

CHAPTER 9500
DEPARTMENT OF HUMAN SERVICES
ASSISTANCE PAYMENTS PROGRAMS

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9500.1070 SERVICES COVERED BY MEDICAL ASSISTANCE.

[For text of subpart 1, see M.R.]

Subp. 12. [Repealed, 15 SR 2404]

Subp. 13. [Repealed, 15 SR 2404]

Subp. 14. [Repealed, 15 SR 2404]

Subp. 15. [Repealed, 15 SR 2404]

Statutory Authority: *MS s 256B.04*

History: *15 SR 2404*

9500.1100 DEFINITIONS.

[For text of subsps 1 to 19, see M.R.]

Subp. 20. **Diagnostic categories.** "Diagnostic categories" means the list of diagnosis related groups in the diagnostic classification system established under Minnesota Statutes, section 256.969, subdivision 2, according to the diagnosis related groups (DRGs) under medicare with adjustments as follows:

Diagnostic Categories	DRG Numbers Within the Diagnostic Category
A. Diseases and Disorders of the Nervous System	(1-35)
B. Diseases and Disorders of the Eye	(36-48)
C. Diseases and Disorders of the Ear, Nose, Mouth, and Throat	(49-74, 168, 169, 185-187)

D.	Diseases and Disorders of the Respiratory System	(75-97, 99-102, 474-475)
E.	Diseases and Disorders of the Circulatory System	(103-145)
F.	Diseases and Disorders of the Digestive System	(146-167, 170-183, 188-190)
G.	Diseases and Disorders of the Hepatobiliary System and Pancreas	(191-208)
H.	Diseases and Disorders of the Musculoskeletal System and Connective Tissues	(209-256, 471)
I.	Diseases and Disorders of the Skin, Subcutaneous Tissue and Breast	(257-284)
J.	Endocrine, Nutritional, and Metabolic Diseases and Disorders	(285-301)
K.	Diseases and Disorders of the Kidney and Urinary Tract	(302-333)
L.	Diseases and Disorders of the Male Reproductive System	(334-352)
M.	Diseases and Disorders of the Female Reproductive System	(353-369)
N.	Pregnancy, Childbirth, and the Puerperium	(376-384)
O.	Newborns and Other Neonates with Conditions Originating in the Perinatal Period	
P.	Diseases and Disorders of the Blood and Blood-forming Organs and Immunity Disorders	(392-399)
Q.	Myeloproliferative Diseases and Disorders, Poorly Differentiated Malignancy and Other Neoplasms NEC	(400-414, 473)
R.	Infectious and Parasitic Diseases (Systemic or Unspecified Sites)	(415-423)
S.	Mental Diseases and Disorders	(424-425, 427-429, 432)
T.	Substance Use and Substance Induced Organic Mental Disorders (Ages 0-20)	(433, 434, 435)
U.	Substance Use and Substance Induced Organic Mental Disorders (Ages over 20)	(433, 434, 435)
V.	Injury, Poisoning, and Toxic Effects of Drugs	(439-455)
W.	Burns	(456-460, 472)
X.	Factors Influencing Health Status and Other Contacts with Health Services	(461-467)
Y.	Bronchitis and Asthma (Ages 0-1)	(98)

Z.	Bronchitis and Asthma (Ages 2-17)	(98)
AA.	Esophagitis, Gastroenteritis, Miscellaneous Digestive Disorders (Ages 0-1)	(184)
BB.	Esophagitis, Gastroenteritis, Miscellaneous Digestive Disorders (Ages 2-17)	(184)
CC.	Caesarean sections	(370-371)
DD.	Vaginal delivery with complicating diagnosis or operating room procedures	(372,374-375)
EE.	Vaginal delivery without complicating diagnosis or operating room procedures and Normal newborns	(373, 391)
FF.	Depressive neurosis	(426)
GG.	Psychosis	(430)
HH.	Childhood mental disorders	(431)
II.	Unrelated Operating room procedure	(468, 476, 477)
JJ.	Cases which could not be assigned to other diagnostic categories	(469-470)
KK.	Extreme Immaturity	(386)
LL.	Prematurity with Major Problems	(387)
MM.	Prematurity without Major Problems	(388)
NN.	Full term Neonates or Neonates Died or Transferred	(385, 389, 390)

[For text of subps 21 to 52, see M.R.]

Statutory Authority: *MS s 256.969.*

History: *14 SR 1005*

9500.1202 PURPOSE OF GENERAL ASSISTANCE PROGRAM.

The purposes of the general assistance program are:

A. to provide financial assistance and services to persons unable to provide for themselves, who have not refused suitable employment, and who are not otherwise provided for by law;

B. to provide work readiness services to help employable and potentially employable persons prepare for and attain permanent work; and

C. to aid those persons who can be helped to become self-supporting or to attain self-care.

Statutory Authority: *MS s 256D.01; 256D.04; 256D.051; 256D.06; 256D.08; 256D.09; 256D.111*

History: *15 SR 1842*

9500.1205 [Repealed, 15 SR 1842]

9500.1206 PROGRAM DEFINITIONS.

Subpart 1. **Scope.** As used in parts 9500.1200 to 9500.1270, the following terms have the meanings given them.

Subp. 1a. Actual availability. "Actual availability," when used in reference to income or property, means that which is in hand or can be readily obtained for current use.

Subp. 2. Adult child. "Adult child" means a person aged 18 years or older who resides with at least one parent.

Subp. 3. Advanced age. "Advanced age" means the condition that applies to an applicant or recipient who is age 55 or older and whose work history shows a marked deterioration compared to the applicant's or recipient's work history before age 55 as indicated by decreasing occupational status, reduced hours of employment, or decreased periods of employment.

Subp. 4. AFDC. "AFDC" means the program authorized by title IV-A of the Social Security Act to provide financial assistance to needy families with dependent children.

Subp. 4a. Affidavit. "Affidavit" means a written declaration made under oath before a notary public or other authorized officer.

Subp. 4b. Appeal. "Appeal" means a written statement from an applicant or recipient that requests a hearing or expresses dissatisfaction with a county agency decision that can be challenged under Minnesota Statutes, section 256.045 and part 9500.1211, subpart 4.

Subp. 5. Applicant. "Applicant" means a person who has submitted an application for general assistance to a county agency and whose application has not been approved, denied, or voluntarily withdrawn.

Subp. 5a. Application. "Application" means the action by which a person shows in writing a desire to receive assistance by submitting a signed and dated form prescribed by the commissioner to the county agency.

Subp. 6. Assistance standard. "Assistance standard" means the amount established by the commissioner under Minnesota Statutes, section 256D.01, to provide for an assistance unit's basic subsistence needs.

Subp. 6a. Assistance unit. "Assistance unit" means a person or group of persons who are applying for or receiving assistance and whose needs are included in the calculation of a general assistance payment.

Subp. 6b. Authorized representative. "Authorized representative" means a person who is authorized in writing by an applicant or recipient to act on that applicant's or recipient's behalf in matters involving general assistance or emergency general assistance, including submitting applications, making appeals, and providing or requesting information. An authorized representative may exercise the same rights and responsibilities on behalf of the person being represented as an applicant or recipient.

Subp. 7a. Basic needs. "Basic needs" means the minimum personal requirements of subsistence and are restricted to:

- A. food;
- B. clothing;
- C. shelter;
- D. utilities; and

E. other items of which the loss, or lack of, is determined by the county agency to pose a direct, immediate threat to the physical health or safety of the applicant or recipient.

Subp. 7b. Budget month. "Budget month" means the calendar month from which a county agency uses the income or circumstances of an assistance unit to determine the amount of the assistance payment for the payment month.

Subp. 8. Commissioner. "Commissioner" means the commissioner of the Department of Human Services or a designated representative.

Subp. 8a. Corrective payment. "Corrective payment" means an assistance payment made to correct an underpayment.

Subp. 9. **Costs or disbursements.** "Costs" or "disbursements" means a qualified provider's actual out-of-pocket expenses incurred for the provision of special services to an applicant or recipient.

Subp. 9a. **Countable income.** "Countable income" means gross income minus allowable exclusions, deductions, and disregards.

Subp. 9b. **County agency.** "County agency" has the meaning given in Minnesota Statutes, section 256D.02, subdivision 12.

Subp. 11. **Department.** "Department" means the Department of Human Services.

Subp. 12. **Director of the county agency.** "Director of the county agency" means the director of the county agency or the director's designated representative.

Subp. 12a. **Documentation.** "Documentation" means a written statement or record that substantiates or validates an assertion made by a person or an action taken by a county agency.

Subp. 12b. **Earned income.** "Earned income" means compensation from lawful employment or lawful self-employment, including salaries, wages, tips, gratuities, commissions, earnings from self-employment, incentive payments from work or training programs, payments made by an employer for regularly accrued vacation or sick leave, earnings under title I of the Elementary and Secondary Education Act, employee bonuses and profit sharing, jury duty pay, picket duty pay, and profit from other lawful activities which accrues as a result of the individual's effort or labor. Earned income does not include returns from capital investment or benefits that accrue as compensation for lack of employment.

Subp. 12c. **Earned income tax credit.** "Earned income tax credit" means the payment that can be obtained by a qualified low-income person from an employer or from the United States Internal Revenue Service under United States Code, title 26, section 32.

Subp. 12d. **Emergency.** "Emergency" means a situation that causes or threatens to cause a lack of a basic need item when there are insufficient resources to provide for that need.

Subp. 12e. **Encumbrance.** "Encumbrance" means a legal claim against real or personal property that is payable upon the sale of that property.

Subp. 12f. **Equity value.** "Equity value" means the amount of equity in real or personal property owned by a person. Equity value is determined by subtracting any outstanding encumbrances from the fair market value of the real or personal property.

Subp. 12g. **Excluded time facility.** "Excluded time facility" means any hospital, sanitarium, nursing home, shelter, halfway house, foster home, semi-independent living domicile or services program, residential facility offering care, board and lodging facility, or other institution for the hospitalization or care of human beings, as defined in Minnesota Statutes, section 144.50, 144A.01, or 245A.02, subdivision 14; or a maternity home, battered women's shelter, or correctional facility.

Subp. 12h. **Fair hearing or hearing.** "Fair hearing" or "hearing" means the department evidentiary hearing conducted by an appeals referee to resolve the issues specified in part 9500.1211, subpart 4.

Subp. 12i. **Family.** "Family" has the meaning given it in Minnesota Statutes, section 256D.02, subdivision 5.

Subp. 12j. **Family assistance unit.** "Family assistance unit" means a general assistance unit that consists of one or more members of a family.

Subp. 12k. **Federal Insurance Contribution Act or FICA.** "Federal Insurance Contribution Act" or "FICA" means the federal law under United States Code, title 26, sections 3101 to 3126, that requires withholding or direct payment of income to the federal government.

Subp. 13. **Fees.** "Fees" means a qualified provider's charge for the hours of direct provision of special services to an applicant or recipient.

Subp. 13a. **Filing unit.** "Filing unit" means a person or persons who reside together and whose income and value of resources must be used to determine the eligibility and benefit level of an assistance unit. The filing unit must include:

- A. the applicant;
- B. the applicant's spouse;
- C. the applicant's family; and

D. the natural or adoptive parents of a single adult applicant or recipient and the minor children of those parents.

Subp. 14. **Full-time student.** "Full-time student" means a person who is enrolled in a graded or ungraded primary, intermediate, secondary, GED preparatory, trade, technical, vocational, or postsecondary school, and who meets the school's standard for full-time attendance.

Subp. 14a. **General assistance.** "General assistance" means the program authorized under Minnesota Statutes, sections 256D.01 to 256D.21 and parts 9500.1200 to 9500.1272. When the term general assistance is used in parts 9500.1200 to 9500.1272, it also means work readiness assistance and includes financial benefits received by persons under work readiness assistance.

Subp. 15. **Good cause.** "Good cause" means a reason for taking an action or failing to take an action that is reasonable and justified when viewed in the context of surrounding circumstances including: illness of the person, illness of another family member that requires the applicant's or recipient's presence, a family emergency, the inability to obtain transportation or adequate child care, or a conflicting obligation which has been determined by the county agency to be reasonable or justified.

Subp. 15a. **Gross income.** "Gross income" means the total amount of cash or in-kind payment or benefit, whether earned or unearned, before any withholdings, deductions, or disregards, paid to, or for the benefit of, a person, including income specified in Minnesota Statutes, section 256D.02, subdivision 8. Gross income does not include personal property previously established as a resource, subject to the limitations under part 9500.1221.

Subp. 15b. **Gross receipts.** "Gross receipts" means the money received by a self-employed person before the expenses of self-employment are deducted.

Subp. 15c. **Homestead.** "Homestead" means the house owned and occupied by a member of the filing unit as the member's dwelling place together with all contiguous land on which the house is situated and other appurtenant structures.

Subp. 15d. **Household report form.** "Household report form" means a form prescribed by the commissioner on which a recipient reports information to a county agency about income and other circumstances.

Subp. 16. **Initial supplemental security income payment or initial SSI payment.** "Initial supplemental security income payment" or "initial SSI payment" means the first payment of SSI benefits to the recipient that includes a period when general assistance benefits were also paid.

Subp. 16a. **In-kind income.** "In-kind income" means income, benefits, or payments that are provided in a form other than money or liquid assets, and which the applicant or recipient cannot legally require to be paid in cash to the applicant or recipient, including goods, produce, services, privileges, or third-party payments made on behalf of a person for whom the income is intended.

