

Appellant: [REDACTED]

For: MinnesotaCare

Agency: Department of Human Services

Docket: 265147

**DECISION OF
STATE AGENCY
ON APPEAL**

On November 9, 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] was not eligible for Medical Assistance or MinnesotaCare.

Recommended Decision:

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

PROCEDURAL HISTORY

1. On September 21, 2023, the Department of Human Services (Agency) sent [REDACTED] (Appellant) a written notice of action informing the appellant that he was not eligible for Medical Assistance or MinnesotaCare, but was eligible for a qualified health plan either with or without advanced premium tax credits.² On October 2, 2023, Appellant filed an appeal.³
2. On November 9, 2023, the human services judge held an evidentiary hearing on the matter by telephone conference. On November 9, 2023, the record closed consisting of the hearing testimony and two exhibits.⁴

FINDINGS OF FACT

1. On September 21, 2023, Appellant applied for health care coverage. Appellant had not been receiving public health care coverage at the time.⁵ In his application, Appellant stated:
 - a) He is a household of one.
 - b) Appellant earns \$5,995.64 per month from [REDACTED]
 - c) Appellant's Projected Annual Income is \$50,000.

² Exhibit 1

³ Exhibit A.

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

⁵ Exhibit 1.

2. On September 21, 2023, the Agency sent Appellant a health care notice that stated Appellant was eligible for a qualified health plan or a qualified health plan with advanced premium tax credit. The notice also stated Appellant was not eligible for Medical Assistance or MinnesotaCare.⁶ At the end of the notice, the Agency provided the following:
 - a) This is the information we have about your household. We used this information to renew your eligibility.
 - b) You must contact us if any of the information will be changing for next year. You can report changes by calling the MNSure Contact center at 651-539-2099.
 - c) If you have hearing or speech disabilities, contact MNSure using you preferred telecommunications relay service. No action is needed if all of the information is correct.
3. On October 17, 2023, the Agency sent Appellant a Health Care Eligibility Renewal Notice. The notice informed Appellant that open enrollment for 2024 begins November 1, 2023 and continues through January 15, 2024. The notice stated for 2024, Appellant is eligible for a Qualified health plan either with or without Advanced Premium Tax Credits. The Agency stated they were using the following information to determine Appellant's eligibility:⁷
 - a) Appellant lives with [REDACTED], but they are not married and she is not applying for coverage.
 - b) Appellant does not have access to health insurance through his employer.
 - c) Appellant works at [REDACTED] and earns \$2,767.22 bi-weekly.
 - d) Appellant's Projected Annual Income for 2024 is 50,000.
4. On October 21, 2023, Appellant spoke with the Appeals Representative from the Agency. Appellant informed them that he no longer works for [REDACTED], [REDACTED] and his employer sponsored health insurance ended and he is collecting unemployment. Appellant told the Appeals Representative that he would be contacting MNSure Operations to update their health care application. As of the date of the Agency's Appeals Summary, Appellant had not contacted MNSure Operations to update their health care application.
5. During the evidentiary hearing, Appellant testified that he never did call MNSure Operations. He also testified that his job at [REDACTED] ended on September 19, 2023. As of his last paycheck, Appellant made \$58,000 in 2023 from this job. He

⁶ Exhibit 1.

⁷ Exhibit 1.

began to receive unemployment benefits the last week of September 2023 and as of the date of the hearing anticipated receiving \$638 per week through the end of 2023 as he had not found another job yet.⁸

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.⁹ The individual filing the appeal has the burden of proving good cause by a preponderance of the evidence.¹⁰
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.¹¹
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.¹²
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.¹³ 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.¹⁴ Gross income is then reduced by certain additional deductions, if applicable, which are

⁸ Appellant Testimony.

⁹ Minnesota Statute section 256.045, subd. 3(i)

¹⁰ Minnesota Statute section 256.045, subd. 3(i)

¹¹ Minnesota Statute section 256.0451, subd. 17

¹² Minnesota Statute section 256.0451, subd. 22(b)

¹³ Minn. Stat. § 256B.056, subd. 1a(b)(1).

