

**SENATE  
STATE OF MINNESOTA  
NINETY-THIRD SESSION**

**S.F. No. 4197**

(SENATE AUTHORS: MAYE QUADE, Hoffman and Utke)

DATE  
02/26/2024

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Introduction and first reading  
Referred to Human Services

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to human services; modifying medical assistance for employed persons  
1.3 with disabilities; amending Minnesota Statutes 2023 Supplement, section 256B.057,  
1.4 subdivision 9.

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

1.6 Section 1. Minnesota Statutes 2023 Supplement, section 256B.057, subdivision 9, is  
1.7 amended to read:

1.8 Subd. 9. **Employed persons with disabilities.** (a) Medical assistance may be paid for  
1.9 a person who is employed and who:

1.10 (1) but for excess earnings or assets meets the definition of disabled under the  
1.11 Supplemental Security Income program; and

1.12 (2) pays a premium and other obligations under paragraph (e).

1.13 (b) For purposes of eligibility, there is a \$65 earned income disregard. To be eligible  
1.14 for medical assistance under this subdivision, a person must have more than \$65 of earned  
1.15 income, be receiving an unemployment insurance benefit under chapter 268 that the person  
1.16 began receiving while eligible under this subdivision, or be receiving family and medical  
1.17 leave benefits under chapter 268B that the person began receiving while eligible under this  
1.18 subdivision. Earned income must have Medicare, Social Security, and applicable state and  
1.19 federal taxes withheld. The person must document earned income tax withholding. Any  
1.20 spousal income shall be disregarded for purposes of eligibility and premium determinations.

1.21 (c) After the month of enrollment, a person enrolled in medical assistance under this  
1.22 subdivision who would otherwise be ineligible and be disenrolled due to one of the following

2.1 circumstances may retain eligibility for up to four consecutive months after a month of job  
2.2 loss if the person:

2.3 (1) is temporarily unable to work and without receipt of earned income due to a medical  
2.4 condition, as verified by a physician, advanced practice registered nurse, or physician  
2.5 assistant; or

2.6 (2) loses employment for reasons not attributable to the enrollee, and is without receipt  
2.7 of earned income.

2.8 To receive a four-month extension of continued eligibility under this paragraph, enrollees  
2.9 must verify the medical condition or provide notification of job loss, continue to meet all  
2.10 other eligibility requirements, and continue to pay all calculated premium costs.

2.11 (d) All enrollees must pay a premium to be eligible for medical assistance under this  
2.12 subdivision, except as provided under clause (5).

2.13 (1) An enrollee must pay the greater of a \$35 premium or the premium calculated based  
2.14 on the person's gross earned and unearned income and the applicable family size using a  
2.15 sliding fee scale established by the commissioner, which begins at one percent of income  
2.16 at 100 percent of the federal poverty guidelines and increases to 7.5 percent of income for  
2.17 those with incomes at or above 300 percent of the federal poverty guidelines.

2.18 (2) Annual adjustments in the premium schedule based upon changes in the federal  
2.19 poverty guidelines shall be effective for premiums due in July of each year.

2.20 (3) All enrollees who receive unearned income must pay one-half of one percent of  
2.21 unearned income in addition to the premium amount, except as provided under clause (5).

2.22 (4) Increases in benefits under title II of the Social Security Act shall not be counted as  
2.23 income for purposes of this subdivision until July 1 of each year.

2.24 (5) Effective July 1, 2009, American Indians are exempt from paying premiums as  
2.25 required by section 5006 of the American Recovery and Reinvestment Act of 2009, Public  
2.26 Law 111-5. For purposes of this clause, an American Indian is any person who meets the  
2.27 definition of Indian according to Code of Federal Regulations, title 42, section 447.50.

2.28 (e) A person's eligibility and premium shall be determined by the local county agency.  
2.29 Premiums must be paid to the commissioner. All premiums are dedicated to the  
2.30 commissioner.

2.31 (f) Any required premium shall be determined at application and redetermined at the  
2.32 enrollee's ~~six-month~~ 12-month income review or when a change in income or household

3.1 size is reported. Enrollees must report any change in income or household size within ~~ten~~  
3.2 30 days of when the change occurs. A decreased premium resulting from a reported change  
3.3 in income or household size shall be effective the first day of the next available billing  
3.4 month after the change is reported. Except for changes occurring from annual cost-of-living  
3.5 increases, a change resulting in an increased premium shall not affect the premium amount  
3.6 until the next ~~six-month~~ 12-month review.

3.7 (g) Premium payment is due upon notification from the commissioner of the premium  
3.8 amount required. Premiums may be paid in installments at the discretion of the commissioner.

3.9 (h) Nonpayment of the premium shall result in denial or termination of medical assistance  
3.10 unless the person demonstrates good cause for nonpayment. "Good cause" means an excuse  
3.11 for the enrollee's failure to pay the required premium when due because the circumstances  
3.12 were beyond the enrollee's control or not reasonably foreseeable. The commissioner shall  
3.13 determine whether good cause exists based on the weight of the supporting evidence  
3.14 submitted by the enrollee to demonstrate good cause. Except when an installment agreement  
3.15 is accepted by the commissioner, all persons disenrolled for nonpayment of a premium must  
3.16 pay any past due premiums as well as current premiums due prior to being reenrolled.  
3.17 Nonpayment shall include payment with a returned, refused, or dishonored instrument. The  
3.18 commissioner may require a guaranteed form of payment as the only means to replace a  
3.19 returned, refused, or dishonored instrument.

3.20 (i) For enrollees whose income does not exceed 200 percent of the federal poverty  
3.21 guidelines and who are also enrolled in Medicare, the commissioner shall reimburse the  
3.22 enrollee for Medicare part B premiums under section 256B.0625, subdivision 15, paragraph  
3.23 (a).

3.24 (j) The commissioner is authorized to determine that a premium amount was calculated  
3.25 or billed in error, make corrections to financial records and billing systems, and refund  
3.26 premiums collected in error.