



Minnesota Department of **Human Services**

**DECISION OF
STATE AGENCY
ON APPEAL**

In the Appeal of: [REDACTED]
For: Minnesota Health Care Programs
Agency: Minnesota Department of Human Services
Docket: 173076

On March 28, 2016, Human Services Judge John Freeman held an evidentiary hearing under Minn. Stat. § 256.045, subd. 3.

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.

STATEMENT OF ISSUE

The issue raised in this appeal is:

Whether the Agency properly terminated Appellant's MinnesotaCare coverage, because his projected annual income exceeds program limits.

FINDINGS OF FACT

1. On December 9, 2015, Minnesota Department of Human Services ("Agency") sent [REDACTED] ("Appellant") a Notice of Action, informing Appellant that he would no longer be eligible for MinnesotaCare coverage effective January 1, 2016. In response, Appellant filed an appeal request that was received by the Appeals Office on February 4, 2016. *Appellant Exhibit A.*

2. An evidentiary hearing was scheduled to take place on March 17, 2016, but was continued at the Agency's request as it sought to resolve the issue on appeal. On March 28, 2016, Human Services Judge John Freeman held an evidentiary hearing by telephone conference. The Judge accepted into the record one exhibit from Appellant and one exhibit from the Agency, and held the record open to receive additional information from the Agency. On April 11, 2016, the record was closed consisting of the testimony of the parties and two exhibits.¹

3. Appellant is a household of one and does not claim any tax dependents. Appellant earns \$1,120 per biweekly pay period in gross income from his employment with [REDACTED]. As such, Appellant's expected gross annual income for 2016 is \$29,120. *Testimony of Appellant; Appellant Exhibit A; Agency Exhibit 1.*

4. Appellant was a MinnesotaCare enrollee in 2015, paying a premium of \$52 per month, although his income has not changed from 2015 to 2016. *Testimony of Appellant.*

5. The record does not establish whether Appellant's MinnesotaCare coverage was in effect pending the outcome of the appeal, although a specific request to keep it open was not made in the appeal request. The Agency was asked following the evidentiary hearing to provide information about the current status of coverage, but did not respond to that request. *Testimony of Appellant.*

6. Appellant is frustrated because he has received conflicting notices regarding his MinnesotaCare coverage. Appellant received a Health Plan Disenrollment Notice

¹ Appellant Exhibit A: Appeal request (including termination notice; completed renewal form; income verification request; pay history; health plan disenrollment notice). Agency Exhibit 1: State Agency Appeals Summary (including appeal memorandum; case notes on income verification; pay history; APTC determination).

shortly after January 23, 2016, that indicated that his MinnesotaCare coverage through HealthPartners would end on January 31, 2016, even though the termination notice indicated his last day of MinnesotaCare coverage would be December 31, 2015. In addition, Appellant is frustrated by the fact that he has been determined ineligible for MinnesotaCare even though his income has not changed appreciably from 2015. *Testimony of Appellant; Appellant Exhibit A.*

CONCLUSIONS OF LAW

1. ***Jurisdiction.***

a. The Commissioner of the Minnesota Department of Human Services has jurisdiction over appeals involving Medical Assistance and MinnesotaCare (known collectively as the “Minnesota Health Care Programs”). An applicant for or recipient of Minnesota Health Care Programs may appeal an agency action within 30 days after receiving written notice of the action, or within 90 days if the applicant shows good cause for not requesting a hearing within 30 days. *Minn. Stat. § 256.045, subd. 3; Minn. R. §§ 9505.0130, subp. 2 and 9506.0070, subp. 2.*

b. In this case, the appeal request was submitted more than 30 days after the Agency’s December 9, 2015, notice that Appellant’s MinnesotaCare coverage would be terminated. However, the appeal was submitted fewer than 90 days after that notice, and Appellant provided good cause for not appealing sooner. In particular, Appellant received conflicting information about the status of his MinnesotaCare coverage as noted above. In fact, by the time the evidentiary hearing had taken place, Appellant was still unclear whether the coverage had terminated and, if so, on which date. Because Appellant appealed within 90 days of the notice of adverse action and provided good cause for not appealing sooner, the appeal must be considered timely.

2. ***Burden of Persuasion.*** In an administrative appeal, the burden of persuasion is governed by state or federal laws that apply to the hearing. *Minn. Stat. § 256.0451, subd. 17.* When there is no specific burden of persuasion provision, the party seeking that a certain action be taken must prove the facts at issue by a preponderance of the evidence. *Id.* Therefore, in this appeal involving the termination of Appellant’s Minnesota Health Care Programs coverage, the Agency proposing the termination has the burden of showing why its determinations were correct.

