



Minnesota Department of **Human Services**

**DECISION OF
STATE AGENCY
ON APPEAL**

In the Appeal of: [REDACTED]
For: MinnesotaCare
Agency: Minnesota Department of Human Services- MinnesotaCare
Docket: 149059

On January 27, 2014, Human Services Judge David Gassoway held an evidentiary hearing via telephone conference under Minn. Stat. § 256.045, subd. 3.

The following person appeared at the hearing:

[REDACTED], Appellant
[REDACTED], Agency Representative

The 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.

STATEMENT OF ISSUE

The issue raised in this appeal is:

Whether the agency correctly refrained from determining the appellant eligible for MinnesotaCare effective January 13, 2013 due to the agency's inability to process the appellant's updated information.

FINDINGS OF FACT

1. On November 1, 2013, the appellant submitted an application on the MNsure website requesting health insurance and financial assistance for health insurance for himself and for his two sons.¹

2. On December 6, 2013, the agency approved the appellant's sons for Medical Assistance (MA) benefits effective January 1, 2014 based on the information the appellant provided through the online MNsure system.² The appellant was determined eligible for a Qualified Health Plan (QHP) with a benchmark plan which required the appellant to pay a monthly premium of \$201.34.³ The appellant was determined to eligible for Advance Premium Tax Credits of \$0.⁴

3. The appellant was not approved for MinnesotaCare benefits based on the information he provided in his November 1, 2013 application for healthcare benefits⁵. The appellant attested to household income which includes an annual self-employment income of \$42,499 from work performed by the appellant.⁶ The appellant also attested to a monthly income received from the Social Security Administration in the amount of \$290 for each of his sons.⁷ The appellant also attested to household deduction of \$8,700 per year.⁸ The agency's eligibility system (MNsure system) did not deduct the \$8,700 in determining the appellant's eligibility for MinnesotaCare.⁹

4. On December 30, 2013, the appellant submitted an appeal request with the Appeals & Regulations Division contending that he should be determined eligible for MinnesotaCare.¹⁰

5. On January 27, 2014, Human Services Judge David Gassoway held an

¹ Exh. 2.A.

² Exh. 2.B.

³ Exh. 2.C. and Exh. 2.G. See also Exh. 2, p. 3 and Exh. 2.K.

⁴ Exh. 2, p. 3.

⁵ Id.

⁶ Exh. 2.D.

⁷ Id.

⁸ Exh. 2.E.

⁹ Exh. 2.N. See also Exh. 2, p. 5.

¹⁰ Exh. 2.I.

evidentiary hearing via telephone conference. The judge closed the record that day. The record consists of two exhibits.¹¹ The agency was represented by [REDACTED]; and the appellant represented himself.¹²

6. On January 8, 2014, the appellant informed the agency that he incorrectly reported his income on the appellant's initial (November 1, 2013) healthcare application in that he over reported the income and that the appellant believed he should be eligible for MinnesotaCare.¹³ On January 13, 2014, the appellant provided the agency with updated income information from his 2012 Federal tax return.¹⁴ The appellant reported the following updated income information¹⁵:

Business income - \$36,443
Self-employment Tax Deductions - \$2,574
Self-employment Health Insurance Deduction - \$2,453
Adjusted Gross Income - \$31,416

7. The appellant expects his 2014 income to be less than that which he reported to the agency on January 13, 2014.¹⁶

8. On January 22, 2014, the agency informed the appellant that the agency was unable to re-determine his eligibility for healthcare benefits based on updated income reported by the appellant because of malfunctions of the agency's eligibility computer system.¹⁷ There is no estimated time as to when the agency's computer system will allow the agency to re-determine the appellant's eligibility for healthcare benefits.¹⁸

9. The agency agrees that the appellant should be eligible for MinnesotaCare based on the appellant's updated reported attested income of \$38,376 per year, which amounts to 196 percent of the Federal Poverty Level (FPL).¹⁹ The appellant's household size is three.²⁰

CONCLUSIONS OF LAW

1. A person aggrieved by an adverse action regarding the receipt of public assistance, medical care or social services from a state or county agency, may appeal the adverse action by filing an appeal either: 1) within thirty days of receiving written notice of the action; or 2) within ninety days of such notice if the appellant can show good cause why

¹¹ Exhibit 1 – Appellant's Appeal Request; Exhibit 2 – Agency Appeals Summary w/attachments A-N (Exhibits 2.A-2.N).

¹² Exh. 2.

¹³ Exh. 2.M.

¹⁴ Id.

¹⁵ Id.

¹⁶ Id.

¹⁷ Id. See also Test. of Patrick Lee and Exh. 2, p. 3.

¹⁸ Exh. 2, p. 6.

¹⁹ Exh. 2, p. 5.

²⁰ Test. of Appellant.

the request for an appeal was not submitted within the thirty day time limit. *Minn. Stat. 256.045, subd. 3.* In this case, the agency’s computer system advised the appellant that he did not qualify for MinnesotaCare on or about December 6, 2013. The appellant submitted his appeal request on December 30, 2013. Thus, the appellant submitted his appeal within the 30-day statutory time period. The appellant’s appeal was therefore timely filed.

2. The Commissioner of Human Services has jurisdiction over this appeal under Minn. Stat. § 256.045, subd. 3.

3. Applicants may submit applications online, in person, by mail, or by phone in accordance with the Affordable Care Act, and by any other means by which medical assistance applications may be submitted. Applicants may submit applications through MNsure or through the MinnesotaCare program²¹.

