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State of Minnesota
HOUSE OF REPRESENTATIVES

**EIGHTY-FIFTH
SESSION**

HOUSE FILE No. 784

February 8, 2007

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The bill was read for the first time and referred to the Committee on Finance

February 12, 2007

By motion, recalled and re-referred to the Committee on Health and Human Services

February 15, 2007

Committee Recommendation and Adoption of Report:

To Pass and re-referred to the Committee on Finance

1.1 A bill for an act
1.2 relating to human services; increasing the medical assistance asset limit and
1.3 excess income standard for aged, blind, or disabled persons; amending Minnesota
1.4 Statutes 2006, section 256B.056, subdivisions 3, 5c.

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

1.6 Section 1. Minnesota Statutes 2006, section 256B.056, subdivision 3, is amended to
1.7 read:

1.8 Subd. 3. **Asset limitations for aged, blind, or disabled individuals ~~and families~~.**

1.9 To be eligible for medical assistance, a person whose eligibility is based on blindness,
1.10 disability, or age of 65 or more years must not individually own more than ~~\$3,000~~ \$6,000
1.11 in assets, or if a member of a household with two family members, husband and wife, or
1.12 parent and child, the household must not own more than ~~\$6,000~~ \$12,000 in assets, plus
1.13 ~~\$200~~ \$400 for each additional legal dependent. In addition to these maximum amounts,
1.14 an eligible individual or family may accrue interest on these amounts, but they must be
1.15 reduced to the maximum at the time of an eligibility redetermination. The accumulation
1.16 of the clothing and personal needs allowance according to section 256B.35 must also be
1.17 reduced to the maximum at the time of the eligibility redetermination. The value of assets
1.18 that are not considered in determining eligibility for medical assistance is the value of
1.19 those assets excluded under the supplemental security income program for aged, blind,
1.20 and disabled persons, with the following exceptions:

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

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

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

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

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

2.13 **EFFECTIVE DATE.** This section is effective July 1, 2007.

2.14 Sec. 2. Minnesota Statutes 2006, section 256B.056, subdivision 5c, is amended to read:

2.15 Subd. 5c. **Excess income standard.** (a) The excess income standard for families
2.16 with children is the standard specified in subdivision 4.

2.17 (b) The excess income standard for a person whose eligibility is based on blindness,
2.18 disability, or age of 65 or more years is 70 percent of the federal poverty guidelines for the
2.19 family size. Effective July 1, 2002, the excess income standard for this paragraph shall
2.20 equal 75 percent of the federal poverty guidelines. Effective July 1, 2007, the excess
2.21 income standard for this paragraph shall equal 85 percent of the federal poverty guidelines.
2.22 The excess income standard for this paragraph shall be increased by five percentage points
2.23 on July 1 of each of the next three years, so that the excess income standard shall equal
2.24 100 percent of the federal poverty guidelines effective July 1, 2010.

2.25 **EFFECTIVE DATE.** This section is effective July 1, 2007.