

STATE OF MINNESOTA  
COUNTY OF HENNEPIN

BEFORE THE MINNESOTA  
COMMISSIONER OF HEALTH

In the Matter of  
Proposed Amendments to  
7 MCAR § 1.651 B.26 and  
7 MCAR § 1.654 B relating  
to Services for Children  
with Handicaps

STATEMENT OF NEED  
AND REASONABLENESS

The above captioned rules are amendments to rules promulgated by the Commissioner of Health (hereinafter "Commissioner") in 1979. These proposed amendments to existing rules merely (a) delete reference to a mathematical formula and establish a dollar amount to define state medium income, and (b) revise the table of income figures used to determine the amount of state financial assistance so as to correspond to more current data on the medium income of the Minnesota residents.

The legal authority for adopting these rules is found in Minn. Stat. §§ 144.12, as amended by Minn. Laws 1983, ch. 359, § 9, 144.05, 144.07, 144.06, 144.09, 144.10, and 144.11 (1982). Further, authority is vested in the Commissioner through Minnesota Department of Administration Reorganization Order No. 101 issued pursuant to Minn. Stat. § 16.125 (1982) (hereinafter "Reorganization Order 101"). Reorganization Order 101 vests within the Commissioner the authority to implement Minn. Stat. §§ 256.01, subd. 2(3) and (5), as amended by Minn. Laws 1983, ch. 7, § 3, ch. 243, § 5, ch. 312, § 3 (art. 5), 256.011, 257.175, 250.05 as amended by Minn. Laws 1983, ch. 305, § 22, and 260.35 (1982) insofar as these statutes concern Services to Children with Handicaps. Further legal authority is found in Minn. Stat. §§ 14.05, subds. 1 to 3; 14.07, subd. 5; and 14.06 (1982). With the exception of the

nonsubstantive amendments above referenced, the legal authority to adopt these amendments is the same as existed in 1979 when the initial rules were promulgated. For this reason, the Statement of Need dated March 29, 1979, used to support the initial promulgation of these rules is attached hereto as Exhibit 1, made a part hereof, and asserted as the current legal basis authorizing these proposed amendments. It should be noted that the title of the program used in the initial Statement of Need "Crippled Children Services," has been changed to "Services for Children with Handicaps."

7 MCAR § 1.651 B.26. This definition relates to cost-sharing and cost-sharing procedures. The figure established by this definition is used to determine how much a family seeking financial assistance from Services for Children with Handicaps may be required to pay for treatment (cost-share) and how much the state shall pay for treatment. The amendment is needed to reflect the reality of inflation within the economy and to recognize that the determination of families in need of monetary assistance and treatment costs should be based on more current figures of medium income rather than those available in 1979. It is both necessary and reasonable to initially and explicitly state an actual dollar amount to establish medium income so as to add clarity to the definition, and to prevent interested persons from having to undertake needless mathematical calculation or to refer to figures compiled by another state agency so as to determine medium income.

Since the gross medium income has risen dramatically since 1977, the year used in compiling figures for the rules promulgated in 1979, it is reasonable to expect that the most recent available figures should be used by the Commissioner in calculating family cost-shares. Within the past several years, the Commissioner

has observed that a number of families whose sole source of income is social security or other public programs must cost-share, that is, pay for a portion of the treatment for those persons eligible for treatment. These families presently need not pay a portion of the costs to qualify for other social service programs. Thus, the current cost-share schedule based on 1977 medium income figures presents a significant financial hardship for low-income families who have a member with a long-term handicapping condition.

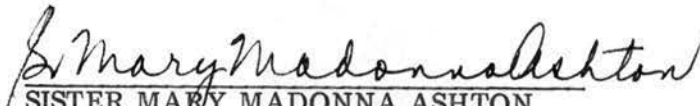
The state medium income figure for a Minnesota family of four is derived from a figure established by the United States Department of Health and Human Services. As demonstrated by the informational memorandum distributed by the United States Department of Health and Human Services, Social Security Administration, Office of Family Assistance, September 24, 1982, attached hereto and made a part hereof as Exhibit 2, the Minnesota medium income for a family of four is derived from the bureau of census March 1981, Current Population Survey, the 1980 Census of Population Early National Sample, and per capita income estimates from the United States Bureau of Economic Analysis. This income is used by the Minnesota State Department of Public Welfare as the basis for determining income eligibility and fees for social services. It is reasonable and desirable that the Commissioner be consistent with other state programs which require applicants to share in the cost of services.

7 MCAR § 1.654. Inasmuch as the proposed amendment to 7 MCAR § 1.651. B.26 establishes a gross medium income level for Minnesota families, it is

reasonable to revise the 1979 cost-share schedule to correspond with the new gross medium income. This section is needed to set forth the new cost-sharing schedule based on available data.

STATE OF MINNESOTA

COMMISSIONER OF HEALTH

  
SISTER MARY MADONNA ASHTON  
Commissioner