
Appellant: [REDACTED]
For: Minnesota Health Care Programs
Agency: Department of Human Services
Docket: 263441

**DECISION OF
STATE AGENCY
ON APPEAL**

On November 21, 2023, Human Services Judge Patrick Kontz held a hearing under Minnesota Statutes, section 256.045, subdivision 3.¹

The following people appeared at the hearing:

[REDACTED], Appellant

The human services judge, based on the evidence in the record and considering the arguments of the parties, recommends the following Findings of Fact, Conclusions of Law, and Order.

¹The Minnesota Department of Human Services conducts state fair hearings pursuant to Minnesota Statutes, section 256.045, subdivision 3.

STATEMENT OF ISSUES

The issue raised in this appeal is:

Did the agency correctly determine the appellant's household eligibility for the Minnesota Health Care Programs?

Recommended Decision:

Yes. The household's income is above the eligibility limit for its size.

PROCEDURAL HISTORY

1. **Notice of Action and Appeal Request.** On August 16, 2023, the Minnesota Department of Human Services (agency) sent [REDACTED] (appellant) written notice that they were not eligible for Medical Assistance or MinnesotaCare. *Exhibit 1.* On August 16, 2023, the appellant filed an appeal. *Exhibit 2.*

2. **Continuance.** The hearing was initially scheduled for October 20, 2023; however, the appellant requested that the matter be continued to allow her time to try and resolve the matter with the agency. The judge granted the request.

3. **Evidentiary Hearing.** On November 21, 2023, Human Services Judge Patrick Kontz held an evidentiary hearing on the matter by telephone conference. The record was held open after the hearing to allow the appellant time to submit additional information about her household size and income. On December 1, 2023, the record closed consisting of the hearing testimony and two exhibits.²

FINDINGS OF FACT

1. **Application.** On August 16, 2023, the appellant applied for health care coverage through the agency. *Exhibit 1.* The information provided as part of the application process showed that the appellant's household consisted of the appellant and had monthly income of \$3,250.00 and projected annual income (PAI) of \$37,500.00. *Id.* Based on this information, the agency determined that the appellant was eligible for a qualified health plan with advance premium tax credits but was not eligible for either Medical Assistance or MinnesotaCare. *Id.*

2. **Appellant's Position.** The appellant believes her household size and income are incorrect because of changes that occurred in July/August 2023. *Exhibit 2 and Testimony of*

² Exhibit 1 - Appeal Summary and attachments. Exhibit 2 – Appeal Request and attachments – no documents were submitted after the hearing.

Appellant. Because her mother went back to Africa for June, July and August 2023, the appellant moved back into her mother's home to take care of her younger nieces, nephews and siblings. *Id.* This, and the appellant going to school, resulted in her income being reduced as she had to cut back on work hours. *Id.* Her income is also stretched as she now needs to pay for a lot of the household bills. *Id.* In addition, she believes her household size should be bigger now that she is back in her mother's home taking care of the children. *Id.* The appellant files taxes on her own and in 2022, she claimed her brother as a dependent; however, now that he turned 18, she does not intend to claim him in 2023. *Id.* If her mother moves back to Africa, the appellant will claim her other siblings as dependents. *Id.* The record was left open after the hearing to allow the appellant time to submit paystubs and other proof of her current household size and income; however, no additional information was submitted.

APPLICABLE LAW

1. *Jurisdiction.*

a. The Commissioner of Human Services has jurisdiction over appeals involving matters listed in Minnesota Statutes, section 256.045, subdivision 3. Among other circumstances, hearings are available for any person applying for, receiving or having received medical care whose application for assistance is denied or whose assistance is suspended, reduced, terminated, or claimed to have been incorrectly paid. *Minn. Stat. § 256.045, subd. 3(a)(1).*

b. Unless federal or Minnesota law specifies a different time frame in which to file an appeal, an individual or organization specified in this section may contest the specified action by submitting a written request for a hearing to the state agency within 30 days after receiving written notice of the action or within 90 days of such written notice if the person shows good cause why the request was not submitted within the 30 day time limit. *Minn. Stat. § 256.045, subd. 3(i).* The individual filing the appeal has the burden of proving good cause by a preponderance of the evidence. *Id.*

