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 #23.2

March 1, 2023

Manual Letter #23.2

This manual letter lists new and revised policy for the Minnesota Health Care Programs (MHCP) Eligibility Policy Manual (EPM) as of March 1, 2023. The effective date of new or revised policy may not be the same date the information is added to the EPM. Refer to the Summary of Changes to identify when the Minnesota Department of Human Services (DHS) implemented the policy.

I. Summary of Changes

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

A. EPM Home Page

We added the following bulletins:

- Bulletin #22-21-11 DHS Announces Temporary Policy to Accept Minnesota Address updates on USPS Returned Mail for Minnesota Health Care Programs
- Bulletin #23-21-02 DHS Announces Changes to the MinnesotaCare Employer Sponsored Coverage Affordability Test

We also added this manual letter.

B. Section 1.2.6 Minnesota Health Care Programs (MHCP) Signature

We add clarification for incapacitated applicants who do not have a guardian or conservator.

C. Section 1.7 MHCP Help Paying for Medicare Costs

We added this new section about help paying for Medicare costs

D. Section 1.7.1 MHCP Medicare Buy-In

We added this new section to clarify the Medicare Buy-In policy.

E. Section 2.1.1.2.1.3.1 MA Cost Effective Insurance

We clarified the length of time the policyholder has to submit proof of premiums paid.

F. Section 2.1.2.2.2 Medical Assistance (MA) Immigration Status

We included Afghan and Ukrainian humanitarian parolees to the status of people who qualify without a five-year waiting period.

G. Section 2.1.2.5 MA Social Security Number (SSN)

We added clarification the exception to have an SSN is met if an individual does not have an authorization to work.

H. Section 2.2.3.6 Medical Assitance for Families, Children, and Adults (MA-FCA) Medical Spenddown

We updated the household composition to biological, adoptive, and step-children under age 21, rin place of children under age 21, biological, adoptive and step-children.

I. Section 2.3.3.3.2.2 Medical Assistance for People Who are Age 65 and older, or People Who are Blind, or Have a Disability (MA-ABD) Disregards and Deductions

We clarify the COLA disregard may be applied to existing enrollees and new applicants as long as they had RSDI in the prior calendar year.

J. Appendix F

We updated the mileage for 2023. This update was announced in the January 3, 2023, in a SIR announcement.

K. Appendix H

We removed “for one year or more” for people who are paroled into the United States

II. Documentation of Changes

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

A. EPM Home Page
B. Section 1.2.6 MHCP Signature
C. Section 1.7 MHCP Help Paying for Medicare Costs
D. Section 1.7.1 MHCP Medicare Buy-In
E. Section 2.1.1.2.1.3.1 MA Cost Effective Insurance
F. Section 2.1.2.2.2 MA Immigration Status
G. Section 2.1.2.5 MA Social Security Number
H. Section 2.2.3.6 MA-FCA Medical Spenddown
I. Section 2.3.3.3.2.2 MA-ABD Disregards and Deductions
J. Appendix F
K. Appendix H

A. EPM Home Page

Minnesota Health Care Programs

Eligibility Policy Manual

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

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

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 #23.2, March 1, 2023

MHCP EPM Manual Letter #23.1, January 1, 2023

2022

MHCP EPM Manual Letter #22.5, December 1, 2022

MHCP EPM Manual Letter #22.4, September 1, 2022

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

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 #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 People.
- Bulletin #22-21-04 DHS Announces a Change to the Income Methodology for Medical Assistance, MinnesotaCare and Minnesota Family Planning Program
- Bulletin #22-21-05 DHS Explains Treatment of Minnesota's Public Program Frontline Worker Payments
- Bulletin #22-21-06 DHS Explains Ukrainian Humanitarian Parolee's Eligibility for Minnesota Health Care Programs
- Bulletin #22-21-07 DHS Announces the Extension of MinnesotaCare Premium Reductions through 2025
- Bulletin #22-21-08 DHS Explains Treatment of Post 9/11 Veteran Service Bonus Payments for Minnesota Health Care Programs
- Bulletin #22-21-09 DHS Announces Changes to Annuities Evaluation for MA-LTC and AC Eligibility
- Bulletin #23-21-02 DHS Announces Changes to the MinnesotaCare Employer Sponsored Coverage Affordability Test

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 MinnnesotaCare 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

- Bulletin #22-21-11 DHS Announces Temporary Policy to Accept Minnesota Address updates on USPS Returned Mail for Minnesota Health Care Programs

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.

Published: ~~January~~ March 1, 2023

Previous Versions

Manual Letter #23.1, January 1, 2023

B. Section 1.2.6 MHCP Signature

Minnesota Health Care Programs

1.2.6 Signature

Application Signature

The application filer or their authorized representative must sign the application. See EPM 1.2.2 Application Submission, for a description of an application filer and EPM 1.3.1.2 Authorized Representative, for a description of an authorized representative. A Signature may be handwritten or it may be electronic if it meets certain criteria.

- A person under 18 who does not live with a parent, relative caretaker, foster parent, or legal guardian may sign an application on their own behalf. This includes both minors with and without children.

Renewal Signature

The enrollee, a person who qualifies as an application filer, or their authorized representative must sign a renewal form when a renewal signature is required.

A signature is required on paper renewal forms including the pre-populated renewal form.

No signature is required when eligibility is automatically renewed using information in an enrollee's case file and data provided by trusted electronic sources.

Other Minnesota Health Care Programs (MHCP) Eligibility Forms

Refer to the Eligibility Forms that Require a Signature document for a quick reference guide to MHCP eligibility forms that require a signature.

Electronic Signature

A valid electronic signature may be used to sign MHCP applications, renewals, and other eligibility forms that require a signature.

To be considered a valid electronic signature, the signature must be:

- gathered via software that complies with the Electronic Signatures in Global and National Commerce Act (ESIGN) and submitted with a certificate of completion, audit record, or similar audit trail; or
- gathered or transmitted electronically and meet all of the following criteria:

- The signature must show the signor's intent to sign and be logically associated with or attached to a specific form.

  A signature on a form meets this criterion.

  A signature that is not on a form must be dated and include a short statement indicating intent and association. Acceptable statements include but are not limited to:

  - "I understand that I am signing the DHS-[form number] and I agree to all the terms and conditions of the form."
  - "I understand that I am signing [title of specific MHCP application or form] and I agree to all the terms and conditions of the form."
- The signature must identify the person who is signing.

  A legible handwritten signature or a typed or legibly printed name accompanied by a handwritten signature (legible or not) meets this criterion.
- The signature must be received in a form that is tamper-proof and cannot be modified.

Examples of valid electronic signatures:

- A signature on the Minnesota Eligibility Technology System (METS) online application available on the MNsure website.
- An image of a legible handwritten signature transmitted electronically such as by fax, email, or text message that is dated and includes an acceptable statement of intent.
- A signature captured by a software product that complies with ESIGN, submitted with a completion certificate.

Examples of signatures that are not valid electronic signatures:

- A signature gathered electronically that is submitted along with a form but does not include an acceptable statement of intent.
- An image of a handwritten signature that is placed on a form by digitally copying and pasting it into the document.
- A typed name created by selecting a script or calligraphy font that has not been gathered via software that complies with ESIGN.
- A signature gathered via software that complies with ESIGN that is not accompanied by a certificate of completion, audit record or audit trail.

Special Circumstances

A person who is mentally competent but unable to sign the application due to physical limitations may:

- Sign electronically, or

- Sign a paper application by making a distinct mark, such as an X. Two witnesses must sign and date the application to verify that the person making the mark is indeed the person who is applying.

