



# **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 #22.3**

**June 1, 2022**

# Manual Letter #22.3

This manual letter lists new and revised policy for the Minnesota Health Care Programs (MHCP) Eligibility Policy Manual (EPM) as of June 1, 2022. The effective date of new or revised policy may not be the same date the information is added to the EPM. Refer to the Summary of Changes to identify when the Minnesota Department of Human Services (DHS) implemented the policy.

## I. Summary of Changes

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

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

We removed bulletin Bulletin #21-21-10, DHS Announces a Change to Medical Assistance Eligibility for Citizens of the Freely Associated States.

This manual letter is added to the manual letters section of the home page.

### B. [Section 1.2.1 Minnesota Health Care Programs \(MHCP\) Application Forms](#)

We clarified when to use application supplements. We also updated the MHCP Application for Certain Populations (DHS-3876) criteria to include household members who are blind or have a disability.

### C. [Section 2.1.1.1 Medical Assistance \(MA\) Mandatory Verifications](#)

We included self-attestation under certain circumstances as a verification source.

### D. [Section 2.2.3.4 Medical Assistance for Families with Children and Adults \(MA-FCA\) Income Methodology](#)

We clarified when Medicaid waiver payments and wages received from providing PCA services are considered taxable income.

### E. [Section 2.3.1.1 Medical Assistance for People who are Age 65 or Older and People who are Blind or Have a Disability \(MA-ABD\) Mandatory Verifications](#)

We included self-attestation under certain circumstances as a verification source.

### F. [Section 2.3.2.2 MA-ABD Certification of Disability](#)

We clarified when a person meets a disabled basis for MA and has Medicare.

#### **G. Section 2.3.5.1.1 Medical Assistance for Employed Persons with Disabilities (MA-EPD) Mandatory Verifications**

We included self-attestation under certain circumstances as a verification source.

#### **H. Section 2.3.7 MA 1619(a) or 1619(b)**

We clarified to be eligible for MA without an income or asset test on the basis of 1619 the person must be enrolled in MA the month before the month in which the 1619 status was obtained.

#### **I. Section 3.2.3.2 MinnesotaCare Employer Sponsored Coverage**

We removed the language when a spouse is claimed as personal exemption to reflect the Tax Cuts and Jobs Act of 2017.

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

The following standards and guidelines are updated in Appendix F and become effective July 1, 2022:

- Basic Shelter Allowance
- Minimum Monthly Income Allowance
- Home Maintenance Allowance
- Special Income Standard for Elderly Waiver Maintenance Needs Allowance
- Statewide Average Payment for Skilled Nursing Facility Care

## II. Documentation of Changes

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This section of the manual letter documents all changes made to an existing section. Deleted text is displayed with strikethrough formatting and newly added text is displayed with underline formatting.

- A. EPM Home Page
- B. Section 1.2.1 MHCP Application Forms
- C. Section 2.1.1.1 MA Mandatory Verifications
- D. Section 2.2.3.4 MA-FCA Income Methodology
- E. Section 2.3.1.1 MA-ABD Mandatory Verifications
- F. Section 2.3.2.2 MA-ABD Certification of Disability
- G. Section 2.3.5.1.1 MA-EPD Mandatory Verifications
- H. Section 2.3.7 MA 1619(a) or 1619(b)
- I. Section 3.2.3.2 MinnesotaCare Employer Sponsored Coverage
- J. Appendix F Standards and Guidelines

## **A. EPM Home Page**

Minnesota Health Care Programs

# **Eligibility Policy Manual**

This manual has been updated to a new format on October 4, 2021. The EPM User Guide provides information about some of the new features.

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 #22.3, June 1, 2022](#)

[MHCP EPM Manual Letter #22.2, March 1, 2022](#)

[MHCP EPM Manual Letter #22.1, January 1, 2022](#)

[2021 Manual Letter](#)

[MHCP EPM Manual Letter #21.1, January 1, 2021](#)

[MHCP EPM Manual Letter #21.2, March 1, 2021](#)

[MHCP EPM Manual Letter #21.3, June 1, 2021](#)

[MHCP EPM Manual Letter #21.4, October 1, 2021](#)

[MHCP EPM Manual Letter #21.5, November 1, 2021](#)

[2020 Manual Letter](#)

[MHCP EPM Manual Letter #20.1, March 1, 2020](#)

[MHCP EPM Manual Letter #20.2, June 1, 2020](#)

MHCP EPM Manual Letter #20.3, September 1, 2020

MHCP EPM Manual Letter #20.4, December 1, 2020

2019 Manual Letter

MHCP EPM Manual Letter #19.1, January 1, 2019

MHCP EPM Manual Letter #19.2, April 1, 2019

MHCP EPM Manual Letter #19.3 June 1, 2019

MHCP EPM Manual Letter #19.4, August 7, 2019

MHCP EPM Manual Letter #19.5, September 1, 2019

MHCP EPM Manual Letter #19.6, November 1, 2019

MHCP EPM Manual Letter #19.7. December 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 #20-21-11, DHS Clarifies Medical Assistance Policies for Accepting Self-Attestation of Certain Eligibility Factors
- Bulletin #20-21-12, DHS Clarifies Treatment of Non-Homestead Life Estate in Medical Assistance for Long-Term Care (LTC)
- Bulletin #21-21-01, DHS Announces Automatic Medical Assistance Eligibility for Children in Foster Care or Receiving Northstar Kinship Assistance
- Bulletin #21-21-09, DHS Explains Changes to the Evaluation of Transfers to Pooled Trusts for MA-LTC and AC
- ~~Bulletin #21-21-10, DHS Announces a Change to Medical Assistance Eligibility for Citizens of the Freely Associated States~~
- Bulletin #21-21-13 DHS Explains Changes to the Evaluation of Client-Funded Irrevocable Trusts for MA-LTC and AC
- Bulletin #22-21-02 DHS Announces the Increase in Medical Assistance Spenddown Standard for Certain People.

