
Appellant: [REDACTED]
For: Medical Assistance
Agency: Department of Human Services
Docket: 263971

**DECISION OF
STATE AGENCY
ON APPEAL**

On November 3, 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

[REDACTED], Mother of 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 was not eligible for Medical Assistance?

Recommended Decision:

No. When the appellant's income dropped in October 2023, the household's income went below the eligibility limit for its size. Therefore, the appellant is eligible for Medical Assistance beginning October 1, 2023.

PROCEDURAL HISTORY

1. ***Notice of Action and Appeal Request.*** On September 5, 2023, the Minnesota Department of Human Services (agency) sent [REDACTED] (appellant) written notice that they did not qualify for Medical Assistance. *Exhibit 1.* On August 31, 2023, the appellant filed an appeal. *Exhibit 2.*

2. ***Evidentiary Hearing.*** On November 3, 2023, Human Services Judge Patrick Kontz held an evidentiary hearing on the matter by telephone conference. The record was held open to allow the parties time to submit more evidence. On December 12, 2023, the record closed consisting of the hearing testimony and two exhibits.²

FINDINGS OF FACT

1. ***Renewal.*** On June 23, 2023, the agency sent the appellant notice that it was time to renew their health care coverage. *Exhibit 1.* On July 24, 2023, the appellant reapplied for health care coverage through the agency. *Id.*

2. ***Income.***

a. The information provided as part of the application process showed that the appellant's household consisted of the appellant and had monthly income of \$3,063.25 per month and projected annual income of \$19,793.34. *Id.* Based on the information provided at the time of application, the agency determined that the appellant was eligible for MinnesotaCare but was not eligible for Medical Assistance. *Id.*

² Exhibit 1 - Appeal Summary and attachments, including documents submitted after the hearing. Exhibit 2 – Appeal Request and attachments, including any documents submitted after the hearing.

b. As part of the hearing process, the appellant submitted additional paystub information showing the following:

Pay Period	Pay Date	Gross Amount
6/12/23 - 6/25/23	6/30/2023	\$1,413.81
6/26/23 - 7/9/23	7/14/2023	\$966.28
7/10/23 - 7/23/23	7/28/2023	\$803.16
7/24/23 - 8/6/23	8/11/2023	\$791.17
8/7/23 - 8/20/23	8/25/2023	\$901.29
8/21/23 - 9/3/23	9/8/2023	\$862.26
9/4/23 - 9/17/23	9/22/2023	\$1,425.00
9/18/23 - 10/1/23	10/6/2023	\$1,428.13
10/2/23 - 10/15/23	10/20/2023	\$184.10
10/16/23 - 10/29/23	11/3/2023	\$1,283.85
10/30/23 - 11/12/23	11/17/2023	\$338.40
11/13/23 - 11/26/23	12/1/2023	\$691.51
	Total	\$11,088.96
	Pay Period Average	\$924.08
	Monthly Average	\$2,002.17
	YTD Total as of 12/01/23	\$11,089.16
	12 Pay Period Average	\$924.10
	Monthly Average	\$2,002.21
	August Earnings	\$1,763.55
	September Earnings	\$2,287.26
	October Earnings	\$1,612.23
	November Earnings	\$1,622.25

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

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 request for medical care coverage was denied and current coverage was terminated.

2. ***Burden of Persuasion; Standard of Proof.*** In this case, the agency has the burden to prove by a preponderance of the evidence that it is properly terminating the appellant’s health care coverage.

3. ***Conclusion.*** The agency correctly determined that the household’s monthly income was over the limit allowed to qualify for Medical Assistance in September 2023. However, the appellant provided verification that the household’s income was reduced below

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>

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>

the eligibility level beginning October 2023. Therefore, the appellant is eligible for Medical Assistance beginning October 2023.

RECOMMENDED ORDER

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

- REVERSE the agency's denial of the appellant's request for Medical Assistance, with an eligibility start date of October 1, 2023.

Patrick Kontz
Patrick Kontz
Human Services Judge

12/15/2023
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.

Renee Ladd
Renee Ladd
Co-Chief Human Services Judge

12/18/23
Date

cc: [REDACTED]
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.