DHS Announces Key MHCP Eligibility Policies during the Unwinding Period

TOPIC

COVID-19 continuous coverage requirements for the Minnesota Health Care Programs (MHCP) ended on March 31, 2023. This bulletin provides key eligibility policies that are in effect for some MHCP enrollees during the unwinding period starting April 1, 2023, and lasting through May 31, 2024.

PURPOSE

To provide key MHCP eligibility policies following the end of the COVID-19 continuous coverage requirements.

CONTACT

Counties and tribal agencies should submit policy questions via HealthQuest.

All others should direct questions to:

Health Care Eligibility and Access Division
PO Box 64989
540 Cedar Street
St. Paul, MN 55164-0989

SIGNED

JULIE MARQUARDT/s/
Interim Assistant Commissioner/Interim State Medicaid Director
Health Care Administration

TERMINOLOGY NOTICE

The terminology used to describe people we serve has changed over time. The Minnesota Department of Human Services (DHS) supports the use of "People First" language.
I. Background

On April 29, 2020, the Department of Human Services (hereafter referred to as “DHS” or “we”) published Bulletin #20-21-02 which announced temporary eligibility policy changes to Minnesota Health Care Programs (MHCP) to ensure enrollees maintained coverage during the COVID-19 public health emergency (PHE). We announced that for the duration of the COVID-19 PHE, enrollees would remain covered unless the enrollee was no longer a state resident, voluntarily requested closure or died. Subsequently, we issued Bulletin #20-21-10, Bulletin #20-21-13, Bulletin #21-21-04 and Bulletin #21-21-07, which announced additional policy changes in effect during the COVID-19 PHE.

In December 2022, Congress passed the Consolidated Appropriations Act, 2023, which disconnects Medicaid continuous coverage requirements from the PHE, and ends continuous coverage on March 31, 2023. States must, over a period of time, return to standard eligibility and enrollment policies and operations, including resuming eligibility renewals, acting on adverse changes in circumstances and terminating eligibility for people who no longer qualify. This period of time is known as the unwinding period. Minnesota’s unwinding period runs from April 1, 2023, through May 31, 2024.

Most MHCP enrollees will maintain coverage according to the COVID-19 continuous coverage policies, until their eligibility renewal occurs during the unwinding period. These MHCP enrollees will transition from continuous coverage policies to standard eligibility policies when their renewal is conducted. By the end of the unwinding period, all MHCP enrollees who had continuous coverage will have had their eligibility renewal and standard policies and procedures will apply to all enrollees.

This bulletin describes some of the eligibility policies that apply to MHCP enrollees after the continuous coverage requirements end. We will issue additional bulletins to announce other eligibility policy changes during the unwinding period.

The policy changes in this bulletin apply to the following MHCP:

- Medical Assistance for Families with Children and Adults (MA-FCA)
- Medical Assistance for People Age 65 and Older, Blind or Disabled (MA-ABD)
- Medical Assistance for Employed Persons with Disabilities (MA-EPD)
- Medical Assistance under the TEFRA Option
- Medical Assistance for Children in Foster Care, Northstar Adoption Assistance and Kinship Assistance
- Medical Assistance for the Treatment of Breast and Cervical Cancer (MA-BC)
- Medical Assistance for People Receiving Services at the Center for Victims of Torture (MA-CVT)
- Medicare Savings Programs (MSP): Qualified Medicare Beneficiaries (QMB), Service Limited Medicare Beneficiaries (SLMB), Qualified Individuals (QI) and Qualified Working Disabled (QWD)
- Emergency Medical Assistance (EMA)
- Minnesota Family Planning Program (MFPP)
- MinnesotaCare
II. Key Eligibility Policies Beginning April 1, 2023

A. Medical Assistance (MA)

1. **MA Protected Coverage Group**

   Beginning April 1, 2023, certain MA enrollees remain protected by the COVID-19 continuous coverage policies until their annual renewal occurs during the unwinding period. These MA enrollees are in the “MA protected coverage group.”

   Enrollees in the MA protected coverage group have not had an annual renewal yet during the unwinding period and:
   - Applied before April 1, 2023, and were enrolled in MA during March 2023; or
   - Were determined eligible for MA based on a change in circumstance with an effective date before April 1, 2023 and were enrolled in MA during March 2023.

2. **MA Standard Eligibility Group**

   Beginning April 1, 2023, certain MA enrollees are subject to all standard MA eligibility policies. These enrollees are in the “MA standard eligibility group.”

   Enrollees in the MA standard eligibility group:
   - Applied for MA on or after April 1, 2023, even if retroactive coverage is approved for March 2023 or earlier; or
   - Were determined eligible for MA based on a beneficial change in circumstance with an effective date on or after April 1, 2023, even if retroactive coverage is approved for March 2023 or earlier; or
   - Were in the MA protected coverage group, their annual MA renewal was conducted during the unwinding period, and their MA eligibility was renewed.

B. MinnesotaCare

1. **Household includes an MA enrollee in the MA protected coverage group**

   Beginning April 1, 2023, COVID-19 continuous coverage policies continue to apply for MinnesotaCare enrollees whose case includes a household member in the MA protected coverage group until the MA renewal occurs for the protected MA enrollee during the unwinding period.

2. **Household does not include an MA enrollee in the MA protected coverage group**

   Beginning April 1, 2023, COVID-19 continuous coverage policies no longer apply to MinnesotaCare enrollees whose case does not include a household member in the MA protected coverage group and standard MinnesotaCare eligibility policies apply.
However, for MinnesotaCare enrollees who were eligible with continuous coverage prior to April 1, 2023, review and confirm their eligibility information before completing a redetermination to ensure correct eligibility results.