If a person has a court or tribal court-appointed guardian, one of following people must sign the application:

- The guardian, or
- An authorized representative designated by the guardian

If a person does not have a court-appointed guardian but does have a court-appointed conservator, any of the following people may sign the application:

- The person
- An authorized representative designated by the person or conservator
- The conservator, if the court has not limited the conservator's powers in such a way that the conservator does not have the power to apply for health care assistance, services, or benefits available to the person

If a person is incapacitated and does not have a court-appointed guardian, court-appointed conservator, or an authorized representative appointed by either the guardian or conservator, any of the following people may sign the application:

- An application filer acting responsibly for the incapacitated person
- An authorized representative designated by the county, tribal or state servicing agency. See EPM section 1.3.1.2 MHCP Authorized Representative for more information.

Legal Citations

Code of Federal Regulations, title 42, section 435.907

Code of Federal Regulations, title 42, section 435.916

Code of Federal Regulations, title 42, section 435.923

Code of Federal Regulations, title 45, section 155.230

Code of Federal Regulations, title 45, section 155.335

Minnesota Statutes, section 256L.05

Minnesota Statutes, section 524.5-313

Minnesota Statutes, section 524.5-417

Minnesota Statues, chapter 325L

Published: ~~December~~ March 1, 2023 ~~2020~~
Previous Versions:
Manual Letter #20.4, December 1, 2020

C. Section 1.7 MHCP Help Paying for Medicare Costs

Minnesota Health Care Programs

1.7 Help Paying for Medicare Costs

Medicare is a federal health insurance program for most people age 65 or older, people who are certified disabled, and people with End-Stage Renal Disease (permanent kidney failure requiring dialysis or a kidney transplant). The Centers for Medicare & Medicaid Services (CMS) determines who is eligible for Medicare. Medicare eligibility usually begins the month a person turns age 65. People who have been certified disabled by the Social Security Administration (SSA) and are receiving Social Security Disability Insurance (SSDI) have a 24-month waiting period before Medicare coverage can start.

1.7.1 Medicare Buy-In

Published: March 1, 2023

D. Section 1.7.1 MHCP Medicare Buy-In

Minnesota Health Care Programs

1.7.1 Medicare Buy-In

The Medicare Buy-In is an automated data exchange process with the Centers for Medicare & Medicaid Services (CMS) and MMIS, that identifies Medicare premiums that will be paid. This data exchange occurs weekly and includes requests to add or remove a person from the state's Medicare Buy-In enrollment.

Generally, a person must be enrolled in Medicare before payments for premiums can begin through the Medicare Buy-In. County, tribal, or state servicing agencies notify people who are eligible for Medicare and for payment of the Medicare premium by sending them the Medicare Buy-In Referral Letter (DHS-3439). The letter refers them to the Social Security Administration (SSA) to apply for Medicare benefits.

The Medicare Buy-In does not pay for Medicare Part C or Medicare Part D costs.

Buy-In Eligibility and Payments

There are two ways people are added to the Medicare Buy-In:

A. Medicare Savings Programs (MSP) eligibility. Generally, a person must be enrolled in both Medicare Part A and Medicare Part B to be eligible for the Medicare Buy-In through MSPs.

   In certain circumstances eligibility for an MSP will begin the Medicare Buy-In. The Medicare Buy-In will pay the Medicare Part A premium even if the person did not previously enroll in Part A and did not pay the premium. See EPM 4.2.1.7 Types of Medicare Savings Programs for more information about each MSP and which premium(s) they pay for.

B. Categorical eligibility. A person with certain types of categorical eligibility receives payment of the Medicare Part B premium.

Categorical Eligibility

Certain MA enrollees are automatically added to the Medicare Buy-In when MA is approved. Categorically eligible persons receive payment of the Medicare Part B premium. These enrollees are entitled to premium free Medicare Part A and are enrolled in one of the following programs:

- MA and Minnesota Supplemental Aid (MSA)
- MA status for 1619(a) or 1619(b)
- MA and Group Residential Housing (GRH)
- Title IV-E Adoption Assistance
- Title IV-E Foster Care

- Title IV-E Kinship Assistance

Medicare Begin Date for People Turning Age 65

The Medicare Buy-In for MA enrollees who qualify for Medicare because they are turning age 65 may begin the first day of the month of the person's 65th birthday, except when a person turns age 65 on the first day of the month.

SSA deems a person who turns age 65 on the first day of the month eligible for Medicare the first day of the preceding month. A person with a birthday on the first day of the month may be eligible for Medicare Buy-In on the first day of the preceding month.

Legal Citations

United States Code, title 42, section 1395v

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E. Section 2.1.1.2.1.3.1 MA Cost Effective Insurance

Medical Assistance

2.1.1.2.1.3.1 Cost-Effective Health Insurance

Health insurance other than Medical Assistance (MA) that covers an enrollee is a liable third party. A subset of third party liability (TPL) includes group health plans, individual health plans, TRICARE plans, and certain long-term care (LTC) insurance. When an enrollee is covered by, or could be covered by, health insurance that falls within this subset of TPL, MA will pay the premium, or a portion of the premium, if it is cost effective to have the enrollee covered by the other health insurance.

Cost effective means that paying for the other health insurance, and for any MA services the other health insurance does not cover, will cost less than paying for MA services without the other health insurance.

When a county or tribal agency determines that a group health plan, individual health plan, TRICARE plan, or LTC insurance is cost effective, it is called cost-effective health insurance (CEHI).

Enrollees who have CEHI for their primary coverage are covered for the same MA services as enrollees without CEHI because MA pays for any MA services the CEHI does not cover.

Health Insurance Reviewed for Cost Effectiveness

County and tribal agencies review whether a group health plan, individual health plan, TRICARE plan, or LTC insurance available to an enrollee is cost effective. A person must be an MA applicant or enrollee for an agency to review their other health insurance options for CEHI.

Group Health Plans

A group health plan, including a self-insured plan, is a plan of, or contributed to by, an employer, including a person who is self-employed, or employee organization to provide health care to employees, former employees, the employer, others associated or formerly associated with the employer in a business relationship, or their families. A group health plan is often referred to as employer-sponsored insurance. For purposes of CEHI, the term group health plan also includes continuation coverage of an employer or employee-sponsored group health plan under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

A person may have access to a group health plan through their own employer or a family member’s employer.

As a condition of eligibility for MA, an enrollee must:

- Report access to a group health plan at the time of application or any time after when access to a group health plan becomes available

- Cooperate in determining whether the coverage under a group health plan coverage is cost effective. Enrollees have 10 days to provide information about a group health plan to maintain MA eligibility.
- Report when coverage under a group health plan ends or changes

If an enrollee has access to a group health plan through their employer and is notified that one or more group health plans available to the enrollee is cost effective, the enrollee must:

- Enroll in the cost-effective group health plan at the earliest possible date if they are not currently enrolled
  - An enrollee loses MA eligibility if they refuse to apply for enrollment in a cost-effective group health plan. The person remains ineligible until the next open enrollment period for the group health plan.
  - A plan sponsor of a group health plan must allow an employee and their dependents to enroll in the plan during a special enrollment period if all of the following conditions are met:
    - The employee or their dependents are eligible for the group health plan and are eligible for MA to pay the premium for the group health plan as CEHI
    - The employee requests such enrollment within 60 days from the date the employee or their dependents were determined eligible for CEHI reimbursement
- Maintain enrollment in a cost-effective group health plan if they are already enrolled. An enrollee already enrolled in a cost-effective group health plan may choose to enroll in a different group health plan through the same employer if the following is true:
  - The new group health plan is also cost effective; and
  - There is no lapse in group health plan coverage.
  - When there is only one cost-effective group health plan option available to the enrollee and they are enrolled in that option, disenrollment from the plan results in termination of MA eligibility. The person remains ineligible until the next open enrollment period for the group health plan.