2. *Burden of Persuasion; Standard of Proof.*

a. The burden of persuasion is governed by specific laws that apply to the subject of the hearing. *Minn. Stat. 256.0451, subd. 17.* If there is no specific law, the participant in the hearing who asserts the truth of a claim is under the burden to persuade the human services judge by a preponderance of the evidence that the claim is true. *Id.*

b. The preponderance of the evidence means, in light of the record as a whole, the evidence leads the human services judge to believe that a finding of fact is more likely to be true than not true. *Minn. Stat. 256.0451, subd. 22(b).*

3. **Medical Assistance Eligibility.**

a. **Definition of Income.** The Modified Adjusted Gross Income (“MAGI”) standard is used to determine eligibility for most recipients of Medical Assistance. *Minn. Stat. § 256B.056, subd. 1a(b)(1)*. The starting point for determining a household’s MAGI is the household’s gross income minus certain pretax deductions, such as retirement savings and pretax premiums. *26 U.S.C. § 62(a)*. Gross income is then reduced by certain additional deductions, if applicable, which are found in the “Adjusted Gross Income” section of Internal Revenue Service Form 1040. *Id.* The adjusted gross income is then increased by certain nontaxable income, if applicable, which include the nontaxable amount of social security benefits, as well as nontaxable interest and foreign income. *26 C.F.R. § 1.36B-1(e)(2)*.

b. **Household Composition.** Eligibility for Medical Assistance is based on the income of the household, which requires determining household composition. *42 C.F.R. § 435.603(c)*. Generally, a taxpayer’s household for Medical Assistance purposes consists of the taxpayer and his or her tax dependents for the benefit year, and the household of a tax dependent consists of the taxpayer and all dependents claimed by the taxpayer. *42 C.F.R. § 435.603(f)(1) and (f)(2)*.

c. **Income Eligibility.** Income limits for Medical Assistance are based on each household member’s basis of eligibility for the program. *See, Minn. Stat. § 256B.055*. Relevant to this case, the bases of eligibility includes “adults without children”. *Minn. Stat. § 256B.055, subd. 15*. For those eligible under this basis of eligibility, the household income limit is 133 percent of the Federal Poverty Guidelines³ (“FPG”) for the household size. *Minn. Stat. § 256B.056, subd. 4(b)*. In addition, for all Medical Assistance applicants whose income is determined using the MAGI methodology, an additional amount is subtracted (disregarded) from the household income that is equivalent to five percent of the FPG. *Minn. Stat. § 256B.056, subd. 1a(b)(2)*.

d. **Income Limit.** For August 2023, the income limit for an adult in a household of one, when the disregard is factored in, was \$20,120 annually. For new applicants, financial eligibility for Medical Assistance must be based on current monthly household income and family size. *42 C.F.R. § 435.603(h)(1)*. For most individuals who have been determined financially eligible for Medical Assistance, the state may elect to base financial eligibility either on current monthly household income and family size or income based on projected annual household income and family size for the remainder of the current calendar year. *42 C.F.R. § 435.603(h)(2)*. Minnesota has opted to base financial eligibility for both new and existing applicants on current monthly household income. *Medicaid State Plan Amendment #13-0027-*

³ The Federal Poverty Guidelines are published each year by the U.S. Department of Health and Human Services. The 2023 Federal Poverty Guidelines, which apply to Medical Assistance from July 1, 2023, through June 30, 2024, can be found at: <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines> The 2022 Guidelines, which applied to the period July 1, 2022, through June 30, 2023, are found online at: <https://aspe.hhs.gov/sites/default/files/documents/4b515876c4674466423975826ac57583/Guidelines-2022.pdf>

MM3.⁴ Thus, the monthly income limit for an adult in a household of one in August 2023 was \$1,677.

