

STATE OF MINNESOTA  
DEPARTMENT OF HUMAN SERVICES  
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ST. PAUL, MN 55155-3848

MDHS HEALTH CARE PROGRAMS MANUAL  
MANUAL LETTER #44

June 2005

Effective Date: July 1, 2005

TO: MinnesotaCare Operations  
County Agencies  
and Other Manual Holders

SUBJECT: Revised Material for the MDHS Health Care Programs Manual

The material issued with this manual letter contains new and revised information for the Health Care Programs Manual. Changes are identified by a vertical line in the right margin. Deletions are identified by a double vertical line.

This information is available in other forms to people with disabilities by calling 651- 296-8517, toll-free at 1-800- 657-3659, or contact us through the Minnesota Relay Service at 1-800- 657-3529 (TTY) or 1-877-627-3848 (speech-to-speech relay service).

New material in this manual letter is effective July 1, 2004 unless otherwise noted.

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HIGHLIGHTED CHANGE #1: This manual letter contains updated income standards. All income standards except the clothing and personal needs allowance increased effective July 1, 2005, based on the 2005 federal poverty guidelines.

Apply the new standards when determining MA or GAMC eligibility for any month beginning with July. For new and pending applications with budget periods beginning before July, use the previous standards for all months through June and the new standards beginning with July.

EXAMPLE:

Joe applies for MA in June, requesting retroactive coverage to April. His standard is 100% FPG for a household of 1. To determine eligibility for the April-September budget period, compute the 6-month standard by using \$776 for April-June (100% FPG through June 30, 2005) and \$798 for July-September (100% FPG effective July 1, 2005). The applicable 6-month standard is \$4,722. If his anticipated income for the 6-month period is equal to or less than \$4,722, there is no spenddown. If anticipated income exceeds \$4,722, compute the 6-month spenddown amount using \$582 for April-June (75% FPG through June 30, 2005) and \$599 for July-September (75% FPG effective July 1, 2005).

If Joe uses a monthly spenddown, use \$582 for April, May and June and \$599 for July, August and September.

The Method B RSDI COLA disregard ends with RSDI benefits received in July. Use the actual gross RSDI amount (less any special disregards such as Pickle, Widows/Widowers etc.) beginning with July.

Use the new standards for MinnesotaCare applications and renewals beginning with July. New premium amounts are also effective July 1.

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HIGHLIGHTED CHANGE #2: This manual letter includes the following annual July updates:

- The maintenance needs allowance for SIS-EW increases from \$766 to \$789. See §0907.23.11 (MA Waiver Programs: EW) and §0913.13.05 (Waiver Obligation: SIS-EW).
- The SAPSNF increases from \$4,111 to \$4,198 for MA and from \$3,434 to \$3,441 for GAMC. See §0909.27.11 (Improper Transfer Ineligibility), §0909.27.11.03 (Transfers Before 8-11-93), §0909.27.11.05 (Transfers 8-11-03 Through 8-31-94), §0909.27.11.07 (Transfers 9-1-94 Through 4-13-96) and §0909.27.11.09 (Transfers After 4-13-96).
- The basic shelter allowance for determining the community spouse allocation increases to \$482. The minimum monthly allowance the community spouse and dependents living with the community spouse increases to \$1,604. See §0912.05.25.03 (Allocations Community Spouse) and §0912.05.25.05 (Allocations Other Relatives).
- MCHA premiums used to determine continued MinnesotaCare eligibility for households with incomes above the limits increase. See §0912.03.05 (Annual MCHA Premiums).

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See Attachment A for a description of other changes in this manual letter.

Submit health care eligibility policy questions through the HealthQuest system.

Sincerely,

BRIAN J. OSBERG  
Assistant Commissioner Health Care

HEALTH CARE PROGRAMS MANUAL  
MANUAL LETTER #44  
ATTACHMENT A  
REVISED AND DELETED SECTIONS

Revised Sections

0907.23.11  
0909.27.11  
0909.27.11.03  
0909.27.11.05  
0909.27.11.07  
0909.27.11.09  
0912.03.05  
0912.05.25.03  
0912.05.25.05  
0912.07.075  
0912.07.100  
0912.07.120  
0912.07.135  
0912.07.150  
0912.07.175  
0912.07.185  
0912.07.200  
0912.07.275  
0912.07.280  
0913.13.05

Deleted Sections

0907.23.11  
0909.27.11  
0909.27.11.03  
0909.27.11.05  
0909.27.11.07  
0909.27.11.09  
0912.03.05  
0912.05.25.03  
0912.05.25.05  
0912.07.075  
0912.07.100  
0912.07.120  
0912.07.135  
0912.07.150  
0912.07.175  
0912.07.185  
0912.07.200  
0912.07.275  
0912.07.280  
0913.13.05

§0909.27.11 (Improper Transfer Ineligibility), §0909.27.11.03 (Transfers Before 8-11-93), §0909.27.11.05 (Transfers Before 8-11-93 Through 8-31-94), §0909.27.11.07 (Transfers 9-1-94 Through 4-13-96), and §0909.27.11.09 (Transfers After 4-13-96) update the MA and GAMC SAPSNFs. See Highlighted Change #2.

§0912.03.05 (Annual MCHA Premiums) updates the amounts. See Highlighted Change #2.

§0912.05.25.03 (Allocations Community Spouse) and §0912.05.25.05 (Allocations Other Relatives) update the basic shelter allowance and minimum monthly income allowance for the community spouse. See Highlighted Change #2.

