

MinnesotaCare

MinnesotaCare is a jointly funded, federal-state program administered by the Minnesota Department of Human Services that provides subsidized health coverage to eligible Minnesotans. This information brief describes eligibility requirements, covered services, and other aspects of the program.

Note: Individuals who have questions about MinnesotaCare eligibility or are interested in applying for MinnesotaCare should call the Minnesota Department of Human Services at 651-297-3862 (in the metro area) or 1-800-657-3672.

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Administration

MinnesotaCare is administered by the Minnesota Department of Human Services (DHS). DHS is responsible for processing applications and determining eligibility, contracting with managed care plans, monitoring spending on the program, and developing administrative rules. County human services agencies are responsible for determining Medical Assistance (MA) and General Assistance Medical Care (GAMC) eligibility for applicants for those programs. County human services agencies are also responsible for determining MinnesotaCare eligibility and managing MinnesotaCare cases for GAMC enrollees who transition to MinnesotaCare (see page 7). Some county human services agencies have elected to process additional MinnesotaCare applications and manage additional MinnesotaCare cases.

Eligibility Requirements

To be eligible for MinnesotaCare, individuals must meet income limits and satisfy other requirements related to residency and lack of access to health insurance. MinnesotaCare eligibility must be renewed every 12 months.¹

Income Limits

Children² and parents, legal guardians, foster parents, or relative caretakers residing in the same household are eligible for MinnesotaCare, if their gross household income does not exceed 275 percent of the federal poverty guidelines (FPG) and if other eligibility requirements are met. However, parents, legal guardians, foster parents, and relative caretakers are not eligible if their gross annual income exceeds \$50,000, regardless of whether their income exceeds 275 percent of FPG. This annual income cap will increase to \$57,500, effective July 1, 2010, or upon federal approval, whichever is later. Different eligibility requirements and premiums apply to children from households with gross incomes that do not exceed 150 percent of FPG.

Single adults and households without children are eligible for MinnesotaCare if their gross household incomes do not exceed 200 percent of FPG³ and they meet other eligibility requirements. The income limit for this eligibility group will be increased to 250 percent of FPG beginning July 1, 2009.

¹ The statutory change increasing the renewal period from six to 12 months was effective July 1, 2007; the change codified existing practice.

² A child is defined in the law as an individual under 21 years of age, including the unborn child of a pregnant woman and an emancipated minor and that person's spouse.

³ The income limit for adults and households without children was increased from 175 percent to 200 percent of FPG on January 1, 2008.

Extended Coverage for Children

On October 31, 2008, the federal Centers for Medicare and Medicaid Services (CMS) denied a request by the state to allow children age one through 18 who become ineligible for Medical Assistance (MA) due to excess income to be eligible for two additional months of MA⁴ and be automatically eligible for MinnesotaCare until the next MinnesotaCare renewal. These children would have been exempt until renewal from the MinnesotaCare income limit and from the requirement that MinnesotaCare enrollees have no current access to employer-subsidized coverage, no access to employer-subsidized coverage through the current employer for 18 months prior to application or reapplication, and no other health coverage while enrolled or for at least four months prior to application or renewal. These children would have been required to pay the standard MinnesotaCare sliding scale premiums to enroll and remain enrolled.

The coverage extension was authorized by the 2007 Legislature in [Laws 2007, chapter 147, article 13](#), and was to have been effective October 1, 2008, or upon federal approval. In a letter to CMS, the Minnesota Department of Human Services has indicated that it plans to resubmit the request.

Enrollees whose incomes rise above program income limits after initial enrollment are disenrolled from the program. Children are exempt from this requirement and can remain enrolled in MinnesotaCare if 10 percent of their gross individual or family income for a six-month period is less than the six-month premium of the \$500-deductible policy offered by the Minnesota Comprehensive Health Association (MCHA).⁵

Table 1 lists categories of persons eligible for MinnesotaCare, eligibility criteria, and enrollee cost (see table on page 11 for sample sliding scale premiums). Table 2 lists program income limits for different family sizes.