COVID-19 Emergency Bulletins: These bulletins announce temporary policy modifications, which supersede policies in this manual, during the COVID-19 emergency. Because these bulletins provide temporary guidance, they will not be incorporated into this manual.

- Bulletin #20-21-02, DHS Announces Temporary Policy Changes to Minnesota Health Care Programs During the COVID-19 Peacetime Emergency
- Bulletin #20-21-03, DHS Announces Medical Assistance for COVID-19 Testing of Uninsured Individuals x Bulletin #20-21-04, DHS Explains Treatment of Federal Coronavirus Aid, Relief, and Economic Security Act Payments for Minnesota Health Care Programs
- Bulletin #20-21-05, DHS Explains Treatment of Federal Pandemic Unemployment Compensation Payments for Minnesota Health Care Programs
- Bulletin #20-21-06, DHS Explains Treatment of State, Local and Tribal COVID-19 Relief Payments for Minnesota Health Care Programs

- Bulletin #20-21-10, DHS Announces Updates to Temporary Policies for Minnesota Health Care Programs during the COVID-19 Public Health Emergency
- Bulletin #20-21-13, DHS Announces a Change to Processing PARIS Interstate Matches for MHCP Enrollees During the COVID-19 Public Health Emergency
- Bulletin #20-21-14, DHS Explains Treatment of Coronavirus Response Payments under the Consolidated Appropriations Act, 2021, for Minnesota Health Care Programs
- Bulletin #21-21-02, DHS Explains Treatment of Coronavirus Response Payments under the American Rescue Plan Act of 2021, for MHCP
- Bulletin #21-21-03, DHS Explains Treatment of PUA and PEUC for Minnesota Health Care Programs
- Bulletin #21-21-04, DHS Explains Redetermination and Closure of MHCP for Enrollees Not Validly Enrolled due to Fraud or Agency Error
- Bulletin #21-21-05, DHS Announces a Change to the MAGI Methodology for Medical Assistance and MinnesotaCare
- Bulletin #21-21-06 DHS Announces MinnesotaCare Premium Reductions for 2021 and 2022
- Bulletin #21-21-07 DHS Explains Redetermination and Closure of MHCP for Enrollees Not Validly Enrolled due to Abuse
- Bulletin #21-21-08 DHS Explains Treatment of RentHelpMN Assistance and Child Tax Credit Payments for Minnesota Health Care Programs

Prior versions of EPM sections are available upon request. 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 #22.2, March 1, 2022

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Manual Letter #20.4, December 1, 2020

Manual Letter #20.3, September 1, 2020

Manual Letter #20.2, June 1, 2020

Manual Letter #20.1 March 1, 2020

Manual Letter #19.7, December 1, 2019

Manual Letter #19.6, November 1, 2019

Manual Letter #19.5, September 1, 2019

Manual Letter #19.4, August 7, 2019

Manual Letter #19.3, June 1, 2019

Manual Letter # 19.2, April 1, 2019

Manual Letter #19.1, January 1, 2019

Manual Letter #18.5, December 1, 2018

Manual Letter #18.4, September 1, 2018

Manual Letter #18.3, June 1, 2018

Manual Letter #18.2, April 1, 2018

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

Manual Letter #17.1, April 1, 2017

Manual Letter #16.4, December 22, 2016

Manual Letter #16.3, September 1, 2016

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

## **B. Section 1.2.1 MHCP Application Forms**

Minnesota Health Care Programs

### **1.2.1 Application Forms**

Many people may apply for Minnesota's Insurance Affordability Programs (IAP) using the MNsure online or a paper application. However, there are different application forms designed to collect the information needed based on the applicant's situation. Applicants must not be asked to answer questions that are not applicable to determining their eligibility. Using the correct application form helps speed up the eligibility determination. When using a paper application form, it is important to choose the most appropriate form and to follow the instructions about where to send the form.

#### **MNsure Online Application**

A secure, web-based application is at [MNsured.org](https://MNsured.org). The online application for financial assistance in obtaining health care is a smart and dynamic application that asks questions based on an applicant's response to previous questions. The online application displays all required information about an applicant's rights and responsibilities. It is the preferred application for IAPs because a real-time eligibility determination may be possible.

Applicants using the MNsure online application have eligibility determined for all Minnesota Health Care Programs (MHCP) and advanced premium tax credits.

Eligibility is evaluated in the following order:

- A. Medical Assistance (MA) for Families with Children and Adults (MA-FCA)
- B. MinnesotaCare
- C. Advanced premium tax credit (APTC)
- D. Qualified health plan (QHP) without subsidy

People who are eligible for MA are not eligible for MinnesotaCare or APTC. Likewise, people who are eligible for MinnesotaCare are not eligible for APTC. Eligibility for help getting health care is not a barrier to purchasing a QHP without financial help.

Applicants who are potentially eligible for other types of MA are referred for a further eligibility determination.

#### **MNsure Application for Health Coverage and Help Paying Costs (DHS-6696)**

Applicants may use the paper version of the MNsure online application. Applicants submit DHS-6696 to their county or tribal servicing agency. It is available in English, Hmong, Russian, Somali, Spanish and Vietnamese.

Applicants using DHS-6696 must have eligibility determined for all Minnesota Health Care Programs (MHCP) and advanced premium tax credits.

Eligibility is evaluated in the following order:

- A. MA-FCA
- B. MinnesotaCare
- C. APTC
- D. QHP without subsidy

People who are eligible for MA are not eligible for MinnesotaCare or APTC. Likewise, people who are eligible for MinnesotaCare are not eligible for APTC. Eligibility for help getting health care is not a barrier to purchasing a QHP without financial help.

Applicants who are potentially eligible for other types of MA are referred for a further eligibility determination.