Subp. 17. **Interim assistance.** "Interim assistance" means the total amount of general assistance provided for a recipient, based on the state assistance standards and the negotiated rate provisions of part 9500.1237, subpart 7, to cover the period for which a payment of another maintenance benefit is made. The

amount of general assistance considered interim assistance is limited to the total amount the monthly payments for the assistance unit would have been reduced if the other maintenance benefits had been paid at the time of their accrual. The interim assistance period begins with the month of application for general assistance or the first month of eligibility for the other maintenance benefits, whichever is later. Interim assistance does not include per diem payments made to shelters for battered women under Minnesota Statutes, section 256D.05, subdivision 3.

Subp. 18. Interim assistance authorization agreement. "Interim assistance authorization agreement" means the agreement in which the general assistance applicant or recipient agrees to reimburse the county agency for the amount of general assistance provided during the period when eligibility for another maintenance benefit program is being determined. The agreement must require reimbursement to the county agency only when the general assistance applicant or recipient is found eligible for another maintenance benefit program and the initial payment of those other maintenance benefits has been made.

Subp. 18a. Job Training Partnership Act. "Job Training Partnership Act" means the Job Training Partnership Act authorized under Public Law Number 97-300 and its successor programs.

Subp. 18b. Legal custodian. "Legal custodian" means a person who has been granted legal custody of a minor child by a court; or, if assistance is being requested for the minor child, a person who is defined as an eligible relative caretaker of the minor child under AFDC program rules, part 9500.2440, subpart 7.

Subp. 18c. Liquid assets or liquid resources. "Liquid assets" or "liquid resources" means personal property in the form of cash or other financial instruments that are readily convertible to cash.

Subp. 18d. Liquidate. "Liquidate" means to convert real or personal property into cash or other financial instruments that are readily convertible to cash. The conversion can be by sale or by borrowing using the nonliquid real or personal property as security for a loan.

Subp. 19. [Repealed, 15 SR 1842]

Subp. 19a. Local labor market. "Local labor market" means the geographic area in which a registrant can reasonably be expected to search for suitable employment. The geographic area must be limited to an area within two hours' round trip of the registrant's residence, exclusive of time needed to transport the registrant's children to and from child care.

Subp. 19b. Lump sum. "Lump sum" means nonrecurring income that is not excluded in part 9500.1223.

Subp. 19c. Mandatory work readiness participant. "Mandatory work readiness participant" means a general assistance recipient who is not exempt from work readiness under part 9500.1251.

Subp. 20. Medical certification. "Medical certification" means a statement about a person's illness, injury, or incapacity that is signed by a licensed physician, licensed consulting psychologist, or licensed psychologist who is qualified through professional training and experience to diagnose or certify the person's condition. For an incapacity involving a spinal subluxation condition, "medical certification" includes a statement signed by a licensed physician or a licensed chiropractor who is qualified through professional training and experience to diagnose and certify the condition.

Subp. 20a. Medical evidence. "Medical evidence" means records, reports, treatment notes, or other written documentation about a person's illness, injury, or impairment from a hospital, clinic, treatment facility, detoxification facility, physician, psychologist, nurse, therapist, or other mental health professional. It may also include evidence listed in a copy of the Disability Determination Rationale provided by the Social Security Administration.

Subp. 21. **Mental illness.** "Mental illness" means the condition of a person who has a psychological disorder resulting in behavior that severely limits the person in obtaining, performing, or maintaining suitable employment.

Subp. 22. **Mental retardation.** "Mental retardation" means the condition of a person who has demonstrated deficits in adaptive behavior and intellectual functioning which is two or more standard deviations below the mean of a professionally recognized standardized test and the condition severely limits the person in obtaining, performing, or maintaining suitable employment.

Subp. 22a. **Minnesota supplemental aid or MSA.** "Minnesota supplemental aid" or "MSA" means the program established under Minnesota Statutes, sections 256D.33 to 256D.54.

Subp. 23. **Minor child.** "Minor child" means a person who is under the age of 18; or if age 18, who is a member of a family assistance unit and who is enrolled as a full-time student in an accredited high school and who is expected to graduate by age 19.

Subp. 23a. **Month.** "Month" means a calendar month.

Subp. 24. **Negotiated rate.** "Negotiated rate" means the amount a county agency will pay on behalf of recipients living in a room and board, boarding care, supervised living, or adult foster care arrangement.

Subp. 24a. **Nonrecurring income.** "Nonrecurring income" means a form of income that is:

A. received only one time or is not of a continuous nature; or

B. received in a prospective payment month but is no longer received in the corresponding retrospective payment month.

Subp. 24b. **Occupational or vocational literacy program.** "Occupational or vocational literacy program" means a program providing literacy training which emphasizes specific language and reading skills needed to perform in employment, complete employment training programs, or complete work readiness programs.

Subp. 25. **Other maintenance benefits.** "Other maintenance benefits" means any of the following:

A. workers' compensation benefits as provided by Minnesota Statutes, chapter 176 and rules adopted thereunder;

B. unemployment compensation benefits as provided by Minnesota Statutes, sections 268.07 to 268.10 and rules adopted thereunder;

C. railroad retirement benefits as provided by United States Code, title 45, sections 231 to 231s;

D. veteran's disability benefits as provided by United States Code, title 38, sections 301 to 363;

E. any benefits provided by the Social Security Administration under United States Code, title 42; or

F. other sources identified by the county agency that provide periodic payments that can be used to meet basic needs and that, if received, would reduce or eliminate the need for general assistance.

Subp. 25a. **Overpayment.** "Overpayment" means that portion of an assistance payment which is greater than the amount for which an assistance unit is eligible, resulting from a calculation error, a client reporting error, a misapplication of existing program requirements by a county agency, or changes in payment eligibility that cannot be affected due to notification requirements.

Subp. 25b. **Parent.** "Parent" means a child's biological or adoptive parent who is legally obligated to support that child.

Subp. 25c. **Participation in a literacy program.** "Participation in a literacy program" means to receive instruction and complete assignments as part of a lit-

eracy program in accordance with the schedule or plan established by the literacy training program provider.

Subp. 25d. Payment month. "Payment month" means the calendar month for which the county agency issues an assistance payment.

Subp. 25e. Permanent employment. "Permanent employment" means suitable employment that is not, by description, of limited duration.

Subp. 25f. Personal property. "Personal property" means an item of value that is not real property. Personal property includes, but is not limited to, the value of a contract for deed held by a seller, assets held in trust on behalf of members of an assistance unit, cash surrender value of life insurance, value of a pre-paid burial, savings account, value of stocks and bonds, and value of retirement accounts less any costs and penalties for early withdrawal.

Subp. 26. Potentially eligible. "Potentially eligible" means that the county agency has determined that the applicant or recipient shows circumstances which appear to meet the eligibility requirements of another maintenance benefit program.

Subp. 26a. Principal wage earner. "Principal wage earner" means the parent who has earned the greater amount of income in the 24 months preceding the month of application.

Subp. 26b. Probable fraud. "Probable fraud" means the level of evidence that, if proven as fact, will establish that assistance has been wrongfully obtained.

Subp. 26c. Prospective budgeting. "Prospective budgeting" means a method of determining the amount of assistance in which the budget month and payment month are the same.

Subp. 26d. Qualified professional. "Qualified professional" means a social worker employed by the county agency, a social worker with a master's degree in social work, a licensed consulting psychologist, a licensed psychologist, a licensed physician or psychiatrist, or a public health nurse as defined in Minnesota Statutes, section 145A.02, subdivision 18.

Subp. 27. Qualified provider. A "qualified provider" means the county agency, or:

- A. a nonprofit legal assistance organization;
- B. an agency that employs licensed practitioners or accredited counseling staff or staff with a master's degree from an accredited program in social work, psychology, counseling, occupational therapy, or physical therapy;
- C. a private attorney at law; or
- D. another organization or person determined by the county agency to have sufficient training or experience to be effective in assisting persons to apply for and establish eligibility for SSI benefits.

Subp. 28a. Real property. "Real property" means the land itself and all buildings, structures, and improvements, or other fixtures on it, belonging or appertaining to the land, and all mines, minerals, fossils, and trees on or under it.

Subp. 28b. Reasonable compensation. "Reasonable compensation" means the value received in exchange for property transferred to another owner which equals or exceeds the seller's equity in the property, reduced by costs incurred in the sale.

Subp. 28c. Recipient. "Recipient" means an individual currently receiving, or suspended for one month from receiving, general assistance. Recipient includes any person whose needs are included in the payment to an assistance unit.

Subp. 28d. Redetermination of eligibility. "Redetermination of eligibility" means the process by which information is collected periodically by a county agency and used to determine a recipient's continued eligibility for assistance.

Subp. 28e. Reside with. "Reside with" means to share living quarters such

as living rooms, bedrooms, or kitchens. Entrances, laundry rooms, and bathrooms are not considered living quarters.

Subp. 29. Responsible relative. "Responsible relative" means the spouse of an applicant or recipient, the parent of an applicant's or recipient's minor child if residing together as a family, the parent of a minor child who is an applicant or recipient, or the parent of an adult child who resides with the parent and is an applicant or recipient.

Subp. 29a. Retrospective budgeting. "Retrospective budgeting" means a method of determining the amount of assistance an assistance unit will receive in which the payment month is the second month after the budget month.

Subp. 29b. Social services. "Social services" means the services included in a county's community social services plan which are administered by the county board as described under Minnesota Statutes, section 256E.03, subdivision 2.

Subp. 30. SSI or supplementary security income. "SSI" or "supplementary security income" means the supplemental security income program administered by the Social Security Administration under United States Code, title 42, sections 1381 to 1383c.

Subp. 31. [Repealed, 15 SR 1842]

Subp. 32. Suitable employment. "Suitable employment" means a job within the local labor market that:

A. meets existing health and safety standards set by federal, state, or local regulations;

B. is within the physical and mental ability of a person;

C. provides a gross weekly income equal to the federal or state minimum wage applicable to the job for 40 hours per week, or a monthly income which, after allowable exclusions, deductions, and disregards would exceed the standard of assistance for the assistance unit, whichever is less; and

D. includes employment offered through the Job Training Partnership Act, Minnesota Employment and Economic Development Act, and other employment and training options, but does not include temporary day labor.

Subp. 32a. Suitable recipient. "Suitable recipient" means a recipient of general assistance who is determined not to be exempt from work readiness participation under part 9500.1251, and who has been determined to be functionally illiterate by an assessment under part 9500.1259, subpart 1, item B.

Subp. 32b. Underpayment. "Underpayment" means an assistance payment, resulting from a calculation error, a client reporting error, or a misapplication of program requirements by a county agency, which is less than the amount for which an assistance unit is eligible.

Subp. 32c. Unearned income. "Unearned income" means income received by a person which does not meet the definition of earned income. Unearned income includes interest, dividends, unemployment compensation, disability insurance payments, veterans benefits, pension payments, return on capital investments, insurance payments or settlements, and severance payments.

Subp. 32d. Vendor. "Vendor" means a provider of goods or services.

Subp. 32e. Vendor payment. "Vendor payment" means a payment made by a county agency directly to a vendor.

Subp. 32f. Verification. "Verification" means the process a county agency must use to establish the accuracy or completeness of information from an applicant, recipient, third-party, or other source as that information relates to an assistance unit's eligibility for general assistance or the amount of a monthly assistance payment.

Subp. 33. Vocational specialist. "Vocational specialist" means a counselor of the Department of Jobs and Training or Division of Vocational Rehabilitation, or another similarly qualified person who advises persons about occupational goals and employment.

Statutory Authority: *MS s 256D 01; 256D 04; 256D.051; 256D.06; 256D.08; 256D.09; 256D.111*

History: 15 SR 1842

9500.1209 [Repealed, 15 SR 1842]

9500.1210 [Repealed, 15 SR 1842]

9500.1211 APPLICANT AND RECIPIENT RIGHTS AND COUNTY AGENCY RESPONSIBILITIES TO APPLICANTS AND RECIPIENTS.

Subpart 1. Right to information. An applicant or recipient has the right to obtain information about the benefits, requirements, and restrictions of the general assistance program.

Subp. 2. Right to apply. A person has the right to apply, including the right to reapply, for general assistance. A county agency shall inform a person who inquires about financial assistance of the right to apply, shall explain how to apply, and shall mail or hand deliver an application form to the person inquiring about assistance. When a county agency ends assistance, the county agency shall inform the recipient in writing of the right to reapply.

Subp. 3. Authorized representative. An applicant or recipient of general assistance may designate an authorized representative to act on the applicant's or recipient's behalf. An applicant or recipient has the right to be assisted or represented by an authorized representative in the application, eligibility redetermination, fair hearing process, and any other contact with the county agency or the department.

When a county agency determines that it is necessary for a person to assist an applicant or recipient, the county agency shall designate a staff member to assist the applicant or recipient. The county agency staff member may assist the applicant or recipient to take the actions necessary to submit an application to establish the date of the application.

Upon a request from an applicant or recipient, a county agency shall provide addresses and telephone numbers of organizations that provide legal services at no cost to low-income persons.

Subp. 4. Appeal rights. An applicant, recipient, or former recipient has a right to request a fair hearing when aggrieved by an action or inaction of a county agency. A request for a fair hearing must be submitted in writing to the county agency or to the department. The request must be mailed within 30 days after the applicant or recipient receives written notice of the county agency's action or within 90 days when the applicant or recipient shows good cause for not submitting the request within 30 days. A former recipient who receives a notice of overpayment may appeal the action contained in the notice in the manner and within the periods described in this subpart. Issues which may be appealed are:

- A. denial of the right to apply for assistance;
 - B. failure of a county agency to approve or deny an application within 30 days;
 - C. denial of an application for assistance;
 - D. suspension, reduction, or termination of assistance;
 - E. calculated amount of an overpayment and the calculated level of recoupment due to that overpayment;
 - F. eligibility for and calculation of a corrective payment;
 - G. other factors involved in the calculation of an assistance payment;
 - H. a change to protective, vendor, or two-party payments for recipients;
- and
- I. the calculated amount retained by a county agency under an interim assistance authorization agreement from a retroactive benefit payment.