⁴ These two additional months would have been in addition to the transitional MA coverage that is available to persons who lose MA eligibility due to increased earned or unearned income.

⁵ The MCHA offers health insurance to Minnesota residents who have been denied private market coverage due to pre-existing health conditions.

Table 1
Eligibility for MinnesotaCare*

Eligible Categories	Household Income Limit	Other Eligibility Criteria	Cost to Enrollee
Lower income children	150% of FPG	Not otherwise insured for the covered services or insurance is considered underinsured; residency requirement	\$4 per child per month
Other children;	151% - 275% of FPG	No access to employer-subsidized coverage; no other health coverage; residency requirement	Premium based on sliding scale
Pregnant women	275% of FPG	No access to employer-subsidized coverage; no other health coverage; residency requirement	Premium based on sliding scale
Parents and relative caretakers	275% of FPG or \$50,000, whichever is less	No access to employer-subsidized coverage; no other health coverage; residency requirement; asset limit	Premium based on sliding scale
Single adults, households without children	200% of FPG**	No access to employer-subsidized coverage; no other health coverage; residency requirement; asset limit	Premium based on sliding scale
* Exceptions to these requirements are noted in the text. ** To be increased to 250% of FPG effective July 1, 2009.			

Table 2
**Annual Household Income Limits for MinnesotaCare
(Effective July 1, 2008)**

Household Size*	Lower Income Children 150% of 2008 FPG	Adults Without Children 200% of 2008 FPG	Families and Children 275% of 2008 FPG**
1	\$15,600	\$20,808	\$28,608
2	21,000	28,008	38,508
3	26,400	Not eligible	48,408
4	31,800	Not eligible	58,308
Each Additional Person	Add \$5,400	Not applicable	Add \$9,900
* Pregnant women are households of two. ** Parents are not eligible once income exceeds \$50,000.			

Asset Limits

MinnesotaCare adult applicants and enrollees who are not pregnant are subject to an asset limit, identical to the Medical Assistance program's asset limit for parents. This asset limit is \$10,000 in total net assets for a household of one person, and \$20,000 in total net assets for a household of two or more persons. Certain items are not considered assets when determining MinnesotaCare eligibility, including the following:

- the homestead
- household goods and personal effects
- a burial plot for each member of the household
- life insurance policies and assets for burial expenses, up to the limits established for the Supplemental Security Income (SSI) program
- capital and operating assets of a business up to \$200,000
- insurance settlements for damaged, destroyed, or stolen property are excluded for three months if held in escrow
- a motor vehicle for each person who is employed or seeking employment
- court-ordered settlements of up to \$10,000
- individual retirement accounts and funds
- assets owned by children
- workers' compensation settlements received due to a work-related injury⁶

Pregnant women and children are exempt from the MinnesotaCare asset limit.

No Access to Employer-Subsidized Coverage

A family or individual must not have access to employer-subsidized health care coverage. A family or individual must also not have had access to employer-subsidized health care coverage through a current employer for 18 months prior to application or re-application. Employer-subsidized coverage is defined as health insurance coverage for which an employer pays 50 percent or more of the premium cost. This requirement applies to each individual. For example, if an employer contributes 50 percent or more towards the cost of coverage for an employee but does not contribute 50 percent or more towards the cost of covering that employee's dependents, the employee is not eligible for MinnesotaCare but the employee's dependents are eligible.

The requirement of no current access to employer-subsidized coverage does not apply to the following:

1. Children from households with incomes that do not exceed 150 percent of FPG
2. Children enrolled in the Children's Health Plan as of September 30, 1992 (the precursor program to MinnesotaCare) who have maintained continuous coverage

⁶ This asset exclusion was approved by the federal government on October 31, 2008, and will be effective January 1, 2009.

