

HOUSE RESEARCH

Bill Summary

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Overview

This is the Department of Human Services health care policy bill that deals with annuities and transfers of assets, long-term care insurance policies, and a statewide health information exchange.

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- 1 **Persons detained by law.** Amends §256B.055, subd. 14. Corrects a cross reference to federal law.
- 2 **Homestead exclusion for individuals residing in a long-term care facility.** Amends §256B.056, subd. 2. Makes technical changes. Strikes language on the home equity limit (which shall not exceed \$500,000) from this subdivision and places it in subdivision 2a, paragraph (a).
- 3 **Home equity limit for medical assistance payment of long-term care services.** Amends §256B.056, by creating subd. 2a. Paragraph (a). Stricken language from subdivision 2 is now placed in this paragraph with some changes. Specifies that “disabled” is defined by the Supplemental Security Income program.

Paragraph (b). Provides that “home” means any real or personal property interest including an agricultural homestead owned by the individual requesting medical assistance payments for long-term care and used as the primary dwelling for the individual.

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Paragraph (c). Permits an individual to seek a hardship waiver if the person is deemed ineligible for medical assistance because home equity exceeds \$500,000. Hardship is defined as an imminent threat to the individual's health and well-being demonstrated by documentation of no alternatives for payment of long-term care services. Requires the county agency to make a decision within 30 days.

- 4 **Asset verification.** Amends §256B.056, subd. 4. Clarifies that under this subdivision a good faith effort to sell a non-homestead life estate is not required for the purpose of establishing medical assistance eligibility. Provides that this subdivision does not exempt life estates from being counted when calculating the community spouse allowance.
- 5 **Treatment of annuities.** Amends §256B.056, subd. 11. Makes technical changes and reorganizes this subdivision to more clearly define the roles of the person requesting medical assistance for payment of long term care services, the department, and the issuer of annuities or similar financial instrument. Defines terms.

Paragraph (a). Adds that the person requesting medical assistance must complete a form designated by the commissioner disclosing the person's and spouse's interest in annuities and acknowledging that the state becomes a preferred remainder beneficiary of the annuities.

Paragraph (b). Clarifies the department's responsibilities in providing notice to the issuer of the annuity.

Paragraph (c). Clarifies the issuer's responsibilities.

Paragraph (d). Defines the terms "preferred remainder beneficiary," "institutionalized person," "long-term care services," and "medical institution."

- 6 **Infants and pregnant women.** Amends §256B.057, subdivision 1. Restores the medical assistance income standard of 275 percent of federal poverty guidelines for pregnant women and the medical assistance special work expense deduction for infants and pregnant women. This correction to state law is a federal compliance requirement.
- 7 **Program established.** Amends §256B.0571, subd. 8. Permits the commissioner of human services to accept a qualifying partnership policy established by another state.
- 8 **Medical assistance eligibility.** Amends §256B.0571, subd. 9. Provides that an individual must make the required designation to protect assets within 10 days from the date the designation is requested by the county.
- 9 **Limitation on liens.** Amends §256B.0571, subd. 15. Permits the state to place a lien on real property that is protected from estate recovery under the long-term care partnership program to the extent that the value of the property exceeds the amount the individual can protect.
- 10 **Reciprocal agreements.** Amends §256B.0571, by adding subd. 17. Authorizes the commissioner of human services to enter into reciprocal agreements with other states for recognition of each state's qualified long-term care insurance policies. Instructs the commissioner to notify the federal government if the commissioner declines to enter into a national reciprocal agreement.
- 11 **Treatment of income of institutionalized spouse.** Amends §256B.058. Makes clarifying changes to the language. Provides definition of minor or dependent child.
- 12 **Definitions.** Amends §256B.059, subdivision 1. Defines "continuous period of

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institutionalization” to provide clarification of the federal requirement that establishes when spousal impoverishment rules begin for married couples when one spouse becomes an institutionalized individual. Deletes an incorrect cross reference.

