
Appellant: [REDACTED]
For: Medical Assistance
Agency: Department of Human Services
Docket: 265352

**DECISION OF
STATE AGENCY
ON APPEAL**

On November 15, 2023, Human Services Judge Wendy Sanchez held a hearing under Minnesota Statutes 2018, section 256.045, subdivision 3.¹

The following person 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. The Department also conducts maltreatment and disqualification hearings on behalf of the Minnesota Departments of Health and Education pursuant to Minnesota Statutes, sections 626.556, subdivision 10i; and 626.557, subdivision 9d.

STATEMENT OF ISSUES

The issues raised in this appeal are:

Whether the Department of Human Services correctly determined to close Appellant's household's Medical Assistance (MA) for failure to renew; and

Whether the Department of Human Services correctly determined that Appellant's household is ineligible for MA and MinnesotaCare because the household is over income.

Recommended Decision:

Yes, AFFIRM the Agency's determination to close MA for failure to timely renew; and

Yes, AFFIRM the Agency's determination that Appellant's household does not qualify for MA or MinnesotaCare, after reapplication.

PROCEDURAL HISTORY

1. On August 8, 2023, the Department of Human Services ("Agency") sent [REDACTED] ("Appellant") a notice that Appellant's household's MA would close effective August 31, 2023 for failure to renew. *Exhibit 2*.

2. On September 7, 2023, the Agency sent Appellant a notice that MA coverage would end September 30, 2023, rather than August 31, 2023. *Exhibit 2*.

3. On October 9, 2023, Appellant requested an appeal. *Exhibit 1*.

4. On November 15, 2023, Human Services Judge Wendy Sanchez held an evidentiary hearing via telephone conference. The record closed at the end of the hearing, consisting of hearing testimony and two exhibits.²

FINDINGS OF FACT

1. On June 22, 2023, the Agency sent Appellant a renewal form with instructions to return the completed renewal form within 30 days. *Exhibit 2*. The Agency sent Appellant the notice to the address on file for the household – [REDACTED]

² **Exhibit 1** – Appeal request; **Exhibit 2** – Agency Summary.

[REDACTED], MN. *Exhibit 2.* The Agency did not receive a report of an address change. *Id.* The Agency did not receive the completed renewal form. *Id.*

2. On August 8, 2023, the Agency sent Appellant a cancellation notice because the Agency did not receive the information within the 30-day deadline. *Id.* Appellant's household's MA would close effective August 31, 2023 for non-renewal. *Id.* The Agency sent the notice to Appellant at [REDACTED] # [REDACTED], MN. *Id.*

3. On September 7, 2023, the Agency sent Appellant a cancellation notice informing that the deadline to submit the renewal form was extended 30 days. *Id.* Accordingly, Appellant's household's coverage would end September 30, 2023, rather than August 31, 2023. *Id.* The Agency sent the notice to Appellant at [REDACTED] # [REDACTED], MN. *Id.*

4. On October 9, 2023, Appellant reapplied online and the Agency processed the application same day. *Id.* Based on the information provided, the Agency determined Appellant has a household of four people, the household income is \$9,120.20 per month, and the PAI is \$109,442.56. *Id.* Appellant reported that she earned \$4,266.88 per month from [REDACTED] and [REDACTED] earned \$3,466.66 per month from [REDACTED] and \$1,386.66 from [REDACTED]. *Id.* The household was determined eligible for a qualified health plan (QHP) with advanced premium tax credits (APTC) and sent out a health care notice with the determination. *Id.* Appellant's household does not qualify for MA or MinnesotaCare. *Id.*

5. Appellant's MA coverage continues pending the outcome of this appeal. *Id.*

6. **Testimony.** Appellant testified that she now only works on-call with employer [REDACTED] for two days per week, and must use her vacation time which will result in higher paychecks through January 2024. *Appellant Testimony.* Appellant testified that she agrees with the Agency's calculation for [REDACTED] income from his first job, but not his second job. *Id.*

AUTHORITY

1. **Jurisdiction.** The Commissioner of Human Services has jurisdiction over appealed matters listed in Minnesota Statutes, section 256.045, subdivision 3(a).

2. **Timeliness and Burden of Proof.** 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.*

3. **Medical Assistance.** The state laws about Medical Assistance are set forth in Minnesota Statutes, Chapter 256B. Medical Assistance participants are required to have their eligibility redetermined every 12 months. *Minn. Stat. § 256B.056, subd. 7*. In order for an adult, parent, or caretaker relative to be eligible for Medical Assistance, the household income must not exceed 133% of the Federal Poverty Guideline (“FPG”) for the same household size.³ The Medical Assistance annual income limit for a household of four adults is \$3,325 monthly (and \$6,875 for children under 19 years of age).⁴

4. The household composition for a person who expects to file taxes and who does not expect to be claimed as a tax dependent by someone else includes all of the people expected to be on the taxpayer’s federal income tax return including the tax filer and tax dependents.⁵ For individuals who expect to be claimed as a tax dependent for the taxable year in which a determination of eligibility is made, the household includes the tax dependent, the tax filer, the joint tax filer, all other tax dependents, and the tax payers spouse. *Id.*