### **MHCP Application for Certain Populations (DHS-3876)**

Applicants in households where everyone in the household is a member of one of the following populations use the MHCP Application for Certain Populations:

- Age 65 or older
- Blind or has a disability
- Applying only for Medicare Savings Program
- 21 years old or older, lives with no children under age 19, and has Medicare coverage
- ~~Older than 21 with no dependents and Medicare~~
- ~~An adult receiving~~Receiving Supplemental Security Income (SSI)
- Applying for MA for Employed Persons with Disabilities (MA-EPD)

DHS-3876 is available in English, Hmong, Russian, Somali, Spanish and Vietnamese. Applicants submit DHS-3876 to their county or tribal servicing agency.

The Supplement to the MHCP Application DHS-3417 or DHS-3876 (DHS-6696B) must also be completed when a submitted DHS-3876 includes household members not listed above.

### **MHCP Application for Payment of Long-Term Care Services (DHS-3531)**

The Application for Payment of Long-Term Care Services (DHS-3531) is for MA applicants who have a basis of eligibility other than MA-FCA and:

- live in a long-term care facility such as a {nursing home}.
- live in an intermediate care facility for people with developmental disabilities.
- live in a nursing facility care in an inpatient hospital.
- request Elderly Waiver (EW) services.
- request Community Alternatives for Disabled Individuals (CADI) services.

- request Community Alternative Care (CAC) services.
- request Traumatic Brain Injury (TBI) services.
- request Developmental Disabilities Waiver (DD) services.

Applicants submit DHS-3531 to their county or tribal servicing agency. Applicants who are potentially eligible for MA-FCA are referred for a further eligibility determination.

### **Minnesota MA Application/Renewal Breast and Cervical Cancer (DHS-3525)**

The Minnesota MA Application/Renewal Breast and Cervical Cancer form is for people who were screened by the Sage Screening Program and have breast or cervical cancer and are seeking MA coverage. Enrollees also use this form to renew eligibility for coverage. Applicants submit DHS-3525 to their county or tribal servicing agency.

### **Minnesota Family Planning Program Application – MFPP (DHS-4740)**

This form is for applicants who are only seeking coverage under the Minnesota Family Planning Program (MFPP-). Applicants submit DHS-4740 to DHS Health Care Eligibility Operations. It is also available in Spanish.

## **Application Supplements**

A supplemental form may be required to collect additional information needed to determine eligibility. Agencies may only require an applicant to provide information necessary to make an eligibility determination and cannot require applicants to provide information they already provided. Therefore, an applicant or enrollee who already completed an application cannot be required to submit a new application unless their eligibility is denied or coverage closed. Instead, a supplement is used to make a complete eligibility determination.

### **Supplement to MNsure Application for Health Coverage and Help Paying Costs (DHS-6696A)**

Applicants who submit their application through the MNsure online or paper application (DHS-6696) may need to provide additional information if their eligibility cannot be determined in the new eligibility system or if further evaluation is needed for MA-ABD, long-term care services, or Medicare Savings Program eligibility. This paper supplement gathers information, not requested on the MNsure application, needed to determine eligibility for:

- MA for ~~p~~People Age-age 65 and older, ~~people who are -B~~blind, or ~~Disabled~~have a disability
- MA for people receiving care and rehabilitation services from the Center for Victims of Torture
- Refugee MA
- MA with a spenddown
- MA payment for long-term care facility services

- MA payment for home and community-based waiver services
- Medicare Savings Programs

DHS-6696A is available in English, Hmong, Russian, Somali, Spanish and Vietnamese. Applicants submit DHS-6696A to their county or tribal servicing agency.

### **Supplement to the MHCP Application DHS-3417 or DHS-3876 (DHS-6696B)**

~~This supplement is for applicants who submit an obsolete or wrong form. The Combined Application Form (DHS-5223) dated prior to 4/14 January 2014 and the Health Care Programs Application (DHS-52233417) are no longer used to apply for health care. However, when an applicant submits one of these forms they can complete this short supplement instead of reapplying using a current form instead of a new MHCP application.~~

When an applicant submits the MHCP Application for Certain Populations (DHS-3876) and they do not meet the criteria to use DHS-3876, they must complete this short supplement to have an eligibility determination. This paper supplement gathers information needed to determine eligibility for:

- MA-FCA
- MinnesotaCare
- APTC
- QHP without subsidy

DHS-6696B is available in English, Hmong, Russian, Somali, Spanish and Vietnamese. Applicants submit DHS-6696B to their county or tribal servicing agency.

### **MHCP MA Payment for Inpatient Hospital Care for Inmates (DHS-6696G)**

This form is a supplement to DHS-6696 for inmates requesting MA payment of hospital services while incarcerated. The correctional facility assists with the application. Applicants submit DHS-6696G and a completed DHS-6696 to DHS Health Care Eligibility Operations.

### **MHCP Individual Discharge Information Sheet (DHS-3443)**

This form is a supplement for people leaving prison to help determine health care eligibility upon release. Applicants must submit DHS-3443 with a completed application; a DHS-6696, DHS-3876, DHS-5038 or DHS-3531. Applicants submit the two forms to the county or tribal servicing agency in which the applicant resided before entering the correctional system.

## **Other Forms**

### **MHCP Payment of Long-Term Care Services for MA for Families with Children and Adults (DHS-3543A)**

MA enrollees using the Families with Children and Adults bases of eligibility use this form to request payment for services in a long-term care facility. Enrollees submit DHS-3543A to their county or tribal servicing agency.

### **MHCP Request for Payment of Long-Term Care Services (DHS-3543)**

MA enrollees using the People Who are Age 65 or Older, Blind or Disabled bases of eligibility use this form to request payment for services in a long-term care facility or a home and community-based waiver program. Enrollees submit DHS-3543 to their county or tribal servicing agency.

### **MHCP Request to Reopen MA (DHS-5038)**

This form is used to request MA coverage reopen after the person was incarcerated less than a year. Applicant submit DHS-5038 to the county or tribal servicing agency in which:

- the applicant resided before entering the correctional system, or
- the applicant plans to live if the previous county of residence is unknown or the person came from another state.