An enrollee with access to a cost-effective group health plan through their own employer loses MA eligibility if they do not cooperate with these requirements, with the exception of a pregnant woman eligible for CHIP-funded MA.

An enrollee who has access to a cost-effective group health plan through a family member's employer does not lose MA eligibility if they do not enroll in the group health plan. This is because the enrollee cannot enroll in the plan on their own behalf. See MA Cooperation for more information.

An enrollee does not have to cooperate with CEHI requirements when the enrollee is a Safe at Home (SAH) Address Confidentiality program participant and the policyholder, or the potential policyholder, of the other health insurance is the enrollee's probable assailant.

Individual Health Plans

An individual health plan is a health plan other than job-based coverage that a person can purchase on the private insurance market. An enrollee is not required to enroll or maintain enrollment in an individual health plan if it is cost effective. Enrollment is optional.

Individual health plans available on the MNsure marketplace cannot be reviewed for cost effectiveness.

TRICARE Plans

TRICARE is the health care program for uniformed U.S. service members. An enrollee with access to a TRICARE plan is not required to enroll or maintain enrollment in the plan if it is cost effective. Enrollment is optional.

LTC Insurance

An LTC insurance policy is cost effective for an enrollee who is currently paying a premium for the policy and living in a nursing facility if the policy covers nursing facility costs and their Medicare co-insurance for the current nursing facility stay. An enrollee is not required to enroll or maintain enrollment in this type of LTC insurance. Enrollment is optional.

Not Reviewed for Cost Effectiveness: Certain Health Care Accounts, Arrangements, and Plans

The following types of health insurance are not reviewed or reimbursed as CEHI:

- Medicare
- Health flexible spending accounts (FSAs)
- Health savings accounts (HSAs)
- Archer medical savings accounts (MSAs)
- Health reimbursement arrangements (HRAs)
- Voluntary employees' beneficiary associations (VEBAs)
- MinnesotaCare
- Group health, individual health, TRICARE and LTC insurance plans for people who are enrolled in Medicare
- Individual health plans in which the network providers primarily practice in another state (outside of both Minnesota and Tribal nations that share geography with Minnesota).

Medicare

While Medicare is not reviewed or reimbursed as CEHI, certain enrollees may receive help to pay their Medicare premiums. See EPM section 2.3.5.4.1 MA-EPD Medicare, section 2.5.4.4.1 Program IM Medicare, and section 4.2 Medicare Savings Programs for more information.

FSAs, HSAs, and MSAs

FSAs, HSAs, or MSAs are not legally responsible by statute, contract, or agreement for payment of a claim for a health care item or service.

Though these accounts receive tax-preferred treatment for payment of qualified medical expenses, account funds are spent at the account holder's choosing – they are never legally required to spend the funds for any particular purpose, health care related or otherwise. MA can only pay an enrollee's costs for other insurance coverage strictly limited to health services.

A person with an HSA or MSA must also be covered by a high-deductible health plan (HDHP) for the HSA or MSA to be valid. An HDHP that is a group health plan may be reviewed for cost effectiveness, but the HSA or MSA is not.

HRAs and VEBAs

While HRAs generally are classified as group health plans, only employers can make contributions to HRAs. Because beneficiaries of an HRA do not pay premiums or make contributions, there is no cost to reimburse.

A VEBA is a tax-exempt account that may include health benefit plans, life insurance, disability insurance, accident insurance, vacation, or other employee benefits. Because VEBAs can be complex, technical, and variable, the administrative cost of reviewing them for CEHI makes them not cost effective.

MinnesotaCare

MinnesotaCare premiums are not reviewed or reimbursed as CEHI. A person cannot be eligible for both MA and MinnesotaCare at the same time.

Plans Available to People Who are Enrolled in Medicare

An enrollee who is also enrolled in Medicare cannot have their premiums for a group health plan, individual health plan, TRICARE plan, or LTC insurance reviewed or reimbursed for CEHI because it is not cost effective to do so.

Medical Support

County and tribal agencies review certain court-ordered medical support for cost effectiveness. Medical support includes health insurance coverage that a noncustodial parent provides, or is court-ordered to provide, to meet the medical needs of their child. See the MA Medical Support policy for more information.

Medical Support Reviewed for Cost Effectiveness

If a parent has been ordered by a court to carry health insurance for their children, the health insurance is reviewed for cost effectiveness when the parent is enrolled in MA.

If the court-ordered parent is not enrolled in MA, the health insurance can be reviewed for cost effectiveness only when all of the following criteria are met:

- The court-ordered parent left a job and has continued dependent coverage available through COBRA.
- The child support officer determined that the court-ordered parent is no longer financially able to keep the coverage in effect.

When the criteria are met and the health insurance is determined to be cost effective, the county or tribal agency reimburses premiums to the former employer or the custodial parent directly. The agency does not reimburse the non-custodial parent for the cost of premiums.

Medical Support Not Reviewed for Cost Effectiveness

County and tribal agencies do not review health insurance for cost effectiveness when a parent who is not enrolled in MA has been ordered by a court to carry health insurance for their children, except as noted in the previous section.

Methods for Determining Cost Effectiveness

There are only two methods to determine the cost effectiveness of group health plans, individual health plans, and TRICARE plans.

Standard Calculation

Under the standard calculation for cost effectiveness, a health plan is cost effective when the monthly insurance premium (or prorated portion of a family premium) plus 1/12th of the annual average cost factor by age, is less than the current MA managed care monthly rate for people of the same age.

The annual average cost factor is the average paid costs of health insurance, including the deductible, coinsurance, and copayments, plus the cost of MA wraparound benefits and administrative costs in a preceding calendar year, averaged by age group or pregnancy status for individuals with CEHI coverage.

When more than one enrollee is considered for CEHI coverage under a single health plan, the prorated premium and average annual costs by age for each individual are added together and compared to the combined MA managed care rate for the individuals.

2:1 Ratio Calculation

Under the 2:1 ratio calculation for cost effectiveness, a health plan is cost effective when the plan's annual covered medical expenses for enrollees exceed annual premium costs, plus the annual average cost factor, by at least a 2:1 ratio and the enrollees' medical conditions remain the same.

Dental and Vision Insurance Reviewed for Cost Effectiveness

If a group health plan, individual health plan, or TRICARE plan is cost effective under the standard calculation, the county or tribal agency can also review whether dental and vision plan options

available to an enrollee are cost effective. The agency determines the cost effectiveness of dental and vision plans by factoring the dental and vision plan premiums into the standard calculation.

Dental and vision plan options cannot be reviewed for cost effectiveness unless a health plan covering the enrollee is cost effective under the standard calculation. If a health plan is cost effective under the 2:1 ratio calculation, or not cost effective under either calculation, the dental and vision plan options cannot be reviewed for cost effectiveness.

Premium Payments for CEHI

County and tribal agencies reimburse the policyholder, employer, or insurer for CEHI premiums when an enrollee either enrolls or remains enrolled in the CEHI.

Premium payment is limited to one health plan and, if available, one dental plan and vision plan.