§0912.075, §0912.100, §0912.120, §0912.135, §0912.150, §0912.175, §0912.185, §0912.200, §0912.275, and §0912.280 (FPG standards) are updated with new amounts. See Highlighted Change #1.

§0913.13.05 (Waiver Obligation: SIS-EW) updates the maintenance needs allowance. See Highlighted Change #2.

**MinnesotaCare:**

No provisions.

**MA:**

The Elderly Waiver (EW) provides MA funding for home and community-based services for people who would otherwise need nursing facility care. Covered home care services include:

- > Adult day care.
- > Respite care.
- > Homemaker services.
- > Adult foster care (other than room and board costs).
- > Extended home health.
- > Case management.
- > Equipment and supplies not covered by MA, Medicare, or the client. The equipment and supplies must help keep the client out of a nursing facility.
- > Companion services.
- > Extended personal care.
- > Home-delivered meals.
- > Caretaker training and education.
- > Assisted living.
- > Residential care.
- > Extended transportation.
- > Chore services

To receive EW services, a person must meet ALL of the following conditions:

- > Have a Long Term Care Consultation (LTCC) screening.
- > Require a nursing facility level of care (NF-I or NF-II).
- > Be able to remain in the community rather than a nursing facility.
- > Choose community care.
- > The cost to MA for community-based services must cost less than institutional care.
- > Be eligible for MA.

There are 2 income limits for EW. People with incomes equal to or less than the Special Income Standard (SIS) are eligible for EW without an MA spenddown. They must contribute any income over the maintenance needs allowance and other applicable deductions to the cost of services received under EW. This is known as the waiver obligation.

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The SIS for 1-1-05 through 12-31-05 is \$1,737 for all EW applicants or enrollees, regardless of marital status. The SIS for 1-1-04 through 12-31-04 is \$1,692. The maintenance needs allowance for 7-1-05 through 6-30-06 is \$789 regardless of marital status. Treat each person as a household of 1. The maintenance needs allowance for 7-1-04 through 6-30-05 is \$766.

To determine eligibility for the SIS EW program, add together all monthly gross income of the applicant or enrollee before any exclusions. Do not include the income of the person's spouse. If the applicant or enrollee's gross income is equal to or less than the SIS, see §0913.13.05 (Waiver Obligation--SIS EW).

People with income equal to or less than the SIS but greater than 120% FPG for a household size of 1 may choose to receive services through Alternative Care (AC) rather than through SIS EW if they meet the eligibility requirements for both programs. See §0918.05 (Alternative Care - AC). However, people in this category who choose AC are NOT eligible for MA with a spenddown, with one exception as described in §0913.13.07 (Relationship Between EW and AC).

If income exceeds the SIS, single people and married couples who both receive EW must qualify under the applicable Method B income standard. See §0912.07.100 (100% of FPG), §0912.07.075 (75% of FPG) and TE02.07.117 (Single Elderly Waiver). Use a household size of 1 and Method B budgeting when both spouses receive EW services (as well as for single EW clients). Set the case up using a community spenddown. Treat the projected amount of EW services for the month as a medical bill incurred on the first day of the month.

Use a household size of 1 for MA and the Medicare Supplement Programs for the non-EW spouse when 1 spouse receives EW and the other receives MA.

For more information on community spenddowns see

- §0913.05.05 Use of 6-Month and LTC Spenddowns
- §0913.05 Which Spenddown Type to Use
- §0913.11 Manual Monthly Spenddown Calculation
- §0913.09 Automated Monthly Spenddown Calculation

Use an LTC spenddown for people with a community spouse who does not receive EW. See §0913.05 (Which Spenddown Type to Use) and §0913.13.03 (LTC Spenddown--EW With Community Spouse). If the person's available income exceeds the monthly EW charges, determine eligibility using a combined LTC/Medical spenddown. See §0913.15 (Combination LTC/Medical Spenddown).

The asset limit for EW is \$3,000 for a household of 1. When both spouses receive EW, each has an asset limit of \$3,000. If 1 spouse has assets over \$3,000 and the other spouse has assets under \$3,000, the spouse with excess assets may transfer assets to the other spouse.

Consider people who receive home care services through EW and who have a community spouse not receiving EW to be long term care spouses. An LTC spouse or a community spouse can request an asset assessment to determine what amount of the couple's marital assets are protected for the community spouse and when MA eligibility may begin for the LTC spouse. The asset assessment can be completed when the following conditions occur:

- > The LTC spouse has had a LTCC screening.
- AND
- > The LTC spouse requires a nursing facility level of care.
- AND
- > Home care services began prior to the LTCC date and are anticipated to continue for at least 30 consecutive days after the LTCC date.
- OR
- > Home care services which are anticipated to last for at least 30 consecutive days will begin within 90 days of the LTCC date.

The community spouse of a person receiving EW services is entitled to a community spouse asset allowance. See §0909.25 (Spousal Asset Assessments).

If a need exists, the community spouse and certain family members who live with the LTC and community spouse may be entitled to an allocation from the income of the LTC spouse. See §0912.05.25 (Allocations).

**GAMC:**

No provisions.



**MinnesotaCare:**

No provisions.

**MA:**

Do not deny or terminate eligibility for MA due to excess assets when an improper asset transfer occurs. Determine the ineligibility period for the services listed below. The client is eligible for all other MA covered services that are not included in this list.

If the transfer occurred before 7-1-88, the client is ineligible for all MA services during the penalty period.