Subp. 5. Rights pending hearing. Unless otherwise specified, a county agency shall not reduce, suspend, or terminate payment when an aggrieved recipient requests a fair hearing before the effective date of the action or within ten days of the mailing of the notice, whichever is later, unless the recipient requests in writing not to receive continued assistance pending a hearing decision. A county agency may increase or reduce an assistance payment while an appeal is pending when the circumstances of the recipient change and the change is not related to the issue under appeal. Assistance issued pending a fair hearing is subject to recovery when, as a result of the fair hearing, the commissioner finds that the recipient was not eligible for such assistance. This subpart shall in no way reduce any rights that the recipient may have under part 9500.1259, subpart 2.

A county agency shall reimburse appellants for reasonable and necessary expenses of attending the hearing, such as child care and transportation costs. A county agency shall reimburse appellant's witnesses and representatives for the expenses of transportation to and from the hearing.

Subp. 6. Right to review records. A county agency shall allow an applicant or recipient to review his or her case records that are held by the county agency and that are related to eligibility for or the assistance payment from the program, except those case records to which access is denied under Minnesota Statutes, chapter 13. A county agency shall make case records available to an applicant or recipient as soon as possible but in no event later than the fifth business day following the date of the request. When an applicant, recipient, or authorized representative asks for photocopies of material from the case record, the county agency shall provide one copy of each page at no cost.

Subp. 7. Right to notice. When a county agency notifies an applicant or recipient of its intention to deny an application or reduce, suspend, or terminate payment, the county agency shall specify in its notice the action it has taken or intends to take, the reason and legal authority for the action, and the right to appeal and request a fair hearing. The notice shall also inform the applicant or recipient of the conditions under which assistance will continue pending the appeal outcome, the responsibility to repay assistance if the appeal is unsuccessful, the right to be reimbursed for reasonable and necessary expenses of attending an appeal hearing, and the right to review county agency records in accordance with subpart 6.

Statutory Authority: *MS s 256D.01; 256D.04; 256D.051; 256D.06; 256D.08; 256D.09; 256D.111*

History: *15 SR 1842*

9500.1212 [Repealed, 15 SR 1842]

9500.1213 APPLICATION REQUIREMENTS.

Subpart 1. Application for general assistance, county of residence. An applicant for general assistance must apply for general assistance in the applicant's county of residence. However, a county agency must not refuse to take an application from an individual who appears to reside in another county, but must promptly forward the completed application to the county of residence. The county of residence must use the date the application was filed in the county of application as the application date.

Subp. 2. County agency requirements. A county agency must:

A. inform persons who inquire about cash assistance of general assistance eligibility requirements and how to apply for general assistance;

B. offer, by hand or mail, the application form prescribed by the commissioner when a person makes a written or oral inquiry;

C. inform the person that, if the person is found eligible, the county agency must use the date the application form is submitted to the county agency as the starting point for computing assistance, and that any delay in submitting

an application form will reduce the amount of assistance paid for the month of application;

D. upon receipt of a signed and dated application from an applicant, the county agency must sign and date the application;

E. designate a staff member to assist the applicant to take the action necessary to submit an application if a county agency determines an applicant needs assistance in completing an application; and

F. inquire and determine at the time of initial application if the applicant has an emergency as defined in part 9500.1206, subpart 12d, and if so, determine the person's eligibility for emergency assistance under part 9500.1261.

Subp. 3. Date of application. The date of application is the date the county agency signs and dates the application.

Subp. 4. Withdrawal of application. An applicant may withdraw an application at any time by giving written or oral notice to the county agency. The county agency must issue a written notice confirming the withdrawal and inform the applicant of the agency's understanding that the applicant has withdrawn the application. If, within ten days of the date of the agency's notice, an applicant informs the county agency that the applicant does not wish to withdraw the application, the county agency must reinstate and finish processing the application.

Subp. 5. Agency verification of information on application. The county agency shall verify information provided by an applicant as specified in part 9500.1215.

Subp. 6. Determination of filing unit. When an application for general assistance is made and when the county agency redetermines the eligibility of a recipient, the county agency must determine the composition of the applicant's or recipient's filing unit. The county agency must determine the composition of a filing unit according to part 9500.1206, subpart 13a.

Subp. 7. Processing application. Within 30 days after receiving an application, a county agency must determine the applicant's program eligibility, approve or deny the application, inform the applicant of its decision, and issue assistance when the applicant is eligible. When an applicant establishes the inability to provide required documentation within the 30-day processing period, the county agency shall have an additional 30 days to process the application and to allow the applicant to provide the documentation. If eligibility cannot be determined by the end of the second 30-day period, the application must be denied.

Statutory Authority: *MS s 256D.01; 256D.04; 256D.051; 256D.06; 256D.08; 256D.09, 256D.111*

History: *15 SR 1842*

9500.1214 [Repealed, 15 SR 1842]

9500.1215 DOCUMENTING, VERIFYING, AND REVIEWING ELIGIBILITY.

Subpart 1. Information that must be verified. A county agency shall require an applicant or recipient to provide documentation only of information necessary to determine program eligibility and the amount of the assistance payment. Information previously verified and retained by the county agency must not be verified again unless the information no longer applies to current circumstances.

Subp. 2. Sufficiency of documentation. An applicant or recipient must provide documentation of the information required under subpart 4, or authorize a county agency to verify it by other means; however, the burden of providing documents for a county agency to use to verify eligibility is upon the applicant or recipient. A county agency shall help an applicant or recipient to obtain documents that the applicant or recipient does not possess and cannot obtain. When an applicant or recipient and the county agency are unable to obtain documents needed to verify information, the county agency may accept an affidavit from an applicant or recipient as sufficient documentation.

Subp. 3. Contacting third parties. A county agency must obtain an applicant's or recipient's written consent to request information about the applicant or recipient which is not of public record from a source other than county agencies, the department, or the United States Department of Health and Human Services. An applicant's signature on an application form shall constitute this consent for contact with the sources specified on that form. A county agency may use a single consent form to contact a group of similar sources, such as banks or insurance agencies, but the sources to be contacted must be identified by the county agency before requesting an applicant's consent. A county agency shall not provide third parties with access to information about a person's eligibility status or any other part of the case record without that person's prior written consent, except where access to specific case information is granted to agencies designated by the Minnesota Government Data Practices Act under Minnesota Statutes, chapter 13. Information designated as confidential by the Minnesota Government Data Practices Act must only be made available to agencies granted access under that law and must not be provided to an applicant, recipient, or a third party.

Subp. 4. Factors to be verified. The county agency must verify the factors of program eligibility in items A to C at the time of application, when a factor of eligibility changes, and at each redetermination of eligibility.

A. A county agency must verify:

- (1) the identity of each adult and child for whom assistance is requested;
- (2) age, if required to establish eligibility;
- (3) state residence;
- (4) the basis of a claim of exemption from participation in work readiness; and
- (5) the relationship of a caretaker to the child for whom application is made.

B. The county agency must verify the information in subitems (1) to (6) when that information is acknowledged by an applicant or recipient or obtained through a federally mandated verification system:

- (1) receipt and amount of earned income, including gross receipts from self-employment;
- (2) receipt and amount of unearned income;
- (3) termination from employment;
- (4) ownership and value of real property;
- (5) ownership and value of personal property; and
- (6) dependent care costs of an employed filing unit member at the time of application, redetermination, or a change in provider.

C. A county agency may verify additional program eligibility and assistance payment factors when it determines that information on the application is inconsistent with statements made by the applicant, other information on the current application, information on previous applications, or other information received by the county agency. The county agency must document the reason for verifying the factor in the case record of an assistance unit. Additional factors that may be verified, subject to the conditions of this item, are:

- (1) the presence of a child in the home;
- (2) the death of a parent or spouse;
- (3) marital status;
- (4) residence address; and
- (5) income and property that an applicant or recipient has not acknowledged receiving or having.

Statutory Authority: *MS s 256D.01; 256D.04; 256D.051; 256D.06; 256D.08; 256D.09; 256D.111*

History: *15 SR 1842*

9500.1219 ASSISTANCE PAYMENTS PROGRAMS

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9500.1216 [Repealed, 15 SR 1842]

9500.1217 [Repealed, 15 SR 1842]

9500.1218 [Repealed, 15 SR 1842]

9500.1219 ASSISTANCE UNIT ELIGIBILITY.

Subpart 1. **Composition of an assistance unit.** The county agency must determine the composition of the assistance unit, as defined in part 9500.1206, subpart 6a, from eligible members of the filing unit. All members of the filing unit must be included in the assistance unit with the exception of and subject to subparts 2 to 6.

Subp. 2. **Exclusion of persons otherwise provided for by law.** Filing unit members shall not be included in an assistance unit if they meet one or more of the following conditions:

A. a filing unit member is receiving benefits under the AFDC, refugee cash assistance, SSI, or Minnesota supplemental aid programs, or has benefits paid on the member's behalf for foster care, child welfare, or subsidized adoption;

B. a filing unit member appears to be currently eligible for benefits under AFDC or refugee cash assistance, or is eligible to have benefits paid on the member's behalf for foster care, child welfare, or subsidized adoption;

C. a filing unit member has been determined to be eligible for AFDC or SSI but cannot receive benefits under those programs because the member refused or failed to comply with a requirement of those programs;

D. a filing unit member is a parent of a single adult applicant or recipient who resides with a single adult applicant together with the parents' other family members;

E. a filing unit member who is in a period of disqualification from AFDC, SSI, or general assistance due to noncompliance with a program requirement;

F. a filing unit member has, without good cause, refused or failed to comply with part 9500.1254; or

G. a filing unit member has refused to sign an interim assistance authorization agreement as required under part 9500.1251, subpart 2, items F and G.

Subp. 3. **State residence requirement.** No applicant shall be included in an assistance unit unless the applicant is a resident of Minnesota. A resident is a person living in the state with the intention of making a home here and, not for any temporary purpose, as determined by items A to E.

A. An applicant must state on a form prescribed by the commissioner that the applicant lives in the state and intends to make a home in Minnesota.

B. The county agency must verify an applicant's statement of intent to make a home in Minnesota if questionable. An applicant's statement of intent to make a home in Minnesota is questionable if:

(1) the applicant has no verified residence address in the state;

(2) the applicant provides identification indicating a residence outside the state;

(3) the applicant indicates that he or she maintains or is having maintained a residence outside the state; or

(4) the applicant is only present in the state as a resident of an excluded time facility.

C. An applicant's intent to make a home in Minnesota can be verified by:

(1) a residence address on a valid Minnesota driver's license, Minnesota identification card, or voter registration card;

(2) a rent receipt or a statement by the landlord, apartment man-

ager, or homeowner showing that the applicant is residing at an address within the county of application;

(3) a statement by a landlord or apartment manager indicating the applicant has located housing which is affordable for the applicant;

(4) postmarked mail addressed to and received by the applicant at the applicant's address within the county;

(5) a current telephone or city directory with the applicant's residence address within the county;

(6) a written statement by an applicant's roommate verifying the applicant's residence and the date the applicant moved in. The roommate must also verify that the roommate lives in the residence by providing a copy of the roommate's mortgage statement, lease agreement, or postmarked mail addressed to and received by the roommate at that address;

(7) documentation that the applicant came to the state in response to an offer of employment;

(8) documentation that the applicant has looked for work by presenting completed job applications or documentation from employers, the local jobs service office, or temporary employment agencies;

(9) documentation that the applicant was formerly a resident of the state for at least 365 days and is returning to the state after an absence of less than 90 days; or

(10) an affidavit from a person engaged in public or private social services, legal services, law enforcement, or health services that the affiant knows the applicant, has had personal contact with the applicant, and believes the applicant is living in the state with the intent of making Minnesota the applicant's permanent home.

D. In addition to meeting one of the requirements of item C, an applicant described by item B, subitem (2), must document that the applicant has severed the applicant's residence in another state. Documentation may include bank statements indicating the closing of accounts, a document showing cancellation or termination of a lease, or verification that real property used as the applicant's residence in another state is abandoned or for sale.

E. Notwithstanding the provisions of item C, any applicant specified in item B, subitems (2) to (4), who also indicates an intention to leave the state within 30 days of application, will be considered to be in the state for a temporary purpose and is not a resident.

Subp. 4. Minors. No child under the age of 18 who is not a member of a family as defined in Minnesota Statutes, section 256D.02, subdivision 5, shall be included in an assistance unit unless:

A. the child is legally emancipated;

B. the child lives with an adult who is not a family member or legal custodian with the express written consent of an agency acting in its legal capacity as a custodian of the child;

C. the child lives with an adult who is not a family member or legal custodian with the express written consent of the child's parents or legal guardian, together with the express written consent of the county agency; or

D. the child does not live with an adult but is at least 16 years of age and whose living arrangement is approved in a social services case plan for the child and includes general assistance as a component of the plan.