3. Children who enrolled in the Children's Health Plan during a transition period following the establishment of MinnesotaCare

Children referred to in clauses (1) and (2) are, in some cases, also exempt from the no-other-health-coverage requirement (see section below).

Families or individuals whose employer-subsidized coverage was lost because an employer terminated health care coverage as an employee benefit during the previous 18 months are also not eligible for MinnesotaCare.

A family or individual disenrolled from MinnesotaCare because of the availability of employer-subsidized health coverage, who reapplies for MinnesotaCare within six months of disenrollment because the employer terminates health care coverage as an employee benefit, is exempt from the 18-month enrollment restriction related to access to subsidized coverage.

No Other Health Coverage

Enrollees must have no other health coverage and must not have had health insurance coverage for the four months prior to application or renewal. For purposes of these requirements:

1. MA, General Assistance Medical Care (GAMC), and CHAMPUS (Civilian Health and Medical Program of the Uniformed Service, also called TRICARE) are not considered health coverage for purposes of the four-month requirement; and
2. Medicare coverage is considered health coverage, and an applicant or enrollee cannot refuse Medicare coverage to qualify for MinnesotaCare.

Children from households with incomes that do not exceed 150 percent⁷ of FPG and children enrolled in the original Children's Health Plan who have maintained continuous coverage are not subject to the four-month uninsured requirement and may have other health coverage, if the children are considered "underinsured." A child is underinsured if:

1. The coverage lacks two or more of the following:
 - basic hospital insurance
 - medical-surgical insurance
 - prescription drug coverage
 - preventive and comprehensive dental coverage
 - preventive and comprehensive vision coverage
2. The coverage requires a deductible of \$100 or more per person per year; or
3. The child lacks coverage because the maximum coverage for a particular diagnosis has been exceeded, or the policy of coverage excludes coverage for that diagnosis.

⁷ The exemption from the four-month uninsured requirement is found only in rule. See [Minnesota Rules, part 9506.0020, subpart 3, item A.](#)

Residency Requirement

Pregnant women, families, and children must meet the residency requirements of the Medicaid program. The Medicaid program requires an individual to demonstrate intent to reside permanently or for an indefinite period in a state, but it does not include a durational residency requirement (a requirement that an individual live in a state for a specified period of time before applying for the program).

In contrast, enrollees who are adults without children must have resided in Minnesota for 180 days prior to application and must also satisfy other criteria relating to permanent residency.

Enrollment of Certain GAMC Applicants and Recipients

Since September 1, 2006, certain General Assistance Medical Care (GAMC) applicants and recipients have been enrolled in the MinnesotaCare program as adults without children, immediately following approval of GAMC coverage. These individuals are exempt from MinnesotaCare premiums, income and asset limits, and eligibility requirements related to not having other health coverage and not having access to employer-subsidized health insurance for up to six months until their next six-month renewal. County agencies are required to pay the enrollee share of MinnesotaCare premiums for these individuals up to the six-month renewal and have the option of continuing to pay for these premiums beyond this period. At the six-month renewal, all MinnesotaCare eligibility criteria apply.

GAMC applicants and recipients are exempt from the MinnesotaCare enrollment requirement if they are any of the following:

- eligible for GAMC as General Assistance or Group Residential Housing recipients;
- awaiting a determination of blindness or disability;
- unable to meet the MinnesotaCare residency requirement;
- homeless;
- end-stage renal disease beneficiaries in the Medicare program;
- persons enrolled in private health coverage;
- certain persons detained by law for less than one year in a county correctional or detention facility or admitted to a hospital on a criminal hold order;
- persons who receive treatment funded through the Consolidated Chemical Dependency Treatment Fund; or
- persons residing in the Minnesota sex offender program

Benefits

MinnesotaCare enrollees are covered by several different benefit sets. Pregnant women and children have access to the broadest range of services and are not required to pay copayments. Parents and adults without children are covered for most services, but are subject to benefit limitations and copayments. These differences are summarized in Table 3 below and are described in more detail in the text.

