



Bulletin

NUMBER

#15-21-05

DATE

July 16, 2015

OF INTEREST TO

County Directors

Social Services Supervisors
and Staff

Financial Assistance
Supervisors and Staff

Case Managers

Navigators, In-person
Assisters, and Certified
Application Counselors

Tribal Governments
(Tribes)

Health Care Eligibility
Operations

County Attorneys

ACTION/DUE DATE

Please read this bulletin
and prepare for
implementation.

EXPIRATION DATE

July 16, 2017

Legislative Changes to Medical Assistance and MinnesotaCare

TOPIC

Legislative changes to Medical Assistance and MinnesotaCare.

PURPOSE

Provide policy for legislative changes to Medical Assistance and MinnesotaCare.

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
PO 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

The 2015 Minnesota Legislature passed legislation that affects Minnesota Health Care Programs' eligibility and premiums.

This bulletin describes these changes.

In this bulletin, "we" and "us" refer to the Minnesota Department of Human Services (DHS).

II. Legislative Changes

The 2015 Minnesota Legislature made the following changes to Medical Assistance (MA) and MinnesotaCare.

A. Changes to Medical Assistance

1. Parental Fee Decrease and ABLÉ Accounts, Effective July 1, 2015

a. 10 Percent Reduction in Parental Fees

Parental fees are reduced by 10 percent for families with children who are determined MA eligible without regard to parental income through either the Tax Equity and Fiscal Responsibility Act (TEFRA) or a home and community-based services (HCBS) waiver program.

We have already sent notices to affected families.

b. Achieving a Better Life Experience (ABLE) Accounts

Minnesota may now implement ABLE accounts for Minnesotans with disabilities. ABLE accounts are tax-free savings accounts that can be used for certain qualified expenses, such as education, housing, and transportation. A person's ABLE account is excluded from income and assets when determining eligibility for federal programs, such as MA, the Supplemental Security Income (SSI) program, the Supplemental Nutrition Assistance Program (SNAP), the Minnesota Family Investment Program (MFIP), and others.

We will provide more information about this change following rulemaking.

2. MA-EPD Premium Decrease, Effective September 1, 2015

The following premium changes for Medical Assistance for Employed Persons with Disabilities (MA-EPD) take effect beginning with the September 2015 coverage month:

- The minimum monthly premium decreases from \$65 to \$35.
- For MA-EPD members who get Social Security benefits or other unearned income, the percent of that income they must pay toward their monthly premium will decrease from 5.0 percent to 0.5 percent.

We will issue a separate bulletin with more information about this change.

3. Uniform Trust Code Change, Effective January 1, 2016

Minnesota statutes relating to the treatment of trusts for purposes of determining MA eligibility will be renumbered. As a result, the language currently found in Minnesota Statutes, sections 501B.89 and 501B.895, will appear in Minnesota Statutes, sections 501C.1205 and 501C.1206, respectively.

The renumbering of these statutes does not change MA eligibility policy.

Until January 1, 2016, continue to refer to Minnesota Statutes, sections 501B.89 and 501B.895. Starting January 1, 2016, refer to Minnesota Statutes, sections 501C.1205 and 501C.1206.

4. Spenddown Standard Increase, Effective July 1, 2016

The spenddown standard will increase from 75 percent to 80 percent of the federal poverty guidelines (FPG) for those whose eligibility for MA is based on being blind, having a disability, or being 65 years old or older and who have income above 100 percent of the FPG.

We will issue more information when we implement this change.

B. Changes to MinnesotaCare

1. Federal Compliance Changes, Effective the Day after Enactment (May 23, 2015)

We have already implemented the changes described in this section.

Beginning January 1, 2015, MinnesotaCare became a federally funded Basic Health Program (BHP) as permitted under the Affordable Care Act. The 2015 Minnesota Legislature made the following statutory changes to MinnesotaCare so that the program would conform to the federal regulations that govern a BHP.

a. Definition of Family

For MinnesotaCare, a family includes people who are not expecting to file a federal tax return, or to be claimed as tax dependents, using MA household composition rules. A married couple who live together are counted in each other's households regardless of how or whether they file a tax return. This policy was implemented with [bulletin #15-21-03, Changes to MinnesotaCare Household Composition Rules](#), issued on April 28, 2015.

b. Definition of Income

For MinnesotaCare, income is a household's projected annual modified adjusted gross income for the tax year.

c. Annual Income Limits

The income limits for MinnesotaCare are adjusted for changes to the FPG each January.

d. Verification of American Indian Status

American Indians and their families are exempt from MinnesotaCare premiums. However, an applicant must verify status as an American Indian to qualify for this exemption.

Verification is not required before eligibility or coverage. Applicants have a "reasonable-opportunity" period of 90 days from the date of their notice to provide verification. During the reasonable-opportunity period, coverage is provided without a premium.

e. MinnesotaCare Renewals

The period of eligibility for MinnesotaCare is the calendar year. Renewals occur during the MNsure open-enrollment period each year.

f. Application Processing Period

The application processing period for MinnesotaCare aligns with the application processing period for MA, and is now 45 days.

g. Reduction in Premiums

MinnesotaCare enrollees with household incomes below 35 percent of the FPG are not required to pay premiums.

