

Appellant: [REDACTED]

For: Medical Assistance

Agency: Department of Human Services

Docket: 264559

**DECISION OF
STATE AGENCY
ON APPEAL**

On November 16, 2023, Human Services Judge Katherine Gilbert Fetterly 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.

¹ The 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 ISSUE

The issue raised in this appeal is:

Whether the Department of Human Services correctly determined [REDACTED] and [REDACTED] are not eligible for Medical Assistance or MinnesotaCare at the time of redetermination.

Recommended Decision:

AFFIRM. The Department of Human Services correctly determined [REDACTED] and [REDACTED] are not eligible for Medical Assistance or MinnesotaCare at the time of redetermination.

PROCEDURAL HISTORY

1. On August 23, 2023, the Department of Human Services (Agency) sent [REDACTED] (Appellant) a written notice of action informing Appellant that Appellant and [REDACTED] Medical Assistance would be closing effective September 30, 2023 and they were not eligible for MinnesotaCare. They however did qualify for a Qualified Health Plan.² On September 19, 2023, Appellant filed an appeal.³
2. The hearing was originally scheduled for October 31, 2023, but was continued at the request of Appellant.
3. On November 16, 2023, the human services judge held an evidentiary hearing on the matter by telephone conference. On November 16, 2023, the record closed consisting of the hearing testimony and two exhibits.⁴

FINDINGS OF FACT

1. Appellant lives with her husband [REDACTED] and their two children. They have been receiving Medical Assistance through the Agency. Appellant has not had to renew her Medical Assistance eligibility due to the COVID-19 pandemic. Renewals resumed on April 1, 2023.⁵

² Exhibit 1.

³ Exhibit A.

⁴ *Exhibit 1 – Agency Appeals Summary; Exhibit A – Appellant’s Appeal Request.*

⁵ Exhibit.

2. The Agency was unable to verify Appellant’s renewal information through electronic means. On July 24, 2023, the Agency sent Appellant’s household a renewal form.⁶
3. On August 2, 2024, the Agency received the completed renewal form from Appellant. When reviewing the renewal, the Agency discovered that the signature page was missing.⁷
4. On August 3, 2023, the Agency mailed Appellant a request for information along with the signature page to obtain the information needed to complete the renewal process.⁸
5. On August 14, 2023, the Agency received the requested information from Appellant.⁹
6. On August 23, 2023, the Agency processed the renewal. Based on the information provided, the Agency determined the household consisted of Appellant, [REDACTED] and their children, [REDACTED] (6 years old) and [REDACTED] (12 years old). [REDACTED] reports receiving \$2,160.00 in biweekly income from [REDACTED], which the Agency determined to equal \$4,680.00 monthly. The household’s Projected Annual Income is \$56,160.00.¹⁰
7. On August 23, 2023, the Agency mailed Appellant a Health Care Notice. The notice stated that [REDACTED] and [REDACTED] were both approved for Medical Assistance. Appellant and [REDACTED] Medical Assistance would be closed effective September 30, 2023, they do not qualify for MinnesotaCare and were approved for Advanced Premium Tax Credits.¹¹
8. On September 19, 2023, Appellant appealed the closure of her Medical Assistance.¹²
9. During the evidentiary hearing, Appellant testified that her husband has access to insurance through his employer, but only for him and not for the family.¹³

APPLICABLE LAW

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

⁶ Exhibit 1.

⁷ Exhibit 1.

⁸ Exhibit 1.

⁹ Exhibit 1

¹⁰ Exhibit 1.

¹¹ Exhibit 1.

¹² Exhibit A.

¹³ Appellant Testimony.

2. **Timeliness.** 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.¹⁴ The individual filing the appeal has the burden of proving good cause by a preponderance of the evidence.¹⁵
3. **Burden of Persuasion.** The burden of persuasion is governed by specific state or federal law and regulations that apply to the subject of the hearing; if there is no specific law, then the participant in the hearing who asserts the truth of a claim is under the burden to persuade the human services judge that the claim is true.¹⁶
4. **Preponderance of the Evidence.** 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; the legal claims or arguments of a participant do not constitute either a finding of fact or a conclusion of law, except to the extent the human services judge adopts an argument as a finding of fact or conclusion of law.¹⁷
5. **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, including Appellant.¹⁸ 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.¹⁹ 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 1040.²⁰ 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.²¹
 - b) **Household Composition.** Eligibility for Medical Assistance is based on the income of the household, which requires determining household composition.²² Generally, a taxpayer’s household for Medical Assistance purposes consists of the taxpayer and his

¹⁴ Minnesota Statute section 256.045, subd. 3(i)

¹⁵ Minnesota Statute section 256.045, subd. 3(i)

¹⁶ Minnesota Statute section 256.0451, subd. 17

¹⁷ Minnesota Statute section 256.0451, subd. 22(b)

¹⁸ Minn. Stat. § 256B.056, subd. 1a(b)(1).

