established for the sole benefit of a beneficiary who is certified disabled. The property held within a trust that meets all the requirements of a Pooled Trust is an excluded asset.

Trust Requirements

A trust must satisfy all of the following statutory requirements in order to be excluded as a Pooled Trust. If a trust does not meet all of the requirements, the trust is not an excluded asset.

Date Established

The trust must be established on or after August 11, 1993.

Beneficiary Age Limit

There is no age limit for a person to establish a Pooled Trust.

Trust Management

A non-profit association establishes and manages Pooled Trusts. A separate account is maintained for each beneficiary of the trust but for purposes of investment and management of the trust; the funds are pooled.

Account Establishment

The beneficiary, beneficiary’s parents or grandparents, legal guardian or a court establishes pooled trust accounts.

Funded By

It must be funded with the income or assets of the beneficiary. A Pooled Trust may also contain assets of other people.

Disability Standard

The beneficiary must meet the disability criteria of the Supplemental Security Income (SSI) program at the time the trust is established. A person with a disability established by the Social Security Administration (SSA) or State Medical Review Team (SMRT) meets this qualification.
The trust does not meet the criteria for the exclusion if the beneficiary’s disability began after the trust was established.

If SSA or SMRT did not determine the beneficiary’s disability at the time the trust was established, SMRT must determine whether the beneficiary was disabled according to SSI disability criteria at the time the trust was established.

**Sole Benefit Requirement**

The trust sub-account must be established for the sole benefit of the beneficiary. The trust provisions must state that disbursements from the trust must be for the sole benefit of the beneficiary at the time the trust is established and any time in the future.

Trusts that allow for payments to a spouse or dependents during the lifetime of the beneficiary do not meet this requirement even if the beneficiary does not currently have a spouse or dependent.

**DHS Remainder Beneficiary**

The trust must contain a provision stating that, upon the death of the beneficiary, Minnesota Department of Human Services (DHS) or "the State" receives all amounts remaining in the trust, up to an amount equal to the total amount of Medical Assistance (MA) paid on behalf of the beneficiary.

- Trust provisions allowing payment of administrative expenses and fees are acceptable if the trust also contains a provision stating that the expenses and fees must be reasonable.
- The trust is also acceptable if the trust clearly states reasonable and necessary administrative expenses may be paid only if DHS is provided with advance notice and approves such expenses.
- An additional remainder amount of up to ten percent of the value of the beneficiary's sub-account at the time death may be retained the trustee.

Trusts that include provisions that allow for payment of the following expenses prior to repayment to the state do not qualify as a Pooled Trust:

- Payment for last illness and funeral, outstanding debts or other payments
- Payment of administrative expenses or attorney and trustee fees if the trust does not require such payment(s) to be reasonable

**Evaluation of Trust Assets**

**Trust Corpus**
Trust assets, including any income generated by the trust assets that is retained by the trust, are considered excluded assets.

**Distributions**

Disbursements from the trust made directly to the beneficiary or to someone acting on the beneficiary’s behalf, such as a guardian or legal representative is counted as unearned income in the month received.

Payments made by the trustee for the benefit of the beneficiary, but not made directly to the beneficiary, are not counted.

- **Note that for MA for Long-Term Care (MA-LTC) Services applicants and enrollees, funds entering and leaving the trusts must be evaluated to determine if an uncompensated transfer occurred.** See Section 2.4.1.3.4 MA-LTC Other Asset Transfer Considerations for more information.

**Pooled Trust Verifications**

Verification of the existence of a Pooled Trust is required to determine eligibility. In addition, the trustee should provide a copy of the most recent accounting along with a copy of the trust instrument. Both documents must be sent along with a completed Special Needs/Pooled Trust Referral Form [DHS-4759](#) to the DHS Special Recovery Unit (SRU).

**Annual Reporting by Trustees**

The trustee of a Pooled Trust with a beneficiary who is an applicant or recipient for MA is required by state law to submit an annual trust accounting directly to SRU. The beneficiary is not required to provide this information as part of the renewal process.

If the person or person’s authorized representative or trustee provides this information to the county, that information must be forwarded to SRU.

