

POLICY	HOW POLICY IS MORE LIBERAL	GROUPS TO WHICH POLICY APPLIED
<p><b>Income disregard for categorically needy groups related to AFDC, and medically needy families.</b> Disregard the difference between the applicable income standard (Supplement 1 to Attachment 2.6-A) and 100 percent of the Federal poverty levels. Adjust annually on July 1.</p>	<p>AFDC applied a \$50 child support exclusion and a \$90 disregard of earned income. This income disregard replaces these two methods.</p>	<p>1902(a)(10)(A)(i)(III) and 1905(n). <del>Optional categorically needy families and children.</del> 1902(a)(10)(A)(ii)(I), 1905(a)(i) and <del>1905(a)(ii).</del> 1902(a)(10)(A)(ii)(IV), 1905(a)(i) and <del>(a)(ii)</del> 1902(a)(10)(A)(ii)(VIII), 1905(a)(i) 1902(a)(10)(C)(i)(III), 1905(a)(i), and <del>1905(a)(ii) and (a)(viii).</del></p>
<p><b>Earned income disregard for categorically needy groups and the medically needy related to AFDC, and medically needy, pregnant women and children.</b> Disregard 17 percent of earned income for four months for applicants or recipients.</p>	<p>AFDC had no similar disregard for applicants. This disregard applies to applicants and recipients.</p>	<p>1902(a)(10)(A)(i)(III) and 1905(n) <del>Optional categorically needy families and children.</del> 1902(a)(10)(A)(ii)(I), 1905(a)(i) and (a)(ii). 1902(a)(10)(A)(ii)(IV), 1905(a)(i) and <del>(a)(ii)</del> 1902(a)(10)(A)(ii)(VIII), 1905(a)(i) 1902(a)(10)(C)(i)(III), 1905(a)(i), (a)(ii), <del>(a)(viii)</del></p>
<p><b>Income Disregard for certain poverty level children.</b> Disregard the difference between the income standard and income up to 150 percent of poverty. Adjust annually on July 1.</p>	<p>AFDC applied a \$50 child support exclusion from income. This income disregard replaces this method.</p>	<p>Eligibility groups under the following sections of the Act  1902(a)(10)(A)(i)(VI) 1902(a)(10)(A)(i)(VII).</p>
<p><b>Disregard for children.</b> <u>Disregard up to \$2000 annually in cash gifts received from tax-exempt organizations for the benefit of a child with a life-threatening illness.</u></p>	<p><u>AFDC has no such disregard.</u></p>	<p><u>Eligibility groups under the following sections of the Act:</u>  1902(a)(10)(A)(i)(III) and 1905(n)(2) 1902(a)(10)(A)(i)(IV) 1902(a)(10)(A)(i)(VI) 1902(a)(10)(A)(i)(VII) 1902(a)(10)(A)(ii)(I) and 1905(a)(i) 1902(a)(10)(A)(ii)(IV) and 1905(a)(i) 1902(a)(10)(A)(ii)(VIII) and 1905(a)(i) 1902(a)(10)(A)(ii)(XIV) and 1905(a)(i) 1902(a)(10)(C)(i)(III) and 1905(a)(i)</p>

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
State: MINNESOTA  
MORE LIBERAL METHODS OF TREATING RESOURCES  
UNDER §1902(r)(2) OF THE ACT

POLICY	HOW POLICY IS MORE LIBERAL	GROUPS TO WHICH POLICY IS APPLIED
<p><b>Disregard of Catastrophe Relief Funds.</b> Disregard payments from the Minnesota I-35 Catastrophe Relief Funds</p>	<p>AFDC and SSI have no similar disregard.</p>	<p>Eligibility Groups under the following sections of the Act:            1902(a)(10)(A)(i)(III)  <del>1902(a)(10)(A)(i)(IV)</del>  <del>1902(a)(10)(A)(i)(VI)</del>  <del>1902(a)(10)(A)(i)(VII)</del>            1902(f)            1902(a)(10)(A)(ii) (I)            1902(a)(10)(A)(ii) (IV)            1902(a)(10)(A)(ii)(V)            1902(a)(10)(A)(ii) (VIII)            1902(a)(10)(A)(ii) (IX)            1902(a)(10)(A)(ii) (X)            1902(a)(10)(A)(ii) (XI)            1902(a)(10)(A)(ii) (XIV)            1902(a)(10)(A)(ii) (XV)            QMB, SLMB &amp; QI under 1902(a)(10)(E) and 1905(p)            Medically needy groups under §1902(a)(10)(C) (i)(III)</p>
<p><b>Disregard assets:</b> Disregard all assets</p>	<p>AFDC had no such policy.</p>	<p>1902(a)(10)(A)(i)(III), 1905(a)(viii)            1902(a)(10)(A)(ii)(I) and (IV),            1905(a)(viii)            1902(a)(10)(C)(i)(III), 1905(a)(viii)</p>
<p><b>Disregard of burial items:</b> Disregard burial funds, burial spaces, and burial space items excluded by SSI under 20 CFR section 416.1231 as described on page 4a of Supplement 8b.</p>	<p>AFDC excluded one burial plot and equity in one burial agreement of up to \$1500 for each member of the assistance unit.</p>	<p>Eligibility under the following sections of the Act:            1902(a)(10)(A)(ii) (I), 1905(a)(ii)            1902(a)(10)(A)(ii) (IV), 1905(a)(ii)            1902(a)(10)(C)(i)(III), 1905(a)(ii).</p>