¹⁹ 26 U.S.C. § 62(a).

²⁰ 26 U.S.C. § 62(a).

²¹ 26 C.F.R. § 1.36B-1(e)(2).

²² 42 C.F.R. § 435.603(c).

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.²³ However, for a pregnant woman, her household also consists of the number of children she is expected to deliver.²⁴ A woman is considered pregnant for 12 months postpartum.²⁵

- c) **Income Eligibility.** Income limits for Medical Assistance are based on each household member's basis of eligibility for the program.²⁶ Relevant to this case, the bases of eligibility include "adults without [minor] children"²⁷ For persons potentially eligible under the "adults without [minor] children" basis of eligibility; the household income limit is 133 percent of the Federal Poverty Guidelines²⁸ ("FPG") for the household size.²⁹ 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.³⁰ The income limit for a household of four is \$3,325.00 monthly.
6. **MinnesotaCare Income Eligibility.** The MAGI standard is used to determine eligibility for MinnesotaCare.³¹ 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.³² In 2023, 200 percent of the FPG for a household of four is \$55,500.00.

CONCLUSIONS OF LAW

1. **Jurisdiction.** This appeal is timely and the Commissioner of Human Services has jurisdiction over this appeal under Minnesota Statutes, section 256.045, subdivision 3.
2. **Burden of Proof.** Appellant is requesting Medical Assistance or MinnesotaCare coverage; therefore, she has the burden to show that she is eligible.
3. **Issues for Appeal.** The issue for this appeal is whether the Agency correctly denied Appellant's Medical Assistance and MinnesotaCare because she is over income.

²³ 42 C.F.R. § 435.603(f)(1) and (f)(2).

²⁴ 42 C.F.R. § 435.603(b); Minnesota Health Care Programs Eligibility Policy Manual § 2.2.3.2.

²⁵ Minn. Stat. § 256B.055, subd. 6.

²⁶ See, Minn. Stat. § 256B.055.

²⁷ Minn. Stat. § 256B.055, subd. 6 and 15.

²⁸ 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>

²⁹ Minn. Stat. § 256B.056, subd. 4(d).

³⁰ Minn. Stat. § 256B.056, subd. 1a(b)(2).

³¹ Minn. Stat. § 256L.01, subd. 5; 26 C.F.R. § 1.36B-1(e).

³² Minn. Stat. § 256L.04, subd. 7.

4. **Analysis.**

a) **Medical Assistance Eligibility.** Appellant's reported income on her renewal form is \$4,680.00 per month. She did not dispute this amount at the hearing. This is above the \$3,325.00 monthly income limit for Medical Assistance. Therefore, Appellant and her husband are not eligible for Medical Assistance.

b) **MinnesotaCare Eligibility.**

i) [REDACTED]. Appellant's husband has access to employer-sponsored health insurance. MinnesotaCare rules specifically state a person who has access to affordable coverage through an employer is not eligible for MinnesotaCare. Appellant did not provide any evidence that Appellant's husband's coverage is not affordable. Therefore, [REDACTED] is not eligible for Minnesota Care.

ii) **Appellant.** I also find Appellant is not eligible for MinnesotaCare. [REDACTED] employer does not offer health insurance coverage to families. Therefore, employer-sponsored coverage is not a barrier for Appellant's eligibility. However, the household continues to be over income for MinnesotaCare coverage for Appellant. During the hearing, Appellant confirmed the household Projected Annual Income is \$56,160. This amount is above the \$55,500 limit for a household of four. Therefore, Appellant is not eligible for MinnesotaCare.

5. Based on a preponderance of the evidence, the Agency correctly determined Appellant and [REDACTED] are not eligible for Medical Assistance or MinnesotaCare.

RECOMMENDED ORDER

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

- AFFIRM. The Department of Human Services correctly determined [REDACTED] and [REDACTED] [REDACTED] are not eligible for Medical Assistance or MinnesotaCare at the time of redetermination.

Katherine Gilbert Fetterly

Katherine Gilbert Fetterly
Human Services Judge

December 6, 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

Anna I. Cortez
Co-Chief Human Services Judge

December 7, 2023

Date

cc: [REDACTED]
DHS – Eligibility Appeals Unit (via e-mail)

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 7.³³

³³ 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.