Table 3
Overview – MinnesotaCare Covered Services and Cost-Sharing

Eligibility Category	Covered Services ⁸	Inpatient Hospital Limit	Cost-Sharing
Pregnant women and children	MA benefit set	None	None
Parents ≤ 175% of FPG	Most MA services	None	\$25 eyeglasses \$3 prescriptions \$3 nonpreventive visit \$6 nonemergency visit to hospital ER
Parents > 175% and ≤ 275% of FPG	Most MA services	\$10,000 annual limit for inpatient hospital services ⁹	\$25 eyeglasses \$3 prescriptions \$3 nonpreventive visit \$6 nonemergency visit to hospital ER
Adults without children	Most MA services	\$10,000 annual limit for inpatient hospital services	\$25 eyeglasses \$3 prescriptions \$3 nonpreventive visit \$6 nonemergency visit to hospital ER 10% inpatient hospital, up to \$1,000

Covered Services and Benefit Limitations

Pregnant women and children up to age 21 enrolled in MinnesotaCare can access the full range of MA services without enrolling in MA, except that abortion services are covered as provided under the MinnesotaCare program.¹⁰ These individuals are exempt from MinnesotaCare benefit limitations and copayments,¹¹ but still must pay MinnesotaCare premiums. Pregnant women and

⁸ See Table 4 for a list of covered services.

⁹ The state is requesting federal approval to raise the income limit above which patients are subject to this annual limit (see footnote 13).

¹⁰ Under MinnesotaCare, abortion services are covered “where the life of the female would be endangered or substantial and irreversible impairment of a major bodily function would result if the fetus were carried to term; or where the pregnancy is the result of rape or incest” (Minn. Stat. § 256L.03, subd. 1). Under MA, abortion services are covered to save the life of the mother and in cases of rape or incest (see Minn. Stat. § 256B.0625, subd. 16) and, as a result of a Minnesota Supreme Court decision, for “therapeutic” reasons (*Doe v. Gomez*, 542 N.W.2d 17 (1995)). MinnesotaCare enrollees must enroll in the MA program in order to obtain abortion services under the MA conditions of coverage. Nearly all MinnesotaCare enrollees who are pregnant women are eligible for MA.

¹¹ This change in MinnesotaCare was approved by the federal government in April 1995 as part of the state’s health care reform waiver (now referred to as the Prepaid Medical Assistance Project Plus or PMAP+ waiver). The waiver, and subsequent waiver amendments, exempt Minnesota from various federal requirements, give the state greater flexibility to expand access to health care through the MinnesotaCare and MA programs, and allow the state to receive federal contributions (referred to as “federal financial participation” or FFP) for services provided to

children up to age two are not disenrolled for failure to pay MinnesotaCare premiums and can avoid MinnesotaCare premium charges altogether by enrolling in MA.

Parents and adults without children, who are not pregnant, are covered under MinnesotaCare for most, but not all, services covered under MA.¹² Parents with household incomes greater than 200 percent of FPG, and all adults without children, are subject to an annual benefit limit for inpatient hospital services of \$10,000.¹³

Table 4
Covered Services Under MinnesotaCare

Service	Children; Pregnant Women	Parents; Adults without children*
Adult mental health rehab/crisis	x	x
Alcohol/drug treatment	x	x
Child and teen checkup	x	
Chiropractic	x	x
Common carrier transportation	x	
Dental	x	x
Emergency room	x	x
Eye exams	x	x
Eyeglasses	x	x
Family planning	x	x
Hearing aids	x	x
Home care	x	x**
Hospice care	x	x
Hospital stay	x	x
Immunizations	x	x
Interpreters (hearing, language)	x	x

MinnesotaCare enrollees who are children, pregnant women, or parents and relative caretakers of children under age 21. After protracted negotiations, the PMAP+ waiver was reauthorized by the federal Centers for Medicare and Medicaid Services for the period October 31, 2008, through June 30, 2011.