If the transfer occurred on or after 7-1-88, a client is eligible for MA but is not eligible for MA payment of the following services during the ineligibility period:

- > Skilled nursing facility care.
- > Intermediate care facility services.
- > Community Alternative for Disabled Individuals (CADI) waivers.
- > Community Alternative Care (CAC).
- > Home and Community Based Waiver Services for Persons with Mental Retardation or Related Conditions (MR/RC & ACS).
- > Elderly Waiver Services.
- > Traumatic Brain Injury Waiver (TBIW).
- > Nursing facility care in an inpatient hospital.

The client remains eligible for all other MA covered services not listed above.

For more information, see the following:

§0909.27.11.03	Transfers Before 8-11-93.
§0909.27.11.05	Transfers 8-11-93 Through 8-31-94.
§0909.27.11.07	Transfers 9-1-94 Through 4-13-96.
§0909.27.11.09	Transfers After 4-13-96.

A person who reapplies during the ineligibility period will not be eligible for MA payment of long term care services until the period expires.

When either spouse of a married couple transfers assets improperly, apply the penalty period as follows:

- > Both spouses apply for MA:
  - When 2 spouses who are receiving LTC services have transferred jointly owned income or assets and apply for MA on the same day, divide the penalty between them equally even if they entered the LTCF on different dates.
  - When only 1 spouse is receiving LTC services, apply the entire penalty period to that spouse regardless of who owned the transferred asset.
  
- > One spouse applies for MA:
  - When both spouses are receiving LTC services, apply the entire penalty period to the applicant regardless of who owned the transferred asset.
  
- > One spouse currently receiving MA and subject to a penalty period at the time the other spouse applies for MA to receive LTC services:
  - When a spouse makes a transfer that results in a penalty for his/her spouse who is on MA in LTC, and later begins receiving long term care services himself/herself, any remaining penalty must be split evenly between the spouses.

When a community spouse improperly transfers assets after the asset assessment is completed and MA is open for the LTC spouse, determine whether to apply a penalty to the LTC spouse. Although the community spouse's assets are no longer considered available to the LTC spouse, an improper transfer will result in a penalty unless the community spouse can demonstrate that the transferred assets will never affect the LTC spouse's ability to obtain or maintain eligibility. See §0909.27.01 (MA Transfers--Cont.).

If the penalty period is not exhausted when the spouse's LTC services ends, the remaining balance goes back to the remaining LTC spouse.

Transferred assets returned completely or partially to the client will reduce or eliminate the amount of the transfer and reduce or eliminate the corresponding period of ineligibility for LTC services.

If the applicant or the applicant's authorized representative failed to report the transfer of assets, a cause of action may exist against the person who received the transferred

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assets if you approved MA and MA paid LTC services during a period of ineligibility. See §0909.27.13 (Improper Transfers - Onset Of Ineligibility).

**GAMC:**

There are no improper transfer provisions for GHO.

Other GAMC applicants or enrollees who make improper transfers during the lookback period or while receiving GAMC are ineligible for all GAMC services during the ineligibility period.

If an applicant or enrollee has improperly transferred an asset, the period of ineligibility is the number of months resulting from the following calculation:

1. Determine the uncompensated value of an improperly transferred asset. See §0909.27.09 (Determining Uncompensated Value).
2. Divide the uncompensated value of the asset by the statewide average monthly per person payment for skilled nursing facility care (SAPSNF) for GAMC. This is not the same figure as the MA SAPSNF. Use the amount in effect on the date of the client's application that covers the current application processing period or period of GAMC eligibility. Effective 7-1-05, that amount is \$3,441. From 7-1-04 through 6-30-05, the amount is \$3,434.

Apply a partial month of ineligibility to both applicants and enrollees. If the transferred amount is less than \$3,441, deny eligibility for payment of services equal to the amount transferred. If a fractional part of a month remains after calculating a period of ineligibility for a transfer of more than \$3,441, multiply the remainder (rounded to hundredths) by \$3,441. The result is the dollar amount of medical expenses the client is responsible for in the first month of possible eligibility.

There is no limit on the period of ineligibility.

If a client has excess assets, excess income, and transferred property, apply the transfer penalty first, reduce assets next, and then complete the income spenddown.



**MinnesotaCare:**

No provisions.

**MA:**

For uncompensated transfers occurring before 8-11-93, the period of ineligibility is the lesser of 30 months or the number of months resulting from the following calculation:

1. Determine the uncompensated value of improperly transferred assets. See §0909.27.09 (Determining Uncompensated Value).
2. Divide the uncompensated value of the asset by the statewide average monthly payment rate for skilled nursing facility care (SAPSNF). Use the SAPSNF in effect on the date of the client's application that covers the current application processing period or period of MA eligibility. If someone has been on MA since before 7-1-90, the SAPSNF to use is \$2,177. Truncate partial months. If the amount improperly transferred is less than the SAPSNF, it does not affect eligibility.

Effective 7-1-05, the SAPSNF is \$4,198. From 7-1-04 through 6-30-05, the SAPSNF is \$4,111.

The 30-month maximum on penalty periods does not apply to transfers which were made on or after 8-11-93. See §0909.27.11 (Improper Transfer Ineligibility).

**NOTE:**

Because the maximum lookback period for transfers is 60 months, no transfers made on or after 8-11-98 will be subject to penalty.

**GAMC:**

See §0909.27.11 (Improper Transfer Ineligibility). For GAMC transfers, the SAPSNF is \$3,441 effective 7-1-05 (\$3,434 from 7-1-04 through 6-30-05). This is not the same as MA.