### **MNsire Appendix A - Health Coverage from Jobs (DHS-6696D)**

This form request missing information about employer subsidized health insurance availability. People can take this form to their human resources department to be filled out. It is included in DHS-6696 and the MNsire online application. Applicants submit DHS-6696D to their county or tribal servicing agency.

### **MNsire Application Additional Information Requested (DHS-6696F)**

This form requests missing information from an incomplete DHS-6696. It includes steps three through nine of DHS-6696. Applicants submit DHS-6696F to their county or tribal servicing agency.

### **MNsire Application for Health Coverage and Help Paying Costs Signature Page (DHS-6696C)**

This form obtains a signature from a Minnesota Health Care Programs applicant or enrollee when the person fails to sign the application or renewal. Applicants submit DHS-6696C to their county or tribal servicing agency.

### **Request to Apply for MHCP (DHS-3417B)**

This form sets the date of application. An applicant must submit a complete application within 30 days of the written request. Applicants submit DHS-3417B to their county or tribal servicing agency.

## **Legal Citations**

Code of Federal Regulations, title 42, section 435.907

Code of Federal Regulations, title 45, section 155.405

Code of Federal Regulations, title 45, section 155.310

Minnesota Statutes, section 256B.04

Minnesota Statutes, section 256B.08

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## **C. Section 2.1.1.1 MA Mandatory Verifications**

Medical Assistance

### **2.1.1.1 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 verification of mandatory verifications.~~ Self-attestation of certain eligibility factors may be accepted if electronic data sources are unsuccessful or unavailable and paper proof does not exist or is not available.

Medical Assistance (MA) has the following required verifications.

MA for Families With Children and Adults (MA-FCA) Mandatory Verifications

MA for People Who Are 65 or Older and People Who Are Blind or Have a Disability (MA-ABD) Mandatory Verifications

MA for Center for Victims of Torture (MA-CVT) Mandatory Verifications

Emergency MA (EMA) Mandatory Verifications

MA Northstar Adoption Assistance Mandatory Verifications

MA Northstar Title IV-E Foster Care and Title IV-E Kinship Assistance Mandatory Verificaitons

MA Breast or Cervical Cancer Mandatory Verifications

### **Legal Citations**

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

Minnesota Statutes, section 256B.056

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## **D. 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 including, but not limited to, seasonal income, temporary census income, and unemployment compensation 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. Applicants and enrollees are responsible for knowing whether their income is taxable. 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. These types of deductions must be subtracted from a person's gross wages when they appear on a paystub or wage record.
  - Waiver payments and personal care services
    - Medicaid waiver payments received by a person who provides HCBS waiver services (personal care services, habilitation services, and other services) to an HCBS waiver 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.~~
    - Medicaid waiver payments received by a person who provides HCBS waiver services to an HCBS waiver eligible person not living with them, are taxable and are included in the person's adjusted gross income.~~If the HCBS waiver 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.~~
    - Wages received for providing personal care to someone without a Medicaid waiver, such as to individuals eligible under state plan Personal Care Assistance or Consumer Support Grant personal care services, may or may not be taxable income. The person receiving payments for providing personal care must attest to whether this type of income is taxable. If the person providing personal care services does not know whether their income is taxable, they should consult with a tax professional.

For more information see the IRS website: Certain Medicaid Waiver Payments May Be Excludable From Income.

- Interest
- Dividends
- Taxable refunds, credits or offsets of state and local income taxes
- Alimony received (spousal maintenance) based on a divorce decree or separation agreement executed before January 1, 2019.
  - Alimony received based on a divorce decree or separation agreement dated on or after January 1, 2019, is not taxable income. It does not need to be reported and is not countable income under the MAGI methodology.

- If the divorce decree or separation agreement is modified on or after January 1, 2019, and the modification expressly provides for that the alimony tax law changes apply, then the alimony received on or after the date of modification is not considered countable income under the MAGI methodology.
  - Applicants and enrollees must determine whether the alimony payments they receive are based on a divorce decree or separation agreement executed or modified on or after January 1, 2019, and report accordingly.
- Verification of the date of a divorce decree or separation agreement, or a modification to these, is not required. 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

- Through December 31, 2025, moving expenses are permitted only for households that include active duty members of the military who move because of a military order and a permanent change in station,
- 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) based on a divorce decree or separation agreement executed before January 1, 2019,
  - Alimony paid based on a divorce decree or separation agreement executed on or after January 1, 2019, is not an allowable adjustment to income. It should not be reported as an adjustment to income and is not permitted as an adjustment under the MAGI methodology.
  - If the divorce decree or separation agreement is modified on or after January 1, 2019, and the modification expressly provides for that the alimony tax law changes apply, then the alimony paid on and after the date of modification is not an allowable adjustment under the MAGI methodology.
  - Applicants and enrollees must determine whether the alimony they pay is based on a divorce decree or separation agreement executed or modified before January 1, 2019, and report accordingly.
- Verification of the date of a divorce decree or separation agreement, or a modification to these, is not required. IRA deduction
- Student loan interest

## **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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## E. 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 of certain eligibility factors may be accepted if electronic data sources are unsuccessful or unavailable and paper proof does not exist or is not available.

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, renewal, and when a new asset is reported.
    - At renewal, an excluded asset that was verified does not need to be verified again unless the asset has changed, to determine whether the change affects the exclusion
  - An applicant or enrollee must verify assets even if the Account Validation Service (AVS) was requested. Assets that are counted for a person with an asset limit must be verified even if the asset belongs to a person who is not applying for Medical Assistance (MA) or does not have an asset limit.
  - 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).