Subp. 5. Refusal of suitable employment. A person is not eligible for general assistance if, without good cause, the applicant refuses a legitimate offer of, or quits, suitable employment within 60 days before the date of application. A person who, without good cause, voluntarily quits suitable employment or refuses a legitimate offer of suitable employment while receiving general assistance shall

be terminated from the general assistance program and disqualified from general assistance for two months. This subpart applies only to those applicants or recipients who are not exempt from work readiness participation requirements under part 9500.1251.

Subp. 6. Physical presence. The physical presence requirements for family general assistance are the same as the physical presence requirements under the AFDC program. The county agency shall not consider the needs of a family assistance unit member who is not present in the home at the time of application in the calculation of a general assistance grant unless an exception from the physical presence requirement is provided for under the AFDC program rules, part 9500.2140, subpart 5, items A to C.

Statutory Authority: *MS s 256D.01; 256D.04; 256D.051; 256D.06; 256D.08; 256D.09; 256D.111*

History: *15 SR 1842*

9500.1220 [Repealed, 15 SR 1842]

9500.1221 PROPERTY LIMITATIONS.

Subpart 1. Determination of equity value of property available to assistance unit. The county agency must determine the equity value of real and personal property available to the assistance unit. The equity value of real and personal property available to a member of the filing unit who is not included in the assistance unit, but who is a responsible relative of an assistance unit member, must be considered real and personal property available to the assistance unit.

A. When real or personal property is owned by two or more persons, the county agency shall assume that each person owns an equal share, except that either person owns the entire sum in a joint personal checking or savings account. When a person documents greater or lesser ownership, the county agency shall use that share to determine the equity value held by an applicant or recipient.

B. Real or personal property owned by an applicant or recipient is presumed legally available unless the applicant or recipient documents that the property is not legally available. When real or personal property is not legally available, its equity must not be applied against the limits in subpart 2.

C. An applicant must disclose whether the applicant transferred, within one year before the application or redetermination, real or personal property valued in excess of the property limits in subpart 2 for which reasonable compensation was not received. A recipient shall disclose all transfers of property valued in excess of the limits in subpart 2 according to the reporting requirements in part 9500.1245, subpart 5. When a transfer of real or personal property has occurred, the applicant or recipient shall comply with subitems (1) and (2) as a condition of eligibility for general assistance.

(1) The applicant or recipient who transferred the property must provide a description of the property, information necessary to determine the property's equity value, the name of the individual who received the property, and the circumstances of and reason for the transfer.

(2) If reasonable compensation for the property was not received and the property can be reasonably reacquired, or when reasonable compensation can be secured, the property is presumed legally available to the applicant or recipient.

D. A recipient may build the equity value of the recipient's real and personal property to the limits in subpart 2.

Subp. 2. Equity value; excluded real and personal property. The equity value of all nonexcluded real and personal property must not exceed \$1,000. The county agency shall exclude the value of the real or personal property in items A to T when determining equity value.

A. The applicant's or recipient's homestead according to subitems (1) to (3).

(1) An applicant or recipient who is purchasing real property through a contract for deed and using that property as a home is considered the owner of the real property.

(2) The amount of land that can be excluded under this item is limited to surrounding property which is not separated from the home by intervening property owned by others. Additional property must be assessed as to its legal and actual availability according to subpart 1.

(3) When real property that has been used as a home by an applicant or recipient is sold, the county agency shall treat the cash proceeds from that sale as excluded property for a period of six months if the applicant or recipient intends to reinvest those proceeds in another home and agrees to maintain the proceeds, unused for other purposes, in a separate account.

B. One motor vehicle, not otherwise excluded, when its equity value does not exceed \$1,500 exclusive of the value of special equipment for a handicapped household member. The county agency shall establish the equity value of a motor vehicle by subtracting any outstanding encumbrances from the loan value listed in the N.A.D.A. Official Used Car Guide, Midwest Edition, for newer model cars. When a vehicle is not listed in the N.A.D.A. Official Used Car Guide, or when an applicant or recipient disputes the value listed in the guide as unreasonable given the condition of a particular vehicle, the county agency may require the applicant or recipient to document the value of the vehicle by securing a written statement from a motor vehicle dealer licensed under Minnesota Statutes, section 168.27, stating the amount that the dealer would pay to purchase the vehicle. The N.A.D.A. Official Used Car Guide, Midwest Edition, is incorporated by reference. It is published monthly by the National Automobile Dealers Used Car Guide Company and is available through the Minitex interlibrary loan system. It is subject to frequent change.

C. The value of nonliquid real or personal property that is essential to the owner's self-support, self-care, or needed to obtain or retain suitable employment.

D. The value of nonliquid property which currently produces net earned income and is being used for the support of the assistance unit or a reasonable expectation exists that the property will be used within six months or the next income-producing season, whichever is later, to produce net earned income for the support of the assistance unit.

E. The value of real or personal property owned exclusively by the step-parent or sibling of a single adult applicant or recipient who resides with the step-parent or sibling.

F. The value of real and personal property owned exclusively by a recipient of supplemental security income or Minnesota supplemental aid.

G. The value of corrective payments but only for the month in which the payment is received and the following month.

H. Money escrowed in a separate account that is needed to pay real estate taxes or insurance and that is used for that purpose at least semiannually.

I. A mobile home used by an applicant or recipient as a home.

J. Money held in escrow by a self-employed person to cover employee FICA, employee tax withholding, sales tax withholding, employee workers' compensation, employee unemployment compensation, business insurance, property rental, property taxes, and other costs that are commonly paid at least annually, but less often than monthly.

K. Income received in a budget month until the end of that month. This includes monthly general assistance payments and emergency general assistance payments.

L. The value of school loans, grants, or scholarships over the period they are intended to cover if the income from these sources is either excluded by rule or has been used in the calculation of a grant.

M. The value of personal property not otherwise specified which is commonly used by household members in day-to-day living.

N. Payments listed in part 9500.1223, subpart 2, item O, which are held in escrow for the period necessary to replace or repair the personal or real property. This period must not exceed three months.

O. One burial plot per member of a filing unit.

P. The value of a prepaid burial account, burial plan, or burial trust up to \$1,000 for each member of a filing unit who is covered by that account, plan, or trust.

Q. The value of an applicant's nonliquid resources if an applicant is excluded by part 9500.1251, subpart 2, item M, because the applicant's need for assistance will not exceed 30 days.

R. The value of real and personal property in excess of the limits in this subpart if the applicant is making a good faith effort to sell the property at a reasonable price.

S. Other real or personal property specifically disregarded by federal law, state law, or federal regulation.

T. In addition to the limits specified in items A to S, an amount up to \$1,000 which is accumulated in a separate account from earnings by a resident in a facility licensed under parts 9520.0500 to 9520.2500 or a resident in a supervised apartment with services funded under parts 9535.0100 to 9535.1600 for whom discharge and work are part of a treatment plan. This item applies during residency and for up to 18 additional months if the person moves to an inpatient hospital setting. The accumulated earnings, and the interest on the earnings, are to be used upon discharge from the facility. Any withdrawal before discharge must be counted as income in the month of withdrawal and treated as an available resource in the following months.

Subp. 3. Exclusion of excess property. If the county agency determines that an assistance unit is not eligible for general assistance due to owning property in excess of the limit in subpart 2, the county agency must inform the applicant or recipient in writing of the conditions under which excess property may be excluded.

Statutory Authority: *MS s 256D.01; 256D.04; 256D.051; 256D.06; 256D.08; 256D.09; 256D.111*

History: 15 SR 1842

9500.1222 [Repealed, 15 SR 1842]

9500.1223 EXCLUDED INCOME.

Subpart 1. Evaluation of income. The county agency must determine income available to members of an assistance unit to determine program eligibility and the assistance amount. Income available to members of an assistance unit includes all nonexcluded income whether received by assistance unit members or filing unit members who are not members of the assistance unit when that income is deemed available to members of the assistance unit.

Subp. 2. Excluded income of all filing unit members. The county agency shall exclude items A to BB from the income of all filing unit members:

A. food stamps;

B. United States Department of Housing and Urban Development (HUD) refunds or rebates for excess rents charged and HUD relocation and rehabilitation funds;

C. rental security deposit refunds to the client whether paid by the client or by emergency assistance or emergency general assistance;

D. benefits under title IV and title VII of the Older Americans Act of 1965;

E. all Volunteers in Service to America (VISTA) payments;

F. title I loans or grants through the Minnesota Housing Finance Agency;

G. payments for basic care, difficulty of care, and clothing allowance received for providing family foster care under parts 9545.0010 to 9545.0260 or adult foster care under parts 9555.5105 to 9555.6265;

H. work and training allowances and reimbursements received through the work readiness program,

I. work and training allowances received from county agency social services programs that are not classified as wages subject to FICA withholding;

J. reimbursement for employment training received through the Job Training Partnership Act;

K. reimbursement for out-of-pocket expenses incurred while performing volunteer services, jury duty, or employment;

L. loans, whether from private, public, or governmental lending institutions, governmental agencies, and private individuals provided the filing unit member documents that the lender expects repayment. This exclusion does not include education loans on which payment is deferred;

M. state and federal income tax refunds including Minnesota property tax refunds and the earned income tax credit;

N. funds received for reimbursement, replacement, or rebate of personal or real property when these payments are made from public agencies, awarded by a court, solicited through public appeal, or made as a grant by a federal agency subsequent to a presidential declaration of disaster;

O. payments issued by insurance companies which are specifically designated as compensation to a member of an assistance unit for partial or total permanent loss of function or body part or insurance payments specified under Minnesota Statutes, section 256.74, subdivision 1, clause (7);

P. reimbursements for medical expenses which cannot be paid by medical assistance;

Q. payments by the vocational rehabilitation program administered by the state under Minnesota Statutes, chapter 129A, except those payments that are for current living expenses;

R. in-kind income, as defined in part 9500.1206, subpart 16a, except for payments made for room, board, tuition, or fees by a parent on behalf of a single adult applicant who is enrolled as a full-time student in a postsecondary institution;

S. assistance payments to correct underpayments in a previous month;

T. payments to an applicant or recipient issued under part 9500.1261, 9500.2800, or 9500.2820 for emergency or special needs; however, an initial month's grant may be reduced by the amount of emergency assistance issued to cover that month's needs;

U. nonrecurring cash gifts, such as those received for holidays, birthdays, and graduations, not to exceed \$30 per filing unit member in a calendar quarter;

V. tribal settlements excluded under Code of Federal Regulations, title 45, section 233.20(a)(4)(ii)(e), (k), and (m);

W. any form of energy assistance payment made by the Low Income Home Energy Assistance Program, payments made directly to energy providers

by other public and private agencies, benefits issued by energy providers when the Minnesota Department of Jobs and Training determines that those payments qualify under Code of Federal Regulations, title 45, section 233.53, and any form of credit or rebate payment issued by energy providers;

X. the first \$50 of child support received;

Y. proceeds from the sale of real or personal property;

Z. payments made from state funds for subsidized adoptions under Minnesota Statutes, section 259.40;

AA. interest payments and dividends from property that is not excluded from and does not exceed the \$1,000 limit under part 9500.1221, subpart 2; and

BB. income that is otherwise specifically excluded from AFDC program consideration in federal law, state law, or federal regulation.

Subp. 3. Additional income exclusions, filing unit member who is not a member of assistance unit. In addition to the income exclusions in subpart 2, the county agency shall exclude the following income of a filing unit member who is not a member of the assistance unit:

A. income that was excluded, disregarded, or allocated in the calculation of a public assistance grant unless the allocation was to meet the needs of persons in the general assistance unit;

B. benefits from the Retirement, Survivors, and Disability Insurance program and any income based on a disability that is received by the parent or parents of a single adult applicant or recipient;

C. income of a stepparent or of a sibling of a single adult applicant or recipient;

D. an amount equal to the standards assigned to filing unit members who are not in the general assistance unit in part 9500.1231, subpart 6, item A; and

E. child support, spousal support, or other payments to meet the needs of a person who lives outside of the household who is or could be claimed as a dependent for federal personal income tax liability or for whom payment is required by court order.

Subp. 4. Additional income exclusions; family assistance units. In addition to the income exclusion in subpart 2, the county agency shall exclude the following income from a family assistance unit:

A. educational grants and loans, including income from work study; and

B. income, including retroactive payments, from SSI or Minnesota supplemental aid.

Subp. 5. Additional income exclusions, assistance unit consisting of individuals who are not members of a family. In addition to the income exclusions in subpart 2, the county agency shall exclude the following costs from the income of filing unit members when the assistance unit consists of individuals who are not members of a family:

A. the first \$50 of earned income for each individual who receives earned income;

B. the cost of transportation to and from employment which is not reimbursed, based on the lesser of the actual cost, or the amount allowed for the use of a personal car in the United States Internal Revenue Code for a maximum of 100 miles per day;

C. a meal allowance of \$2 for each day that the individual has a break for a meal during work hours and eats a meal at work, unless the individual can establish that higher costs are both necessary and reasonable;

D. the cost incurred by an applicant or paid by a recipient for uniforms, tools, and equipment which are necessary to accept or retain a job;

E. mandatory payments or deductions from pay for insurance premiums, union dues, association dues, retirement contributions, FICA, state and federal personal income tax withholding, not to exceed the amount specified in the state or federal tax withholding tables for an individual with the same income and number of dependents as the applicant or recipient;

F. other work expenses required for employment and approved by the county agency;

G. public assistance payments received by women residing in facilities for battered women as described in Minnesota Statutes, section 256D.05, subdivision 3, for whom general assistance payments are made to pay for residence in the facility;

H. stipends received from the displaced homemaker services program; and

I. in addition to the \$50 specified in item A, up to \$150 per month from the earnings of a resident of a facility licensed under parts 9520.0500 to 9520.0690 or a resident of a supervised apartment with services funded under parts 9535.0100 to 9535.1600 for whom discharge and work are part of a treatment plan, provided that the disregarded sum is placed in a separate savings account by the resident.