**Legal Citations**

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

Minnesota Statutes, section 501C.1205, subdivisions 3 and 4

United States Code, title 42, section 1396p(d)
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4.2.1.7 Types of Medicare Savings Programs

There are four Medicare Savings Programs (MSP):

- The Qualified Medicare Beneficiary (QMB), Service Limited Medicare Beneficiary (SLMB), and Qualified Individuals (QI) programs are available to people eligible for Medicare who meet all other requirements.
- The Qualified Working Disabled (QWD) program is limited to people who are blind or have a disability.

Qualified Medicare Beneficiary (QMB)

People who are enrolled or are eligible to enroll in Medicare Part A may receive help with Medicare costs through the QMB program. QMB pays Medicare Part A and Medicare Part B premiums. It also pays for both Medicare Part A and Part B deductibles, coinsurance and copayments.

To qualify for QMB, a person must be entitled to Medicare Part A, have monthly income at or below 100% FPG, and meet the asset limit. See the MSP Financial Eligibility subchapter for more information. People who meet QMB requirements may receive QMB only, or may receive QMB in addition to Medical Assistance (MA).

QMB enrollees automatically qualify for Extra Help paying for Medicare Part D prescription drug coverage.

QMB Begin and End Dates

QMB eligibility begins the first day of the month after the month eligibility is determined. QMB eligibility cannot begin in or before the month of application.

Service Limited Medicare Beneficiary (SLMB)

People enrolled in Medicare Part B may receive help with Medicare premium costs through the SLMB program. SLMB pays Medicare Part B premiums. Medicare calls SLMB the Specified Low-Income Medicare Beneficiary (SLMB) Program.

To qualify for the SLMB program, a person must be eligible for Medicare Part A and have monthly income at or below 120% FPG and meet the asset limit. See the MSP Financial Eligibility subchapter for more information. People who meet SLMB requirements may receive SLMB only, or may receive SLMB in addition to MA.
SLMB enrollees automatically qualify for Extra Help paying for Medicare Part D prescription drug coverage. SLMB also offers retroactive coverage. See MSP Retroactive Eligibility for more information.

**Qualified Individuals (QI)**

People enrolled in Medicare Part B may receive help with Medicare premium costs through the QI program. QI pays Medicare Part B premiums. A limited amount of money is available for the QI program, and benefits are available on a first-come, first-served basis. Medicare calls QI the Qualifying Individuals (QI) program.

To qualify for QI, a person must be eligible for Medicare Part A and have monthly income at or below 135% FPG and meet the asset limit. See the MSP Financial Eligibility subchapter for more information. People cannot be enrolled both in QI and MA.

QI enrollees automatically qualify for Extra Help paying for Medicare Part D prescription drug coverage. QI also offers retroactive coverage. See MSP Retroactive Eligibility for more information.

**QI and Medical Assistance**

Generally, a person cannot be enrolled in QI and ongoing MA eligibility. However, a person may have overlapping QI and MA coverage if a person enrolled in QI requests retroactive MA eligibility.

**QI and MinnesotaCare Eligibility**

MSP are not a barrier to MinnesotaCare eligibility. A person eligible for QI and only enrolled in Medicare Part B may be eligible for MinnesotaCare if they are required to pay a premium for Medicare Part A.

**Qualified Working Disabled (QWD)**

Some employed people under age 65 with disabilities may lose their Retirement, Survivors, and Disability Insurance (RSDI) and premium-free Medicare benefits because their income exceeds Substantial Gainful Activity (SGA) limits. QWD may pay Medicare Part A premiums for these individuals. Medicare calls QWD the Qualified Disabled and Working Individuals (QDWI) program.

To qualify for QWD, a person must meet a blind or disabled basis and be eligible to enroll in Medicare Part A with a premium under the Qualified Working Disabled Adult provisions of the Social Security Act. The person must also have monthly income at or below 200% FPG, meet the asset limit, and not be otherwise eligible for MA. See the MSP Financial Eligibility subchapter for more information. People cannot be enrolled in both QWD and MA.

QWD also offers retroactive coverage. See MSP Retroactive Eligibility for more information.
Legal Citations

Code of Federal Regulations, title 42, section 1396d(p)
Code of Federal Regulations, title 42, section 1396d(s)
Code of Federal Regulations, title 42, section 400.200
Minnesota Statutes, section 256B.057
United States Code, title 42, section 1396a(a)(10)(E)

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