**MinnesotaCare:**

No provisions.

**MA:**

Use the following steps to determine the ineligibility period for transfers occurring on 8-11-93 through 8-31-94:

1. Determine a penalty period for the total value of all uncompensated transfers made in each month in the lookback period separately by dividing the uncompensated amount by the monthly statewide average nursing home payment in effect on the date of the client's current application. Effective 7-1-05, the SAPSNF is \$4,198. From 7-1-04 through 6-30-05, the SAPSNF is \$4,111.
2. Chart out the months that each penalty period runs, beginning in the month each transfer(s) occurred. Look for any months that occur in more than one penalty period. These are considered OVERLAPPING penalty periods.
3. If none of the charted ineligibility periods overlap, begin each ineligibility period in the month each transfer (or transfers, if more than one transfer was made in a given month) transfer was made, and stop here. If any ineligibility periods overlap, go on to step 4.
4. If any of the penalty periods determined in step #2 overlap, including any calculated penalty period for uncompensated transfers in amounts less than the monthly statewide average nursing facility payment, add the values of all the uncompensated transfers made in the lookback period together, and re-calculate a single ineligibility period. Truncate a partial month when determining the actual ineligibility period.
5. Begin the ineligibility period in the month of the first uncompensated transfer during the lookback period. The ineligibility period runs for the period of time calculated in step 4.

**GAMC:**

See §0909.27.11 (Improper Transfer Ineligibility). For GAMC transfers, the SAPSNF is \$3,441 effective 7-1-05 (\$3,434 from 7-1-04 through 6-30-05). This is not the same as MA.



## MinnesotaCare:

No provisions.

## MA:

Use the following steps for transfers made on or after 9-1-94 through 4-13-96:

1. If the total amount transferred for less than fair market value in any month by the client and spouse combined does not exceed \$1,000 in total value for the month, disregard that amount and do not calculate a penalty period. Disregard transfers of \$1,000 or less made in any month after 9-1-94 even if the transfer occurred during a pre-existing penalty period.
2. If the amount transferred for less than fair market value is greater than \$1,000, determine a penalty period based on the total value of all uncompensated transfers made during that month. Do not disregard the first \$1,000 transferred.
3. If the total uncompensated value of assets transferred in a month by the client and spouse combined is greater than \$1,000, divide the uncompensated value by the statewide average monthly payment rate for nursing facility care (SAPSNF) in effect on the date of the client's application.

Effective 7-1-05, the SAPSNF is \$4,198. From 7-1-04 through 6-30-05, the SAPSNF is \$4,111.

4. Do NOT truncate partial months. Apply a partial month of ineligibility for MA payment of long term care services to both applicants and recipients.

If the transferred amount is LESS than the applicable SAPSNF, deny eligibility for long term care services equal to the amount transferred. The result is the dollar amount of long term care services the client is responsible for before MA eligibility for long term care services can begin.

If the transferred amount is MORE than the applicable SAPSNF and a fractional part of a month remains after calculating a period of ineligibility, multiply the remainder (rounded to hundredths) by the applicable SAPSNF. Truncate that result. The result is the dollar amount of long term care services the client is responsible for in the last partial month of ineligibility.

5. Add the amount determined in step 4 to the client's long term care spenddown or medical spenddown, whichever applies, for the partial month of

ineligibility. This is the client's total liability for the partial month.

Eligibility for payment of long term care services begins after that amount has been incurred by the client. If a client does not incur long term care services equal to or greater than his/her total liability, do NOT carry the penalty over to the next month.

**GAMC:**

See §0909.27.11 (Improper Transfer Ineligibility). For GAMC transfers, the SAPSNF is \$3,441 effective 7-1-05 (\$3,434 from 7-1-04 through 6-30-05). The GAMC SAPSNF is not the same as MA.

**MinnesotaCare:**

No provisions.

**MA:**

Use the following steps to determine the ineligibility period for transfers made on or after 4-13-96:

1. If the total amount transferred for less than fair market value in any month by the client and spouse combined does not exceed \$200 for the month (\$500 before 7-1-02), disregard that amount and do not calculate a penalty period.

**EXCEPTION:**

If \$200 or less (\$500 or less for transfers before 7-1-02) is transferred during a pre-existing penalty period, include the value of such transfers in the penalty period calculation.

2. If the amount transferred for less than fair market value is greater than \$200, (\$500 before 7-1-02), determine a penalty period based on the total value of all uncompensated transfers made during that month. Do not disregard the first \$200 (\$500 before 7-1-02) transferred.
3. If the total uncompensated value of assets transferred in a month by the client and spouse combined is greater than \$200 (\$500 before 7-1-02), divide the uncompensated value by the statewide average monthly payment rate for nursing facility care (SAPSNF) in effect on the date of the client's application.

Effective 7-1-05, the SAPSNF is \$4,198. From 7-1-04 through 6-30-05, the SAPSNF is \$4,111.

4. Do NOT truncate partial months. Apply a partial month of ineligibility for MA payment of long term care services to both applicants and recipients.

If the transferred amount is LESS than the applicable SAPSNF, deny eligibility for long term care services equal to the amount transferred. The result is the dollar amount of long term care services the client is responsible for before MA eligibility for long term care services can begin.

If the transferred amount is MORE than the applicable SAPSNF and a fractional part of a month remains after calculating a period of ineligibility, multiply the remainder (rounded to hundredths) by the applicable SAPSNF. Truncate that result. The result is the dollar amount of long term care services

the client is responsible for in the last partial month of ineligibility.