Statutory Authority: *MS s 256D.01, 256D.04; 256D 051; 256D.06; 256D.08; 256D.09; 256D.111*

History: *15 SR 1842*

9500.1224 [Repealed, 15 SR 1842]

9500.1225 EARNED INCOME.

Subpart 1. County agency duty to determine earned income. The county agency must determine the total amount of earned income available to the filing unit. Earned income from self-employment must be calculated according to subpart 2. Earned income from contractual agreements must be calculated according to subpart 3. The total amount of earned income available to an individual for a month must be determined by combining the amounts of earned income calculated under subparts 2 to 4. The total amount of earned income available to an assistance unit for a month must be determined by combining the total earned income of each filing unit member.

Subp. 2. Earned income from self-employment. The county agency must determine the amount of earned income from self-employment by subtracting business costs from gross receipts according to items A to D.

A. Self-employment expenses must be subtracted from gross receipts except for the expenses listed in subitems (1) to (14):

- (1) purchases of capital assets;
- (2) payments on the principal of loans for capital assets;
- (3) depreciation;
- (4) amortization;
- (5) the wholesale costs of items purchased, processed, or manufactured that are unsold inventory with a deduction for the costs of those items allowed at the time they are sold;
- (6) transportation costs that exceed the amount allowed for use of a personal car in the United States Internal Revenue Code;
- (7) the cost of transportation between the individual's home and place of employment;
- (8) salaries and other employment deductions made for members of an individual's assistance unit or for individuals who live in the individual's household for whom the individual is legally responsible;

- (9) monthly expenses in excess of \$71 for a roomer;
- (10) monthly expenses in excess of \$86 for a boarder,
- (11) monthly expenses in excess of \$157 for a roomer-boarder;
- (12) annual expenses in excess of \$103 or two percent of the estimated market value on a county tax assessment form, whichever is greater, as a deduction for upkeep and repair against rental income;
- (13) expenses not allowed by the United States Internal Revenue Code for self-employment income; and
- (14) expenses which exceed 60 percent of gross receipts for child care performed in an individual's home unless the individual can document a higher amount. When funds are received from the quality child care program, those funds are excluded from gross receipts, and the expenses covered by those funds must not be claimed as a business expense that offsets gross receipts.

B. Except for farm income under item C, the self-employment budget period begins in the month of application for applicants and in the first month of self-employment for recipients. Gross receipts from self-employment must be budgeted in the month in which they are received. Expenses must be budgeted against gross receipts in the month in which those expenses are paid except for subitems (1) to (3):

(1) The purchase cost of inventory items, including materials that are processed or manufactured, must be deducted as an expense at the time payment is received for the sale of those inventory items, processed materials, or manufactured items, regardless of when those costs are incurred or paid.

(2) Expenses to cover employee FICA, employee tax withholding, sales tax withholding, employee worker's compensation, employee unemployment compensation, business insurance, property rental, property taxes, and other costs that are commonly paid at least annually, but less often than monthly, must be prorated forward as deductions from gross receipts over the period they are intended to cover, beginning with the month in which the payment for these items is made.

(3) Gross receipts from self-employment may be prorated forward to equal the period over which the expenses were incurred except that gross receipts must not be prorated over a period that exceeds 12 months. This provision applies only when gross receipts are not received monthly but expenses are incurred on an ongoing monthly basis.

C. Farm income must be annualized. Farm income is gross receipts minus operating expenses, subject to item A. Gross receipts include sales, rents, subsidies, soil conservation payments, production derived from livestock, and income from sale of home-produced foods.

D. Income from rental property must be considered self-employment earnings when the owner spends an average of 20 hours per week on maintenance or management of the property. A county agency must deduct an amount for upkeep and repairs, according to item A, subitem (11), for real estate taxes, insurance, utilities, and interest on principal payments. When an applicant or recipient lives on the rental property, the county agency must divide the expenses for upkeep, taxes, insurance, utilities, and interest by the number of rooms to determine the expense per room. The county agency shall deduct expenses from rental income only for the number of rooms rented, not for rooms occupied by an assistance unit. When an owner does not spend an average of 20 hours per week on maintenance or management of the property, income from rental property must be considered unearned income. The deductions described in this item must be subtracted from gross rental receipts.

Subp. 3. **Earned income from contractual agreements.** The county agency must prorate the amount of earned income received by individuals employed on a contractual basis over the period covered by the contract even if the payments are received over a shorter period.

Subp. 4. **Other earned income.** The county agency must consider all other forms of earned income not specifically provided for under subparts 2 and 3 to be earned income available to the individual in the month it is received.

Statutory Authority: *MS s 256D.01; 256D.04; 256D 051; 256D.06; 256D.08; 256D.09; 256D.111*

History: *15 SR 1842*

9500.1226 UNEARNED INCOME.

Subpart 1. **County agency duty to determine unearned income.** The county agency must determine the total amount of unearned income available to the filing unit. The total amount of unearned income available to a filing unit for a month must be determined by combining the total unearned income of each filing unit member.

Subp. 2. [Repealed, 15 SR 1842]

Subp. 3. [Repealed, 15 SR 1842]

Subp. 4. [Repealed, 15 SR 1842]

Subp. 5. **Deductions for certain costs.** Costs incurred to secure payments of unearned income shall be deducted from unearned income. These costs include legal fees, medical fees, and mandatory deductions such as federal and state income taxes.

Subp. 6. **Payments for disability or illness.** Payments for illness or disability must be considered unearned income whether the premium payments are made wholly or in part by an employer or a recipient.

Subp. 7. **Education grants, scholarships, and loans.** Educational grants, scholarships, and loans, including assistance funded under title IV of the Higher Education Act, which are available to an assistance unit that does not contain a member of a family must be considered unearned income, together with the in-kind income derived from the payment of room and board and tuition and fees paid by the parents of the student. The county agency must subtract tuition and fees, in addition to books, supplies, transportation, and miscellaneous personal expenses as indicated by the school, from the total educational grants, loans, scholarships, and in-kind income. The deductions of these expenses are to be made at the time that the educational funds become available for the student's benefit, and any excess funds prorated over the remainder of the time they were intended to cover. School expenses that exceed loans, grants, and scholarships may be deducted from work study income.

Subp. 8. **Nonexcluded filing unit member income.** Income from a filing unit member who is not a member of the assistance unit which is not excluded under part 9500.1223 is deemed unearned income available to the assistance unit.

Subp. 9. **Lump sums received by filing unit.** Lump sums received by a filing unit must be considered as earned income under parts 9500.1223 and 9500.1225 or as unearned income under subparts 5 to 8. For recipients of general assistance, lump sums are considered income in the month received and a resource in the following months.

Statutory Authority: *MS s 256D 01; 256D.04; 256D.051; 256D 06; 256D.08; 256D.09; 256D.111*

History: *15 SR 1842*

9500.1227 [Repealed, 15 SR 1842]

9500.1228 [Repealed, 15 SR 1842]

9500.1229 [Repealed, 15 SR 1842]

9500.1230 [Repealed, 15 SR 1842]

9500.1231 ASSISTANCE STANDARDS.

Subpart 1. **Standard, single individual.** Except as provided in subpart 2, the standard of assistance for a single adult who does not reside with his or her parents; an adult applicant or recipient who resides with his or her parents and those parents have no minor children; or an emancipated minor applicant or recipient is \$203 per month. The standard in this subpart shall be increased by the same percentage as any increase in subpart 4.

Subp. 2. **Standard, individuals residing in a nursing home, negotiated rate facility, or regional treatment center.** The standard of assistance for an assistance unit composed of one individual who resides in a nursing home, negotiated rate facility, or regional treatment center is the amount established as the clothing and personal needs allowance for medical assistance recipients under Minnesota Statutes, section 256B.35, subdivision 1.

Subp. 3. **Standard, married couples without children.** The standards of assistance for a married couple without children are the same as the first and second adult standards under subpart 4. If one member of the couple is not included in the general assistance grant, the standard for the other is the second adult standard under subpart 4.

Subp. 4. **Standards, filing units with a minor child.** The county agency shall use the standards in items A to M to determine the amount of assistance for a filing unit with a minor child or children. The standard of assistance shall increase or decrease to remain equal to the equivalent AFDC standards under part 9500.2440, subpart 6:

- A. first adult, \$187;
- B. second adult, \$73;
- C. first child, \$250;
- D. second child, \$95;
- E. third child, \$89;
- F. fourth child, \$76;
- G. fifth child, \$76;
- H. sixth child, \$77;
- I. seventh child, \$66;
- J. eighth child, \$64;
- K. ninth child, \$55;
- L. tenth child, \$54; and
- M. each additional child, \$53.

Subp. 5. **Standard, single adult residing with parents with minor children.** A single adult applicant or recipient who resides with his or her parents who have minor children will receive a child standard from subpart 4 as though the single adult were an additional minor child added to an assistance unit composed of the parent and minor child or children.

Subp. 6. **Standard, assistance unit composed of part or all members of a family.** The county agency shall determine the assistance standard for a family assistance unit as follows:

A. The county agency shall assign standards from subpart 4 to each member of the filing unit as though each was a member of an AFDC assistance unit composed of the entire filing unit. If a member or members of a family are not to be included in the assistance unit, the county agency shall assign standards from subpart 4 to those members first and to the remaining members of the assistance unit last. Each adult in the filing unit except the first will receive a second adult standard. A minor parent family member shall be treated as provided in subitem (1) or (2).

(1) A minor parent family member who resides with his or her parent will be assigned a child standard.

(2) A minor parent family member who does not reside with his or her parent or parents shall be assigned an adult standard. If two adult standards have already been assigned to filing unit members, the minor parent will be assigned a second adult standard.

B. The county agency shall add together the standards assigned to the members of the general assistance unit in item A. That total is the standard for the assistance unit. In no case shall the standard for family members who are in the assistance unit for general assistance, when combined with the standard for family members who are not in the assistance unit, total more than the standard for the entire family if all members were in an AFDC assistance unit.

Subp. 7. **Standard applies to full month.** Except when an increase must be made in the standard of assistance applicable to an assistance unit due to the addition of a member to the assistance unit or when a recipient enters the community from a negotiated rate facility, the standard of assistance applicable to an assistance unit the first day of a payment month or at the time of application, whichever is later, applies to the assistance unit for the entire month. When a decrease must be made in the standard of assistance for an assistance unit, the decrease shall be effective in the month following the month in which the change necessitating the reduction in the standard took place.

Statutory Authority: *MS s 256D.01; 256D.04; 256D.051; 256D.06; 256D.08; 256D.09; 256D.111*

History: 15 SR 1842

9500.1232 STATE PARTICIPATION.

Subpart 1. [Repealed, 15 SR 1842]

Subp. 2. [Repealed, 15 SR 1842].

Subp. 3. [Repealed, 15 SR 1842]

Subp. 4. **State participation for payment in excess of state standards.** State participation is not available for special need items or the amount of the higher county agency standard authorized under Minnesota Statutes, section 256D.03, subdivision 2a, which exceed the applicable state assistance standards.

Subp. 5. **State participation for costs of providing transportation to recipients assigned to literacy training.** State participation for the actual costs of providing transportation under part 9500.1259, subpart 1, item D, subitem (6), is 100 percent.

Statutory Authority: *MS s 256D.01; 256D.04; 256D.051; 256D.06; 256D.08; 256D.09; 256D.111*

History: 15 SR 1842

9500.1233 FINANCIAL ELIGIBILITY TESTS.

Subpart 1. **Prospective eligibility.** A county agency shall determine whether the eligibility requirements that pertain to an assistance unit will be met prospectively for the payment month. To prospectively assess income, a county agency shall estimate the amount of income an assistance unit expects to receive in the payment month.

Subp. 2. **Termination and suspension of assistance when prospectively ineligible.** When an assistance unit is prospectively ineligible for general assistance for at least two consecutive months due to excess income, assistance must be terminated. When an assistance unit is prospectively ineligible for general assistance for only one month and is prospectively eligible the following month, assistance must continue. The income for the single month in which prospective ineligibility exists must be applied retrospectively as described in subpart 3, resulting in suspension for the corresponding payment month.

Subp. 3. **Retrospective eligibility.** After the first two months of program eligi-

bility, a county agency must determine whether an assistance unit is prospectively eligible for the payment month. The county agency must then determine whether the assistance unit is retrospectively eligible by applying the gross income test for family assistance and the payment eligibility test to the income from the budget month. When either the gross income test for family assistance units or the payment eligibility test is not satisfied, assistance must be suspended when ineligibility exists for one month, or terminated when ineligibility exists for more than one month.

Subp. 4. Gross income test for family assistance units. A county agency shall apply a gross income test both prospectively and retrospectively for each month of program eligibility. A family assistance unit is not eligible when available income as determined in parts 9500.1223 to 9500.1226 equals or exceeds 185 percent of the standard of assistance for the assistance unit. The income applied against the gross income test must include the gross earned income of a dependent child in the assistance unit who is not a full-time student and whose income is from a source other than the Job Training Partnership Act. The income in items A to F must be considered in the gross income test.

A. Gross earned income from employment, before mandatory payroll deductions, voluntary payroll deductions, wage authorizations, and disregards, unless the employment income is specifically excluded under part 9500.1223.