MinnesotaCare enrollees who were eligible with continuous coverage:

- Applied before April 1, 2023, and were eligible for MinnesotaCare during March 2023; or
- Were determined eligible for MinnesotaCare based on a change in circumstance with an effective date before April 1, 2023 and were eligible for MinnesotaCare during March 2023.

C. Changes in Circumstances

Beginning April 1, 2023, for enrollees in the MA protected coverage group, and MinnesotaCare enrollees with a household member in the MA protected coverage group, continue to follow COVID-19 continuous coverage policies. Do not take action on adverse changes in circumstances other than those permitted by the COVID-19 emergency policies.

Beginning April 1, 2023, for MinnesotaCare enrollees with no household member in the MA protected coverage group, who were eligible with continuous coverage, review and confirm all eligibility information prior to acting on an adverse change in circumstance. Close MinnesotaCare coverage with required advance notice if the enrollee is determined ineligible for MinnesotaCare.

Beginning April 1, 2023, for enrollees in the MA standard eligibility group and MinnesotaCare enrollees who were not eligible with continuous coverage, all standard eligibility policies related to changes in circumstances apply. See the Eligibility Policy Manual (EPM) Section 1.3.2.1 MHCP Changes in Circumstances, Section 1.3.1.5 MHCP Notices, and Section 1.5 MHCP Mandatory Verifications for more information.

D. Post-Eligibility Verifications

Beginning April 1, 2023, for enrollees in the MA protected coverage group and MinnesotaCare enrollees with a household member in the MA protected coverage group, maintain coverage despite overdue post-eligibility verifications, until their annual renewal occurs during the unwinding period. At the time of their renewal, all outstanding post-eligibility verifications must be resolved to renew MA or MinnesotaCare for a new eligibility period.

Beginning April 1, 2023, for MinnesotaCare enrollees with no household member in the MA protected coverage group, who were eligible with continuous coverage, review and confirm all eligibility information before acting on an adverse action related to overdue post-eligibility verifications. If not resolved before the MinnesotaCare renewal, outstanding post-eligibility verifications must be resolved to renew MinnesotaCare for a new eligibility period.

Beginning April 1, 2023, for enrollees in the MA standard eligibility group and MinnesotaCare enrollees who were not eligible with continuous coverage, all standard eligibility policies related to the reasonable opportunity period for post-eligibility verifications apply. See the EPM Section 2.1.2.5 MA Social Security Number, Section 3.2.4 MinnesotaCare Social Security Number, Section 2.1.2.2.1 MA Citizenship, Section...
E. Data Matching

Beginning April 1, 2023, for enrollees in the MA protected coverage group, continue to follow COVID-19 continuous coverage data matching policies until their annual renewal occurs during the unwinding period.

Beginning April 1, 2023, process Income and Eligibility Verification System (IEVS) and Public Assistance Reporting Information System (PARIS) matches for enrollees in the MA standard eligibility group using standard eligibility policies. Process PARIS matches for MinnesotaCare enrollees using standard eligibility policies. See the EPM Section 1.4 MHCP State Residency for more information about PARIS matches.

Periodic data matching (PDM) for MA and MinnesotaCare enrollees with eligibility in the Minnesota Eligibility Technology System (METS) will not occur during the unwinding period.

F. MA-LTC and Uncompensated Transfers

The transfer of an asset or income without adequate compensation, known as an uncompensated transfer, may result in a period of ineligibility for MA for Long-Term Care Services (MA-LTC) applicants and enrollees.

Beginning April 1, 2023, for enrollees in the MA protected coverage group and enrollees in the MA standard eligibility group, evaluate uncompensated transfers that were discovered or reported both before and after April 1, 2023, and apply penalty periods following standard policies. Agencies must send the enrollee a 10-day advance notice of closure due to an uncompensated transfer. If more than three calendar months have passed since the transfer was reported or discovered, only the remaining months of the transfer penalty following the month the 10-day notice is sent can be imposed. See the EPM Section 2.4.1.3.2. MA-LTC Transfer Penalty for more information.

For MA-LTC enrollees in the MA protected coverage group, penalty periods may be imposed in advance of the enrollee’s annual renewal. Maintain basic MA coverage during a penalty period until the enrollee’s annual renewal. To determine whether a spenddown may be imposed or increased if closing MA-LTC coverage and maintaining basic MA coverage due to a penalty period, follow COVID-19 temporary policies.

For MA-LTC enrollees in the MA standard eligibility group, apply standard policies when evaluating uncompensated transfers. Redetermine the enrollee’s eligibility for basic MA coverage during the penalty period. If the enrollee remains eligible for MA during the penalty period, MA will pay for non-LTC services.

G. MA-LTC Income Calculation Adjustments

Beginning April 1, 2023, for MA-LTC enrollees in the MA protected coverage group, adjustments to an LTC income calculation that result in an increase to the LTC spenddown or waiver obligation, can only be
processed after the enrollee’s MA eligibility renewal is completed. The months that can be adjusted to increase the LTC spenddown or waiver obligation include only the month after the renewal is processed. Beginning April 1, 2023, MA-LTC enrollees in the MA standard eligibility group can have their LTC spenddowns or waiver obligations increased for months beginning with April 2023.

III. Action Required

County, tribal and DHS workers must follow the policies in this bulletin.

IV. Legal Authority

Consolidated Appropriations Act, 2023 (Public Law Number 117-328)
Section 6004 of the Families First Coronavirus Response Act (Public Law Number 116-127)
Laws of Minnesota 2023, chapter 22, section 2

Americans with Disabilities Act (ADA) Advisory

This information is available in accessible formats for people with disabilities by calling 651-297-3862 or toll free at 800-657-3672 or by using your preferred relay service. For other information on disability rights and protections, contact the agency’s ADA coordinator.