## Self-Attestation

Self-attestation, either verbal or in writing, of the following eligibility factors may be accepted if electronic data sources are unsuccessful or unavailable and paper proof does not exist or is not available:

- Income
- Assets
- Medical expenses to meet a spenddown
- Certification of Disability through Social Security Administration (SSA) or State Medical Review Team (SMRT)
- Exceptions to having a Social Security Number

Paper proof is considered not available if neither the applicant or enrollee, nor the agency can obtain it. The county, tribal and state servicing agency must make efforts to assist the applicant or enrollee in obtaining the requested paper proof, if it exists. This includes obtaining authorization from the applicant or enrollee to contact a third party on their behalf, if appropriate. Decisions to accept an applicant's or enrollee's self-attestation must be based on the individual case circumstances.

Self-attestation cannot be accepted in lieu of electronic verification or paper documentation of an applicant or enrollee's citizenship, immigration status, or social security number.

## 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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## F. Section 2.3.2.2 MA-ABD Certification of Disability

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

### 2.3.2.2 Certification of Disability

Disability or blindness must be certified by the Social Security Administration (SSA) or the State Medical Review Team (SMRT). The certification process is also called a disability determination.

People receiving the following benefits may or may not be certified disabled by SSA or SMRT.

- Short-term disability
- Long-term disability
- Long-term care insurance
- Veterans' Administration (VA)
- Railroad Retirement Board (RRB)
- Worker's Compensation

## Medicare

An individual People does may or may not need a new disability determination if they are eligible for Medicare, and lose their RSDI benefits because they earn more than the Substantial Gainful Activity (SGA) level. These Some people are eligible for at the Medicare extension during which (as long as SSA considers these people to remain disabled. during the Medicare extension, A person continues to be certified disabled to meet a disabled basis for as long as SSA considers these people to remain certified disabled they continue to meet a disabled basis for MA). Other people may be former beneficiaries of Social Security benefits who are currently receiving Medicare and are not considered certified disabled by SSA.

An active certification of disability from SSA cannot be determined solely from the benefit status or the receipt of disability benefits. The status of the certification of disability determines whether a person meets a disabled basis for MA. Former beneficiaries of Social Security benefits (SSI or RSDI) who are enrolled in Medicare but no longer considered disabled by SSA must be referred to SMRT for a disability determination.

Only a SSA or SMRT certification of disability is valid for the purposes listed below.

## Disability Certification for MA Eligibility

People must be certified disabled and use the disabled or blind basis of eligibility to:

- Enroll in MA for Employed Persons with Disabilities (MA-EPD)

- MA-EPD enrollees who lose their certification of disability with SSA must be referred to SMRT for a certification of disability. An MA-EPD enrollee who is referred to SMRT remains eligible for MA-EPD during the time SMRT is making its determination.
- Access MA under the TEFRA option for children with a disability is named after the Tax Equity and Fiscal Responsibility Act (TEFRA) of 1982 that created the option. Children with a disability and household income above the MA income limit need a disability certification and level of care determination to use the TEFRA option.
  - SMRT makes the level of care determination.
- Receive home and community-based services through the:
  - Brain Injury (BI) waiver
  - Community Alternative Care (CAC) waiver
  - Community Access for Disability Inclusion (CADI) waiver

A disability certification is not needed for services under the Developmentally Disabled (DD) waiver. The county case manager determines if the person meets the criteria for a developmental disability.

Children turning 18 need a new disability certification under the adult standards to continue using a blind or disabled basis of eligibility.

### **Disability Certification for Other Reasons**

Some MA enrollees get a disability certification for managed care reasons including:

- To be excluded from managed care enrollment
  - A person does not have to use a disabled basis of eligibility for Medical Assistance in order to be excluded from managed care enrollment.
- To enroll in Special Needs Basic Care (SNBC), a specialized managed care plan for people age 18-64 with a certified disability

Additional reasons for needing a disability certification include:

- Community Support Grant (CSG) eligibility
- Family Support Grant (FSG) eligibility
- Aged 65 and older and establishing a pooled trust
- Establish an asset transfer penalty exception
- Creating certain trusts

### **State Medical Review Team Certification of Disability**

SMRT completes disability determinations for people not certified disabled by SSA. SMRT certifies disability using the same disability criteria as the SSA.

## Referral Process

Since the SSA disability determination process can be long, the county, tribal or state servicing agency completes a SMRT Referral for a Disability Determination. Referrals are sent in only through the Integrated Service Delivery System (ISDS).

### Expedited Case Criteria

SMRT expedites the disability determination process in the following situations where the person is likely to meet disability criteria:

- The person has a condition that appears on the SSA Compassionate Allowance Listing (CAL)
- The person is awaiting discharge from a facility and can be discharged immediately if MA is approved
- The person has a potentially life-threatening situation and requires immediate treatment or medication
- There is a county error that may jeopardize a client's benefits. This circumstance is reviewed and accepted on a case by case basis.

### Continuing Disability Review

People certified disabled by SMRT need a continuing disability review every one to seven years. Disability standards are different for children and adults, so at age 18, a child must be evaluated under the adult standards. Newborns certified disabled due to a low-birth weight must be reviewed prior to age one.

## Additional SMRT Referrals:

The following people need a SMRT referral:

- People whose Supplemental Security Income (SSI) or Retirement, Survivors, and Disability Insurance (RSDI) application is pending or being appealed.
- People who are not eligible for SSI or RSDI, because they earn more than the substantial gainful activity (SGA) level.
- People whose SSI, RSDI, or 1619(a) for 1619(b) benefits are terminated.
- ~~People who have extended Medicare but who are no longer receiving RSDI. Some people may remain disabled but lose RSDI because they earn more than the substantial gainful activity (SGA) level. Because SSA considers them to remain disabled, they continue to meet a disabled basis of eligibility for MA. A referral to SMRT should be made two months before the Medicare extension ends.~~ are enrolled in Medicare but not considered certified disabled by SSA.
- People who are receiving a Medicare extension during which they are still considered certified disabled by SSA should receive a SMRT referral two months before the Medicare extension ends.