3. ***Minnesota Health Care Programs Eligibility.***

a. The Agency reviewed Appellant’s eligibility for both MinnesotaCare and Medical Assistance. The Modified Adjusted Gross Income (“MAGI”) standard is used to determine eligibility for MinnesotaCare applicants and for most Medical Assistance applicants, including Appellant. *Minn. Stat. § 256L.01, subd. 5; Minn. Stat. § 256B.056, subd. 1a(b)(1); 26 C.F.R. § 1.36B-1(e).* The starting point for determining a household’s MAGI is the household’s gross income minus certain pretax deductions, such

as retirement savings. 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. Income eligibility for MinnesotaCare considers the anticipated annual income of the household, and provides an income limit of 200 percent of the previous year’s Federal Poverty Guideline² (“FPG”). *Minn. Stat. § 256L.04, subd. 7.* In 2015, 200 percent of the FPG for a household of one was \$23,540. In addition, MinnesotaCare enrollees must be ineligible for Minnesota’s Medicaid program, Medical Assistance. *Minn. Stat. § 256L.04, subd. 14(a).*

c. Adults without children who meet other eligibility requirements can qualify for Medical Assistance coverage if they have income that does not exceed 133 percent of the FPG for the household size. *Minn. Stat. § 256B.056, subd. 4(c).* For a household of one, 133 percent of the 2015 FPG³ is \$15,654 per year.

4. ***Other Eligibility Considerations.*** The Minnesota Health Care Programs have additional requirements for eligibility. However, those are not addressed in this decision for two reasons. First, the Agency does not dispute that Appellant meets eligibility requirements other than those related to income. Second, those additional eligibility requirements are not relevant to the Medical Assistance and MinnesotaCare determinations, since income ineligibility is itself a sufficient reason to deny coverage under those programs.

5. ***Conclusion.***

a. In this case, it is undisputed that Appellant’s projected annual income is at or near \$29,120, which is 247.41 percent of the FPG. As such, Appellant’s income significantly exceeds the program limits for both Medical Assistance and MinnesotaCare, and the Agency’s termination of MinnesotaCare coverage should be affirmed.

b. Unfortunately, neither Appellant nor the Agency were able to explain the fact that Appellant was previously determined eligible for MinnesotaCare despite having the same or very similar projected income. While I would prefer to understand this discrepancy, it does not impact on this decision. That is because the record clearly establishes that Appellant is not currently eligible for Minnesota Health Care Programs and was not eligible at the time of the Agency’s determination.

² The Federal Poverty Guidelines are published each year by the U.S. Department of Health and Human Services. The 2015 Federal Poverty Guidelines can be found at <http://aspe.hhs.gov/2015-poverty-guidelines>.

³ For Medical Assistance eligibility, the 2015 Federal Poverty Guidelines are in effect from July 1, 2015, through June 30, 2016.

RECOMMENDED ORDER

THE HUMAN SERVICES JUDGE RECOMMENDS THAT the Commissioner of Human Services AFFIRM the Agency's termination of Appellant's MinnesotaCare coverage, because his projected annual income exceeds program limits.

John Freeman
Human Services Judge

Date

ORDER OF THE COMMISSIONER

IT IS THEREFORE ORDERED THAT, based upon all the evidence and proceedings, the Commissioner of Human Services adopts the Human Services Judge's recommendation as the Commissioner's final decision.

FOR THE COMMISSIONER OF HUMAN SERVICES:

Date

cc: [REDACTED], Appellant
Teresa Saybe, Minnesota Department of Human Services

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 recourse.

If you disagree with this decision, you may:

- **Request the Appeals Office reconsider this decision.** 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; however, if you submit additional evidence, you must explain why it was not provided at the time of the hearing. The request must be *in writing*, be made *within 30 days of the date of this decision*, and a *copy of the request must be sent to the other parties*. Send your written request, with your docket number listed, to: *Appeals Office, Minnesota Department of Human Services, P.O. Box 64941, St. Paul, MN 55164-0941*. You may also fax the request to (651) 431-7523.
- **Start an appeal in the district court.** This is a separate legal proceeding that you must start *within 30 days of the date of this decision*. You start this proceeding by serving a written copy of a notice of appeal upon the Commissioner and any other adverse party of record, and 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 Statute § 256.045, subdivision 7.⁴

⁴ 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 C.F.R. § 273.15(q)(2) and Minnesota Statute § 256J.40.