Submitting Proof of Premium Payment

For a CEHI policyholder to be reimbursed directly by the county or tribal agency, the policyholder must submit proof to the agency showing they paid the CEHI premiums. The policyholder has ~~up to 12 months~~ from the date the CEHI was reported (or from the date the benefit year begins if the CEHI benefit year has not begun yet) to the date the benefit year ends to submit proof of premiums paid during that time span.

- Reported means information about the insurance was provided to the agency that leads the agency to determine the insurance was cost effective.
- For the policyholder's final premium in the CEHI benefit year ~~payment in the 12-month span~~, the agency provides the policyholder an extra 10 days starting from the beginning of the first month that follows the end of the benefit year 12-month span to submit proof of the final premium payment.

Retroactive Eligibility

A person can receive retroactive MA eligibility for up to three months before the month of MA application. If the person was covered by other health insurance during the retroactive eligibility period, and the health insurance is determined cost effective, the agency reimburses CEHI premiums paid during that period if proof of payment is submitted. See MHCP Retroactive Eligibility for more information.

Managed care exclusions

Enrollees with coverage under a cost-effective group or individual health plan are excluded from enrollment in managed care. MA pays fee-for-service for any services that enrollees are entitled to under MA that their CEHI does not cover. However, there can be a one-month overlap of managed care enrollment and reimbursement for CEHI when an enrollee is unable to timely disenroll from MA managed care because of administrative processes.

Refer to the Prepaid Minnesota Health Care Programs Manual for more information.

Redetermination of Cost Effectiveness

County and tribal agencies must redetermine the cost effectiveness of a CEHI plan for which premiums are being paid when any of the following occurs:

- The agency conducts an MA renewal
- There is a change to the health insurance plan that may affect whether it is cost effective, including, but not limited to:
  - A change in the plan's premium
  - An enrollee is added or dropped from the health insurance plan coverage
  - A person covered under the health insurance plan loses MA eligibility

Legal Citations

Code of Federal Regulations, title 42, sections 433.147 and 433.148

Code of Federal Regulations, title 42, section 435.1015

Minnesota Rules, part 9505.0071

Minnesota Rules, part 9505.0430

Minnesota Statutes, section 256B.056, subdivision 8

Minnesota Statutes, section 256B.0625, subdivision 15

United States Code, title 26, section 220

United States Code, title 26, section 223

United States Code, title 26, section 501, paragraph (c), clause (9)

United States Code, title 26, section 5000, paragraph (b)

United States Code, title 26, section 9801, paragraph (f), clause (3)

United States Code, title 26, section 1396d, paragraph (a), clause (29)

United States Code, title 26, section 1396e

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F. Section 2.1.2.2.2 MA Immigration Status

Medical Assistance

2.1.2.2.2 Immigration Status

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

MA Eligibility for Noncitizen Children under Age 21 and Pregnant Women

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

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

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

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

Refer to the Immigration Status and Minnesota Health Care Programs Eligibility chart for a quick reference guide to Medical Assistance eligibility for applicants and enrollees who are noncitizens.

MA Eligibility for Noncitizens Age 21 or Older and Not Pregnant

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

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

Qualified Immigration Statuses Without a Five-Year Waiting Period

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

- Afghan or Iraqi Special Immigrants
- Afghans granted humanitarian parole classification between July 31, 2021 and December 23, 2022, are eligible for MA until March 30, 2023, or the end of their parole term, whichever is later

- Amerasians
- American Indian noncitizens
- Asylees, including asylees who later adjust to lawful permanent resident status
- Citizens of the Freely Associated States - the Federated States of Micronesia, the Republic of the Marshall Islands and the Republic of Palau
- Conditional Entrants
- Cuban/Haitian Entrants
- Lawful permanent residents (LPRs) who entered the United States before August 22, 1996 and have continuously resided in the United States, regardless of when they adjusted to LPR status
- LPRs who adjusted from asylee or refugee status
- Qualified noncitizens who are U.S. veterans or on active military duty and their spouses and children
- Refugees, including refugees who later adjust to lawful permanent resident status
- T-Visa
- Trafficking victims
- Ukrainians granted humanitarian parole classification on or after February 24, 2022, and before September 30, 2023
- Withholding of Removal

Qualified Immigration Statuses With a Five-Year Waiting Period

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

- Battered noncitizens
- Immigrants paroled or one year or more
- Lawful permanent residents (LPRs), except:
  - LPRs who adjusted from asylee or refugee status or who entered the United States before August 22, 1996 and have continuously resided in the United State, regardless of when they adjusted to LPR status

MA for Noncitizens Not Otherwise Eligible for Medical Assistance

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

- Children's Health Insurance Program (CHIP) funded MA may be available for pregnant women who are undocumented or noncitizens not otherwise eligible for MA. Eligibility may

continue through the 12 month postpartum period. CHIP-funded MA is not available to people enrolled in other health care coverage.

- People who are receiving services from the Center for Victims of Torture (CVT) may be eligible for state funded MA-CVT
- People with a medical emergency may be eligible for Emergency Medical Assistance (EMA)
- People who meet specific criteria may be eligible for federally funded Refugee Medical Assistance (RMA)

Verification

Immigration status must be verified electronically:

- At application
- When a change in immigration status is reported by the enrollee after application
- When a new non-citizen household member is added and requests coverage
- When corrections are made about a person's immigration status after application

See MHCP Change in Circumstances for more information.

Paper Documentation

The county, tribal or state agency must attempt and exhaust all trusted electronic sources, including SAVE, prior to requiring paper documentation from the enrollee.

Applicants and enrollees whose immigration status cannot be verified electronically must be provided an opportunity to submit documents or resolve discrepancies to verify immigration status. Paper documentation submitted to verify immigration status must be validated using electronic sources, such as SAVE.

See Immigration documentation types at HealthCare.gov for information about immigration documentation.

Reasonable Opportunity Period

Eligibility is approved for applicants who meet all other eligibility criteria and attest to meeting the noncitizen eligibility requirements.

A person approved for MA without electronic verification of their immigration status has a reasonable opportunity to work with the agency to resolve clerical discrepancies preventing electronic verification or to provide proof of status for SAVE validation. A notice is sent to the enrollee to indicate they have 90 days, plus five days for mailing, from the date of the notice to satisfy the request.

The 95-day reasonable opportunity period can be extended for MA enrollees who demonstrate a good faith effort to get and provide proof of their immigration status. Enrollees who need more time to obtain the needed documents must receive a notice that tells them the new due date. There is no limit to the number of times the reasonable opportunity period can be extended for a

MA enrollee to obtain proof of immigration status. Eligibility and coverage must end with a 10-day advance notice if the person fails to provide proof or assist in the verification process by the end of the reasonable opportunity period or any extension.

During the reasonable opportunity period, the county, tribal or state servicing agency must continue efforts to complete verification of an applicant's immigration status. This includes correcting errant demographic data, re-running electronic sources and checking case records and files for prior instances of successful electronic verification or immigration status documentation received previously. The agency must document efforts to verify an applicant's immigration status during the reasonable opportunity period in the case record. The agency must also help applicants and enrollees obtain required paper proofs.

A person who reapplies for health care coverage, whose immigration status was not previously verified, must be given a new reasonable opportunity period to provide proof of immigration status.

State Residency

Verification of immigration status cannot be used to determine the individual is not a state resident. See MHCP State Residency.

