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Appellant: [REDACTED]

For: Medical Assistance

Agency: Department of Human Services

Docket: 264702

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**DECISION OF  
STATE AGENCY  
ON APPEAL**

On November 2, 2023, Human Services Judge Katherine Gilbert Fetterly held a hearing under Minnesota Statutes, section 256.045, subdivision 3.<sup>1</sup>

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.

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<sup>1</sup> 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 that [REDACTED] was not eligible for Medical Assistance or MinnesotaCare at redetermination.

Recommended Decision:

AFFIRM. The Department of Human Services correctly determined that [REDACTED] was not eligible for Medical Assistance or MinnesotaCare at redetermination.

## PROCEDURAL HISTORY

1. On August 24, 2023, the Minnesota Department of Human Services (Agency) sent [REDACTED] (Appellant) a written notice of action informing Appellant that based on the renewal form information she is not eligible for Medical Assistance or MinnesotaCare, but is eligible for a Qualified Health Plan.<sup>2</sup> On September 25, 2023, Appellant filed an appeal.<sup>3</sup>
2. On November 2, 2023, the Human Services Judge held an evidentiary hearing on the matter by telephone conference. The Human Services Judge held the record open to allow the parties to submit the fee-for-service notice. On November 13, 2023, the record closed consisting of the hearing testimony and four exhibits.<sup>4</sup>

## FINDINGS OF FACT

1. Appellant had been receiving Medical Assistance coverage through the Agency. Because of the COVID-19 pandemic, recipients had continuous coverage through April 1, 2023, when annual renewals of eligibility were resumed.<sup>5</sup>
2. The Agency attempted to automatically renew Appellant's Medical Assistance coverage, but was unable to do so using electronic data sources.<sup>6</sup> Therefore, on June 23, 2023, the

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<sup>2</sup> Exhibit 1.

<sup>3</sup> Exhibit A.

<sup>4</sup> *Exhibit 1 – Agency Appeals Summary; Exhibit 2 – Fee-for-Service Notice; Exhibit 3 – Agency Email dated November 2, 2023; Exhibit A – Appellant's Appeal Request.*

<sup>5</sup> Exhibit 1.

<sup>6</sup> Exhibit 1

Agency mailed a renewal form to the household. The renewal form explained that the household had 30 days to return the renewal form.<sup>7</sup>

3. On August 8, 2023, because they had not received the renewal paperwork, the Agency sent Appellant a cancellation notice informing the household that her Medical Assistance coverage would be closed for Appellant effective September 1, 2023, for non-renewal.<sup>8</sup>
4. On August 22, 2023, policy extended coverage and Appellant's coverage would now end on September 30, 2023.<sup>9</sup>
5. On August 18, 2023, the Agency received Appellant's renewal paperwork.<sup>10</sup> The renewal paperwork stated:
  - a) Appellant's household consists of herself and her spouse [REDACTED].
  - b) Appellant and her spouse intend on filing taxes jointly.
  - c) Appellant is self-employed and earns \$32,000 yearly.
  - d) [REDACTED] is employed by the Minnesota DNR and earns \$50,000 yearly.
  - e) [REDACTED] has employer sponsored health coverage.
6. On August 24, 2023, the Agency processed Appellant's renewal form. Based on the information Appellant provided, the Agency determined the household consists of two people, Appellant and her husband [REDACTED]. [REDACTED] is a non-applicant. The household has a monthly income of \$6,833.34 and a Projected Annual Income of \$82,000.00.<sup>11</sup> Based on this information, the Agency determined Appellant was not eligible for Medical Assistance or MinnesotaCare.<sup>12</sup>
7. On August 24, 2023, the Agency sent Appellant a Health Care Notice that stated Appellant was ineligible for Medical Assistance and MinnesotaCare and was determined to be eligible for a Qualified Health Plan.<sup>13</sup>

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<sup>7</sup> Exhibit 1.

<sup>8</sup> Exhibit 1.

<sup>9</sup> Exhibit 1.

<sup>10</sup> Exhibit 1.

<sup>11</sup> Exhibit 1.

<sup>12</sup> Exhibit 1.

<sup>13</sup> Exhibit 1.

8. On September 25, 2023, Appellant appealed the closure of her Medical Assistance.<sup>14</sup> Appellant was granted a continuation of benefits during the appeal under the fee-for-service plan.<sup>15</sup>
9. On October 17, 2023, the Agency sent Appellant a Fee-For-Service Coverage notice that stated she was eligible for coverage for the months of September and October 2023. The letter stated that if she had medical bills for services received during the month(s) listed on this letter, contact the clinic, pharmacy or other medical providers and ask them to bill the State of Minnesota. The provider may be able to pay you back for bills she already paid.<sup>16</sup>
10. During the hearing, Appellant testified that she would be eligible for Employer Sponsored Coverage in 2024. She stated she does not want to be reenrolled in Medical Assistance, but would like for a bill from September 2023 to be covered.<sup>17</sup> Appellant confirmed the income figures that she put in the renewal paperwork.<sup>18</sup> Appellant also indicated that she and [REDACTED] were married in March 2023 and she is not eligible for his employer sponsored health care coverage until 2024.<sup>19</sup>

#### **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).
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.<sup>20</sup> The individual filing the appeal has the burden of proving good cause by a preponderance of the evidence.<sup>21</sup>
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,

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<sup>14</sup> Exhibit A,

<sup>15</sup> Exhibit 2; Exhibit 3.