¹⁴ 26 U.S.C. § 62(a).

found in the “Adjusted Gross Income” section of Internal Revenue Service Form 1040.¹⁵ 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.¹⁶

b) **Household Composition.** Eligibility for Medical Assistance is based on the income of the household, which requires determining household composition.¹⁷ 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.¹⁸ However, for a pregnant woman, her household also consists of the number of children she is expected to deliver.¹⁹ A woman is considered pregnant for 12 months postpartum.²⁰

c) **Income Eligibility.** Income limits for Medical Assistance are based on each household member’s basis of eligibility for the program.²¹ Relevant to this case, the bases of eligibility include “adults without [minor] children”²² For persons potentially eligible under the “adults without [minor] children” basis of eligibility; the household income limit is 133 percent of the Federal Poverty Guidelines²³ (“FPG”) for the household size.²⁴ 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.²⁵ The income limit for a non-pregnant adult in a household of one is \$1,615 monthly.

6. **MinnesotaCare Income Eligibility.** The MAGI standard is used to determine eligibility for MinnesotaCare.²⁶ 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.²⁷ In 2023, 200 percent of the FPG for a household of one is \$27,180.

¹⁵ 26 U.S.C. § 62(a).

¹⁶ 26 C.F.R. § 1.36B-1(e)(2).

¹⁷ 42 C.F.R. § 435.603(c).

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

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

²⁰ Minn. Stat. § 256B.055, subd. 6.

²¹ See, Minn. Stat. § 256B.055.

²² Minn. Stat. § 256B.055, subd. 6 and 15.

²³ 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>

²⁴ Minn. Stat. § 256B.056, subd. 4(d).

²⁵ Minn. Stat. § 256B.056, subd. 1a(b)(2).

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

²⁷ Minn. Stat. § 256L.04, subd. 7.

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, he has the burden to show that he is eligible.
3. **Issues for Appeal.** The issue for this appeal is whether the Agency correctly denied Appellant's Medical Assistance and MinnesotaCare because he is over income.
4. **Analysis.**
 - a) **Medical Assistance Eligibility.** Appellant's reported income on his application was \$5,995.64 per month. This is above the \$1,625 monthly income limit for Medical Assistance. However, since he applied, Appellant has lost his job and he updated his income during the hearing. Considering the most favorable figures for Appellant, I find that his monthly income also exceeds the income requirements for Medical Assistance eligibility. He is currently earning \$683 per week on unemployment. This amounts to \$2,709 per month. This is above the \$1,615 monthly income limit to be eligible for Medical Assistance. Therefore, Appellant is not eligible for Medical Assistance.
 - b) **MinnesotaCare Eligibility.** I also find Appellant is not eligible for MinnesotaCare. During the hearing, Appellant reported that he had already earned \$58,000 in 2023 when he lost his job with [REDACTED] on September 19, 2023. This alone is above the Projected Annual Income limit of \$27,180. Appellant's Project Annual Income on his application was \$50,000; this too is over income limits for MinnesotaCare. Additionally, Appellant also has income from unemployment benefits. Appellant's unemployment benefits would only increase his Projected Annual Income and therefore, he would continue to be over income for MinnesotaCare.
5. Based on a preponderance of the evidence, the Agency correctly determined Appellant is not eligible for Medical Assistance or MinnesotaCare. However if Appellant anticipates a different income for 2024, he must report that to MNsure and allow them to recalculate their eligibility.

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] was not eligible for Medical Assistance or MinnesotaCare.

Katherine Gilbert Fetterly

Katherine Gilbert Fetterly
Human Services Judge

December 5, 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.

Renee Ladd

Renee Ladd
Co-Chief Human Services Judge

12/7/23

Date

cc: [REDACTED]
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 7.²⁸

²⁸ 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.