Legal Citations

Additional Ukraine Supplemental Appropriations Act, 2022, Public Law Number 117-128

Afghanistan Supplemental Appropriations Act, 2022, Public Law 117-103

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

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

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

~~Consolidated Appropriations Act, 2021, Public Law 116-260~~

Code of Federal Regulations, title 42, section 435.406

Code of Federal Regulations, title 42, section 435.945

Code of Federal Regulations, title 42, section 435.949

Code of Federal Regulations, title 42, section 435.952

Code of Federal Regulations, title 42, section 435.956

Consolidated Appropriations Act, 2021, Public Law 116-260

Continuing Appropriations and Ukraine Supplemental Appropriations Act, 2023, Public Law 117-180

Minnesota Statutes, section 256B.06, subdivision 4 & 10

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

United States Code, title 8, section 1641

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G. Section 2.1.2.5 MA Social Security Number

Medical Assistance

2.1.2.5 Social Security Number

The Minnesota Department of Human Services (DHS) uses Social Security Numbers (SSNs) to identify applicants and enrollees and to administer Minnesota Health Care Programs (MHCP). DHS matches SSNs against records in electronic data sources to identify and verify household income and size based on the most recent tax return filed by the household tax filer.

Each person requesting Medical Assistance (MA) must provide their SSN as a condition of eligibility unless they meet an exception. People who do not have SSNs and do not meet an exception must apply for an SSN. The following are exceptions:

- An applicant who refuses to obtain an SSN because of a well-established religious objection
- A noncitizen who is not eligible to receive an SSN or does not have one and may only be issued one for a valid non-work reason
- People applying for or receiving Emergency Medical Assistance (EMA), CHIP funded MA for pregnant women or MA for people receiving services from the Center for Victims of Torture (CVT)
- A child eligible for MA as an auto newborn
- A child receiving Northstar Title IV-E Adoption Assistance
- A child receiving Title IV-E or non-Title IV-E adoption assistance under the Interstate Compact on Adoption and Medical Assistance (ICAMA)
- Refugees applying for or receiving Refugee Medical Assistance (RMA)

An agency may request but cannot require someone who is not applying for coverage to provide an SSN. If the agency requests the SSN of a non-applicant, the disclosure must:

- be voluntary,
- only be used to determine an applicant's eligibility for a MHCP or for a purpose directly connected to administration of the State Plan, and
- include clear information on how the SSN will be used and notice to the application filer that it is voluntary.

Pre-Eligibility Verification

If an applicant has an SSN, it must be provided prior to the MA eligibility determination. If an applicant cannot recall their SSN or if an SSN has not been issued for the applicant and the person does not meet an exception, the county, tribal or state servicing agency must assist the applicant in:

- completing an application for an SSN, if an SSN has not been issued for the applicant, or
- contacting the SSA to confirm the applicant's SSN if one has already been issued

If an applicant must apply for an SSN, proof that the person applied for an SSN is required prior to the MA eligibility determination. The proof of application is acceptable for the MA eligibility approval until the person receives the SSN. Once the SSN is received, the individual must provide it to the agency. The agency must verify the newly issued number electronically.

Verifying Exceptions to Having an SSN

Certain exceptions from the requirement to have or apply for an SSN must be verified prior to the MA eligibility determination

Well-established religious objection

- A letter or other verification from a church leader that the religion is a recognized sect ~~of~~ or division that is conscientiously opposed to applying for an SSN
- Proof of filing for a waiver with the IRS using form 4029

~~Non-immigrant~~ Noncitizen unable to attain an SSN for a reason other than a valid non-work reason

- No further proof is needed if ~~the agency can determine that~~ the person does not have employment authorization or their status does not permit them to work in the United States ~~the client's status is such as they cannot work in the US~~
- A l~~L~~etter from the SSA or other official that the person ~~client~~ is not eligible for an SSN except for a valid non-work reason

Other exceptions from the requirement to have or apply for an SSN do not require proof.

Post Eligibility Verification

SSNs must be verified with the Social Security Administration (SSA).

Eligibility cannot be delayed for an otherwise eligible applicant pending the electronic verification of an SSN if one is provided at application or when newly obtained by an enrollee. A notice must be sent to a person to inform them that they have 95 days from the date of the notice to provide proof of their correct SSN or to resolve any clerical discrepancies preventing electronic verification.

The 95-day period can be extended if the MA enrollee is demonstrating a good faith effort to resolve the discrepancy preventing electronic verification. Enrollees who need more time to resolve the SSN discrepancy must receive a notice that tells them the new due date. There is no limit to the number of times the reasonable opportunity period can be extended for the MA enrollee to resolve the SSN discrepancy. MA eligibility and coverage ends with 10-day advance notice if the enrollee fails to resolve the SSN discrepancy by the end of the reasonable opportunity period or any extension.

During the reasonable opportunity period, the county, tribal or state servicing agency must continue efforts to verify an applicant's SSN. This includes correcting errant demographic data, re-running electronic sources and checking case records and files for prior instances of successful electronic verification. The agency must assist the applicant in resolving discrepancies in the case file that are preventing successful verification. The agency must document efforts to verify an applicant's SSN during the reasonable opportunity period in the case record.

Electronic verification is ultimately required to verify a person's SSN.

A person who applies for health care coverage, whose SSN was not previously verified, must be given a new reasonable opportunity period to resolve the SSN discrepancy.

Legal Citations

Code of Federal Regulations, title 20, section 422.104

Code of Federal Regulations, title 42, section 435.907

Code of Federal Regulations, title 42, section 435.910

Code of Federal Regulations, title 42, section 435.948

Code of Federal Regulations, title 42, section 435.952

Code of Federal Regulations, title 42, section 435.956

Code of Federal Regulations, title 42, section 457.340

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H. Section 2.2.3.6 MA-FCA Medical Spenddown

Medical Assistance for Families with Children and Adults

2.2.3.6 Medical Spenddown

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

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

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

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

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

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

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

Spenddown Criteria

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

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

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

Spenddown Types and Health Care Expenses

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

MA-ABD Medical Spenddowns

MA-ABD Spenddown Types

MA-ABD Health Care Expenses

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

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

Bases of Eligibility

This policy applies to medical spenddowns for the following people:

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

Household Composition

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

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

- Applicant
- Spouse
- ~~Children under age 21, b~~ Biological, adoptive and step-children under age 21

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

- Unborn child or children of the applicant or spouse

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

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

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

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

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

Asset Limit

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

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

Categories of Assets

Assets fall into two categories, excluded and countable.

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

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

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

Excluded Assets

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

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

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

Countable Assets

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

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

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

Reducing Assets

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

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

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

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

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

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

Income

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

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

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

Counted Income

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

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

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

Excluded Income

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

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

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

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

Whose Income and Assets Counts

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

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

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

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

Sponsor Deeming

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

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

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

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

Sponsor Deeming Exceptions

Sponsor deeming does not apply to:

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

- Sponsored non-citizens who have 40 qualifying work quarters

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

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

Income Methodology

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

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

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

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

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

Income Limit

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

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

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

MA-FCA Rights and Responsibilities

MA-FCA Post-Eligibility

Renewals

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

Legal Citations

Code of Federal Regulations, title 42, section 435.811

Code of Federal Regulations, title 42, section 435.831

Code of Federal Regulations, title 42, section 435.840

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

Minnesota Statutes, section 256B.056, subdivision 5

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I. Section 2.3.3.3.2.2 MA-ABD Disregards and Deductions

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

2.3.3.3.2.2 Disregards and Deductions

Disregards and deductions reduce the household income of a person under Medical Assistance for People Who Are Age 65 or Older and People Who Are Blind or Have a Disability (MA-ABD).

This section provides information on disregards and deductions and the conditions that must be met to apply them.