¹² Effective October 1, 2003, through December 31, 2007, adults without children with incomes greater than 75 percent but not exceeding 175 percent of FPG received coverage under MinnesotaCare for a limited benefit set. The limited benefit set covered inpatient hospital services (subject to a \$10,000 annual limit), physician services, outpatient hospital and ambulatory surgical center services, chiropractic services, lab and diagnostic services, diabetic supplies and equipment (added January 1, 2006), and prescription drugs. This coverage was subject to a \$5,000 annual limit on outpatient services, which was eliminated January 1, 2006. The limited benefit set was eliminated by the 2007 Legislature, effective January 1, 2008. Prior to January 1, 2008, outpatient mental health coverage for parents and adults without children was limited to diagnostic assessments, psychological testing, explanation of findings, day treatment, partial hospitalization, psychotherapy, and medication management. This restriction was eliminated January 1, 2008, except that coverage for mental health case management will not take effect until January 1, 2009.

¹³ Federal approval of the increase in the income limit at or above which the annual inpatient hospital benefit limit applies (from 175 percent to 200 percent of FPG) was obtained on October 31, 2008. The increase in the limit will take effect April 1, 2009.

Table 4
Covered Services Under MinnesotaCare

Service	Children; Pregnant Women	Parents; Adults without children*
Lab, x-ray, diagnostic	x	x
Medical equipment and supplies	x	x
Mental health	x	x
Mental health case management	x	x (beginning 1/1/09)
Nursing home/ICF/MR	x	
Outpatient surgical center	x	x
Physicians and clinics	x	x
Physicals/preventive care	x	x
Prescriptions	x	x
Rehabilitative therapies	x	x
School-based services	x	
Transportation: emergency	x	x
Transportation: special	x	
* Benefit limitations and cost-sharing requirements apply. ** Personal care attendant and private duty nursing services are covered for children and pregnant women, but are not covered for parents and adults without children.		

Copayments for Adults

Parents and adults without children, who are not pregnant, are subject to the following copayments:

- Copayment of 10 percent of paid charges for inpatient hospital services, up to an annual maximum of \$1,000 per adult or \$3,000 per family (This copayment does not apply to parents and relative caretakers of children under age 21.)
- \$3 copayment per prescription
- \$25 copayment per pair of eyeglasses
- \$3 per nonpreventive visit (does not apply to mental health services)
- \$6 for nonemergency visits to a hospital emergency room

Enrollee Premiums

\$48 Annual Premium

Children enrolling in MinnesotaCare are charged a fixed monthly premium of \$4 per child, if they are from households with incomes that do not exceed 150 percent of FPG.

Subsidized Premium Based on Sliding Scale

Children enrolling in MinnesotaCare who do not qualify for the \$4 fixed monthly premium described above and adults enrolling in the program are charged a subsidized premium based upon a sliding scale. The premium charged ranges from 1.5 percent to 9.8 percent of gross family income.¹⁴ The minimum premium is \$4 per person per month.

The following table provides sample monthly sliding scale premiums for different income levels and household sizes. The premiums apply to both families with children and to adults without children. The premiums will be adjusted in the near future by DHS to reflect recent federal approval of the elimination of an increase in the MinnesotaCare sliding premium scale (see footnote 14). Complete premium tables are available on the DHS web site at edocs.dhs.state.mn.us/lfsrserver/legacy/DHS-4139-ENG.