- 13 **Institutionalized spouse.** Amends §256B.059, subd. 1a. Provides that this section applies when a spouse begins the first continuous period of institutionalization.
- 14 **Payment of benefits from an annuity.** Amends §256B.0594. Clarifies the process of paying benefits from an annuity when the department is named a remainder beneficiary.
- 15 **Prohibited transfers.** Amends §256B.0595, subdivision 1. Provides that the department is to be named as the preferred remainder beneficiary of an annuity purchased by or on behalf of an institutionalized person who has applied for or is receiving long-term care services.

Adds that if there has been an improper distribution of benefits, a cause of action exists against the individual receiving the improper distribution for the cost of medical assistance services provided or the amount of the distribution, whichever is less.

- 16 **Period of ineligibility.** Amends §256B.0595, subd. 2. Modifies the start date of the penalty period for uncompensated transfers to require that the period start on the first day of the month following advance notice of the penalty period, but no later than three calendar months from the date the transfer is reported or discovered.
- 17 **Homestead exception to transfer prohibition.** Amends §256B.0595, subd. 3. Requires that a child live in the household and provide care for the parent for at least two years before the parent moved into an institution or began receiving services through a waiver program. Current law requires that a child live in the household and provide care for at least two years prior to the parent moving into an institution. This change makes state law consistent with federal law.
- 18 **Other exceptions to transfer prohibition.** Amends §256B.0595, subd. 4. Requires the local agency to make a determination on a person’s request for a hardship waiver within 30 days of the receipt of all information needed to make such a determination.
- 19 **Cause of action; transfer prior to death.** Amends §256B.0595 by adding subd. 8. Creates a cause of action for death bed transfers. Permits recovery of the uncompensated amount of the transfer or the amount of medical assistance paid, whichever is less.
- 20 **Filing cause of action; limitation.** Amends §256.0595 by adding subd. 9. Requires any cause of action to be filed within six years.
- 21 **Preferred drug list.** Amends §256B.0625, subd. 13g. Strikes language that requires the department to contract for the preferred drug list and supplemental rebate program with vendors that have a multi-state business model.
- 22 **Community health worker.** Amends §256B.0625, subd. 49. Paragraph (a) adds that medical assistance covers the care coordination and patient education services provided by a community health worker who has had at least five years of supervised experience by a certified public health nurse who works under the direct authority of an enrolled unit of government.

Paragraph (b) allows community health workers to work under the supervision of a certified public health nurse who operates under the direct authority of an enrolled unit of government.

- 23 **Fee-for-service.** Amends §256B.075, subd. 2. Permits the commissioner to move funding for intensive care management program for medical assistance children with complex and

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chronic medical conditions into a competitive RFP.

24 **Statewide health information exchange.** Creates §256B.0948.

Subd. 1. Commissioner’s authority to join and participate. Permits the commissioner of human services to participate in development and operation of a statewide health information exchange that meets the following criteria:

- the exchange must be a legal entity that meets all constitutional and statutory requirements to allow the commissioner to participate, including the Minnesota Constitution, article X, section 1; and
- the commissioner must have the right to participate in the governance of the exchange on the same terms as other members and act to advance state interests and lessen the burdens of government.

Subd. 2. Development expenses. Permits the commissioner to pay the state’s prorated share of development related expenses retroactive to October 29, 2007 .

25 **Other survivors.** Amends §256B.15, subd. 4. Defines “institutionalization” as receiving care in a nursing facility or swing bed, intermediate care facility for persons with developmental disabilities, or through home and community based services.

26 **Service delivery.** Amends §256B.69, subd. 6. Adds that demonstration providers that provide nursing home and community-based services shall provide relocation service coordination to enrolled persons who are age 65 and over.

27 **Information for persons with limited English-language proficiency.** Amends §256B.69, subd. 27. Requires managed care organizations provide language assistance that ensures meaningful access for enrollees in PMAP, prepaid GAMC, and MinnesotaCare. Assistance must be provided according to Title VI of the Civil Rights Act, including federal regulations or guidance issued under that law.

28 **General assistance medical care; eligibility.** Amends §256D.03, subd. 3. Exempts residents of the Minnesota sex offender program from transitional MinnesotaCare requirements.

29 **Limitations on presentation of claims.** Amends §524.3-803. Allows a state or county claim against an estate of a deceased individual who was a client at a state facility under chapter 246, received general assistance under chapter 256, or as authorized by section 256B.15.