5. Generally, household income is the sum of the income of every individual included in the individual’s household.⁶ Household income includes federal taxable income, including losses, minus federal income tax adjustments. *Id.* The types of taxable income include wages, salary and tips; payroll or pre-tax deductions for childcare, health insurance, retirement plans, transportation assistance, and other employee benefits are not taxable and not included in a person adjusted gross income.⁷ These types of deductions must be subtracted from a person’s gross wages when they appear on a paystub or wage record. *Id.* Household income does not include scholarships, awards or fellowship grants used for education purposes and not for living expenses. *Id.*

6. In determining current monthly or projected annual household income and family size under 42 C.F.R. § 435.603 (h)(1) or (h)(2), the agency may adopt a

³ 42 C.F.R. § 435.118; See also Minn. Stat. § 256B.057. subd. 1a(b)(1)(v).

⁴ The Federal Poverty Guidelines are published each year by the U.S. Department of Health and Human Services. The Federal Poverty Guidelines, which apply to 2023-2024 Medical Assistance coverage, can be found in *the Minnesota Health Care Programs, Eligibility Policy Manual, Medical Assistance, section 2.1.3.2 on Income Limits*.

⁵ Minnesota Health Care Programs Eligibility Policy Manual 2.2.3.2, Household Composition and Family Size.

⁶ 42 C.F.R. § 435.603(d); Department of Human Services, Eligibility Policy Manual 2.2.3.2.

⁷ Department of Human Services, Eligibility Policy Manual 2.2.3.4.

reasonable method to include a prorated portion of reasonably predictable future income, to account for a reasonably predictable increase or decrease in future income, or both, as evidenced by a signed contract for employment, a clear history of predictable fluctuations in income, or other clear indicia of such future changes in income.⁸ Such future increase or decrease in income or family size must be verified in the same manner as other income and eligibility factors, in accordance with the income and eligibility verification requirements at 42 C.F.R. §435.940 through §435.965, including by self-attestation if reasonably compatible with other electronic data obtained by the agency in accordance with such sections.⁹

7. **MinnesotaCare.** The state laws about MinnesotaCare are set forth in Minnesota Statutes, Chapter 256L. In order to be eligible for MinnesotaCare, a household's income needs to be between 133% and 200% of federal poverty guidelines (FPG) for the same household size.¹⁰ For a household of four, 200% of the FPG is \$55,500.¹¹

CONCLUSION OF LAW AND DISCUSSION

1. In this case, Appellant timely filed an appeal and the Commissioner of Human Services has jurisdiction under Minnesota Statutes, section 256.045, subd. 3.

2. **MA Closure.** The preponderant evidence supports a conclusion that the Agency sent Appellant a renewal form and that renewal form was not timely submitted by the initial 30-day deadline. The preponderant evidence in the record also supports a conclusion that the Agency did not receive the renewal form by the extended deadline, September 30, 2023. I recommend affirming the Agency's closure of Appellant's household's Medical Assistance.

3. **Medical Assistance.** I conclude by a preponderance of the evidence that Appellant's household is ineligible for MA because Appellant's household's income is higher than allowed for the household size. Appellant's household size is four. The record shows that Appellant's household's calculated monthly income is \$9,120.20, which exceeds the maximum income threshold of \$3,325 for a household size of four adults (and \$6,875 for children under 19 years of age). Appellant testified that she did not agree with the Agency's calculation of income for [REDACTED] second job (\$1,386.66). Even eliminating [REDACTED] income from his second job does not put the household within income limits. Based on the way the law and the income guidelines are written, I

⁸ 42 C.F.R. § 435.603(h)(3).

⁹ 42 C.F.R. § 435.603(h)(3).

¹⁰ Minn. Stat. § 256L.04, subd. 1.

¹¹ Income and Asset Guidelines are available at <https://edocs.dhs.state.mn.us/lfsrserver/Public/DHS-3461A-ENG>.

have no choice but to recommend affirming the Agency's closure of Medical Assistance coverage.

4. **MinnesotaCare.** I conclude by a preponderance of the evidence that Appellant's household is not eligible for MinnesotaCare because Appellant's household's income is more than allowed for the household size. Appellant's household size is four. The record shows that Appellant's household's calculated PAI is \$109,442.56, which is more than the maximum income threshold of \$55,500 for a household size of four. Appellant testified that she did not agree with the Agency's calculation of income for [REDACTED] second job (\$1,386.66). Even eliminating [REDACTED] income from his second job does not put the household within income limits. I recommend affirming the Agency's determination to deny them for MinnesotaCare.

RECOMMENDED ORDER

The Human Services Judge recommends the Commissioner of Human Services:

AFFIRM the Department of Human Services' determination to close Appellant's household's MA; and

AFFIRM the Department of Human Services' determination that Appellant's household is ineligible for MA and MinnesotaCare because they are over income limits.

Wendy Sanchez
Wendy Sanchez
Human Services Judge

12/12/2023
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.

AmyLynne Hermanek
AmyLynne Hermanek
Co-Chief Human Services Judge

12/13/2023
Date

cc: [REDACTED], Appellant
DHS-Eligibility Appeals Unit

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 7.¹²

¹² 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.