Table 5
Sample Monthly Household Premiums
(as of July 1, 2008)

Gross Monthly Income	Household Size (assumes all household members enroll)				
	1	2*	3	4	5
\$250	\$4	\$8	\$12	\$12	\$12
\$500	9	8	12	12	12
\$1,000	36	23	18	18	18
\$1,500	80	53	42	35	27
\$2,000	167	107	87	72	47
\$2,500	N.E.	173	133	108	90
\$3,000	N.E.	294	208	160	128
\$3,500	N.E.	N.E.	295	225	186
\$4,000	N.E.	N.E.	393	334	255

NOTE: N.E. means **not eligible** to enroll in MinnesotaCare at this income level.
* The maximum income limits for households without children are \$1,734 (household of one) and \$2,334 (household of two). The sample premiums listed in the table reflect the higher income limits that apply to families with children.

¹⁴ The premium charged will be reduced to a range of 1.5 percent to 8.8 percent of gross income, beginning with the March 15, 2009, premium billing. This reduction reflects the 2007 Legislature's elimination, subject to federal approval, of increases in the MinnesotaCare sliding scale of 0.5 or 1.0 percentage points (depending upon income), which had been authorized in 2003. Federal approval for the elimination of this increase was received on October 31, 2008. The 2007 Legislature also eliminated a planned increase of 8 percent in MinnesotaCare premiums. Federal approval for the elimination of this increase, which had never been implemented, was also obtained on October 31, 2008.

Premium Exemption

Members of the military and their families who are determined eligible for MinnesotaCare within 24 months of the end of the member's tour of active duty are exempt from premiums for 12 months.¹⁵

New Premium Scale

Beginning July 1, 2009, or upon federal approval, whichever is later, MinnesotaCare enrollees will pay premiums equivalent to the following percentages of gross monthly income specified in the table below. Children in families with incomes at or below 150 percent of FPG will continue to pay the minimum premium of \$4 per month.

Table 6
New Premium Scale
(as of July 1, 2009, or upon federal approval)

Federal Poverty Guideline Range	Average Percentage of Gross Monthly Income Paid as Premium
0 - 45%	Minimum premium of \$4/month
46 - 54	1.1%
55 - 81	1.6
82 - 109	2.2
110 - 136	2.9
137 - 164	3.6
165 - 191	4.6
192 - 219	5.6
220 - 248	6.5
249 - 274	7.2
275 - 300	8.0

Prepaid MinnesotaCare

The legislature has authorized the Commissioner of Human Services to contract with health maintenance organizations and other prepaid health plans to deliver health care services to MinnesotaCare enrollees. All MinnesotaCare enrollees receive health care services through prepaid health plans and not through fee-for-service.

Prepaid health plans (sometimes referred to as managed care plans) receive a capitated payment from DHS for each MinnesotaCare enrollee, and in return are required to provide enrollees with all covered health care services for a set period of time. A capitated payment is a predetermined,

¹⁵ Federal approval for this provision was obtained on October 31, 2008. The provision will take effect February 1, 2009, and will expire June 30, 2010.

fixed payment per enrollee that does not vary with the amount or type of health care services provided. A prepaid health plan reimbursed under capitation does not receive a higher payment for providing more units of service or more expensive services to an enrollee, nor does it receive a lower payment for providing fewer units of service or less expensive services to an enrollee.

Under prepaid MinnesotaCare, enrollees select a specific prepaid plan from which to receive services, obtain services from providers in that plan's provider network, and follow that plan's procedures for seeing specialists and accessing health care services. Enrollee premiums, covered health care services, and copayments are the same as they would have been under fee-for-service MinnesotaCare.

Funding and Expenditures

Total payments for health care services provided through MinnesotaCare were \$434 million in fiscal year 2007. Sixty-one percent of this amount was paid for through state payments from the health care access fund. Enrollee premiums (this category also includes enrollee cost-sharing) and federal funding received under the Prepaid Medical Assistance Project Plus (PMAP+) waiver and a State Children's Health Insurance Program (SCHIP)¹⁶ waiver pay for the remainder.

