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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 1502

02/26/2025 Authored by Reyer, Murphy, Elkins, Hemmingsen-Jaeger, Bierman and others
The bill was read for the first time and referred to the Committee on Human Services Finance and Policy

1.1 A bill for an act

1.2 relating to human services; establishing a presumptive disability determination

1.3 process for medical assistance eligibility; amending Minnesota Statutes 2024,

1.4 sections 245D.02, subdivision 23; 256.01, subdivisions 18f, 29; 256B.055,

1.5 subdivision 7, by adding a subdivision; 256B.056, subdivisions 1b, 3, 4, 10, by

1.6 adding a subdivision; 256B.057, subdivision 12, by adding a subdivision;

1.7 256B.0761, subdivision 2; 256B.77, subdivision 7a.

1.8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.9 ARTICLE 1

1.10 PRESUMPTIVE DISABILITY DETERMINATIONS

1.11 Section 1. Minnesota Statutes 2024, section 256B.055, subdivision 7, is amended to read:

1.12 Subd. 7. ~~Aged or blind persons or persons with disabilities~~ Persons age 65 or

1.13 older. (a) Medical assistance may be paid for a person who (1) is age 65 or older, (2) meets

1.14 the categorical eligibility requirements of the Supplemental Security Income program or,

1.15 ~~who~~ would meet those requirements except for excess income or assets, and ~~who~~ (3) meets

1.16 the other eligibility requirements of this section.

1.17 ~~(b) Following a determination that the applicant is not aged or blind and does not meet~~

1.18 ~~any other category of eligibility for medical assistance and has not been determined disabled~~

1.19 ~~by the Social Security Administration, applicants under this subdivision shall be referred~~

1.20 ~~to the commissioner's state medical review team for a determination of disability.~~

1.21 EFFECTIVE DATE. This section is effective July 1, 2025.

2.1 Sec. 2. Minnesota Statutes 2024, section 256B.055, is amended by adding a subdivision
2.2 to read:

2.3 Subd. 7b. **Persons who are blind or determined disabled.** (a) Medical assistance may
2.4 be paid for a person age 64 or younger who meets:

2.5 (1) the categorical eligibility requirements of the Supplemental Security Income program;

2.6 (2) the other eligibility requirements of the Supplemental Security Income program or
2.7 would meet those requirements except for excess income or assets; and

2.8 (3) the other eligibility requirements of this section.

2.9 (b) Following a determination that the applicant is not blind and does not meet any other
2.10 category of eligibility for medical assistance and has not been determined disabled by the
2.11 Social Security Administration, an applicant under this subdivision must be referred to the
2.12 commissioner's state medical review team for a determination of disability.

2.13 **EFFECTIVE DATE.** This section is effective July 1, 2025.

2.14 Sec. 3. Minnesota Statutes 2024, section 256B.056, subdivision 3, is amended to read:

2.15 Subd. 3. **Asset limitations for certain individuals.** (a) To be eligible for medical
2.16 assistance, a person must not individually own more than \$3,000 in assets, or if a member
2.17 of a household with two family members, spouses, or parent and child, the household must
2.18 not own more than \$6,000 in assets, plus \$200 for each additional legal dependent. For the
2.19 purposes of this subdivision, a child eligible under section 256B.055, subdivision 12, is an
2.20 individual with a household size of one and the child's assets must be determined without
2.21 consideration of the parents' resources as provided by United States Code, title 42, section
2.22 1396a(e)(3). In addition to these maximum amounts, an eligible individual or family may
2.23 accrue interest on these amounts, but they must be reduced to the maximum at the time of
2.24 an eligibility redetermination. The accumulation of the clothing and personal needs allowance
2.25 according to section 256B.35 must also be reduced to the maximum at the time of the
2.26 eligibility redetermination. The value of assets that are not considered in determining
2.27 eligibility for medical assistance is the value of those assets excluded under the Supplemental
2.28 Security Income program for aged, blind, and disabled persons, with the following
2.29 exceptions:

2.30 (1) household goods and personal effects are not considered;

2.31 (2) capital and operating assets of a trade or business that the local agency determines
2.32 are necessary to the person's ability to earn an income are not considered;

3.1 (3) motor vehicles are excluded to the same extent excluded by the Supplemental Security
3.2 Income program;

3.3 (4) assets designated as burial expenses are excluded to the same extent excluded by the
3.4 Supplemental Security Income program. Burial expenses funded by annuity contracts or
3.5 life insurance policies must irrevocably designate the individual's estate as contingent
3.6 beneficiary to the extent proceeds are not used for payment of selected burial expenses;