5. Add the amount determined in step 4 to the client's long term care spenddown or medical spenddown, whichever applies, for the partial month of ineligibility. This is the client's total liability for the partial month.

Eligibility for payment of long term care services begins after that amount has been incurred by the client. If a client does not incur long term care services equal to or greater than his/her total liability, do NOT carry the penalty over to the next month.

Open MA for all other services during a full or partial month penalty period.

**GAMC:**

See §0909.27.11 (Improper Transfer Ineligibility). For GAMC transfers, the SAPSNF is \$3,441 effective 7-1-05 (\$3,434 from 7-1-04 through 6-30-05). GAMC does not use the same SAPSNF as MA.

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MCHA Annual Premiums effective 7-1-05:

For emancipated minors or children on their own MinnesotaCare case who are under age 15	\$2,508.72	
For emancipated minors or children on their own MinnesotaCare case who are age 15 to age 20	\$2,508.72	
For each adult age 21 to 29	\$2,508.72	
For each adult age 30 to 34	\$2,796.60	
For each adult age 35 to 39	\$2,993.88	
For each adult age 40 to 44	\$3,391.08	
For each adult age 45 to 49	\$4,187.76	
For each adult age 50 to 54	\$5,447.64	
For each adult age 55 to 59	\$6,885.00	
For each adult age 60 to 64	\$7,526.04	
For each adult age 65 and older	\$7,526.04	
For households with 1 dependent child	\$2,147.04	
For households with 2 dependent children	\$4,294.08	
For households with 3 or more dependent children		
Contracts existing before 7/1/2002	\$5,145.96	
Contracts issued after 7/1/2002	\$6,441.12	



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**MinnesotaCare:**

No provisions.

**MA:**

Also see §0912.05.25 (Allocations) and §0912.05.25.05 (Allocations--Other Relatives).

To calculate the amount of a client's allocation deduction for a spouse:

1. Determine the community spouse's total gross earned and unearned income. (Include income from income-producing assets.) Do not allow MA disregards and exclusions. Add all income received less often than monthly during a calendar year and divide by 12 to determine a monthly figure. Consider interest earned to be income.

VA Aid and Attendance benefits are not available for the needs of relatives unless the VA office grants an apportionment. Consider only the apportioned amount as income to the relative.

2. Determine the monthly total of these shelter expenses for the community spouse:
  - Rent or mortgage payments.
  - Real estate taxes.
  - Homeowner's or renter's insurance.
  - Required maintenance charges for a cooperative or condominium.
  - A utility allowance. Use \$262 for residences billed for heating and/or cooling. For residences not billed for heating or cooling, allow \$75 for electricity and \$25 for phone service. Reduce the utility allowance by the amount of any utility expenses included in a required cooperative or condominium maintenance charge.
3. Subtract \$482 beginning 7-1-05 (\$469 from 7-1-04 through 6-30-05) from the total of expenses in step 3. The result is the excess shelter allowance.
4. Add \$1,604 beginning 7-1-05 (\$1,562 from 7-1-04 through 6-30-05) to the excess shelter allowance. The result, up to a limit of \$2,378 (\$2,319 from

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1-1-04 through 12-31-04), is the maximum monthly income allowance to the community spouse.

If there is a court order for support in excess of \$2,378 (\$2,319 from 1-1-04 through 12-31-04), use the court-ordered figure as the maximum amount.

5. Subtract the net available income of the community spouse (determined in step 1) from the monthly amount in step 4. The result is the actual allocation deduction amount.

**EXAMPLE:**

Norma resides in an LTCF. Her husband Leo resides in the community. Leo receives RSDI of \$700 per month and a private pension of \$300 per month. He has a savings account which earned interest of \$600 for the most recent calendar year. He pays rent of \$400 per month plus electricity, which includes air conditioning, and phone. He pays \$300 per year for renter's insurance. Norma receives RSDI of \$800 per month.

Determine Leo's maximum allocation as follows:

1. Determine Leo's total gross monthly income by adding the RSDI amount of \$700, the pension amount of \$300, and \$50 per month interest (\$600 divided by 12). Total monthly income is \$1,050.
2. Determine Leo's monthly shelter expenses by adding rent of \$400, utility allowance of \$262, and \$25 per month (\$300 divided by 12) for renter's insurance. Total shelter expenses are \$687.
3. Subtract \$482 from \$687. The result, \$205, is the excess shelter amount.
4. Add \$205 to \$1,604. The result, \$1,809, is the maximum monthly allocation amount.
5. Subtract Leo's monthly income of \$1,050 from \$1,809. The result, \$759, is the actual allocation amount. Allow this amount in Norma's LTC budget. See §0913.13 (Long Term Care Spenddown Calculation).

If the allocation amount causes significant financial hardship for the community spouse due to exceptional circumstances, you may increase the amount on a

temporary basis. Verify the spouse is making reasonable efforts to resolve the situation (for example, seeking more affordable housing). Also see §0909.25.05 (Transfer of Income Producing Asset to Spouse) for the possibility of transferring income producing assets to the community spouse.

If the community spouse wants to apply for MA, an allocation may cause income to exceed the MA standard. The spouse may either:

- Meet a spenddown using the allocated income.
- OR
- Request a decrease or end to the allocation. This will increase the LTCF spouse's monthly LTC spenddown.

GAMC:

No provisions.



**MinnesotaCare:**

No provisions.

**MA:**

Also see §0912.05.25 (Allocations) and §0912.05.25.03 (Allocations--Community Spouse).