4. Effective January 1, 2014 or upon federal approval, families with children having family income above 133 percent of the federal poverty guidelines and equal to or less than 200 percent of FPL for the applicable family size shall be eligible for MinnesotaCare according to this section.²² When determining eligibility for MinnesotaCare coverage effective January 1, 2014 or upon federal approval, "income" is determined by using modified adjusted gross income methodology, as defined in 26 C.F.R. § 1.36B-1.²³

5. The appellant’s “taxpayer family” consists of himself and his two sons.

6. The percent of the federal poverty level (FPL) represented by appellant’s household income is calculated as follows:

Projected 2014 Household MAGI	\$ 38,376
Household Size	3
2013 FPL for Household Size	\$ 19,530
MAGI % of FPL	196.50%

7. Although Appellant does not qualify for Medical Assistance, the appellant qualifies for MinnesotaCare because the household's MAGI is greater than 133% FPL but less than 200% FPL for appellant's household size. Because the appellant qualifies for MinnesotaCare, the appellant does not qualify for advance payment of a Premium Tax Credit. The agency agrees that the appellant qualifies for MinnesotaCare.

8. Having determined that the appellant qualifies for MinnesotaCare, the remaining

²¹ Minn. Stat. §256L.05, Subd. 1(a).

²² Pursuant to Minn. Stat. § 256L.04, subd. 1, as amended in the Minnesota Session Laws, Chapter 108, Article 1, Section 55.

²³ Minn. Stat. § 256L.01, subd. 5 as amended in the Minnesota Session Laws, Chapter 108, Article 1, Section 55.

issue is the date on which the appellant's MinnesotaCare should begin. MinnesotaCare ordinarily is expected to make determinations within 30 days of application.²⁴ In this case, technical problems involving the agency's computer eligibility system have prevented the agency from providing the appellant with a re-determination or approval of MinnesotaCare benefits. The technical problems, in essence, have resulted in lost MinnesotaCare enrollment for the appellant. In addition, the commissioner and local agencies working in partnership must develop a streamlined and efficient application and enrollment process for medical assistance and MinnesotaCare enrollees that meets established statutory criteria.²⁵ In this case, the enrollment process has not proved to be efficient. Furthermore, basic due process considerations arise when governmental agencies deny benefits to which people are legally entitled.²⁶ The agency agrees that the appellant is entitled to MinnesotaCare benefits. He is denied those benefits due to technical difficulties. The technical problems of the agency's computer system, preventing the appellant's right to MinnesotaCare benefits, presents exceptional circumstances in establishing automated eligibility and enrollment. In light of the exceptional circumstances, the agency should deem the appellant to have been eligible for MinnesotaCare retroactive to the date on which the appellant provided correct and updated information regarding his attested household income, which is January 13, 2014. The appellant would have been determined eligible for MinnesotaCare on January 13, 2014 by the agency's automated eligibility system but for the agency's computer technical difficulties. The effective date of coverage for MinnesotaCare is the first day of the month following the month in which eligibility is approved and the first premium payment has been received.²⁷ Given that the agency made it impossible for the appellant to pay the premium, the appellant's eligibility should begin on February 1, 2014 in spite of the premium having not been paid. Based on the foregoing, I conclude that MinnesotaCare eligibility should be made retroactive to February 1, 2014. The appellant must remain responsible for his portion of the premium for the retroactive coverage period.

RECOMMENDED ORDER

THE HUMAN SERVICES JUDGE RECOMMENDS THAT the Commissioner REVERSE the agency's decision to deny the appellant's application for approval of MinnesotaCare benefits and order the agency to start the appellant's MinnesotaCare benefits on February 1, 2014.

/s/ David E. Gassoway

March 10, 2014

David E. Gassoway
Human Services Judge

Date

²⁴ Minn. Stat. 256L.05, Subd. 4.

²⁵ Minn. Stat. 256L.05, Subd. 1(c). While the amendments to Minn. Stat. § 256L are effective January 1, 2014 or upon federal approval, the Department of Human Services has extended the MinnesotaCare program and implemented the modifications of the program effective January 1, 2014 in anticipation of federal approval of this basic health plan under the Affordable Care Act retroactive to January 1, 2014.

²⁶ *Goldberg v. Kelly*, 397 U.S. 254 (1970).

²⁷ Minn. Stat. 256L.05, Subd. 3(a).

ORDER OF THE COMMISSIONER

IT IS THEREFORE ORDERED THAT based upon all the evidence and proceedings, the Commissioner of Human Services adopts the judge's recommended findings of fact, conclusions of law, and order as her final decision.

Date

Right of Appeal to District Court and/or Reconsideration

An appellant or county agency who disagrees with this decision may:

Start an appeal in the district court. This is a separate legal proceeding, and you must start this within 30 days of the date of the appeal decision by serving a notice of appeal upon the other party and the Commissioner. The law that describes this process is Minn. Stat. § 256.045, subd. 7.

or

Ask the appeals office to reconsider this decision. You must put this request in writing, and state the reason(s) you believe the decision is incorrect. Send the request within 30 days of the date of the decision to:

Appeals Office
Department of Human Services
P.O. Box 64941
St. Paul, MN 55164-0941

The appeals office will deny or consider this request, at which point you can still appeal to the district court.

cc: [REDACTED], Appellant
[REDACTED], DHS (MinnesotaCare), Internal Mail Code: 0989