3.7 (5) for a person who no longer qualifies as an employed person with a disability due to
3.8 loss of earnings, assets allowed while eligible for medical assistance under section 256B.057,
3.9 subdivision 9, are not considered for 12 months, beginning with the first month of ineligibility
3.10 as an employed person with a disability;

3.11 (6) a designated employment incentives asset account is disregarded when determining
3.12 eligibility for medical assistance for a person age 65 years or older under section 256B.055,
3.13 subdivision 7. An employment incentives asset account must only be designated by a person
3.14 who has been enrolled in medical assistance under section 256B.057, subdivision 9, for a
3.15 24-consecutive-month period. A designated employment incentives asset account contains
3.16 qualified assets owned by the person in the last month of enrollment in medical assistance
3.17 under section 256B.057, subdivision 9. Qualified assets include retirement and pension
3.18 accounts, medical expense accounts, and up to \$17,000 of the person's other nonexcluded
3.19 liquid assets. An employment incentives asset account is no longer designated when a person
3.20 loses medical assistance eligibility for a calendar month or more before turning age 65. A
3.21 person who loses medical assistance eligibility before age 65 can establish a new designated
3.22 employment incentives asset account by establishing a new 24-consecutive-month period
3.23 of enrollment under section 256B.057, subdivision 9. Persons eligible under this clause are
3.24 not subject to the provisions in section 256B.059; and

3.25 (7) effective July 1, 2009, certain assets owned by American Indians are excluded as
3.26 required by section 5006 of the American Recovery and Reinvestment Act of 2009, Public
3.27 Law 111-5. For purposes of this clause, an American Indian is any person who meets the
3.28 definition of Indian according to Code of Federal Regulations, title 42, section 447.50.

3.29 (b) No asset limit shall apply to persons eligible under sections 256B.055, subdivision
3.30 15, and 256B.057, subdivision 9.

3.31 **EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 4. Minnesota Statutes 2024, section 256B.056, subdivision 4, is amended to read:

Subd. 4. **Income.** (a) To be eligible for medical assistance, a person eligible under section 256B.055, subdivisions ~~7, 7a,~~ to 7b and 12, may have income up to 100 percent of the federal poverty guidelines. For the purposes of this section, a child eligible under section 256B.055, subdivision 12, is an individual with a household size of one and the child's income must be determined without consideration of the parents' income as provided by United States Code, title 42, section 1396(e)(3). Effective January 1, 2000, and each successive January, recipients of Supplemental Security Income may have an income up to the Supplemental Security Income standard in effect on that date.

(b) To be eligible for medical assistance under section 256B.055, subdivision 3a, a parent or caretaker relative may have an income up to 133 percent of the federal poverty guidelines for the household size.

(c) To be eligible for medical assistance under section 256B.055, subdivision 15, a person may have an income up to 133 percent of federal poverty guidelines for the household size.

(d) To be eligible for medical assistance under section 256B.055, subdivision 16, a child age 19 to 20 may have an income up to 133 percent of the federal poverty guidelines for the household size.

(e) To be eligible for medical assistance under section 256B.055, subdivision 3a, a child under age 19 may have income up to 275 percent of the federal poverty guidelines for the household size.

(f) In computing income to determine eligibility of persons under paragraphs (a) to (e) who are not residents of long-term care facilities, the commissioner shall disregard increases in income as required by Public Laws 94-566, section 503; 99-272; and 99-509. For persons eligible under paragraph (a), veteran aid and attendance benefits and Veterans Administration unusual medical expense payments are considered income to the recipient.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 5. Minnesota Statutes 2024, section 256B.057, subdivision 12, is amended to read:

Subd. 12. **Presumptive eligibility determinations made by qualified hospitals.** (a) The commissioner shall establish a process to qualify hospitals that are participating providers under the medical assistance program to determine presumptive eligibility for medical assistance for applicants who:

(1) may have a basis of eligibility using the modified adjusted gross income methodology as defined in section 256B.056, subdivision 1a, paragraph (b), clause (1); or

(2) have a presumptive disability determination under subdivision 13 and may have a basis of eligibility using the methodology under section 256B.056, subdivision 1a, paragraph (a).

(b) A qualified hospital must determine that an applicant is not presumptively eligible under paragraph (a), clause (1), before it may determine presumptive eligibility under paragraph (a), clause (2).

(c) An infant younger than two years of age who has a presumptive disability determination under subdivision 13 by reason of an initial positive newborn screening or a compassionate care allowance and is determined not to be presumptively eligible under paragraph (a), clause (1), is presumptively eligible for medical assistance under paragraph (a), clause (2).