To calculate the amount of a client's allocation deduction for a child under 18 not living with the community spouse (which includes a child under 18 living with the LTC client's former spouse), follow the steps below.

1. Determine the child's gross earned and unearned income. If two or more children live together, but apart from the community spouse, determine their incomes separately. Add all income received less often than monthly during a calendar year and divide by 12 to determine a monthly income figure. Consider interest earned to be income.

Allow deductions from income if the child has no access to the income or control over the deduction. Do not allow MA disregards and exclusions.

2. If calculations were done for two or more children, combine the individual net incomes.
3. Subtract the total countable income from the appropriate standard in the 100% of FPG table in §0912.07.100 (100 Percent of FPG) based on the household size. The household size is the number of children living together. This is the amount of the client's allocation deduction.

**EXAMPLE:**

Ronald resides in an LTCF. He has two children, Jeremy, age 17, and Anne, age 15, who live with his former wife. Jeremy is employed part-time earning \$400 per month. FICA taxes of \$31 are deducted. Anne has no income.

Determine an allocation from Ronald's income as follows:

1. Determine Jeremy's countable income by deducting the \$31 FICA tax. He has no control over this deduction.
2. Determine combined income for Jeremy (\$369) and Anne (\$0) for a total of \$369.
3. Subtract \$369 from the standard for a household size of 2 in §0912.07.100

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(100 Percent of FPG), or \$1,070. The result, \$701, is the maximum allocation amount. Allow this amount in Ronald's LTC budget.

NOTE:

If Ronald has court-ordered child support in excess of \$701 garnished from his income, allow the excess up to a maximum of \$250. See §0913.13 (Long Term Care Spenddown Calculation).

Use the steps below to calculate the amount of a client's allocation deduction for any of the following people who live with the community spouse:

- Children under 21.
  - Children over 21 claimed as a dependent for tax purposes.
  - Parents claimed as dependents.
  - Siblings of the client or the community spouse claimed as dependents.
1. Determine the total of each family member's gross earned and unearned income separately. Do not deem the income of one family member to another. Add all income received less often than monthly during a calendar year and divide by 12 to determine a monthly income figure. Consider interest earned to be income. Do not allow MA disregards and exclusions.
  2. Subtract the amount of gross income from \$1,604 beginning 7-1-05 (\$1,562 from 7-1-04 through 6-30-05).
  3. Divide the result by 3 and round up to the nearest dollar. This is the amount of the client's allocation deduction.

EXAMPLE:

Sandra resides in an LTCF. Her 18-year-old daughter Marcy lives with Sandra's husband Steve. Marcy receives RSDI of \$250 monthly because of Sandra's disability. She is employed part time, earning \$300 per month.

Calculate an allocation for Steve as the community spouse following the steps in §0912.05.25.03 (Allocations--Community Spouse). Calculate an allocation for Marcy as follows:

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1. Determine Marcy's gross monthly income by adding the \$250 RSDI payment to her gross earnings of \$300 for a total of \$550.
  2. Subtract \$550 from \$1,604 for a result of \$1,054.
  3. Divide \$1,054 by 3. The result, \$351, is the maximum allocation amount. Allow this amount as a deduction in Sandra's LTC budget. See §0913.13 (Long Term Care Spenddown Calculation).

Verify family members' income and expenses needed to determine allocations at the time of the initial eligibility determination. After the initial eligibility determination, only verify changes, including changes reported on 6-month or annual review forms. Inform clients and family members to report changes.

**GAMC:**

No provisions.



## 75 PERCENT OF FPG STANDARDS

0912.07.075

## GAMC Standard for Full Benefits

MinnesotaCare Adults Without Children Standard for Basic Plus One Benefits

MA Method B Spenddown Standard (MAXIS Standard H)

75% of Federal Poverty Guidelines (FPG) effective 7-1-05:

Household Size	Monthly Standard	6-Month Standard	Annual Standard
1	\$ 599	\$ 3,594	\$ 7,188
2	\$ 803	\$ 4,818	\$ 9,636
3	\$ 1,007	\$ 6,042	\$12,084
4	\$ 1,211	\$ 7,266	\$14,532
5	\$ 1,415	\$ 8,490	\$16,980
6	\$ 1,619	\$ 9,714	\$19,428
7	\$ 1,823	\$10,938	\$21,876
8	\$ 2,027	\$12,162	\$24,324
9	\$ 2,231	\$13,386	\$26,772
10	\$ 2,435	\$14,610	\$29,220
Additional People	\$ 204	\$ 1,224	\$ 2,448



MA Income Standard for Method A children ages 19-20 and parents/caretakers.

**MA** Income Standard for eligibility without spenddown for elderly/blind/disabled  
(MAXIS Standard E)

**Income standard for QMB is the amounts below plus \$20**  
(MAXIS Standard Q)

100% of Federal Poverty Guidelines (FPG) effective 7-1-05:

Household Size	Monthly Standard	6-Month Standard
1	\$ 798	\$ 4,788
2	\$ 1,070	\$ 6,420
3	\$ 1,342	\$ 8,052
4	\$ 1,614	\$ 9,684
5	\$ 1,886	\$ 11,316
6	\$ 2,158	\$ 12,948
7	\$ 2,430	\$ 14,580
8	\$ 2,702	\$ 16,212
9	\$ 2,974	\$ 17,844
10	\$ 3,246	\$ 19,476
Additional People	\$ 272	\$ 1,632



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MA Income Standard for SLMB and Prescription Drug  
(MAXIS Standard S)

120% of Federal Poverty Guidelines (FPG) plus \$20 effective 7-1-05:

Household Size	Monthly Standard
1	\$ 977
2	\$ 1,303
3	\$ 1,629
4	\$ 1,955
5	\$ 2,281
6	\$ 2,607
7	\$ 2,933
8	\$ 3,259
9	\$ 3,585
10	\$ 3,911
Additional People	\$ 326



Income Standard for QI-1. (MAXIS Standard U)

135% of Federal Poverty Guidelines (FPG) plus \$20 effective 7-1-05.

