

Subject Parental contribution elimination

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Overview

This bill eliminates parental fees for parents with incomes over 275% of the federal poverty guidelines whose children receive medical assistance (MA) services in disability or mental health residential settings, and makes conforming changes.

Parents with incomes of 275% or higher of the federal poverty guidelines who receive MA for their children in disability and mental health residential settings are required to pay parental fees. In most cases, the fees are assessed by the state, although counties may also assess fees. These fees are determined based on the parent's income and help offset the cost of medical care provided through MA. The fee amount is calculated using a sliding scale, considering factors such as household size and income level.

The 2023 Minnesota Legislature eliminated parental fees for parents whose children are enrolled in MA under the Tax Equity and Fiscal Responsibility Act (TEFRA) or whose children are accessing home and community-based services (HCBS). However, there is still one remaining category of parental fees: fees for children living in children's residential facilities (CRFs), psychiatric residential treatment facilities (PRTFs), and Intermediate Care Facilities for persons with Developmental Disabilities (ICFs/DD). These fees vary depending on individual circumstances and can create financial challenges for parents in meeting their obligations while still providing for their child's needs and the needs of their entire family unit.

Article 1: Eliminating Parental Fees

This article eliminates parental fees for parents of children receiving MA services in disability or mental health residential settings.

Section Description - Article 1: Eliminating Parental Fees

- 1 **Parental or guardian reimbursement to counties.**
Amends § 252.27, subd. 2b. Makes clarifying changes.
- 2 **Repealer.**
Repeals Minn. Stat. § 252.27, subds. 1a (definitions), 2 (parental responsibility), 2a (contribution amount), 3 (civil actions), 4a (order of payment), 5 (determination; redetermination; notice), and 6 (appeals).

Article 2: Conforming Changes

This article makes conforming changes related to eliminating parental fees for parents of children receiving MA services in disability or mental health residential settings.

Section Description - Article 2: Conforming Changes

- 1 **General.**
Amends § 13.46, subd. 2, as amended by Laws 2024, ch. 80, art. 8, § 2. Makes a conforming change by removing a cross-reference that is being repealed in article 1.
- 2 **Notice required.**
Amends § 245.821, subd. 1. Makes a conforming change by removing a cross-reference that is being repealed in article 1.
- 3 **Rules governing aversive and deprivation procedures.**
Amends § 245.825, subd. 1. Makes a conforming change by removing a cross-reference that is being repealed in article 1.
- 4 **Relative responsibility.**
Amends § 246.511, as amended by Laws 2024, ch. 79, art. 2, § 39. Makes a conforming change by removing a cross-reference that is being repealed in article 1.
- 5 **Host county responsibility.**
Amends § 252.282, subd. 1. Removes a definition for “local system needs planning” that is being moved to a new definitions subdivision.
- 6 **Definitions.**
Amends § 252.282, by adding subd. 1a. Moves the existing definition of “local system needs planning” to this subdivision. Includes the definition of “related condition” in this subdivision since the existing definition is being repealed.

Section Description - Article 2: Conforming Changes

- 7 **Related condition.**
Amends § 256B.02, subd. 11. Moves the definition of “related condition” to this subdivision. The existing definition is in a section being repealed in article 1, but the definition still applies to other statutes.
- 8 **Eligibility.**
Amends § 256B.0924, subd. 3. Makes a conforming change related to the cross-reference to the definition of “related condition.”
- 9 **Eligible individuals.**
Amends § 256B.77, subd. 7a. Makes a conforming change related to the cross-reference to the definition of “related condition.”
- 10 **Disclosure to commissioner of human services.**
Amends § 270B.14, subd. 1. Makes a conforming change by removing a cross-reference that is being repealed in article 1.
- 11 **Establishment.**
Amends § 447.42, subd. 1. Makes a conforming change related to the cross-reference to the definition of “related condition.”
- 12 **Repealer.**
Repeals Minn. Stat. § 252.021 (definition).



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