B. Gross earned income from self-employment, less deductions for self-employment expenses in part 9500.1225, subpart 2, but before any reductions for personal state and federal income taxes, business taxes, personal FICA, personal health and life insurance, and disregards.

C. Unearned income after allowable expenses in part 9500.1226, unless the income has been specifically excluded in part 9500.1223.

D. Gross earned income from employment as determined under item A which is received through the Job Training Partnership Act by a member of an assistance unit who is a dependent child after the child has received both Job Training Partnership Act earnings and assistance for six payment months in the same calendar year.

E. Gross earned income from employment, as determined under item A, which is received through employment other than the Job Training Partnership Act by a member of an assistance unit who is a dependent child and a full-time student after the child has received both those earnings and assistance for six payment months in the same calendar year.

F. Child support and spousal support received or anticipated to be received by an assistance unit less the first \$50 of current child support.

Subp. 5. Payment eligibility test. Each assistance unit must pass a test of payment eligibility prospectively and retrospectively for each program month that the unit is otherwise eligible.

A. Family assistance units which have passed the gross income test, must use the income described in subpart 4 to determine payment eligibility except that:

(1) earned income of a dependent child who is a part-time or full-time student must be excluded; and

(2) the disregards as determined in part 9500.1235 must be deducted from earned income.

B. Assistance units which do not contain a member of a family must use the income determined in parts 9500.1223 to 9500.1226 to determine payment eligibility.

C. The county agency must apply the assistance unit's countable income against the assistance unit's standard. If the income is equal to or greater than the standard, the assistance unit must be denied assistance or assistance must be terminated.

Statutory Authority: *MS s 256D.01; 256D.04, 256D.051; 256D.06; 256D.08; 256D.09; 256D.111*

History: *15 SR 1842*

9500.1235 EMPLOYMENT DISREGARDS FOR EMPLOYED MEMBERS OF A FAMILY ASSISTANCE UNIT.

The county agency shall deduct the disregards in items A to D from the gross earned income of employed members of a family assistance unit.

A. A \$90 work expense, whether employment is full-time or part-time, must be deducted from the gross earned income of each employed member of an assistance unit and \$75 for other financially responsible household members who are excluded from the assistance unit, except that sanctioned individuals must not receive this disregard.

B. A monthly deduction for costs for care of a dependent child or an adult dependent who is in the assistance unit. These costs must be documented according to part 9500.1215, subpart 4, item B, subitem (6). This disregard must only be deducted from the gross income of a member of an assistance unit, and must be applied after all other disregards have been applied. The deduction must not exceed \$175 for each dependent age two or older, or \$200 for each dependent under the age of two when employment equals or exceeds 30 hours per week. The deduction shall not exceed \$174 for each dependent age two or older, or \$199 for each dependent under the age of two when employment is less than 30 hours per week. A deduction for dependent care costs is not allowed when the care is provided by a member of the filing unit.

C. A deduction for a \$30 and one-third work incentive disregard. This disregard must be allowed for each employed member of an assistance unit. The first \$30 must be subtracted from the balance of gross earned income after subtracting the work expense allowed under item A. One-third of the balance must also be subtracted after allowing the \$30 disregard. This disregard is limited by subitems (1) to (6).

(1) The disregard must not be deducted from the income of an applicant in the initial month when applying the payment eligibility test in part 9500.1233, subpart 5, except that an applicant who has received general assistance in any of the four months previous to the month of application and who retains eligibility for this disregard from the prior period of eligibility under subitems (2) to (5) shall be eligible for this disregard when determining payment eligibility. When an applicant satisfies the payment eligibility test in the first month, this disregard must be used to calculate the assistance payment amount for that month when the applicant is otherwise eligible to receive it.

(2) Eligibility for this disregard is limited to four payment months in subitems (3) to (5) and cannot be deducted again from the income of that member of the assistance unit until that member has not been a recipient of general assistance for a period of at least 12 consecutive payment months.

(3) The four months of eligibility for this disregard are only those payment months in which any part of the \$30 and one-third work incentive is applied against income. When the four months of eligibility for this disregard are interrupted for at least one payment month before the period of eligibility is completed, the recipient is eligible for a new period of four months, with the next subsequent month of its use considered to be the first month, except as otherwise noted in subitems (4) and (5).

(4) When this disregard is not applied because income from a recurring source results in suspension of an assistance payment, that month must not be counted as a month of the four-month period, but this interruption does not establish eligibility for a new four-month period.

(5) When employment is ended, reduced, or refused without good

cause, a person shall not be eligible for any of the employment disregards under items A to D in the first month following the month in which that employment is ended, reduced, or refused. The month in which those disregards are disallowed must be counted as one of the four consecutive months in the period of eligibility for this disregard and the remaining months of eligibility must be counted in the consecutive months which immediately follow, regardless of loss of eligibility or change in employment status.

(6) Receipt of a \$30 and one-third work incentive disregard of income used to calculate benefits or eligibility for the AFDC or medical assistance programs has no effect on the eligibility for the disregard for recipients of family general assistance.

D. A deduction for a \$30 work incentive disregard. This disregard applies for a period of eight months to members of an assistance unit who have completed the four-month period of eligibility for the \$30 and one-third work incentive disregard. This disregard is allowed beginning with the first month following the fourth month of eligibility for the \$30 and one-third work incentive disregard and must be counted in consecutive months regardless of the loss of eligibility or change in employment status.

Statutory Authority: *MS s 256D.01; 256D.04; 256D.051; 256D.06; 256D.08; 256D.09; 256D.111*

History: *15 SR 1842*

9500.1237 AMOUNT OF ASSISTANCE PAYMENT.

Subpart 1. Amount of assistance payment. The county agency must issue an assistance payment to an assistance unit in an amount equal to the difference between the standard of assistance determined in part 9500.1231 and the assistance unit's countable income as determined in parts 9500.1223 to 9500.1226, for a whole month without separate standards for shelter, utilities, or other needs, except as provided under subparts 2 to 9.

Subp. 2. Prorate the month of application. When program eligibility exists for the month of application, the amount of the assistance payment for the month of application must be prorated from the date of application or the date all eligibility factors are met for that applicant, whichever is later. This provision must apply when an applicant loses at least one day of program eligibility.

Subp. 3. Minimum payment for families. When the difference between countable income and the standard of assistance for an assistance unit containing members of a family in a payment month is less than \$10, an assistance payment must not be issued, but that month must be considered a month of program eligibility. When recoupment of an overpayment reduces the assistance payment, pursuant to part 9500.1243, subpart 3, and the subsequent level of payment is less than \$10, the assistance payment must be made.

Subp. 4. Persons without a verified residence address. A county agency may make payments to eligible persons without a verified address as specified in items A to G.

A. A county agency which chooses to make payments under this subpart must notify the department of its intention to do so 30 days before implementation.

B. A county agency must apply this subpart equally to all applicants or recipients who are without a verified residence, except that this subpart must not be applied to persons who are certified as having mental illness, mental retardation or a related condition, or a family assistance unit unless requested in writing by the family assistance unit.

C. A county agency may divide the monthly assistance grant into four payments to be issued weekly for four weeks each month.

D. A county agency may determine eligibility and provide assistance on a weekly basis as specified in subitems (1) to (5).

(1) The amount of assistance issued under this item may be determined either by prorating the monthly assistance standard which applies to the individual at the time of application and at the time of weekly redetermination, or as specified in part 9500.1261.

(2) Forms required for weekly redetermination of eligibility must be approved by the department. The form must contain a statement of need by the recipient.

(3) Notwithstanding part 9500.1259, subpart 4, the county agency must notify the recipient each time weekly assistance is issued under this item that subsequent weekly assistance will not be issued unless the recipient claims need.

(4) Weekly determination of eligibility under this item must not continue beyond the first full calendar month subsequent to the month of application. Beginning with the second full calendar month, assistance may be issued as specified in item C to a recipient who has not verified a residence address but who is a resident of the state as determined by part 9500.1219, subpart 3.

(5) The provisions of this item must not be applied to any assistance unit which receives, or is expected to receive countable income within the month of application or the following month:

E. Assistance provided under items C and D may be in the form of cash or separate vouchers or vendor payments for food, shelter, or other needs.

F. Except for weekly redetermination for assistance under item D, notices must be provided to recipients under this subpart as specified by part 9500.1259, subpart 4.

G. Assistance must not continue under this subpart when the recipient has verified a residence address as specified in part 9500.1219, subpart 3, item C.

Subp. 5. Initial payments for mandatory participants in the work readiness program. Initial payments may be made to mandatory participants in the work readiness program as specified in items A to D.

A. The county agency must choose one of the methods described in subitems (1) and (2) to make initial payments. The county agency must use the method it chooses for all applicants, except that for family assistance units or assistance units of more than one person, the county agency must use the method described in subitem (1).

(1) The county agency may make payments to cover a period of time which begins with the date of application, or the date on which all eligibility factors have been met, whichever is later, and ending on the last day of the month in which a work readiness orientation is scheduled.

(2) The county agency may prorate an initial payment to cover only the initial certification period which begins on the date of application, or the date on which all eligibility factors have been met, whichever is later, and ending on the date on which all mandatory participants in the assistance unit must attend a scheduled orientation. This initial certification period must not exceed 30 days. If all mandatory participants in an assistance unit attend the scheduled orientation, the county agency must then issue an additional grant of assistance to cover the period beginning the day after the scheduled orientation and ending on the final day of the month. Subsequent grants of assistance must be issued according to part 9500.1237, subpart 1 or 4.

B. The county agency must inform all mandatory participants in the assistance unit that:

(1) each mandatory participant must attend an orientation within 30 days after application;

(2) a mandatory participant who fails, without good cause, to attend

the required orientation will lose eligibility for assistance without further notice due to noncompliance with work readiness requirements subject to reinstatement upon a showing of good cause; and

(3) a mandatory participant who has been disqualified from work readiness may not be eligible for emergency general assistance during the period of disqualification.

C. Subsequent assistance must not be issued within 60 days from the date of the initial application to a mandatory participant whose eligibility has ended for failing, without a showing of good cause, to attend a scheduled orientation unless the person completes an application, is determined eligible, attends an orientation, or has become exempt from work readiness participation under part 9500.1251.

D. The county may make payment under item A to persons without a verified address according to subpart 4 as long as the county agency implements the provision consistently for all applicants and recipients.

Subp. 6. Assistance payment when need will not exceed 30 days. For persons who are exempt from registration with the work readiness program under part 9500.1251, subpart 2, item M, the county agency shall issue a grant determined by subtracting any countable income that the applicant has received since the first of the calendar month of application and any countable income the applicant is expected to receive before the date on which the county agency has anticipated that the applicant will lose eligibility for general assistance, from his or her prorated standard of assistance. The prorated standard of assistance must be determined by comparing the number of days between the date of application or the date all eligibility factors have been met, whichever is later, and the date which the county agency has anticipated that the applicant will lose eligibility for general assistance, with a 30-day month.

Subp. 7. Payments to facilities with negotiated rates. In addition to any payment an individual is entitled to by comparing the individual's countable income determined by parts 9500.1223 to 9500.1226 with the standard of need specified under part 9500.1231, subpart 7, the county agency must make direct payment on behalf of an individual described under part 9500.1231, subpart 2, to a negotiated rate facility out of general assistance funds unless other funds are available. An individual who has countable income in excess of the standard specified in part 9500.1231, subpart 2, but who is otherwise eligible for general assistance, is eligible for a payment to be made to a facility on the individual's behalf. However, the initial payment to the facility must be reduced by the amount that the individual's countable income exceeds the standard applicable to the individual on the first day of the month in which the individual enters the facility. Payments for months subsequent to the month in which the individual enters the facility must be reduced by the amount the individual's countable income exceeds the standard specified by part 9500.1231, subpart 2. If the individual's countable income exceeds that standard by an amount equal to, or greater than, the facility's monthly rate, there is no eligibility under the general assistance program. The county agency may make payment to the facility either in advance each month, or upon receipt of a billing statement from the facility. Payments to the facility shall cover a period beginning on the date the county agency receives an application signed by the applicant or the date all eligibility factors have been met, or the date the individual enters the facility, whichever is later, and ending on the date the recipient leaves the facility.

Subp. 8. Payments to shelter facilities. In addition to any payment to which an individual may be eligible under other parts of this program or under the aid to families with dependent children program, the county agency shall make payment on behalf of that individual to a secure crisis shelter, a housing network, or other shelter facility which provides shelter services to women and their children who are being or have been assaulted by males with whom they are residing

or have resided in the past. The county agency's payment to the shelter must be reduced by the amount that the individual's countable income determined by parts 9500.1223 to 9500.1226 exceeds their standard of assistance as determined by part 9500.1231. Eligibility for a shelter payment under this subpart shall not affect the individual's eligibility or benefit level for general assistance or aid to families with dependent children and there can be concurrent payments under this subpart and those programs. Eligibility for a shelter payment under this subpart begins with the date an applicant enters the shelter provided that the shelter files the applicant's completed application with the county agency within ten days of the date the applicant entered the shelter, and ends on the date the individual leaves the shelter.

Subp. 9. Additional grants to start employment. In addition to any other benefits to which a recipient or applicant, otherwise eligible, might be entitled under this part, the county agency may, within the limits of available appropriations, make grants necessary to enable individuals to accept bona fide offers of employment. A grant may be made for costs directly related to starting employment, including transportation costs, clothing, tools and equipment, license or other fees, and relocation. A grant under this subpart shall not be furnished more than once in any 12-month period.