Household Size	Monthly Standard
1	\$ 1,097
2	\$ 1,464
3	\$ 1,831
4	\$ 2,198
5	\$ 2,565
6	\$ 2,932
7	\$ 3,299
8	\$ 3,666
9	\$ 4,033
10	\$ 4,400
Additional People	\$ 367



## 150 PERCENT OF FPG STANDARDS

0912.07.150

MinnesotaCare \$48 Annual Premium

MA Method A Standard for Children Ages 2-18 (MAXIS Standard G)

150% of Federal Poverty Guidelines (FPG) effective 7-1-05:

Household Size	Monthly Standard	Annual Standard
1	\$ 1,197	\$14,364
2	\$ 1,605	\$19,260
3	\$ 2,013	\$24,156
4	\$ 2,421	\$29,052
5	\$ 2,829	\$33,948
6	\$ 3,237	\$38,844
7	\$ 3,645	\$43,740
8	\$ 4,053	\$48,636
9	\$ 4,461	\$53,532
10	\$ 4,869	\$58,428
Additional People	\$ 408	\$ 4,896



Income Limits for MinnesotaCare Adults Without Children Over 75% FPG-Limited Benefit  
**Income limits for MinnesotaCare Parents for No Inpatient Hospitalization Cap**  
 Income Limits for GAMC over 75% FPG-Hospital Only

175% of Federal Poverty Guidelines effective 7-1-05.

Household Size	Monthly Standard	6-month Standard	Annual Standard
1	\$ 1,396	\$ 8,376	\$16,752
2	\$ 1,872	\$11,232	\$22,464
3	\$ 2,348	\$14,088	\$28,176
4	\$ 2,824	\$16,944	\$33,888
5	\$ 3,300	\$19,800	\$39,600
6	\$ 3,776	\$22,656	\$45,312
7	\$ 4,252	\$25,512	\$51,024
8	\$ 4,728	\$28,368	\$56,736
9	\$ 5,204	\$31,224	\$62,448
10	\$ 5,680	\$34,080	\$68,160
Additional People	\$ 476	\$ 2,856	\$ 5,712



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MA Income Standards for eligibility during the 2nd 6 months of TYMA (MAXIS Standard F)

185% of Federal Poverty Guidelines (FPG) effective 7-1-05:

Household Size	Monthly Standard	6-Month Standard
1	\$ 1,476	\$ 8,856
2	\$ 1,979	\$ 11,874
3	\$ 2,482	\$ 14,892
4	\$ 2,985	\$ 17,910
5	\$ 3,488	\$ 20,928
6	\$ 3,991	\$ 23,946
7	\$ 4,494	\$ 26,964
8	\$ 4,997	\$ 29,982
9	\$ 5,500	\$ 33,000
10	\$ 6,003	\$ 36,018
Additional People	\$ 503	\$ 3,018



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MA Income Standards for QWD (MAXIS Standard W).

200% of Federal Poverty Guidelines (FPG) plus \$20 effective 7-1-05:

Household Size	Monthly Standard
1	\$ 1,615
2	\$ 2,159
3	\$ 2,703
4	\$ 3,247
5	\$ 3,791
6	\$ 4,335
7	\$ 4,879
8	\$ 5,423
9	\$ 5,967
10	\$ 6,511
Additional People	\$ 544



MinnesotaCare Maximum Income Standards for Applicant Families and Children.

MA Maximum Income Standards for Pregnant Women. (MAXIS Standard C)

275% of Federal Poverty Guidelines (FPG) effective 7-1-05:

Household Size	Monthly Standard	6-Month Standard	Annual Standard
1	\$ 2,194	\$ 13,164	\$ 26,328
2	\$ 2,942	\$ 17,652	\$ 35,304
3	\$ 3,690	\$ 22,140	\$ 44,280
4	\$ 4,438	\$ 26,628	\$ 53,256
5	\$ 5,186	\$ 31,116	\$ 62,232
6	\$ 5,934	\$ 35,604	\$ 71,208
7	\$ 6,682	\$ 40,092	\$ 80,184
8	\$ 7,430	\$ 44,580	\$ 89,160
9	\$ 8,178	\$ 49,068	\$ 98,136
10	\$ 8,926	\$ 53,556	\$107,112
Additional People	\$ 748	\$ 4,488	\$ 8,976



MA Income Standard for infants through their 2nd birthday who are not eligible as auto newborns. (MAXIS Standard K)

280% of Federal Poverty Guidelines (FPG) effective 7-1-05:

Household Size	Monthly Standard	6-Month Standard	Annual Standard
1	\$ 2,233	\$ 13,398	\$ 26,796
2	\$ 2,994	\$ 17,964	\$ 35,928
3	\$ 3,755	\$ 22,530	\$ 45,060
4	\$ 4,516	\$ 27,096	\$ 54,192
5	\$ 5,277	\$ 31,662	\$ 63,324
6	\$ 6,038	\$ 36,228	\$ 72,456
7	\$ 6,799	\$ 40,794	\$ 81,588
8	\$ 7,560	\$ 45,360	\$ 90,720
9	\$ 8,321	\$ 49,926	\$ 99,852
10	\$ 9,082	\$ 54,492	\$108,984
Additional People	\$ 761	\$ 4,566	\$ 9,132



**MinnesotaCare:**

No provisions.

