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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE NO. **706**

February 8, 2007

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The bill was read for the first time and referred to the Committee on Health and Human Services

February 15, 2007

Committee Recommendation and Adoption of Report:

To Pass as Amended and re-referred to the Committee on Finance

1.1 A bill for an act
1.2 relating to human services; modifying the medical assistance employed persons
1.3 with disabilities program; directing the commissioner to seek federal approval;
1.4 amending Minnesota Statutes 2006, section 256B.056, subdivisions 1a, 3.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2006, section 256B.056, subdivision 1a, is amended to
1.7 read:

1.8 Subd. 1a. **Income and assets generally.** Unless specifically required by state law or
1.9 rule or federal law or regulation, the methodologies used in counting income and assets
1.10 to determine eligibility for medical assistance for persons whose eligibility category is
1.11 based on blindness, disability, or age of 65 or more years, the methodologies for the
1.12 supplemental security income program shall be used, except as provided under subdivision
1.13 3, paragraph (f). Increases in benefits under title II of the Social Security Act shall not be
1.14 counted as income for purposes of this subdivision until July 1 of each year. Effective
1.15 upon federal approval, for children eligible under section 256B.055, subdivision 12, or
1.16 for home and community-based waiver services whose eligibility for medical assistance
1.17 is determined without regard to parental income, child support payments, including any
1.18 payments made by an obligor in satisfaction of or in addition to a temporary or permanent
1.19 order for child support, and Social Security payments are not counted as income. For
1.20 families and children, which includes all other eligibility categories, the methodologies
1.21 under the state's AFDC plan in effect as of July 16, 1996, as required by the Personal
1.22 Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), Public
1.23 Law 104-193, shall be used, except that effective October 1, 2003, the earned income
1.24 disregards and deductions are limited to those in subdivision 1c. For these purposes, a

2.1 "methodology" does not include an asset or income standard, or accounting method,
2.2 or method of determining effective dates.

2.3 Sec. 2. Minnesota Statutes 2006, section 256B.056, subdivision 3, is amended to read:

2.4 Subd. 3. **Asset limitations for individuals and families.** To be eligible for medical
2.5 assistance, a person must not individually own more than \$3,000 in assets, or if a member
2.6 of a household with two family members, husband and wife, or parent and child, the
2.7 household must not own more than \$6,000 in assets, plus \$200 for each additional legal
2.8 dependent. In addition to these maximum amounts, an eligible individual or family may
2.9 accrue interest on these amounts, but they must be reduced to the maximum at the time
2.10 of an eligibility redetermination. The accumulation of the clothing and personal needs
2.11 allowance according to section 256B.35 must also be reduced to the maximum at the
2.12 time of the eligibility redetermination. The value of assets that are not considered in
2.13 determining eligibility for medical assistance is the value of those assets excluded under
2.14 the supplemental security income program for aged, blind, and disabled persons, with
2.15 the following exceptions:

2.16 (a) Household goods and personal effects are not considered.

2.17 (b) Capital and operating assets of a trade or business that the local agency
2.18 determines are necessary to the person's ability to earn an income are not considered.

2.19 (c) Motor vehicles are excluded to the same extent excluded by the supplemental
2.20 security income program.

2.21 (d) Assets designated as burial expenses are excluded to the same extent excluded by
2.22 the supplemental security income program. Burial expenses funded by annuity contracts
2.23 or life insurance policies must irrevocably designate the individual's estate as contingent
2.24 beneficiary to the extent proceeds are not used for payment of selected burial expenses.

2.25 (e) Effective upon federal approval, for a person who no longer qualifies as an
2.26 employed person with a disability due to loss of earnings, assets allowed while eligible
2.27 for medical assistance under section 256B.057, subdivision 9, are not considered for 12
2.28 months, beginning with the first month of ineligibility as an employed person with a
2.29 disability, to the extent that the person's total assets remain within the allowed limits of
2.30 section 256B.057, subdivision 9, paragraph (b).

2.31 (f) When a person enrolled in medical assistance under section 256B.057,
2.32 subdivision 9, reaches age 65 and has been enrolled during each of the 24 consecutive
2.33 months before the person's 65th birthday, the assets owned by the person and the person's
2.34 spouse must be disregarded, up to the limits of section 256B.057, subdivision 9, paragraph
2.35 (b), when determining eligibility for medical assistance under section 256B.055,

3.1 subdivision 7. The income of a spouse of a person enrolled in medical assistance under
3.2 section 256B.057, subdivision 9, during each of the 24 consecutive months before the
3.3 person's 65th birthday must be disregarded when determining eligibility for medical
3.4 assistance under section 256B.055, subdivision 7, when the person reaches age 65. This
3.5 paragraph does not apply at the time the person or the person's spouse requests medical
3.6 assistance payment for long-term care services.

3.7 **Sec. 3. COMMISSIONER REQUIRED TO SEEK FEDERAL APPROVAL.**

3.8 By October 1, 2007, the commissioner shall seek federal approval to allow persons
3.9 who have been eligible for medical assistance for employed persons with disabilities
3.10 (MA-EPD) under Minnesota Statutes, section 256B.057, subdivision 9, for each of the 24
3.11 consecutive months prior to becoming age 65 to continue using the MA-EPD eligibility
3.12 rules as long as they qualify.