4. ***MinnesotaCare Income Eligibility.***

a. The MAGI standard is used to determine eligibility for MinnesotaCare applicants. *Minn. Stat. § 256L.01, subd. 5; 26 C.F.R. § 1.36B-1(e).*

b. Eligibility for MinnesotaCare considers the anticipated annual income of the household, and provides an income limit of 200 percent of the previous year's FPG for the household size. *Minn. Stat. § 256L.04, subd. 7.* In 2022, 200 percent of the FPG for a household of one was \$27,180.

CONCLUSIONS OF LAW

1. ***Jurisdiction.*** The appeal is timely because the appellant submitted the appeal request fewer than 30 days after receiving the agency's notice of action. In addition, the Commissioner of Human Services has jurisdiction over this appeal under Minnesota Statutes, section 256.045, subdivision 3 because the appellant's application for medical care coverage was denied.

2. ***Burden of Persuasion; Standard of Proof.*** In this case, the appellant has the burden to prove by a preponderance of the evidence they should have been found eligible for health care coverage.

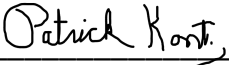
3. ***Conclusion.*** Based on the information provided as part of the application process, the agency correctly determined that the household's monthly income is over the limit allowed to qualify for Medical Assistance. The agency also correctly determined that the household's projected annual income is above the limit to qualify for MinnesotaCare. Because the appellant did not provide information to verify a change in household size or income from that which the agency relied on at the time of application, I find the agency's action should be affirmed. If the appellant can show such a change occurred, she can reapply for coverage.

⁴ This can be found online at: <https://www.medicaid.gov/State-resource-center/Medicaid-State-Plan-Amendments/Downloads/MN/MN-13-0027-MM3.pdf>

RECOMMENDED ORDER

Based on all of the evidence, I recommend that the Commissioner of Human Services:

- AFFIRM the agency's denial of the appellant's application for Medical Assistance and MinnesotaCare.



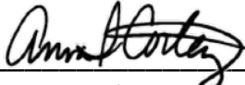
Patrick Kontz
Human Services Judge

12/06/2023

Date

ORDER

On behalf of the Commissioner of Human Services and for the reasons stated above, I adopt the recommended Findings of Fact, Conclusions of Law, and Recommended Order as the final decision of the Department of Human Services.



Anna I. Cortez
Co-Chief Human Services Judge

December 7, 2023

Date

cc: 
DHS – Eligibility Appeals Unit (via email)

FURTHER APPEAL RIGHTS

This decision is final unless you take further action.

Appellants who disagree with this decision should consider seeking legal counsel to identify further legal action. If you disagree with this decision, you may:

- **Request the appeal be reconsidered.** The request must state the reasons why you believe your appeal should be reconsidered. The request may include legal arguments and may include proposed additional evidence supporting the request. If you propose additional evidence, you must explain why the evidence was not provided at the hearing. **The request must be in writing and be made within 30 days of the date this decision was issued by the co-chief human services judge.** You can mail the request to: Appeals Division, Minnesota Department of Human

Services, P.O. Box 64941, St. Paul, MN 55164-0941. You can also fax the request to (651) 431-7523. **You must send a copy of the request to the other parties.** To ensure timely processing of your request, please include the name of the human services judge assigned to your appeal and the docket number. The law that describes this process is Minnesota Statutes, section 256.0451, subdivision 24.

- **Start an appeal in the district court.** This is a separate legal proceeding that you must start **within 30 days of the date this decision was issued by the co-chief human services judge.** You start this proceeding by: 1) serving a written copy of a notice of appeal upon the Commissioner of Human Services and upon any other adverse party of record; and 2) filing the original notice and proof of service with the court administrator of the county district court. The law that describes this process is Minnesota Statutes, section 256.045, subdivision 7.⁵

⁵ County agencies do not have the option of appealing decisions about Supplemental Nutrition Assistance Program (SNAP), Minnesota Family Investment Program (MFIP), or Diversionary Work Program (DWP) benefits to district court under 7 Code of Federal Regulations, section 273.15(q)(2), and Minnesota Statutes, section 256J.40. A prepaid health plan may not appeal this order under Minnesota Statutes, section 256.045, subdivision 7.