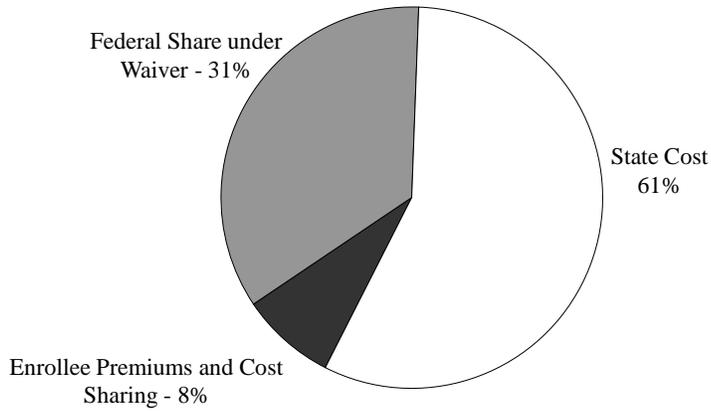
Funding for the state share of MinnesotaCare costs, and for other health care access initiatives, is provided by:

- A 2-percent tax on the gross revenues of health care providers, hospitals, surgical centers, and wholesale drug distributors (sometimes referred to as the "provider tax"); and
- A 1-percent premium tax on health maintenance organizations, nonprofit health service plan corporations, and community integrated service networks.

Medicare payments to providers are excluded from gross revenues for purposes of the gross revenues taxes. Other specified payments, including payments for nursing home services, are also excluded from gross revenues.

¹⁶ The PMAP+ waiver is described in footnote 11 on page 9. The SCHIP waiver, through January 31, 2009, provides an enhanced federal match of 65 percent for parents and relative caretakers on MinnesotaCare with incomes greater than 100 percent but not exceeding 200 percent of FPG. Beginning February 1, 2009, this group of parents and caretakers will receive the regular MA federal match of 50 percent, and the enhanced federal match will be applied to MinnesotaCare children age 18 or younger with incomes greater than 150 percent but not exceeding 275 percent of FPG. There is no federal match for adults without children.

MinnesotaCare Funding (FY 2007)

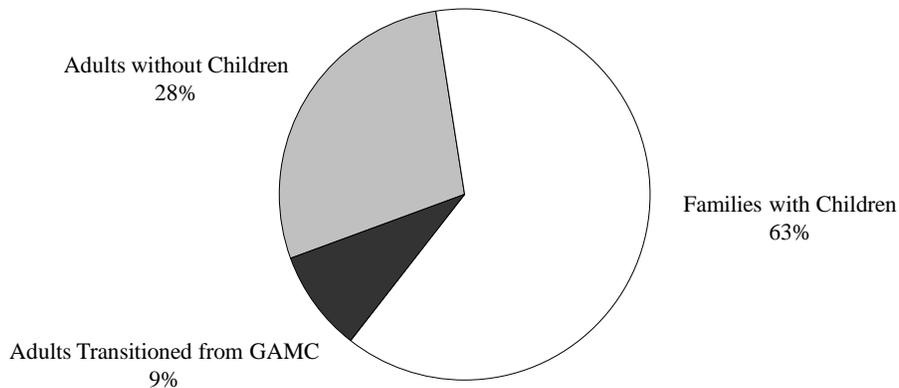


Source: DHS Reports and Forecasts Division

Recipient Profile

As of April 2008, 114,566 individuals were enrolled in the MinnesotaCare program. Just over three out of five MinnesotaCare enrollees are children, parents and caretakers, or pregnant women.

MinnesotaCare Enrollment (April 2008)



Source: DHS Reports and Forecasts Division

Application Procedure

Application forms for MinnesotaCare, and additional information on the program, can be obtained from DHS by calling:

**1-800-657-3672 or
651-297-3862 (in the metro area)**

Application forms are also available through county social service agencies, health care provider offices, and other sites in the community. Applications are also available on the Internet at www.dhs.state.mn.us/HealthCare.

For more information about health care programs, visit the health and human services area of our web site, www.house.mn/hrd/hrd.htm.