



Bulletin

NUMBER

#15-21-03

DATE

April 28, 2015

OF INTEREST TO

County Directors

Social Services Supervisors
and Staff

Financial Assistance
Supervisors and Staff

Case Managers

MinnesotaCare Operations

MNsure Managers,
Supervisors, and Staff

Navigators, In-Person
Assisters, and Certified
Application Counselors

Tribal Governments
(Tribes)

ACTION/DUE DATE

Effective January 1, 2015.
Please read and implement
upon receipt.

EXPIRATION DATE

April 28, 2017

Changes to MinnesotaCare Household Composition Rules

TOPIC

MinnesotaCare household composition changes

PURPOSE

To provide policy and instructions to implement changes to MinnesotaCare household composition rules.

CONTACT

Health Care Eligibility Operations (HCEO), counties, and tribal agencies should submit policy questions to HealthQuest.

All others should direct questions to:

Health Care Eligibility and Access (HCEA) Division
P.O. Box 64989
540 Cedar Street
St. Paul, MN 55164-0989

SIGNED

NATHAN MORACCO
Assistant Commissioner
Health Care Administration

TERMINOLOGY NOTICE

The terminology used to describe people we serve has changed over time. The Minnesota Department of Human Services (DHS) supports the use of "People First" language.

I. Background

Beginning January 1, 2015, MinnesotaCare became a federally funded Basic Health Plan (BHP) as permitted under the Affordable Care Act. As a result MinnesotaCare household composition policies have changed to comply with federal BHP requirements.

This bulletin provides changes to MinnesotaCare household composition policies that are effective January 1, 2015, and instructions to implement these policies, to comply with the federal regulations that govern a BHP.

II. MinnesotaCare Household Composition

These MinnesotaCare household composition policies are effective January 1, 2015.

MinnesotaCare household composition is determined using a combination of federal income tax-filing and non-tax-filing rules. See the MinnesotaCare Household Composition and Family Size Flowchart (Attachment A).

Applicants and enrollees do not need to file a federal income tax return or be claimed as tax dependents to be eligible for MinnesotaCare. Additionally, married couples do not need to file a joint federal income tax return to be eligible. (A person may still be required to file a federal income tax return for other reasons and should consult with the Internal Revenue Service or his or her tax preparer.)

A. People Who Are Tax Filers or Tax Dependents

For applicants and enrollees who expect to file federal income taxes or be claimed as tax dependents, MinnesotaCare household composition is determined using the tax-filing unit. However, for married couples who expect to file separate federal income tax returns, spouses are included in each other's households, if they live together.

The tax-filing household for a tax filer includes all the following:

- The tax filer
- If the tax filer is married and expecting to file a joint tax return, the spouse, regardless of whether they live together
- If the tax filer is married and not expecting to file a joint tax return, the spouse, if they live together (If the tax filer is married, is not expecting to file a joint tax return, and does not live with the spouse, the spouse is not included.)
- All tax dependents the taxpayer expects to claim for the benefit year

The tax-filing household for a tax dependent includes all the following:

- The tax dependent
- If the tax dependent is married, the spouse, if they live together
- The tax filer or joint filers expecting to claim the tax dependent
- All other tax dependents the tax filer or joint filers expect to claim

Example:

Howard and Sarah are a married couple with no children. They apply for health care coverage and report on their application that they are expecting to file a joint tax return for this year.

Howard's MinnesotaCare household composition includes him and Sarah. Sarah's MinnesotaCare household composition includes her and Howard.

Example:

Fatema and Mohammed are a married couple with two children, Amin and Heba. They apply for health care coverage. They report on their application that Mohammed lives at a different address than the rest of the family.

Fatema and Mohammed are expecting to file a joint tax return for this year and will claim both children as tax dependents.

The MinnesotaCare household composition for each family member includes all four members: Fatema, Mohammed, Amin, and Heba.