## Legal Citations

Code of Federal Regulations, title 42, sections 404.1501 to 404.1599

Code of Federal Regulations, title 42, sections 416.901 to 416.999d

Code of Federal Regulations, title 42, section 435.541

Minnesota Statutes, section 256.01

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## G. Section 2.3.5.1.1 MA-EPD Mandatory Verifications

Medical Assistance for Employed Persons with Disabilities

### 2.3.5.1.1 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.~~ Self-attestation of certain eligibility factors may be accepted if electronic data sources are unsuccessful or unavailable and paper proof does not exist or is not available.

Medical Assistance for Employed Persons with Disabilities (MA-EPD) 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.
    - An applicant or enrollee must verify assets even if The Account Validation Service (AVS) was requested.
  - 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
- Certification of Disability through Social Security Administration (SSA) or State Medical Review Team (SMRT)
- Income from employment
  - For wage income, only the following forms of verification are acceptable:
    - Pay stubs that include:
      - The employee's name or Social Security Number.
      - Hours worked.
      - Gross pay.
      - Social Security and Medicare taxes withheld.
      - Net pay.
      - Period covered by earnings.

- Employer's name.
- A completed Authorization for Release of Employment Information (DHS-2146). This form is only required when the employee does not provide pay stubs containing the required information, or any other statement from the employer that provides the necessary information.
- For self-employment income one of the following must be provided as verification of earnings:
  - Federal tax forms if the client has been in business long enough to file taxes and was required to file federal income tax for the previous year. Tax forms must include any of the following:
    - Quarterly Schedule ES (Form 1040) Estimated Tax for Individuals, if they were required to pay quarterly self-employment taxes.
    - Form 1040 U.S. Individual Income Tax Return with the "Self-Employment Tax" line completed.
    - Schedule SE (Form 1040) Self-Employment Tax.
  - Business records if the client has not been in business long enough to file a federal income tax return or quarterly estimated taxes, or if tax forms do not accurately reflect self-employment income.
- An enrollee must submit a copy of the federal tax return when it becomes available at the next renewal.
  - Business records may include:
    - Business financial statement.
    - Detailed records of gross receipts and expenses.
    - Business quarterly report.
    - Computer printout showing gross receipts and expenses.
    - Signed statement from the business's accountant verifying projected business income or expenses.
- Immigration status
- Royalties, Honoraria, and Stipends
  - Documentation of royalty, honoraria, or stipend income must show:
    - The nature and amount of payments.
    - Dates of payments.
    - Frequency of payments.
    - Social Security and Medicare tax withholding.
  - This income can be verified with:

- Tax forms for the previous year identifying royalties, honoraria, or stipends with Medicare and Social Security taxes paid via entries on:
  - Federal Tax Form 1040.
  - Schedule C.
  - Schedule SE.
  - Form 1099-Misc.
- Pay stubs or written statement from the source of payment showing:
  - Social Security and Medicare taxes withheld.
  - Client's name or Social Security Number.
  - Amount of payment.
  - Dates of payment.
  - Name of the issuer.
- Quarterly Schedule ES (Form 1040) Estimated Tax for Individuals.
- Schedule SE (Form 1040) Self-Employment Tax.
- Social Security Number
- Social Security and Medicare taxes paid
- U.S. Citizenship

American Indian and Alaska Native enrollees need to provide proof of status to be exempt from paying MA-EPD premiums.

## Self-Attestation

Self-attestation, either verbal or in writing, of the following eligibility factors may be accepted if electronic data sources are unsuccessful or unavailable and paper proof does not exist or is not available:

- Income
- Assets
- Medical expenses to meet a spenddown
- Certification of Disability through Social Security Administration (SSA) or State Medical Review Team (SMRT)
- Exceptions to having a Social Security Number

Paper proof is considered not available if neither the applicant or enrollee, nor the agency can obtain it. The county, tribal and state servicing agency must make efforts to assist the applicant or enrollee in obtaining the requested paper proof, if it exists. This includes obtaining authorization from the



applicant or enrollee to contact a third party on their behalf, if appropriate. Decisions to accept an applicant's or enrollee's self-attestation must be based on the individual case circumstances.

Self-attestation cannot be accepted in lieu of electronic verification or paper documentation of an applicant or enrollee's citizenship, immigration status, or social security number.

## **Legal Citations**

Minnesota Statutes, section 256B.057

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## H. Section 2.3.7 MA 1619(a) or 1619(b)

Medical Assistance for People Age 65 or Older and People who are Blind or have a Disability

### **2.3.7 Medical Assistance 1619 (a) or 1619 (b)**

Supplemental Security Income (SSI) is a federal program administered by the Social Security Administration (SSA) that provides monthly cash payments to people age 65 or older and people who are or certified blind or disabled and have little or no income.

SSI has a work incentive provision under section 1619 of the Social Security Act for people whose earnings reduce or eliminate their SSI cash benefit. People who are eligible for SSI under section 1619 are eligible for Medical Assistance (MA) without regard to their income or assets. 1619(a) is for people who receive a partial SSI cash benefit. 1619(b) is for people who no longer receive an SSI cash benefit and maintain their disability status.

The SSA determines 1619(a) and 1619(b) non-financial eligibility.

This page outlines the general, financial, non-financial, and post eligibility requirements for people under a 1619 (a) or 1619 (b) status. It describes policies that apply to MA-1619 (a) and 1619 (b) and links to policies that apply to all MA programs, MA for People Who Are Age 65 or Older and People Who Are Blind or Have a Disability (MA-ABD), and all Minnesota Health Care Programs (MHCP) programs.

#### General Requirements

##### MA Applications

People currently enrolled in MA who gain 1619(a) or 1619(b) status are not required to submit a new application to continue MA eligibility. People not currently enrolled in MA who gain 1619(a) or 1619(b) status must submit a new application to apply for MA. Refer to Minnesota Health Care Programs Application (MHCP) for more information about applications.