Statutory Authority: *MS s 256D.01; 256D.04; 256D.051; 256D.06; 256D.08; 256D.09; 256D.111*

History: 15 SR 1842

9500.1238 [Repealed, 15 SR 1842]

9500.1239 PAYMENT PROVISIONS.

Subpart 1. Grant issuance. Grants of general assistance shall be issued to the recipient according to subparts 2 and 3.

Subp. 2. Time period for issuance of assistance. The state or county agency shall mail assistance payments to the address where the assistance unit lives, or an alternate address when approved by the county agency, within time to allow postal service delivery to occur no later than the first day of each month unless:

A. the county agency has exercised its option to issue assistance weekly under part 9500.1237, subpart 4, item C or D, in which case the county agency must provide the recipient with a schedule by which the recipient is to visit the agency to pick up the payments or notices; and

B. the state or county agency issues payments by means other than checks, in which case the payments must conform to the time limits in this subpart.

Subp. 3. Special voucher or vendor payment provisions. Assistance must be paid directly to a recipient, except as provided in items A to H.

A. When a county agency has determined that a voucher or vendor payment is the most effective way to resolve an emergency situation under part 9500.1261, payment shall be made by voucher or directly to a vendor.

B. When the county agency has reason to suspect that a client is drug dependent, payment shall be made as provided under part 9500.1272.

C. When the applicant or recipient has no verified residence address, payment shall be made as provided under part 9500.1237, subpart 4, item C, D, or E.

D. When the applicant or recipient requests in writing that all or part of the assistance be issued in the form of vendor payments and the county agency approves the request, payment shall be made by vendor payment.

E. When an assistance unit consists of only minor children due to the disqualification of one or both parents who have not complied with the work readiness program, payment shall be made by vendor or protective payment.

F. When a county agency has determined that a recipient has exhibited a continuing pattern of money mismanagement, payment shall be made by vendor or protective payment. A continuing pattern of money mismanagement exists when a recipient has received a total of two or more grants of emergency assistance within an 18-month period. For the purposes of this provision, grants of emergency assistance are payments made under part 9500.1261 or 9500.2820 or emergency payments from county funds. In order to be counted for this provision, the emergencies for which grants were issued must have resulted from the recipient's failure to use available resources for the payment of basic need items. The county agency must review the use of protective or vendor payments under this item at each redetermination of eligibility.

G. When a county agency has established a negotiated rate with providers of room and board; boarding care, supervised living, or adult foster care, payment shall be made by vendor payment.

H. When an applicant or recipient resides in a shelter facility as defined in Minnesota Statutes, section 256D.05, subdivision 3; payment shall be made by vendor payment.

Statutory Authority: *MS s 256D.01; 256D.04; 256D.051; 256D.06; 256D.08; 256D.09; 256D.111*

History: *15 SR 1842*

9500.1240 [Repealed, 15 SR 1842]

9500.1242 [Repealed, 15 SR 1842]

9500.1243 BUDGETING.

Subpart 1. Prospective budgeting. A county agency shall use prospective budgeting to calculate the assistance payment amount for the first two months for an applicant who has not received general assistance for at least one payment month preceding the first month of payment under a current application, subject to items A to E.

A. Income received or anticipated in the first month of program eligibility must be applied against the need of the first month. Income received or anticipated in the second month must be applied against the need of the second month.

B. When the assistance payment for any part of the first two months is based on anticipated income, an initial assistance payment amount must be determined based on information available at the time the initial assistance payment is made. When the amount of actual countable income is different than the anticipated countable income which was budgeted to determine the assistance payment for the first two months, the assistance unit is liable for an overpayment or is eligible for a corrective payment for the difference between anticipated and actual countable income for those two months.

C. The assistance payment for the first two months of program eligibility must be determined by budgeting both recurring and nonrecurring income for those two months.

D. An assistance unit shall have the assistance payment amount determined prospectively according to items A to C if the assistance unit:

(1) has had assistance suspended for a month as provided by part 9500.1233, subpart 2; and

(2) has experienced a recurring change of at least \$50 in net income, exclusive of the disregards in part 9500.1235, items B and C, in the month preceding the month of suspension or in the month of suspension.

E. An individual who enters a facility with a negotiated rate or a shelter facility described in Minnesota Statutes, section 256D.05, subdivision 3, shall have an assistance payment determined prospectively from the date the individual entered the facility. Any income, including grants of public assistance,

received by the individual before entering the facility must only be applied against the assistance unit's standard specified under part 9500.1231, subpart 2, and not against the payment to the facility as specified in part 9500.1237, subparts 7 and 8. Any assistance payments made to the individual beginning two months after the month the individual leaves the facility must be determined retrospectively according to subpart 2.

Subp. 2. Retrospective budgeting. Retrospective budgeting must be used to calculate the monthly assistance payment amount after the payment for the first two months has been made under subpart 1. Retrospective budgeting is subject to items A and B.

A. Retrospective budgeting is used to determine the amount of the assistance payment in the first two months of program eligibility when:

(1) an assistance unit applies for general assistance for the same month for which general assistance has been terminated, the interruption in eligibility is less than one payment month, and the general assistance payment for the immediately preceding month was determined retrospectively; or

(2) a person applies to be added to an assistance unit, that assistance unit has received general assistance for at least two preceding months, and that person has been receiving general assistance for at least two months as a member of another assistance unit.

B. Income received in the budget month by an assistance unit and by a filing unit member who is not included in the assistance unit must be applied against the standard of assistance to determine the assistance payment to be issued for the payment month, except as provided in subitems (1) to (4).

(1) When a source of income ends before the third payment month, that income is not considered in calculation of the assistance payment for the third payment month. When a source of income ends before the fourth payment month, that income is not considered when determining the assistance payment for the fourth payment month.

(2) When a member of a filing unit leaves the household of the assistance unit, the income of that member is not budgeted retrospectively for any full payment month in which that household member does not live with that household and is not included in the filing unit.

(3) When a child is removed from an assistance unit because the child is no longer a dependent, the income of that child is not budgeted retrospectively for payment months in which that child is not included in the assistance unit.

(4) When a person ceases to have financial responsibility for one or more members of an assistance unit, the income of that person is not budgeted retrospectively for the payment months which follow the month in which financial responsibility ends.

Subp. 3. Recoupment of overpayments. When a recipient receives an overpayment, the overpayment must be recouped or recovered under the conditions of this part even when the overpayment is due to agency error or to other circumstances outside the person's responsibility or control, according to items A to D.

A. When a county agency discovers that a person has received an overpayment for one or more months, the county agency shall notify that person of the overpayment in writing. A notice of overpayment must specify the reason for the overpayment, the authority for citing the overpayment, the time period in which the overpayment occurred, the amount of the overpayment, and the person's right to appeal recoupment of the overpayment.

B. When an assistance unit is eligible for assistance, the county agency shall recoup an overpayment by reducing one or more monthly assistance payments until the overpayment is repaid. The amount of repayment deducted from a monthly assistance payment shall be three percent of the assistance unit standard of assistance for the payment month.

C. A county agency shall not initiate efforts to recover overpayments from a person no longer on assistance unless the amount of overpayment is greater than \$35 or overpayment was due to fraud.

D. This subpart shall not be applied to nonfamily assistance units until the MAXIS automated eligibility system is implemented on a statewide basis.

Subp. 4. Correction of underpayments. A county agency must correct an underpayment within seven calendar days after the underpayment has been identified, by adding the corrective payment amount to the monthly assistance payment or by issuing a separate payment to a current recipient. When an underpayment occurs in a payment month specified in subpart 1, and is not identified until the next payment month or later, that underpayment must first be subtracted from any overpayment balance before issuing the corrective payment. An underpayment for a current payment month must not be applied against an overpayment balance and payment must be issued within seven calendar days after the underpayment is identified.

Subp. 5. Prohibition against use of general assistance grant to recover overpayment from other maintenance programs. Subparts 3 and 4 apply only to overpayments or underpayments of assistance from the general assistance program. A county agency may not recover an overpayment by another maintenance benefit program from a general assistance grant.

Statutory Authority: *MS s 256D.01; 256D.04; 256D.051; 256D.06; 256D.08; 256D.09; 256D.111*

History: *15 SR 1842*

9500.1245 APPLICANT AND RECIPIENT RESPONSIBILITIES.

Subpart 1. Applicant reporting requirements. An applicant shall provide information about circumstances that affect the applicant's program eligibility or the assistance payment. The applicant shall provide the information on an application form and supplemental forms. An applicant shall report any changes in those circumstances under subpart 5 while the application is pending.

Subp. 2. Responsibility to inquire. An applicant or recipient who does not know or who is unsure whether a change in circumstances will affect program eligibility or assistance payments shall contact the county agency for information about whether or not to report the change.

Subp. 3. Household report forms. An assistance unit with a member who has earned income or a recent work history, and an assistance unit that has income allocated to it from a filing unit member who has earned income or a recent work history, shall complete a monthly household report form. "Recent work history" means the individual received earned income in any one of the three calendar months preceding the current payment month. To be complete, a household report form must be signed and dated no earlier than the last day of the reporting period. All questions required to determine assistance payment eligibility must be answered and documentation of earned income must be included. A recipient shall submit the household report form by the eighth calendar day of the month following the reporting period covered by the form, or, if the eighth calendar day of the month falls on a weekend or holiday, by the first working day that follows the eighth calendar day. Delays in submitting the completed household report form may delay an assistance payment in the month following the month in which the form is due.

Subp. 4. Late household report forms. When a household report form is late or incomplete, items A, B, or C apply.

A. When a complete household report form is not received by a county agency before the last ten days of the month in which the form is due, the county agency shall send notice of proposed termination of assistance. When a recipient submits an incomplete form on or after the date the notice of proposed termina-

tion has been sent, the termination is valid unless the recipient submits a complete form before the end of the month.

B. When a recipient submits an incomplete household report form before the last ten days of the month in which it is due, a county agency's ten-day notice of termination of assistance for failure to provide a complete household report form is invalid unless the county agency has returned the incomplete form on or before the ten-day notice deadline.

C. If a complete household report form is received by the county agency within a calendar month after the month in which assistance was received, an assistance unit required to submit a household report form is considered to have continued its application for assistance effective the date the required report is received by the county agency. However, no assistance shall be paid for the period beginning with the first day of the month after the month in which the report was due and ending with the date the report was received by the county agency.

Subp. 5. Changes which must be reported. Recipients shall report the changes or anticipated changes specified in items A to K within ten days after the date they occur, within ten days after the date the recipient learns that the change will occur, at the time of the periodic redetermination under subpart 6, or within eight calendar days after a reporting period as in subpart 3, whichever occurs first. A recipient shall report other changes at the time of the periodic redetermination of eligibility under subpart 6 or at the end of a reporting period under subpart 3 as applicable. A recipient shall make these reports in writing or in person to the county agency. Changes in circumstances which must be reported within ten days must also be reported on the household report form for the reporting period in which those changes occurred. Within ten days, a recipient must report changes in:

- A. initial employment;
- B. the initial receipt of unearned income;
- C. a recurring change of more than \$50 per month of net earned or unearned income;
- D. the receipt of a lump sum;
- E. an increase in resources;
- F. a change in the physical or mental status of a recipient who is exempt from work readiness registration due to the physical or mental condition;
- G. the marriage or divorce of an assistance unit member;
- H. a change in the household composition including departures from and returns to the home of filing unit members, or the birth or death of a member of the filing unit;
- I. a change in the address or living quarters of an assistance unit;
- J. the sale, purchase, or other transfer of property; and
- K. a change in school attendance of a child over 15 years of age or an adult member of an assistance unit.

Subp. 6. Redetermination of eligibility. Except as provided in items A to C, a county agency must redetermine eligibility of a recipient once each year. A recipient must complete forms prescribed by the commissioner and required for redetermination of eligibility.

A. A county agency that has opted to provide assistance on a weekly basis to persons without a verified residence address may redetermine eligibility each week. In redetermining eligibility, the county agency must use the form in part 9500.1237, subpart 4, item D, subitem (2). The form must include a claim of need by the recipient.

B. A county agency must redetermine eligibility when a recipient who has been disqualified from receiving cash assistance due to noncompliance with

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a program provision requests assistance after the expiration of the disqualification period.

C. A county agency may redetermine the eligibility of a recipient when a change that affects program eligibility is reported to the county agency.

Subp. 7. Other maintenance benefits. An applicant or recipient must apply, according to part 9500.1254, for other maintenance benefits that the county agency has determined the applicant or recipient is potentially eligible for. An applicant or recipient who fails or refuses to take the actions specified by the county agency according to part 9500.1254 must be terminated from general assistance and remains ineligible for assistance until the applicant or recipient takes the actions specified by the county agency under this subpart.

Subp. 8. Work readiness program. Any applicant or recipient who is not exempt from work readiness under part 9500.1251 must participate in the work readiness program under part 9500.1259, according to items A and B.

A. A mandatory work readiness participant meets the work readiness participation requirements if the mandatory participant:

(1) cooperates with the county agency in all aspects of the work readiness program;

(2) accepts any suitable employment, including employment offered through the Job Training Partnership Act, Minnesota Employment and Economic Development Act, and other employment and training options;

(3) does not voluntarily quit or refuse suitable employment without good cause; and

(4) participates in work readiness activities assigned by the county agency, including completing the specific tasks or assigned duties that were identified by the county agency in the notice required under part 9500.1259, subpart 1, item E, subitem (1).

B. Mandatory participants who fail, without good cause, to meet the work readiness participation requirements shall be terminated from assistance and disqualified from work readiness according to subitems (1) and (2).