Example:

Greg and Julie are a married couple with five children, and they apply for health care coverage. They report on their application that they live together and expect to file separate tax returns this year. Greg is a tax filer and expects to claim two of their children, Sam and Charlie, as tax dependents.

Julie is a tax filer and expects to claim three of their children, Sue, Rob, and Kayla, as tax dependents.

The table below shows the MinnesotaCare household composition for each family member:

Family Member	MinnesotaCare Household Composition
Greg	Greg, Julie, Sam, Charlie
Sam	Greg, Sam, Charlie
Charlie	Greg, Sam, Charlie
Julie	Julie, Greg, Sue, Rob, Kayla
Sue	Julie, Sue, Rob, Kayla
Rob	Julie, Sue, Rob, Kayla
Kayla	Julie, Sue, Rob, Kayla

B. People Who Are Not Tax Filers or Tax Dependents

MinnesotaCare generally follows Medical Assistance (MA) household composition rules for an applicant or enrollee who does not expect to file a federal income tax return or be claimed as a tax dependent. For a person who is not a tax filer or tax dependent, the household includes all the following:

- The person
- The person's spouse, if living with the person
- Biological children, adoptive children, and stepchildren under the age of 19 who live with the person

If the person who is applying is a child under the age of 19, the person's household also includes the following:

- The person's parents or stepparents, if living with the person
- The person's siblings and stepsiblings under the age of 19, if living with the person

MinnesotaCare will continue to count pregnant women as one household member.

III. MinnesotaCare Household Composition in the New Eligibility System

The new eligibility system supports the MinnesotaCare household composition policies described in this bulletin except for:

- applicants who indicate they do not expect to file a federal income tax return or be claimed as a tax dependent and
- applicants who indicate they are married but do not expect to file taxes jointly.

These applicants are denied MinnesotaCare in the new eligibility system. Until the new eligibility system can be updated, DHS is taking the following steps to provide eligibility to these applicants if they otherwise meet MinnesotaCare eligibility requirements.

1. Reports

DHS will run ongoing reports to identify applicants who were incorrectly denied MinnesotaCare because they do not expect to file a federal income tax return or be claimed as a tax dependent, or are married and expect to file separately. DHS will rectify these cases using a workaround. DHS will notify all applicants who are identified as eligible for MinnesotaCare as part of this process, and will offer coverage for past months if it is appropriate (Attachment B).

2. Case Notes

DHS will enter case notes on cases that have been affected by the workaround to help workers identify those cases. The case notes will have the following subject line: MinnesotaCare Tax Household Workaround. DHS will track all cases for which the workaround is applied.

IV. Action Required - County and Tribal Workers, Health Care Eligibility Operations, and MNsure

A. Report Cases to DHS

Please report any cases you identify as having been denied MinnesotaCare solely because the applicant indicated he or she does not expect to file a federal income tax return or be claimed as a tax dependent, or indicated he or she is married but does not expect to file taxes jointly.

Review the case evidence and determinations thoroughly before reporting a case. If an applicant was denied MinnesotaCare solely because of the above circumstances, the following will appear in the new eligibility system:

1. The applicant was determined eligible for an unassisted qualified health plan. There is an active unassisted qualified health plan product delivery case with an "Eligible" decision.
2. The integrated case's "Application Details" evidence shows a motivation type of "Insurance Affordability."
3. The applicant has a tax-filing status of "Non-filer," or the applicant has a spouse listed on the case, but the response for the "Married Filing Jointly" item is "No."
4. The applicant has a household projected annual income that does not exceed 200 percent of the federal poverty guidelines for the applicant's MinnesotaCare household size.

5. With respect to employer-sponsored coverage:
 - a. the applicant is not enrolled in employer-sponsored coverage; or
 - b. the applicant is enrolled in employer-sponsored coverage, but the evidence has an end date; or
 - c. the applicant is entitled to employer-sponsored coverage.