(d) The period of presumptive eligibility under paragraph (a), clause (2), begins on the date of the applicant's presumptive disability determination and extends until either the last day of the month following the month in which the applicant's presumptive eligibility is approved or, if the applicant submits a regular medical assistance application, until the final determination of disability by the commissioner's state medical review team according to section 256.01, subdivision 29, or by the federal Social Security Administration. If a final determination of disability is denied by the commissioner's state medical review team or the federal Social Security Administration, a new presumptive eligibility determination under paragraph (a), clause (2), must not be made for that person unless the person's condition has changed.

(e) When calculating the ratio of applicants determined eligible for medical assistance on the basis of a regular application for medical assistance to applicants determined presumptively eligible for medical assistance by the hospital, the commissioner must exclude those applicants whose eligibility for medical assistance is denied based on a final denial of a determination of disability by the commissioner's state medical review team or by the federal Social Security Administration.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 6. Minnesota Statutes 2024, section 256B.057, is amended by adding a subdivision to read:

Subd. 13. Presumptive disability determinations made by qualified hospitals. (a) The commissioner shall establish a process to qualify hospitals that are participating providers under the medical assistance program to determine presumptive disability for medical assistance for applicants who may have a categorical basis of eligibility under section 256B.055, subdivision 7b or 12, as provided by United States Code, title 42, section 1396a(a)(47)(B).

(b) Qualifying hospitals must make a presumptive determination of disability if the applicant is a patient of the hospital and the applicant's attending physician attests in writing that:

(1) the applicant has a positive initial newborn screening for either congenital heart disease or a heritable or congenital disorder included on the commissioner of health's list of tests to be administered for determining the presence of a heritable or congenital disorder and the applicant urgently requires diagnostic testing or treatment;

(2) the applicant has been diagnosed with a condition included on the federal Social Security Administration's list of compassionate allowances conditions and urgently requires treatment; or

(3) the applicant is receiving inpatient care in the hospital, the applicant needs long-term services and supports in order to be safely discharged from the hospital, or either a long-term care facility will not admit the applicant until medical assistance benefits are in effect or the applicant is unable to return home or to a community-based setting without home and community-based waiver services; and

(i) for applicants 17 years of age or younger, has one or more medically determinable physical or mental impairments that result in marked and severe functional limitations and the impairments have lasted or are expected to last for a continuous period of at least 12 months or are expected to result in death; or

(ii) for applicants 18 years of age or older, has one or more medically determinable physical or mental impairments that cause severe functional limitations or inability to work and the impairments have lasted or are expected to last for a continuous period of at least 12 months or are expected to result in death.

EFFECTIVE DATE. This section is effective July 1, 2025.

ARTICLE 2**CONFORMING CHANGES**

Section 1. Minnesota Statutes 2024, section 245D.02, subdivision 23, is amended to read:

Subd. 23. **Person with a disability.** "Person with a disability" means a person determined to have a disability by the commissioner's state medical review team as identified in section 256B.055, subdivision ~~7~~ 7b, the Social Security Administration, or the person is determined to have a developmental disability or a related condition as defined in Minnesota Rules, part 9525.0016, subpart 2, items A to E.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 2. Minnesota Statutes 2024, section 256.01, subdivision 18f, is amended to read:

Subd. 18f. **Asset verification system.** The commissioner shall implement the Asset Verification System (AVS) according to Public Law 110-252, title VII, section 7001(d), to verify assets for an individual applying for or renewing health care benefits under section 256B.055, ~~subdivision 7~~ subdivisions 7 and 7b.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 3. Minnesota Statutes 2024, section 256.01, subdivision 29, is amended to read:

Subd. 29. **State medical review team.** (a) To ensure the timely processing of determinations of disability by the commissioner's state medical review team under sections 256B.055, subdivisions ~~7, paragraph (b), 7b~~ and 12, and 256B.057, subdivision 9, the commissioner shall review all medical evidence and seek information from providers, applicants, and enrollees to support the determination of disability where necessary. Disability shall be determined according to the rules of title XVI and title XIX of the Social Security Act and pertinent rules and policies of the Social Security Administration.

(b) Prior to a denial or withdrawal of a requested determination of disability due to insufficient evidence, the commissioner shall (1) ensure that the missing evidence is necessary and appropriate to a determination of disability, and (2) assist applicants and enrollees to obtain the evidence, including, but not limited to, medical examinations and electronic medical records.