**MA:**

People with income equal to or less than the Special Income Standard (SIS) are eligible for the SIS EW program. See §0907.23.11 (MA Waiver Programs: EW).

Follow the steps below to determine eligibility under SIS EW:

1. Total all gross earned and unearned income of the EW applicant or enrollee. Include excluded and non-excluded types of income. Do not include spousal income.
2. Compare the result to the SIS. See SPECIAL INCOME STANDARD in §0902.37 (Glossary: Sole...). The SIS for 1-1-05 through 12-31-05 is \$1,737. The SIS for 1-1-04 through 12-31-04 is \$1,692.

If the EW applicant or enrollee's income exceeds the SIS, the person is not eligible for SIS EW. Determine eligibility using a community or LTC spenddown, depending on whether the person has a community spouse. See §0913.05.05 (Use of 6-Month and LTC Spenddowns).

If income is equal to or less than the SIS, proceed to step 3.

3. Allow the deductions from income listed in §0913.13 (Long Term Care Spenddown Calculation).

**EXCEPTION:**

Instead of the clothing and personal needs allowance or maintenance of home allowance in item 3, deduct the SIS EW maintenance needs allowance.

See MAINTENANCE NEEDS ALLOWANCE in §0902.21 (Glossary: Insurance...). The maintenance needs allowance for 7-1-05 through 6-30-06 is \$789. The maintenance needs allowance for 7-1-04 through 6-30-05 is \$766.

The result is the EW applicant or enrollee's monthly waiver obligation. See WAIVER OBLIGATION in §0902.41 (Glossary: Underinsured...). If there is no income remaining after allowable deductions, the person is eligible for EW with no spenddown or waiver obligation.

SIS EW clients do not have to meet the waiver obligation in full each month to remain eligible. Enrollees whose monthly waiver costs are less than their total monthly waiver obligation may keep the excess income and continue to receive waiver and MA services.

If both spouses are receiving or applying for EW, determine eligibility separately for each spouse. If 1 spouse is eligible under SIS EW and the other is not, compute a waiver obligation for the SIS EW spouse and a spenddown for the non-SIS EW spouse, using a household size of 1 for each spouse.

**EXAMPLE:**

Ethel is single. She receives gross RSDI of \$700. After deducting her Medicare premium and the maintenance needs allowance, there is no income remaining. She is eligible for SIS EW with no waiver obligation.

**EXAMPLE:**

Tony is single and has gross income of \$1,200. He is covered by Medicare Part A and B. After deducting his Medicare premium of \$78.20 and maintenance needs allowance of \$789, he has income of \$332 remaining. This is his waiver obligation.

**EXAMPLE:**

Julie and John, a married couple both receive EW services. Julie has gross RSDI of \$880 and John has gross RSDI of \$840. Both have Medicare premiums deducted. Determine eligibility for each spouse using a household size of 1 and the individual income. Since both have gross income less than the SIS, both will be eligible for SIS EW. Deduct the Medicare premium and maintenance needs allowance from each spouse's income to determine the waiver obligation for each.

If one spouse has gross income over the SIS, compute a spenddown for that spouse using Method B budgeting and the appropriate income standard for a household size of 1.

If one spouse is eligible under SIS EW and the other spouse resides in a nursing facility or medical institution, compute separate LTC budgets for each spouse, allowing the personal needs allowance for the LTC spouse and the monthly maintenance needs allowance for the EW spouse. Do not allow spousal allocation.

**EXAMPLE:**

Mike and Susan are a married couple. Mike resides in a LTCF facility and

receives gross RSDI of \$1,450. Susan receives EW services and has gross RSDI of \$500. Compute an LTC spenddown for Mike allowing the clothing and personal needs allowance. Compute a waiver obligation for Susan using the monthly maintenance allowance. Since Susan's income is less than the maintenance needs allowance, she has no waiver obligation. She cannot receive a spousal allocation from Mike.

If a person who is eligible under SIS EW has a community spouse, use LTC budgeting with a household size of 1, allowing the maintenance needs allowance for the EW spouse. Allow spousal allocation to the community spouse if requested. If the community spouse applies for MA, use a household size of 1. The community spouse may refuse the allocation if it is to his/her benefit. See COMMUNITY SPOUSE in §0902.07 (Glossary: Client...) for a definition and §0912.05.25.03 (Allocations--Community Spouse) for instructions on computing the allocation amount.

**EXAMPLE:**

George receives EW services. His gross income of \$1,495 is less than the SIS, so he is eligible under the SIS EW. His wife Martha does not receive MA. She receives RSDI of \$376. George may allocate income to Martha to bring her up to the basic spousal needs allowance. After deducting his Medicare premium, monthly maintenance needs allowance, and spousal allocation, he has no waiver obligation.

**EXAMPLE:**

Jack receives EW services. His gross income is less than the SIS, so he is eligible under the SIS EW. His wife, Jill, lives with him and does not receive EW services. She is considered a community spouse. Jill's income is less than the basic spousal needs allowance. Jill may request a spousal allocation from Jack. If the allocation results in a spenddown she cannot meet, she may refuse the allocation. This will result in a larger waiver obligation for Jack. Help them determine which is more advantageous.