Unearned Income Deductions

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

- Unearned Lump Sum Income Disregard
- Child Support Disregard

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

- Disabled Widow and Widower Disregard
- Widow and Widower Disregard
- Pickle Disregard
- Disabled Adult Child Disregard
- Retirement, Survivor, Disability Insurance (RSDI) Cost of Living Adjustment (COLA) Disregard
- Plan to Achieve Self-Support (PASS) Deduction

Earned Income Deductions

- This section provides information on the disregards and deductions that are deducted from specific earned income:
- Earned Lump Sum Income Disregard

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

- Plan to Achieve Self-Support (PASS) Deduction
- Student Earned Income Exclusion
- Earned Income Disregard

- Impairment Related Work Expense Deduction
- Remaining Earned Income Disregard
- Blind Work Expense Deduction

Blind Work Expenses

Blind Work Expenses (BWE) that are reasonably attributable to earning income are excluded from earned income.

BWEs can be excluded if the blind person:

- is younger than age 65; or
- is age 65 or older and received Supplemental Security Income (SSI) payments due to blindness for the month before attaining age 65.

The BWEs are excluded from earned income after applying all other earned income exclusions except for PASS.

Work-related items paid by a blind person may be excluded as BWE regardless of:

- any non-work benefit that may be derived from the item; or
- the item's relationship to the person's blindness.

BWEs include, but are not limited to:

- Attendant care services in the:
  - Home, if related to preparing to go to work or assistance immediately upon returning home from work
  - Process of assisting a person making the trip to and from work
  - Work setting
- Drugs and medical services which are essential to enable the person to work
- Expendable medical supplies including bandages, catheters, etc.
- Federal, State and local income taxes
- Social Security and Medicare taxes
- Service dog, including cost of dog and associated expenses
- Fees, including licenses, professional association dues, union dues, etc.
- Mandatory contributions, including pensions, disability insurance, etc.
- Meals during work hours
- Medical devices including wheelchairs, braces, etc.

- Non-medical equipment and services including child care, uniforms etc.
- Other work-related equipment and services including job coaching, vision and sensory aids, etc.
- Physical therapy
- Prosthesis
- Structural modifications to the person's home to create a work space or to allow the person to get to and from work
- Training reasonably attributable to work. General education courses are not included.
- Transportation to and from work
- Vehicle modification

The following items cannot be excluded as BWE:

- In-kind payments
- Expenses deducted under other provisions (e.g., PASS)
- Expenses which will be reimbursed
- Life maintenance expenses, including, but not limited to:
  - meals consumed outside of work hours;
  - self-care items (including items of cosmetic rather than work-related nature);
  - general educational development;
  - savings plans (e.g., Individual Retirement Accounts (IRAs) or voluntary pensions); and
  - life and health insurance premiums
- Items furnished by others that are needed in order to work (the value of such items is not income)
- Expenses claimed on a self-employment tax return

Child Support Payments Exclusion

Child support payments are unearned income to the child and one-third of the amount is excluded. Any in-kind child support is not income.

Dependent RSDI Benefit Exclusion

RSDI dependent benefits for children who receive MA under the Tax Equity and Fiscal Responsibility Act (TEFRA) option or receive services through a Brain Injury (BI), Community Alternative Care (CAC), Community Access for Disability Inclusion (CADI), or Developmental Disabilities (DD) waiver are excluded.

Disabled Adult Child Disregard

The Disabled Adult Child Disregard allows for the disregard of Disabled Adult Child RSDI benefits.

To qualify for the Disabled Adult Child Disregard, a person must meet all of the following conditions:

- Is currently age 18 or older
- Became blind or disabled before reaching the age of 22
- Received SSI benefits on the basis of blindness or disability
- Lost eligibility for SSI on or after July 1, 1987, due to entitlement to RSDI Disabled Adult Child benefits, or increased RSDI Disabled Adult Child benefits based on disability, retirement or death of a parent

For people who meet the qualifications for the disregard, the Disabled Adult Child RSDI benefits are not counted.

People who receive Disabled Adult Child benefits as defined by the Social Security Administration (SSA), but do not meet the criteria above, are not eligible for the Disabled Adult Child Disregard.

Do not use the disregard on any other income, including RSDI benefits the person receives on their own account.

Disabled Widow and Widower Disregard

The Disabled Widow and Widower Disregard allows for the disregard of RSDI benefits.

To qualify for the Disabled Widow and Widower Disregard, a person must meet all of the following conditions:

- Is currently receiving either:
  - RSDI Disabled Widow or Widower benefits
  - Disabled Surviving Divorced Spouse benefits
- Is age 50 but not yet 60 and is certified disabled, or is age 60 but has not yet reached full retirement age
- Received SSI or Minnesota Supplemental Aid (MSA) benefits the month before the month they began receiving RSDI Disabled Widow or Widower or Disabled Surviving Divorced Spouse benefits
- Lost SSI or MSA eligibility on or after January 1, 1991, due to the SSI requirement to apply for and receive RSDI Disabled Widow or Widower or Disabled Surviving Divorced Spouse benefits
- Remaining income would be at or below the current SSI or MSA benefit rate if RSDI income is disregarded

- Is not entitled to Medicare Part A

Eligibility for the disregard ends the first full month a person is eligible for Medicare Part A.

Earned Income Disregard

The Earned Income Disregard allows for the disregard of a person's first $65 of earned income, including income that deems to the person.

Earned Lump Sum Income Disregard

The first $30 of irregular or infrequent earned lump sum, non-gift, income from an employer, trade or business is disregarded.

Impairment-Related Work Expense Deduction

The Impairment-Related Work Expense (IRWE) Deduction allows for the deduction of certain expenses incurred during the course of earning income. It applies to people who are certified disabled and under age 65, or people who received SSI or MSA as a disabled person the month before attaining age 65.

An IRWE is an expense for items or services that directly enable a person with a disability to work, and are incurred because of a physical or mental impairment.

IRWEs are deducted if all of the following are true:

- The severity of the impairment requires the person to purchase or rent items and services in order to work.
- The expense is reasonable.
- The person pays the cost and is not reimbursed from another source, such as Medicare or private insurance.
- One of the following occurs:
    - The person pays the expense in the month he or she receives the earned income, and the income is for work they did in the same month as using the item or service.
    - The person is working but pays the expense before receiving the earned income.

The IRWEs are excluded from earned income after applying one-half of the remaining earned income deduction. See Earned Income Disregard for more information.

IRWEs include, but are not limited to:

- Attendant care services in the:

    - Home, if related to preparing to go to work or assistance immediately upon returning home from work
    - Process of assisting a person making the trip to and from work
    - Work setting
- Drugs and medical services which are essential to enable the person to work
- Expendable medical supplies including bandages, catheters, etc.
- Service dog, including cost of dog and associated expenses
- Medical devices including wheelchairs, braces, etc.
- Non-medical equipment and services directly related to the impairment
- Other work-related equipment and services including job coaching, vision and sensory aids, etc.
- Physical therapy
- Prosthesis
- Structural modifications to the person's home to create a work space or to allow the person to get to and from work
- Training reasonably attributable to work. General education courses are not included.
- Transportation to and from work
- Vehicle modification

Expenses for a transportation method also used by people who are not disabled, such as a bus or unmodified vehicle, is not deductible.

Plan to Achieve Self Support (PASS) Deduction

The Plan to Achieve Self Support (PASS) deduction allows for the deduction of earned and unearned income set aside under an approved PASS plan. The PASS exclusion is not available for people age 65 and older, unless they were receiving SSI payments for the month before they became 65. The PASS plan can only be approved by SSA. For this deduction, the PASS plan must be verified.

Pickle Disregard

The Pickle Disregard allows for the disregard of RSDI cost of living adjustment (COLA) amounts.