(c) Any appeal made under section 256.045, subdivision 3, of a disability determination made by the state medical review team must be decided according to the timelines under section 256.0451, subdivision 22, paragraph (a). If a written decision is not issued within

the timelines under section 256.0451, subdivision 22, paragraph (a), the appeal must be immediately reviewed by the chief human services judge.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 4. Minnesota Statutes 2024, section 256B.056, subdivision 1b, is amended to read:

Subd. 1b. ~~Aged, blind, and disabled~~ **Income methodology for persons who are age 65 or older.** The \$20 general income disregard allowed under the Supplemental Security Income program is included in the standard and shall not be allowed as a deduction from income for a person eligible under section 256B.055, ~~subdivisions 7, 7a, and 12~~ subdivision 7.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 5. Minnesota Statutes 2024, section 256B.056, is amended by adding a subdivision to read:

Subd. 1e. **Income methodology for persons who are blind or determined disabled.** The \$20 general income disregard allowed under the Supplemental Security Income program is included in the standard and shall not be allowed as a deduction from income for a person eligible under section 256B.055, subdivisions 7a, 7b, and 12.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 6. Minnesota Statutes 2024, section 256B.056, subdivision 10, is amended to read:

Subd. 10. **Eligibility verification.** (a) The commissioner shall require women who are applying for the continuation of medical assistance coverage following the end of the 12-month postpartum period to update their income and asset information and to submit any required income or asset verification.

(b) The commissioner shall determine the eligibility of private-sector health care coverage for infants less than one year of age eligible under section 256B.055, subdivision 10, or 256B.057, subdivision 1, paragraph (c), and shall pay for private-sector coverage if this is determined to be cost-effective.

(c) The commissioner shall verify assets and income for all applicants, and for all recipients upon renewal.

(d) The commissioner shall utilize information obtained through the electronic service established by the secretary of the United States Department of Health and Human Services and other available electronic data sources in Code of Federal Regulations, title 42, sections

435.940 to 435.956, to verify eligibility requirements. The commissioner shall establish standards to define when information obtained electronically is reasonably compatible with information provided by applicants and enrollees, including use of self-attestation, to accomplish real-time eligibility determinations and maintain program integrity.

(e) Each person applying for or receiving medical assistance under section 256B.055, ~~subdivision 7~~ subdivisions 7 and 7b, and any other person whose resources are required by law to be disclosed to determine the applicant's or recipient's eligibility must authorize the commissioner to obtain information from financial institutions to verify assets as required in section 256.01, subdivision 18f. If a person refuses or revokes the authorization, the commissioner may determine that the applicant or recipient is ineligible for medical assistance. For purposes of this paragraph, an authorization to verify assets meets the requirements of the Right to Financial Privacy Act, United States Code, title 12, chapter 35, and need not be furnished to the financial institution.

(f) County and tribal agencies shall comply with the standards established by the commissioner for appropriate use of the asset verification system specified in section 256.01, subdivision 18f.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 7. Minnesota Statutes 2024, section 256B.0761, subdivision 2, is amended to read:

Subd. 2. **Eligible individuals.** Notwithstanding section 256B.055, subdivision 14, individuals are eligible to receive services under this demonstration if they are eligible under section 256B.055, subdivision 3a, 6, 7, 7a, 7b, 9, 15, 16, or 17, as determined by the commissioner in collaboration with correctional facilities, local governments, and Tribal governments.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 8. Minnesota Statutes 2024, section 256B.77, subdivision 7a, is amended to read:

Subd. 7a. **Eligible individuals.** (a) Persons are eligible for the demonstration project as provided in this subdivision.

(b) "Eligible individuals" means those persons living in the demonstration site who are eligible for medical assistance and are disabled based on a disability determination under section 256B.055, subdivisions 7, 7b, and 12, or who are eligible for medical assistance and have been diagnosed as having:

(1) serious and persistent mental illness as defined in section 245.462, subdivision 20;

10.1 (2) severe emotional disturbance as defined in section 245.4871, subdivision 6; or

10.2 (3) developmental disability, or being a person with a developmental disability as defined
10.3 in section 252A.02, or a related condition as defined in section 256B.02, subdivision 11.

10.4 Other individuals may be included at the option of the county authority based on agreement
10.5 with the commissioner.

10.6 (c) Eligible individuals include individuals in excluded time status, as defined in chapter
10.7 256G. Enrollees in excluded time at the time of enrollment shall remain in excluded time
10.8 status as long as they live in the demonstration site and shall be eligible for 90 days after
10.9 placement outside the demonstration site if they move to excluded time status in a county
10.10 within Minnesota other than their county of financial responsibility.

10.11 (d) A person who is a sexual psychopathic personality as defined in section 253D.02,
10.12 subdivision 15, or a sexually dangerous person as defined in section 253D.02, subdivision
10.13 16, is excluded from enrollment in the demonstration project.

10.14 **EFFECTIVE DATE.** This section is effective July 1, 2025.

APPENDIX
Article locations for 25-02135

ARTICLE 1	PRESUMPTIVE DISABILITY DETERMINATIONS.....	Page.Ln 1.9
ARTICLE 2	CONFORMING CHANGES.....	Page.Ln 7.1