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
State: MINNESOTA  
MORE LIBERAL METHODS OF TREATING RESOURCES  
UNDER §1902(r)(2) OF THE ACT

**More Liberal Method using SSI burial exclusions for AFDC-related groups**

Minnesota applies burial-related exclusions of 20 CFR §416.1231 as follows:

- Exclude a burial fund for each parent or caretaker and the person's spouse, and the parent or caretaker's eligible dependent child(ren) up to \$1500, including equity value in a burial agreement. A burial fund may be established with one or more of the following: burial insurance, face or cash value of life insurance, liquid assets, a life insurance or annuity funded burial agreement, or up to \$2,000 under an irrevocable Minnesota statutory prepaid burial trust agreement and POMS SI CHI01130.421.
- Exclude purchased burial space and burial space items allowed by SSI for the enrollee, the enrollee's spouse and the following individuals related to the enrollee or spouse for whom the SSI program permits these exclusions: minor children, adult children, stepchildren, siblings, stepsiblings and spouses of any of the above.

X The agency uses less restrictive income and/or resource methodologies than those in effect as of July 16, 1996, as follows:

<b>More Liberal Income Policy 1931</b>	<b>Replaces AFDC Policy of July 16, 1996</b>
For purposes of the gross income test, all income in excess of 185% will be disregarded.	<u>AFDC applied gross income test of 185%.</u>
A lump sum payment will be considered income in the month received and an asset thereafter.	<u>AFDC counted lump sum payments as prospective income based on the AFDC cash grant.</u>
The difference between the July 16, 1996 AFDC income standard and 100 percent of the current FPL, plus the cost of child (or incapacitated adult) care necessary for employment, plus the amount of any payments of court ordered child support, plus 17 percent of earned income for the first four months in which earnings are counted is disregarded; or the AFDC disregards in effect on July 16, 1996, whichever is to the family's advantage.	<u>AFDC had no such disregard.</u>
The agency disregards the difference between the 1931 income standard and 100 percent of the Federal poverty levels, adjusted annually on July 1st to reflect the levels previously published in the Federal Register for the year.	<u>AFDC had no such disregard.</u>
The agency disregards 17 percent of earned income for four months for applicants and recipients.	<u>AFDC allowed a deduction for four months of 30% from earned income.</u>
The agency excludes court-ordered settlements up to \$10,000	<u>AFDC had no such exclusion.</u>
The agency disregards all payments received from the Minnesota I-35 Catastrophe Relief Fund from income.	<u>AFDC had no such disregard.</u>
<u>The agency disregards up to \$2000 annually in cash gifts received from tax-exempt organizations for the benefit of a child with a life-threatening illness.</u>	<u>AFDC had no such disregard.</u>

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1931 More Liberal Resource Policy	Replaces AFDC Policy of July 16, 1996
The agency excludes one vehicle for each person that uses a vehicle for employment or for seeking employment.	AFDC excluded equity value of up to \$1500 for one vehicle per household
The agency excludes IRA's, 401(k) plans, 403(b) plans, Keogh plans and other individually-owned pension and retirement funds.	AFDC had no such exclusion.
The agency excludes court-ordered settlements up to \$10,000	AFDC had no such exclusion.
The agency excludes \$9,000 in property not subject to other exclusions for one person and \$19,000 not subject to other exclusions for two or more people.	AFDC had no such exclusion.
The agency excludes all assets established under the Uniform Gift to Minors Act, and the child-owned portion of an account held jointly by an adult and child.	AFDC had no such exclusion.
The agency disregards all payments received from the Minnesota I-35 Catastrophe Relief Fund from resources.	AFDC had no such disregard.
The agency excludes burial funds, burial spaces and burial space items according to policy of the Supplemental Security Income (SSI) Program under 20 CFR §416.1231 as described on page 4a of Supplement 8b.	AFDC excluded one burial plot and equity in one burial agreement of up to \$1500 for each member of the assistance unit.

- \_\_\_\_\_ The agency terminates medical assistance (except for certain pregnant women and children) for individuals who fail to meet TANF work requirements.
- X   The agency continues to apply the following waivers of provisions of Part A of title IV in effect as of July 16, 1996, or submitted prior to August 22, 1996 and approved by the Secretary on or before July 1, 1997.
  - Waiver of §§402(a)(41) and 407 of the Act, 45 CFR 233.100(a)(1) and (c)(1)(iii). A child will be considered deprived if family income is below the applicable income standard, regardless of the number of hours that the principal wage earner is employed.

[In the 7/16/96 AFDC State plan, the principal wage earner cannot be employed over 100 hours per month.]