<sup>16</sup> Exhibit 2.

<sup>17</sup> Appellant Testimony.

<sup>18</sup> Appellant Testimony.

<sup>19</sup> Appellant Testimony.

<sup>20</sup> Minnesota Statute section 256.045, subd. 3(i)

<sup>21</sup> Minnesota Statute section 256.045, subd. 3(i)

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.<sup>22</sup>

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.<sup>23</sup>
  
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.<sup>24</sup> 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.<sup>25</sup> 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.<sup>26</sup> 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.<sup>27</sup>
  
  - b) ***Household Composition.*** Eligibility for Medical Assistance is based on the income of the household, which requires determining household composition.<sup>28</sup> 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.<sup>29</sup> However, for a pregnant woman, her household also consists of the number of children she is expected to deliver.<sup>30</sup> A woman is considered pregnant for 12 months postpartum.<sup>31</sup>
  
  - c) ***Income Eligibility.*** Income limits for Medical Assistance are based on each household member’s basis of eligibility for the program.<sup>32</sup> Relevant to this case, the bases of eligibility include “adults without [minor] children”<sup>33</sup> For persons potentially eligible

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<sup>22</sup> Minnesota Statute section 256.0451, subd. 17

<sup>23</sup> Minnesota Statute section 256.0451, subd. 22(b)

<sup>24</sup> Minn. Stat. § 256B.056, subd. 1a(b)(1).

<sup>25</sup> 26 U.S.C. § 62(a).

<sup>26</sup> 26 U.S.C. § 62(a).

<sup>27</sup> 26 C.F.R. § 1.36B-1(e)(2).

<sup>28</sup> 42 C.F.R. § 435.603(c).

<sup>29</sup> 42 C.F.R. § 435.603(f)(1) and (f)(2).

<sup>30</sup> 42 C.F.R. § 435.603(b); Minnesota Health Care Programs Eligibility Policy Manual § 2.2.3.2.

<sup>31</sup> Minn. Stat. § 256B.055, subd. 6.

<sup>32</sup> See, Minn. Stat. § 256B.055.

<sup>33</sup> Minn. Stat. § 256B.055, subd. 6 and 15.

under the “adults without [minor] children” basis of eligibility; the household income limit is 133 percent of the Federal Poverty Guidelines<sup>34</sup> (“FPG”) for the household size.<sup>35</sup> 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.<sup>36</sup> The income limit for a household of two is \$2185 monthly.

6. **MinnesotaCare Income Eligibility.** The MAGI standard is used to determine eligibility for MinnesotaCare.<sup>37</sup> 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.<sup>38</sup> In 2023, 200 percent of the FPG for a household of two is \$36,620 annually.

### **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.
4. **Analysis.**
  - a) **Medical Assistance Eligibility.** Appellant’s reported income on her application was \$6,833.34 per month. This is above the \$2,185 monthly income limit for Medical Assistance. Therefore, Appellant is not eligible for Medical Assistance.
  - b) **MinnesotaCare Eligibility.** I also find Appellant is not eligible for MinnesotaCare. Appellant’s Project Annual Income on her application was \$82,000. Appellant’s Projected Annual Income is over income limit of \$36,620 for MinnesotaCare.
5. Based on a preponderance of the evidence, the Agency correctly determined Appellant is not eligible for Medical Assistance or MinnesotaCare. However, Appellant had fee-for-

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<sup>34</sup> 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>

<sup>35</sup> Minn. Stat. § 256B.056, subd. 4(d).

<sup>36</sup> Minn. Stat. § 256B.056, subd. 1a(b)(2).

<sup>37</sup> Minn. Stat. § 256L.01, subd. 5; 26 C.F.R. § 1.36B-1(e).

<sup>38</sup> Minn. Stat. § 256L.04, subd. 7.

service coverage in September and October 2023. It is possible that medical bills incurred during these months may be covered under the fee-for-service plan. Appellant should refer to the paperwork sent to her about her fee-for-service coverage to find out how to do this.

## RECOMMENDED ORDER

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

- **AFFIRM.** The Department of Human Services correctly determined that [REDACTED] was not eligible for Medical Assistance or MinnesotaCare at redetermination.

*Katherine Gilbert Fetterly*

Katherine Gilbert Fetterly  
Human Services Judge

December 7, 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

12/8/2023

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.<sup>39</sup>

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<sup>39</sup> 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.