##### MA Responsibilities

##### MA Benefit Recovery

- MA Estate Recovery

- MA Liens

- MA Third Party Liability

- MA Cost Effective Insurance

- MA Medical Support

- MA Other Third Party Liability

- MA Cooperation

- MA Cost Sharing

MHCP Fraud

MHCP Inconsistent Information

MA Referral for Other Benefits

MHCP Rights

MHCP Appeals

MHCP Authorized Representative

MHCP Civil Rights

MHCP Data Privacy

MHCP Notices

## Non-Financial Eligibility

~~To be eligible for 1619 (a) or 1619 (b), the person must:~~

- ~~○ be eligible for a regular SSI payment based on disability for at least one month before he or she earned income above the SSI limit;~~
- ~~○ continue to have a disability or blind status; and~~
- ~~○ continue to meet all other SSI eligibility criteria except for earnings~~

~~To be eligible for 1619 (b), a person must:~~

- ~~○ Need MA coverage to continue working; and~~
- ~~○ Not have sufficient earnings to replace SSI cash benefits, MA benefits, and publicly funded personal or attendant care services that would be lost due to the person's earnings.~~

The person's 1619 (a) or 1619 (b) status must be verified at application and renewal.

## MA-ABD Non-Financial Eligibility

## Financial Eligibility

SSI beneficiaries who received Medical Assistance (MA) the month before the initial month they were certified for special SSI status under sections 1619(a) and 1619(b) of the Social Security Act are eligible for MA without regard to income or assets. People with 1619 (a) or 1619 (b) status are eligible without an income or asset test. SSA decides when a person exceeds the makes determinations and redeterminations of a person's 1619 (a) or 1619 (b) income or asset limit status.

Verification of income and assets are not required while the person remains under the 1619 (a) or 1619 (b) status.

See the SSA Continued Medicaid Eligibility webpage for more information.

## Post-Eligibility

### MA Benefit Recovery

MA Estate Recovery

MA Liens

MHCP Overpayments

MA Third Party Liability

MA Cost-Effective Insurance

MA Medical Support

MA Other Third Party Liability

### MHCP Change in Circumstances

MA Cooperation

MA Cost Sharing

MHCP Fraud

MA-ABD Health Care Delivery

MA Inconsistent Information

MA Qualifying Health Coverage

MA Referral for Other Benefits

MA-ABD Renewals

DHS pays Medicare Part B premiums for 1619 (a) and 1619 (b) recipients enrolled in Medicare and receiving Retirement, Survivors, or Disability Insurance (RSDI) benefits.

## Legal Citations

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

Social Security Act, section 1619

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Section 2.3.7 was previously titled MA-ABD Medical Assistance Minnesota Supplemental Aid. That version was archived on June 1, 2020. The section formerly titled 2.3.8 MA-ABD Medical Assistance 1619(a) or 1619(b) was moved to Section 2.3.7 to replace the previous page. The following is a hyperlink to the only archive of the previous page:



## **I. 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 9.61 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 the employee and the spouse expect to file taxes jointly. ~~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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## J. 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
<u>July 1, 2022 to June 30, 2023</u>	<u>\$687</u>
July 1, 2021 to June 30, 2022	\$653
<del>July 1, 2020 to June 30, 2021</del>	<del>\$647</del>

#### 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, 2022 to December 31, 2022	\$3,435
January 1, 2021 to December 31, 2021	\$3,259.50

#### Minimum Monthly Income Allowance

The Minimum Monthly Income Allowance, along with the Maximum Monthly Income Allowance, is used to determine the community spouse's monthly maintenance needs amount.

<b>Effective Dates</b>	<b>Minimum Monthly Income Allowance</b>
<u>July 1, 2022 to June 30, 2023</u>	<u>\$2,289</u>
July 1, 2021 to June 30, 2022	\$2,178
July 1, 2020 to June 30, 2021	\$2,155

### **Utility Allowance**

The Utility Allowance is allowed as a shelter expense if the community spouse is responsible for heating or cooling costs.

<b>Effective Dates</b>	<b>Utility Allowance</b>
October 1, 2021 to September 30, 2022	\$488
October 1, 2020 to September 30, 2021	\$496

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.

<b>Effective Dates</b>	<b>Electricity Allowance</b>
October 1, 2021 to September 30, 2022	\$149
October 1, 2020 to September 30, 2021	\$154

<b>Effective Dates</b>	<b>Telephone Allowance</b>
October 1, 2021 to September 30, 2022	\$56
October 1, 2020 to September 30, 2021	\$56

### **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.

<b>Effective Dates</b>	<b>Home Equity Limit</b>
January 1, 2022 to December 31, 2022	\$636,000
January 1, 2021 to December 31, 2021	\$603,000

## **IRS Mileage Rate**

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

<b>Effective Dates</b>	<b>IRS Mileage Rate</b>
January 1, 2021 to December 31, 2021	56 cents
January 1, 2020 to December 31, 2020	57.5 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.

<b>Effective Dates</b>	<b>Clothing and Personal Needs Allowance</b>
January 1, 2022 to December 31, 2022	\$111
January 1, 2021 to December 31, 2021	\$105

### **Home Maintenance Allowance**

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

<b>Effective Dates</b>	<b>Home Maintenance Allowance</b>
<u>July 1, 2022 to June 30, 2023</u>	<u>\$1,133</u>
July 1, 2021 to June 30, 2022	\$1,074
July 1, 2020 to June 30, 2021	\$1,064

## **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
<u>July 1, 2022 to June 30, 2023</u>	<u>\$1,152</u>
July 1, 2021 to June 30, 2022	\$1,059
<u>July 1, 2020 to June 30, 2021</u>	<u>\$1,038</u>

## 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, 2022 to December 31, 2022	No minimum	\$137,400
January 1, 2021 to December 31, 2021	No minimum	\$130,380

## 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, 2022 to December 31, 2022	1.059
January 1, 2021 to December 31, 2021	1.013

## Remedial Care Expense

The Remedial Care Expense deduction amount can be used as a health care expense when meeting a spenddown or as an income deduction in an LTC income calculation.