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

Requirements for Third party Liability  
Identifying Liable Resources

(1) Frequency of Required Data Matches

Data matches are currently conducted with State Wage Information Collection Agencies (SWICAs) and SSA Wage and Earnings Files quarterly for recipients and non-custodial parents and monthly for new applicants.

A separate data match is not conducted with the state Title IV-A agency. Minnesota's organizational structure within the Department of Human Services (DHS) and local human service agencies eliminates the need for a data match to identify information maintained by the IV-A agency. ~~Financial workers determine IV-A eligibility and collect and submit third party liability information directly to the state agency as a result of application, redetermination, and data match follow-up contacts.~~

The data match with the Department of Labor and Industry for identification of potential workers' compensation benefits is conducted bi-annually for current Medicaid eligibles. A match is conducted by the Office of Child Support Enforcement for non-custodial parents.

A data match with the Department of Public Safety, Driver and Vehicle Services Division motor vehicle accident reports is conducted at least bi-annually for current Medicaid eligibles.

~~A match with the Minnesota Department of Public Safety, Driver and Vehicle Services Division is not feasible at the present time. Records are maintained in a manual paper file which annually receives over 100,000 accident reports. Accident reports contain only information pertaining to the motor vehicle driver which further limits its usefulness. The automated file that would be available does not contain sufficient person specific data. A copy of correspondence from the Department of Public Safety is attached to document the areas of unfeasibility identified (See Supplement 1).~~

Follow-up Methods: Eligibility Processing or Data Matches

- Workers at the county agency are responsible for follow-up with employers regarding matches obtained through SWICA and SSA wage and earnings file data that are part of the eligibility process. In the course of following up on SWICA/SSA wage and earnings file data, or in following up on determining a

person's employment on an application or renewal or a report of a change in employment, workers would also determine if there is/was private health insurance available to the employee or family members through the employer. Workers enter the employer-based health coverage information they obtain through this process in the MMIS TPL Resource files for use in cost avoidance and post payment recovery.

- Workers at the county agency review responses on the application and renewal forms related to health insurance and other third party liability. Workers report all other potential sources of health coverage or liable third parties other than employer-sponsored insurance to the DHS TPL unit for follow-up using the Medical Service Questionnaire process (possible accident/injury).
- DHS and/or its contractor follow up on liable third party information received from data matches conducted with employers, insurers and other responsible entities, as required by the Deficit Reduction Act of 2005. DHS or its contractor obtain necessary files of insured persons and conduct matches to identify coverage in effect for Medicaid enrollees. Once verified information is obtained, the Department enters the information in the TPL subsystem of MMIS, and notifies the client's county worker of the entry of new TPL information.
- DHS follows up on TPL reports from county agency workers and data matches obtained for Medicaid clients from the Department of Labor and Industry and the Department of Public Safety. DHS sends the enrollee a Medical Service Questionnaire (MSQ) or Work Injury Report for identification of injuries or accidents that may qualify for third party payment. The Department enters relevant data provided on the returned MSQ into the TPL subsystem on MMIS. Adult enrollees receive two requests for information before receiving a termination notice for non-response (failure to cooperate) with MSQ requests. A file is opened in the third party recovery unit at the point the Department identifies that:

(1) there is a potential source of third party payment and

(2) it has paid medical or subsistence benefits related to the injury.

The time frame for incorporation of information into the third party liability case file and/or data base is two weeks from the date factors (1) and (2) are determined. The determination of these factors takes an average of 30 days from the date the completed form is received by DHS.

Local agencies are required to conduct follow-up according to requirements contained in 42 CFR §433.138(d)(1)(i). See Supplement 2.

(2) Frequency of Diagnosis and Trauma Code Editing

Diagnosis and trauma code editing is done on-line on a daily basis. Claims are processed through the Medical Service Questionnaire processing on a two-week cycle.

An initial inquiry form requiring completion by the recipient is produced based on the diagnosis and trauma codes appearing on a medical claim. ~~Follow-up notices are produced if the first or second notice is not returned with the information completed.~~

Follow-up Methods: Diagnosis and Trauma Code

~~The Department's Health Care Programs Eligibility Manual describes the procedure used to identify and follow up claims which fail diagnosis and trauma code editing. See Supplement 3 for background information regarding these procedures.~~

DHS follows up when medical bills indicate possible involvement in an accident. Completed survey forms are received by the Department and reviewed. DHS sends an MSQ to an enrollee and reviews the completed form for probability of third party liability. Adult enrollees receive two requests for information before receiving a termination notice for non-response (failure to cooperate) with MSQ requests. A file is opened in the third party recovery unit at the point the Department identifies that:

- (1) there is a potential source of third party payment and
- (2) it has paid medical or subsistence benefits related to the injury.

The time frame for incorporation of information into the third party liability case file and/or data base is two weeks from the date factors (1) and (2) are determined. The determination of these factors takes an average of 30 days from the date the completed form is received by the Department.

A program was developed to allow DHS ~~the Department~~ to identify diagnosis codes with the highest recovery yields. The program is run biannually and can be run on request.

Follow-up Methods: Motor Vehicles

~~Data match not currently done due to insufficient person specific data available in accident record base. See Supplement 1.~~