Report a case to DHS if the case meets all the criteria in 1–5 above.

DHS will evaluate whether the applicant who is entitled to employer-sponsored coverage has access to coverage that meets the minimum value and is considered affordable.

Do not report a case to DHS if it does not meet the criteria listed above. To report a case that meets the above criteria to DHS, send a secure email message to protect the person's confidentiality to DHS.mcrehcomp@state.mn.us. Include the following information in your secure email message:

- Client Name:
- Integrated Case:
- Tax-Filing Status:
- Projected Annual Income:
- Insurance Available:
- Additional Information (brief summary):

B. Subsequent Changes in Circumstances

If a change in circumstance is reported on a MinnesotaCare case, first review case notes to determine whether the workaround was applied before making any subsequent corrections, changes, or updates to evidence on the case. Confirm responses to questions about tax-filing status and tax-filing relationships with the household, and update this evidence to reflect the correct current status before making any changes to the case that will cause household members to be ineligible for MinnesotaCare. Doing this ensures that the correct household composition rules are applied if household members become newly eligible for Medical Assistance or advanced premium tax credits.

Contact the MMIS Help Desk for systems questions or assistance related to making changes on a case affected by the workaround. Submit a HealthQuest Web form for questions about policy or process that are related to making changes on a case affected by the workaround.

V. Legal Authorities

Code of Federal Regulations, title 42, chapter IV, subchapter 1, part 600, subpart D, section 305

Minnesota Statutes, section 256L.01, subdivision 3a

VI. Attachments

Attachment A: MinnesotaCare Household Composition and Family Size Flowchart

Attachment B: You Must Take Action to Get MinnesotaCare

VII. Americans with Disabilities Act (ADA) Advisory

This information is available in accessible formats for people with disabilities by calling 651-431-2283 (voice) or toll free at 888-938-3224 or by using your preferred relay service. For other information on disability rights and protections, contact the agency's ADA coordinator.

Attachment B

Minnesota Department of Human Services
MNSure
Attn: HCEA Access
PO Box 64989
St. Paul, MN 55164-0989



Date: MM/DD/YYYY
Reference Number: IC Number

Client Name
Address
City, State Zip

You Must Take Action to Get MinnesotaCare

Why did I get this letter?

You applied for health care coverage online through MNSure.org or with a paper application. We notified you that you did not qualify for help paying for your health care coverage.

We reviewed your application. Based on the information you provided, you qualify for MinnesotaCare.

What do I need to do?

If you need MinnesotaCare coverage now or for past months, please call us within 30 days of receiving this notice at _____. We cannot start your MinnesotaCare coverage until you call.

If you are enrolled in a qualified health plan through MNSure and want to cancel that plan, please call MNSure at 855-366-7873. Any request to end coverage will be effective for future months. If you are enrolled in a qualified health plan and want to keep that plan, you do not need to call MNSure or call us about MinnesotaCare.

Important Note about Your Taxes

Starting January 1, 2014, you are required to have health coverage each month unless you qualify for an exemption. If you do not qualify for an exemption, you may have to pay a tax penalty when filing your federal income tax return.

Do I need to file a tax return to get MinnesotaCare?

No, you do not need to file a federal income tax return to get MinnesotaCare. If you are married, you do not need to file a joint tax return with your spouse to get MinnesotaCare. (There may be other reasons that you need to file a federal income tax return. Contact the Internal Revenue Service or a tax preparer if you have questions about whether you need to file.)

Do I need to file a tax return to receive tax credits on MNSure?

Yes, you do need to file a federal tax return if you receive tax credits to help pay for your monthly premium for a qualified health plan through MNSure. If you are married and you receive tax credits, you have to file a joint tax return with your spouse. If you do not file a tax return after receiving tax credits, that may affect your ability to receive premium tax credits in the future, and you may have to pay a tax penalty.

Questions?

Please call _____ if you have questions.