<b>Effective Dates</b>	<b>Remedial Care Expense</b>
January 1, 2022 to June 30, 2022	\$195
July 1, 2021 to December 31, 2021	\$189

## **Roomer and Boarder Standard Amount**

The Roomer and Boarder Standard income is used in calculating the amount of self-employment income a person who rents or boards another person has to add to the MA Method A income calculation.

<b>Roomer and Boarder Standard</b>	<b>Amount</b>
Roomer Amount	\$71
Boarder Amount	\$155
Roomer plus Boarder Amount	\$226

## **Special Income Standard**

The Special Income Standard (SIS) is used to determine certain criteria for the Elderly Waiver (EW) Program.

<b>Effective Dates</b>	<b>SIS</b>
January 1, 2022 to December 31, 2022	\$2,523
January 1, 2021 to December 31, 2021	\$2,382

## **Statewide Average Payment for Skilled Nursing Facility Care**

The statewide average payment for skilled nursing facility (SAPSNF) care amount is used to determine a transfer penalty for MA. The SAPSNF is updated annually in July.

<b>Effective Dates</b>	<b>SAPSNF</b>
<u>July 1, 2022 to June 30, 2023</u>	<u>\$9,312</u>
July 1, 2021 to June 30, 2022	\$8,781
July 1, 2020 to June 30, 2021	\$8,412

## **Student Earned Income Exclusion**

The Student Earned Income Exclusion is a disregard of earned income for people who are under age 22 and regularly attending school. It is only available for MA Method B and MSP.

<b>Effective Date</b>	<b>Monthly</b>	<b>Annual</b>
January 1, 2022 to December 31, 2022	\$2,040	\$8,230
January 1, 2021 to December 31, 2021	\$1,930	\$7,770

## **Supplemental Security Income Maximum Payment Amount**

These figures are the maximum benefit amounts for people eligible for Supplemental Security Income (SSI). A person's SSI benefit amount is based on the income of the person and certain responsible household members.

SSI benefit payments may be deducted from the LTC income calculation if the person qualifies for the Special SSI Deduction.

<b>Effective Date</b>	<b>Individual</b>
January 1, 2022 to December 31, 2022	\$841
January 1, 2021 to December 31, 2021	\$794

<b>Effective Date</b>	<b>Couple</b>
January 1, 2022 to December 31, 2022	\$1,261
January 1, 2021 to December 31, 2021	\$1,191

## **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**

<b>Marital Status</b>	<b>Age over 65?</b>	<b>Blind?</b>	<b>Income Type</b>	<b>2020 Tax Year Threshold Amount</b>	<b>2021 Tax Year Threshold Amount</b>
Single	No	No	Earned Income	\$12,200	\$12,400
Single	No	No	Unearned Income	\$1,100	\$1,100
Single	No	No	Gross Income	Larger of \$1,100 or Earned Income Reported up to \$11,850 + \$350	Larger of \$1,100 or Earned Income Reported up to \$12,050 + \$350
Single	Yes	No	Earned Income	\$13,850	\$14,050
Single	Yes	No	Unearned Income	\$2,750	\$2,750
Single	Yes	No	Gross Income	Larger of \$2,750 or Earned Income Reported up to \$11,850 + \$2,000	Larger of \$2,750 or Earned Income Reported up to \$12,050 + \$2,000
Single	No	Yes	Earned Income	\$13,850	\$14,050
Single	No	Yes	Unearned Income	\$2,750	\$2,750
Single	No	Yes	Gross Income	Larger of \$2,750 or Earned Income Reported up to \$11,850 + \$2,000	Larger of \$2,750 or Earned Income Reported up to \$12,050 + \$2000
Single	Yes	Yes	Earned Income	\$15,500	\$15,700
Single	Yes	Yes	Unearned Income	\$4,400	\$4,400

<b>Marital Status</b>	<b>Age over 65?</b>	<b>Blind?</b>	<b>Income Type</b>	<b>2020 Tax Year Threshold Amount</b>	<b>2021 Tax Year Threshold Amount</b>
Single	Yes	Yes	Gross Income	Larger of \$4,400 or Earned Income Reported up to \$11,850 + \$3,650	Larger of \$4,400 or Earned Income Reported up to \$12,050 + \$3,650
Married	No	No	Earned Income	\$12,200	\$12,400
Married	No	No	Unearned Income	\$1,100	\$1,100
Married	No	No	Gross Income	Larger of \$1,100 or Earned Income Reported up to \$11,850 + \$350	Larger of \$1,100 or Earned Income Reported up to \$12,050 + \$350
Married	Yes	No	Earned Income	\$13,500	\$13,700
Married	Yes	No	Unearned Income	\$2,400	\$2,400
Married	Yes	No	Gross Income	Larger of \$2,400 or Earned Income Reported up to \$11,850 + \$1,650	Larger of \$2,400 or Earned Income Reported up to \$12,050 + \$1,650
Married	No	Yes	Earned Income	\$13,500	\$13,700
Married	No	Yes	Unearned Income	\$2,400	\$2,400
Married	No	Yes	Gross Income	Larger of \$2,400 or Earned Income Reported up to \$11,850 + \$1,650	Larger of \$2,400 or Earned Income Reported up to \$12,050 + \$1,650
Married	Yes	Yes	Earned Income	\$14,800	\$15,000



<b>Marital Status</b>	<b>Age over 65?</b>	<b>Blind?</b>	<b>Income Type</b>	<b>2020 Tax Year Threshold Amount</b>	<b>2021 Tax Year Threshold Amount</b>
Married	Yes	Yes	Unearned Income	\$3,700	\$3,700
Married	Yes	Yes	Gross Income	Larger of \$3,700 or Earned Income Reported up to \$11,850 + \$2,950	Larger of \$3,700 or Earned Income Reported up to \$12,050 + \$2,950

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Manual Letter #18.4, September 1, 2018

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