Also, for MinnesotaCare enrollees who must pay a premium to receive coverage and whose household income is from 110 percent to 139 percent of the FPG, the monthly individual premium decreased slightly. The

[MinnesotaCare Premium Estimator Table](#) was updated to reflect this change effective January 1, 2015.

2. MinnesotaCare Grace Month, to Be Implemented

Current policy requires that a MinnesotaCare enrollee who does not pay his or her premium is disenrolled from coverage on the first day of the month for which the premium was due. An enrollee whose coverage is closed because the enrollee did not pay the premium can have coverage reinstated by paying the past-due premium and the next month's premium within 20 days of closure. A premium received before noon is credited the same day. A premium received after noon is credited the next working day.

The 2015 Minnesota Legislature passed a law to comply with federal BHP regulations that require a grace month for BHP enrollees who do not pay their premiums on time.

When the grace-month policy is implemented, it will replace the 20-day reinstatement policy. Nonpayment of a premium will result in closure of MinnesotaCare coverage effective with the calendar month after the month for which the premium was due. The month for which the premium was due is considered the grace month. An enrollee will remain covered during the grace month, regardless of whether the enrollee pays the premium for that month.

A person who is disenrolled for nonpayment will have a lapse in coverage of at least one month. To restart coverage, the person must pay the past-due premium for the grace month and a future month's premium. Coverage begins the first day of the month after the month in which the person pays both these premiums in full.

The MinnesotaCare grace month applies only to enrollees who are required to pay a MinnesotaCare premium. Households that are exempt from premiums and household members who are not required to pay premiums, such as children under the age of 21, remain covered regardless of whether premiums are paid.

We will issue more information when we implement this change.

3. Premium Increase, Effective August 1, 2015

The Minnesota Legislature directed us to increase MinnesotaCare premiums sufficient to increase the projected revenue of the Health Care Access Fund at least \$27.8 million for the biennium ending June 30, 2017. We were directed to use program enrollment as of June 2015 to calculate the premium increases.

In accordance with this directive, we have revised the MinnesotaCare premium scale to increase premiums for enrollees with household incomes from 150 to 200 percent of the FPG. The table below shows these premium increases. The [MinnesotaCare Premium Estimator Table](#) has been updated to include them.

**MinnesotaCare Premium Increases
That Take Effect Starting with August 2015 Coverage**

Percent of FPG Enrollee's Income Equals	Monthly Premium Effective before August 2015	Monthly Premium Effective August 2015
150–159%	\$29	\$37
160–169%	\$33	\$44
170–179%	\$38	\$52
180–189%	\$43	\$61
190–199%	\$50	\$71
200%	\$50	\$80

The premium increases start with the premium for August 2015 coverage.

C. Change to Medical Assistance and MinnesotaCare: Periodic Data Matching, Effective March 1, 2016

The Minnesota Legislature directed us to conduct periodic data matching to identify enrollees in the new eligibility system who may not meet the eligibility criteria for the public health care program in which they are enrolled. In accordance with this directive, we will conduct data matching for MA and MinnesotaCare enrollees using available electronic data at least once during each enrollee's 12-month period of eligibility.

If data matching shows that an enrollee no longer qualifies for MA or MinnesotaCare, we will notify the enrollee and provide him or her 30 days to confirm the information obtained through data matching or provide a reasonable explanation for the discrepancy. If an enrollee does not respond to the notice, does not respond with information required to establish eligibility, or does not provide a reasonable explanation for the discrepancy within 30 days, we will end the enrollee's eligibility in accordance with MA or MinnesotaCare policies.

We will not terminate eligibility for an enrollee who is cooperating with the state or county agency and who needs more time to provide the required information.

We will issue more information when we implement this change.

III. Action Required

County, tribal, and Health Care Eligibility Operations workers should continue to consult ONEsource for procedures and system instructions. We will revise ONEsource as needed to implement the policy changes described in this bulletin.

IV. Legal References

Laws of Minnesota 2015, Chapter 5, article 12, sections 5 and 6

Laws of Minnesota 2015, Chapter 5, article 16, section 2

Laws of Minnesota 2015, Chapter 71, article 7, section 24

Laws of Minnesota 2015, Chapter 71, article 7, section 27

Laws of Minnesota 2015, Chapter 71, article 7, section 28

Laws of Minnesota 2015, Chapter 71, article 7, sections 44–51

Laws of Minnesota 2015, Chapter 71, article 11, section 17

Laws of Minnesota 2015, Chapter 71, article 11, sections 46–48

Laws of Minnesota 2015, Chapter 71, article 11, section 50

Laws of Minnesota 2015, Chapter 71, article 11, sections 52–55

Laws of Minnesota 2015, Chapter 71, article 11, sections 57 and 58

Code of Federal Regulations, title 42, Chapter IV, Subchapter I, Part 600, subpart F

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.