To qualify for the Pickle Disregard, a person must:

- Currently receive or is entitled to receive RSDI benefits
- Have been eligible for 1619(b) or was eligible for and received SSI, MSA or 1619(a) benefits while concurrently entitled to or receiving RSDI in any month since April 1, 1977

- Lost eligibility for SSI, MSA, 1619(a) or 1619(b) for any reason

If a person meets the above requirements, they are referred to as a “potential Pickle.” The Pickle threshold date must then be determined. A person’s Pickle threshold date is the more recent of the following two dates:

- April 1, 1977; or
- The last month the person was eligible for and received at least one of the following benefits at the same time the person received RSDI benefits or was entitled to RSDI benefits:
  - 1619a/b,
  - MSA, or
  - SSI

After determining the Pickle threshold date, the amount of the RSDI benefit the person received on the threshold date must be determined. All RSDI COLA increases received back to the Pickle threshold date are excluded.

A person who meets all of the conditions listed must have a net income, with the Pickle Disregard and all applicable earned and unearned income disregards, that is less than the current SSI payment amount. If the person’s net income is greater than the SSI payment amount, they may still receive the Pickle Disregard if their net income is less than the MSA standard.

When a person eligible for the Pickle Disregard also has a spouse or parent that is eligible for the Pickle Disregard, the disregard is applied when deeming income.

RSDI COLA Disregard

The RSDI COLA Disregard allows for the disregard of the annual RSDI COLA increase. The COLA increase amount for RSDI benefits is excluded from January 1 through June 30 of each calendar year. Beginning each July 1, all gross RSDI benefits are counted.

The RSDI COLA Disregard is not available to applicants or enrollees who did not receive RSDI in the previous calendar year. The RSDI COLA Disregard is not applied in the long-term care (LTC) income calculation.

Remaining Earned Income Disregard

One-half of the remaining earned income is excluded.

Student Earned Income Exclusion

The student earned income exclusion allows for the limited disregard of a student's earned income. There is a cap on how much of a student's earned income is excluded for MA-ABD eligibility in a calendar year. The amount changes annually. See Appendix F Standards and Guidelines for the current cap amount.

To qualify for the student earned income exclusion a person must:

- Have earned income
- Be younger than age 22
- Be certified as blind or disabled by the SSA or State Medical Review Team (SMRT)
- Regularly attend school by taking one or more courses of study and attend classes:
  - in a college or university for at least eight hours per week under a semester or quarter system
  - in grades 7–12 for at least 12 hours per week
  - in a course of training to prepare for a paying job at least 15 hours per week if the course involves shop practice, or 12 hours per week if it does not involve shop practice
  - for less than the required time for reasons beyond the student's control, such as illness, if the circumstances justify the reduced credit load or attendance
- A person must meet the following additional requirements in these situations:
  - Homeschooled students must:
    - be in grades 7–12, and
    - follow Minnesota home school laws
  - Homebound students must:
    - stay home because of a disability;
    - study a course or courses given by a school in grades 7–12, college, university, or government agency; and
    - have a home visitor or tutor from school who directs the studying or training.
  - Online students must:
    - study a course or courses given by a school in grades 7–12, college, university, or government agency; and
    - enroll in an online school authorized by the laws of the state in which the online school is located.

A person maintains status as a student while classes are out on a standard school break if the student attended classes regularly prior to the break and intends to resume classes regularly when school reopens.

Unearned Lump Sum Income Disregard

The first $60 of irregular or infrequent unearned lump sum income is disregarded.

Widow and Widower Disregard

The Widow and Widower's Disregard allows for the disregard of RSDI COLA increases. To qualify for the disregard, a person must:

- Currently receive RSDI
- Have filed an MA application before July 1,1988
- Has been entitled to receive RSDI continuously since December 1983
- Have been a disabled widow or widower in January 1984
- Established a right to receive RSDI benefits before age 60
- Have been eligible for SSI or MSA benefits before application of the revised actuarial reduction formula
- Lost eligibility for SSI or MSA benefits as a result of the change in the actuarial reduction formula

If a person meets the above requirements, all RSDI COLA increases effective on and after January 1, 1984 are excluded.

Legal Citations

Code of Federal Regulations, title 42, section 435.135

Code of Federal Regulations, title 42, section 435.137

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Manual Letter #18.3, June 1, 2018

J. Appendix F

Appendix F

Standards and Guidelines

This appendix provides figures used to determine eligibility for a person, or in a specific calculation completed to determine eligibility.

Community Spouse Allowances

The Community Spouse Allowances are used when determining the long-term care (LTC) income calculation's community spouse allocation.

Basic Shelter Allowance

The Basic Shelter Allowance is used to determine if the community spouse has any excess shelter expenses.

Effective Dates	Basic Shelter Allowance
July 1, 2022 to June 30, 2023	$687
July 1, 2021 to June 30, 2022	$653

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, 2023 to December 31, 2023	$3,715.50
January 1, 2022 to December 31, 2022	$3,435

Minimum Monthly Income Allowance

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

Effective Dates	Minimum Monthly Income Allowance
July 1, 2022 to June 30, 2023	$2,289
July 1, 2021 to June 30, 2022	$2,178

Utility Allowance

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

Effective Dates	Utility Allowance
October 1, 2022 to September 30, 2023	$586
October 1, 2021 to September 30, 2022	$488

The Electricity and Telephone Allowances are allowed as shelter expenses if the community spouse is not responsible for heating or cooling expenses, but is responsible for electricity or telephone expenses.

Effective Dates	Electricity Allowance
October 1, 2022 to September 30, 2023	$185
October 1, 2021 to September 30, 2022	$149

Effective Dates	Telephone Allowance
October 1, 2022 to September 30, 2022	**$55**
October 1, 2021 to September 30, 2022	$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.

Effective Dates	Home Equity Limit
January 1, 2023 to December 31, 2023	$688,000
January 1, 2022 to December 31, 2022	$636,000

IRS Mileage Rate

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

Effective Dates	IRS Mileage Rate
January 1, 2023 to December 31, 2023	65.5 cents
July 1, 2022 to December 31. 2022	62.5 cents
January 1, 2022 to June 30, 2022	58.5 cents
~~January 1, 2021 to December 31 2021~~	~~56 cents~~

Long-Term Needs Allowances

The LTC needs allowances provide figures for needs allowances used in the LTC income calculation and for determining the community spouse or family allocation amounts.

Clothing and Personal Needs Allowance

The Clothing and Personal Needs Allowance is used when the enrollee is not eligible for any of the other LTC needs allowances.

Effective Dates	Clothing and Personal Needs Allowance
January 1, 2023 to December 31, 2023	$121
January 1, 2022 to December 31, 2022	$111

Home Maintenance Allowance

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

Effective Dates	Home Maintenance Allowance
July 1, 2022 to June 30, 2023	$1,133
July 1, 2021 to June 30, 2022	$1,074

Special Income Standard for Elderly Waiver Maintenance Needs Allowance

The Special Income Standard for Elderly Waiver (SIS-EW) maintenance needs allowance is used in the LTC income calculation for persons who have income at or below the Special Income Standard (SIS).

Effective Dates	Maintenance Needs Allowance
July 1, 2022 to June 30, 2023	$1,152
July 1, 2021 to June 30, 2022	$1,059

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, 2023 to December 31, 2023	No minimum	$148,620
January 1, 2022 to December 31, 2022	No minimum	$137,400

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, 2023 to December 31, 2023	1.087
January 1, 2022 to December 31, 2022	1.059

Remedial Care Expense

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

Effective Dates	Remedial Care Expense
January 1, 2023 to June 30, 2023	$244
July 1, 2022 to December 31, 2022	$234

Roomer and Boarder Standard Amount

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

Roomer and Boarder Standard	Amount
Roomer Amount	$71
Boarder Amount	$155
Roomer plus Boarder Amount	$226

Special Income Standard

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

Effective Dates	SIS
January 1, 2023 to December 31, 2023	$2,742
January 1, 2022 to December 31, 2022	$2,523

Statewide Average Payment for Skilled Nursing Facility Care

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

Effective Dates	SAPSNF
July 1, 2022 to June 30, 2023	$9,312
July 1, 2021 to June 30, 2022	$8,781

Student Earned Income Exclusion

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

Effective Date	Monthly	Annual
January 1, 2023 to December 31, 2023	$2,220	$8,950
January 1, 2022 to December 31, 2022	$2,040	$8,230

Supplemental Security Income Maximum Payment Amount

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

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

Effective Date	Individual
January 1, 2023 to December 31, 2023	$914
January 1, 2022 to December 31, 2022	$841

Effective Date	Couple
January 1, 2023 to December 31, 2023	$1,371
January 1, 2022 to December 31, 2022	$1,261

Tax Filing Income Threshold For Children and Tax Dependents

The tax filing income threshold refers to the income level at which a person must file a federal income tax return. The thresholds for tax dependents determines whether a child's or tax dependents income is counted or excluded when calculating household income for MA-FCA and MinnesotaCare eligibility.

The income threshold for tax filing varies based on the tax dependents age and marital status and whether the person is blind. If a child or tax dependent has income at or below these thresholds, his or her income will not count toward the household income for MA-FCA and MinnesotaCare eligibility.

The income threshold applies to the taxable income that a child or tax dependent is expected to receive in the tax year. Nontaxable income, such as Supplemental Security Income (SSI) and veteran's benefits, is not included in determining whether a child's or tax dependent's income is at or below the income threshold. Any nontaxable portion of a child's Social Security dependent or survivor benefits is not included.

The income thresholds for children and tax dependents are:

Tax Filing Income Thresholds for Tax Dependents

Marital Status	Age over 65?	Blind?	Income Type	2021 Tax Year Threshold Amount	2022 Tax Year Threshold Amount
Single	No	No	Earned Income	$12,400	$12,950
Single	No	No	Unearned Income	$1,100	$1,150
Single	No	No	Gross Income	Larger of $1,100 or	Larger of $1,150 or

Marital Status	Age over 65?	Blind?	Income Type	2021 Tax Year Threshold Amount	2022 Tax Year Threshold Amount
				Earned Income Reported up to $12,050 + $350	Earned Income Reported up to $12,550 + $400
Single	Yes	No	Earned Income	$14,050	$14,700
Single	Yes	No	Unearned Income	$2,750	$2,900
Single	Yes	No	Gross Income	Larger of $2,750 or Earned Income Reported up to $12,050 + $2,000	Larger of $2,900 or Earned Income Reported up to $12,550 + $2,150
Single	No	Yes	Earned Income	$14,050	$14,700
Single	No	Yes	Unearned Income	$2,750	$2,900
Single	No	Yes	Gross Income	Larger of $2,750 or Earned Income Reported up to $12,050 + $2000	Larger of $2,900 or Earned Income Reported up to $12,550 + $2,150
Single	Yes	Yes	Earned Income	$15,700	$16,450
Single	Yes	Yes	Unearned Income	$4,400	$4,650
Single	Yes	Yes	Gross Income	Larger of $4,400 or Earned Income	Larger of $4,650 or Earned Income

Marital Status	Age over 65?	Blind?	Income Type	2021 Tax Year Threshold Amount	2022 Tax Year Threshold Amount
				Reported up to $12,050 + $3,650	Reported up to $12,550 + $3,900
Married	No	No	Earned Income	$12,400	$12,950
Married	No	No	Unearned Income	$1,100	$1,150
Married	No	No	Gross Income	Larger of $1,100 or Earned Income Reported up to $12,050 + $350	Larger of $1,150 or Earned Income Reported up to $12,550 + $400
Married	Yes	No	Earned Income	$13,700	$14,350
Married	Yes	No	Unearned Income	$2,400	$2,550
Married	Yes	No	Gross Income	Larger of $2,400 or Earned Income Reported up to $12,050 + $1,650	Larger of $2,550 or Earned Income Reported up to $12,550 + $1,800
Married	No	Yes	Earned Income	$13,700	$14,350
Married	No	Yes	Unearned Income	$2,400	$2,550
Married	No	Yes	Gross Income	Larger of $2,400 or Earned Income Reported up	Larger of $2,550 or Earned Income Reported up to

Marital Status	Age over 65?	Blind?	Income Type	2021 Tax Year Threshold Amount	2022 Tax Year Threshold Amount
				to $12,050 + $1,650	$12,550 + $1,800
Married	Yes	Yes	Earned Income	$15,000	$15,750
Married	Yes	Yes	Unearned Income	$3,700	$3,950
Married	Yes	Yes	Gross Income	Larger of $3,700 or Earned Income Reported up to $12,050 + $2,950	Larger of $3,950 or Earned Income Reported up to $12,550 + $3,200

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K. Appendix H

Appendix H

Lawfully Present Noncitizens

A lawfully present noncitizen is a noncitizen who has been granted the right to enter or stay in the United States and has not violated the terms of their agreement.

For eligibility information for Minnesota Health Care Programs, see the MA Immigration Status and MinnesotaCare Lawful Presence sections.

Immigration statuses that are lawfully present include, but are not limited to:

- Afghan and Iraqi Special Immigrant
- Amerasian
- Asylee, including:
  - pending applicants for asylum under the age of 14 who have had an application pending for at least 180 days, or
  - pending applicants for asylum age 14 or older who have been granted employment authorization
- Battered Noncitizen, including a child of a Battered Noncitizen
- Beneficiary of an approved visa petition with a pending application for adjustment of status
- Citizens of the Freely Associated States of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau
- Conditional Entrant
- Cuban or Haitian Entrant
- Deferred Action
- Deferred Enforced Departure (DED) decision by the President of the United States
- Family Unity Beneficiary
- Granted an administrative stay of removal
- Granted employment authorization and have one of the following statuses:
  - Applicant for cancellation of removal or suspension of deportation
  - Order of supervision
  - Registry applicants for a Green Card
  - Applicant for legalization under Immigration Reform and Control Act (IRCA) or under the LIFE Act

- Humanitarian Entrant
- Lawful Permanent Resident (LPR)
- Lawful Temporary Resident (LTR)
- Lawfully present in American Samoa and Commonwealth of Northern Mariana Islands
- Members of a federally recognized Indian tribe or American Indians born in Canada
- Noncitizens receiving services at the Centers for Victims of Torture
- Nonimmigrant Status, including, but not limited to people with:
    - K-Visas
    - Student Visas
    - Tourist Visas
    - U-Visas
    - V-Visas
    - Worker Visas
- Paroled into the United States ~~for one year or more~~
- Refugee
- Special Immigrant Juvenile Status (SIJS), including pending applicants for SIJS
- Temporary Protected Status (TPS), including pending applicants for TPS who have been granted employment authorization
- Temporary Resident Status under 8 USC 1160 or 1255a
- Trafficking Victim or T-Visa holders
- Withholding of Removal

Legal Citations

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

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

Code of Federal Regulations, title 42, section 435.406

Code of Federal Regulations, title 45, section 152.2

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