(1) For the first instance of noncompliance, without good cause, in a six-month period beginning with the completion of the work readiness orientation, the county agency shall notify the participant of the particular action or actions that the participant must take, by a date certain, to achieve compliance and avoid termination of assistance. A mandatory participant's failure to take the required actions by the specified date will result in the removal, both prospectively and retrospectively, of that individual's needs from the calculation of a grant for the assistance unit. The period of disqualification for those persons is one month.

(2) For any subsequent instance of noncompliance, without good cause, in a six-month period beginning with the date of any previous instance, the mandatory participant may not take corrective action to avoid removal from assistance and disqualification. If the effective date of a termination under this subitem is within six months of the end of a previous disqualification, the period of disqualification is two months.

Subp. 9. Persons exempt from work readiness, voluntary participation. An applicant or recipient of general assistance who is exempt from mandatory participation in work readiness may volunteer to participate in work readiness.

Statutory Authority: *MS s 256D.01; 256D.04; 256D.051; 256D.06; 256D 08; 256D.09; 256D.111*

History: *15 SR 1842*

9500.1246 [Repealed, 15 SR 1842]

9500.1248 DETERMINATION OF COUNTY OF FINANCIAL RESPONSIBILITY.

Subpart 1. [Repealed, 15 SR 1842]

Subp. 2. [Repealed, 15 SR 1842]

Subp. 3. **Determination of county of financial responsibility.** The county of financial responsibility shall be determined according to Minnesota Statutes, chapter 256G.

Statutory Authority: *MS s 256D.01; 256D.04; 256D.051; 256D.06; 256D.08; 256D.09; 256D.111*

History: 15 SR 1842

9500.1250 LOCAL AGENCY REPORTS.

The county agencies shall collect and report information necessary to administer, monitor, and evaluate the general assistance program, including work requirements.

Statutory Authority: *MS s 256D.01; 256D.04; 256D.051; 256D.06; 256D.08; 256D.09; 256D.111*

History: 15 SR 1842

9500.1251 WORK READINESS REQUIREMENT AND EXEMPTIONS.

Subpart 1. **Work readiness participation required.** To receive a grant of general assistance, an individual must be a registrant with the work readiness program or must be exempt from registration by the county under subpart 2. A "registrant" is an individual, otherwise eligible for assistance, whose exemption status under subpart 2 has been assessed by the county agency and who does not qualify for an exemption, or who has qualified for an exemption and has voluntarily requested to participate in the work readiness program. An individual who is otherwise exempt under subpart 2, items F and G, who has been requested by the county agency to sign an interim assistance authorization agreement, and who refuses or fails to sign the agreement, shall not be allowed to register for work readiness and therefore cannot receive a grant.

Subp. 2. **Exemption from work readiness.** An applicant or recipient is exempt from work readiness requirements if:

A. The applicant or recipient suffers from a permanent or temporary injury, or incapacity that is medically certified and that prevents the applicant or recipient from obtaining or retaining suitable employment for at least 30 days and, if a rehabilitation plan is specified in the medical certification, the applicant or recipient is following the rehabilitation plan. An applicant or recipient is exempt under this item only for the period of illness, injury, or incapacity.

B. The applicant or recipient is needed at home on a substantially continuous basis because a member of the applicant's or recipient's household requires care due to age, or a medically certified illness, injury, or incapacity. The medical certification of illness, injury, or incapacity must state that the individual requiring care is unable to care for himself or herself. The applicant or recipient must verify that no other household member is able to provide the care.

C. The applicant or recipient is residing in a facility licensed under Minnesota Statutes, chapter 245A, and certified under Minnesota Statutes, chapter 144, for purposes of physical or mental health rehabilitation or a chemical dependency domiciliary facility. Residence in the facility must be due to illness or incapacity and must be based on a plan developed or approved by the director of the county agency.

D. The applicant or recipient resides in a shelter facility for battered women as described in Minnesota Statutes, section 256D.05, subdivision 3.

E. The applicant or recipient does not meet the condition in item A or C but is diagnosed by a qualified professional as having mental retardation or mental illness and that condition prevents the applicant or recipient from obtaining or retaining employment.

F. The applicant or recipient has an application pending for the social security disability program or the supplemental security income program and the applicant or recipient has, upon the request of the county agency; signed an interim assistance authorization agreement. An applicant or recipient whose previous application for social security benefits was based solely on a condition other than chemical dependency or mental illness who does not request a reconsideration of an initial denial by the social security administration is only exempt under this item if the new application is made for social security benefits based on a different disability or a new application is made that alleges new or aggravated symptoms of the original disability.

G. The applicant or recipient has appealed the denial of an application for social security disability or SSI benefits or the termination of social security disability benefits or SSI benefits and the appeal is pending. The applicant or recipient must produce medical evidence in support of a request for reconsideration of a denial of an initial application within 60 days of the initial denial. An applicant or recipient of general assistance under this item must sign an interim assistance authorization agreement upon the request of the county agency. A county agency shall not approve a new application for a recipient whose general assistance has been terminated for failure to provide medical evidence in support of the appeal of an application denied by social security until such medical evidence is produced.

H. The applicant or recipient is unable to obtain or retain employment due to advanced age as defined in part 9500.1206, subpart 3.

I. The applicant or recipient is medically certified as being learning disabled. "Learning disabled" means the applicant or recipient has a disorder in one or more of the psychological processes involved in perceiving, understanding, or using concepts through verbal language or nonverbal means. The disability must severely limit the applicant or recipient in obtaining, performing, or maintaining suitable employment. Learning disabled does not include learning problems that are primarily the result of visual, hearing, or motor handicaps; mental retardation; emotional disturbance; or due to environmental, cultural, or economic disadvantage.

J. The applicant or recipient is under the age of 19 and is a full-time student in a secondary institution.

K. The applicant or recipient is under the age of 16.

L. The applicant or recipient is in the last trimester of pregnancy.

M. The applicant shows circumstances that indicate the need for general assistance will not exceed 30 days because of impending employment, an impending move to another state, or anticipated income, provided that the applicant has not received general assistance under that condition for at least 60 days.

N. The applicant or recipient is involved with protective or court-ordered services that prevent the applicant or recipient from working at least four hours per day.

O. The applicant's or recipient's homestead is more than two hours round-trip from any potential suitable employment, exclusive of time needed to transport the applicant's or recipient's children to and from child care.

P. The recipient or applicant is a parent, who is not otherwise exempt, in an assistance unit which contains a child under the age of six if there is no suitable child care available at no cost to the family which is not reimbursed, or greater than the disregard provided by part 9500.1235, item B. If there are two parents in an assistance unit who are not otherwise exempt under this subpart, the parent who is not the principle wage earner as defined in part 9500.1206, subpart 26a, is exempt. If, in a two-parent assistance unit, there are no earnings, or if the earnings of both parents are the same, the applicant must designate the principal wage earner, and that designation must not change as long as assistance

continues without interruption. "Suitable child care at no cost to the family," as described above, can include a parent in the filing unit who is not in the assistance unit so long as that parent is not a current participant in an AFDC work program or is not otherwise available for child care.

Q. The applicant or recipient, not otherwise exempt under items A to P, has been assessed by a qualified professional or vocational specialist as not being likely to obtain permanent employment and:

(1) the applicant or recipient has been referred to, and has not refused or failed without good cause to participate in, any available, accredited remedial or skills training program designed to address barriers to the person's employment; or

(2) the applicant or recipient has been referred to another maintenance benefit for which the applicant or recipient is potentially eligible in accordance with the provisions of part 9500.1254.

Subp. 3. **Assessment of exemption status.** The assessment by the qualified professional or vocational specialist must consider the person's age, physical and mental health, education, trainability, prior work experience, and local market.

Statutory Authority: *MS s 256D.01; 256D.04; 256D.051; 256D.06; 256D.08; 256D.09; 256D.111*

History: 15 SR 1842

9500.1252 [Repealed, 15 SR 1842]

9500.1254 REFERRAL TO OTHER MAINTENANCE BENEFIT PROGRAMS.

Subpart 1: **Screening requirement.** The county agency must determine the potential eligibility of each general assistance applicant or recipient for other maintenance benefits as follows:

A. The county agency must determine an applicant's potential eligibility for other maintenance benefits when application for general assistance is made.

B. The county agency must determine a recipient's potential eligibility for other maintenance benefits at the recipient's semiannual redetermination of eligibility for general assistance. The county agency must also determine a recipient's potential eligibility for other maintenance benefits whenever it determines that changes in the recipient's circumstances, including eligibility for medical assistance, indicate potential eligibility for other maintenance benefits.

C. If the county agency determines that the applicant or recipient is potentially eligible for other maintenance benefits, the county agency must document its determination on forms prescribed by the commissioner and must retain the forms in the county agency case record for the applicant or recipient.

Subp. 2. **Informing and referral requirement.** When the county agency determines that the applicant or recipient is potentially eligible for other maintenance benefits, the county agency shall refer the applicant or recipient to the other maintenance benefit program on a form prescribed by the commissioner by informing the applicant or recipient orally and in writing of the following:

A. that the applicant or recipient must apply for the other maintenance benefit program, according to subpart 4, item A;

B. that the applicant or recipient must execute an interim assistance authorization agreement, according to subpart 4, item D;

C. that the applicant or recipient must comply with all procedures necessary to determine eligibility or ineligibility for the other maintenance benefits according to subpart 4, item C;

D. that the applicant or recipient must authorize the county agency and the qualified provider, when one is chosen, to exchange relevant data concerning the applicant's or recipient's eligibility with the other maintenance benefit program office, according to subpart 4, item B;

E. the estimated amount of benefits the applicant or recipient may be eligible to receive under the other maintenance benefit program, if known;

F. the address at which the applicant or recipient shall apply for the other maintenance benefit program;

G. general instructions regarding how to apply for the other maintenance benefit program;

H. that the applicant or recipient may elect to receive special services to assist in applying for SSI benefits, according to part 9500.1256, subpart 1, and that the applicant or recipient has a right to choose to receive special services from a qualified provider;

I. notice of the actions which the county agency must take, according to subpart 5, if the applicant or recipient fails to comply with the requirements under subpart 4, items A to D; and

J. notice of the applicant's or recipient's right to appeal a determination of ineligibility for general assistance due to noncompliance with subpart 4, items A to D.

Subp. 3. Special referral provisions. When the county agency determines that the applicant or recipient is potentially eligible for another maintenance benefit program, the county agency shall refer the applicant or recipient to a chosen qualified provider and the other maintenance benefit program according to items A and B:

A. If the applicant or recipient is determined to be potentially eligible for maintenance benefits from SSI, the county agency shall:

(1) offer to provide special services to the applicant or recipient according to part 9500.1256, subpart 1, to assist in applying for and obtaining SSI;

(2) furnish the applicant or recipient with a list of qualified providers with whom the county agency has contracted to provide special services to applicants or recipients or who have asked to be included on the list;

(3) notify the Social Security Administration's local office of the applicant's or recipient's potential eligibility for SSI on the date of referral so that the earliest potential date of eligibility for SSI can be established; and

(4) if the applicant or recipient elects at any time to receive the special services specified in part 9500.1256, subpart 1, from a qualified provider other than the county agency, the county agency shall refer the applicant or recipient to the chosen provider. If the county agency has not contracted with the chosen provider, the county agency must enter into a contract with that qualified provider to provide special services to applicants or recipients who apply for SSI benefits.

B. If the county agency determines that an applicant or recipient is potentially eligible for another maintenance benefit program, and the applicant or recipient has previously applied for and been found ineligible for that other maintenance benefit program, the applicant or recipient shall not be required to appeal from that decision or to reapply for that other maintenance benefit program unless one of the following conditions is met:

(1) the county agency determines that the applicant's or recipient's health or circumstances have changed and the change may result in eligibility for that other maintenance benefit program; or

(2) the eligibility requirements or procedures of the other maintenance benefit program have changed and the change may result in the applicant or recipient being found eligible for that other maintenance benefit program.

Subp. 4. Requirements upon referral for other maintenance benefits. When the county agency refers an applicant or recipient to another maintenance benefit program as provided under subpart 2, the applicant or recipient shall do the following:

A. The applicant or recipient shall apply for those benefits within 30 days of the date of referral. If the recipient has not provided the county agency with verification of an application for those benefits within 30 days of the date of referral, the county agency must contact the other maintenance benefit program county office to determine if the recipient has applied for benefits. If the county office of the other maintenance benefit program verifies that the recipient has applied for those benefits, the recipient shall be deemed to have met the requirement of applying for other maintenance benefits. If the county office of the other maintenance benefit program verifies that the recipient has not applied for those benefits, the local agency shall mail or give the recipient notice of termination from general assistance according to subpart 5.

B. The applicant or recipient shall, within 30 days of the date of referral, provide informed written consent and authorization for the county agency or a qualified provider, if one is chosen, to exchange data concerning the applicant or recipient with the other maintenance benefit program county office. The data exchanged must be relevant to a determination of the applicant's or recipient's eligibility or ineligibility for benefits from the other program.

For purposes of exchanging private or confidential data about a person for whom a qualified provider has contracted to provide special services, a qualified provider other than the county agency shall not be considered part of the welfare system under Minnesota Statutes, section 13.46, subdivision 1.

If the county agency determines that the recipient has not given informed written consent and authorization for the county agency or a qualified provider to exchange data concerning eligibility or ineligibility for the other maintenance benefit program within the prescribed 30 days, the county agency shall mail or give the recipient notice of termination from general assistance according to subpart 5.

C. A recipient shall comply with all procedures necessary to determine eligibility or ineligibility for the other maintenance benefit program.

If the county agency determines that the recipient has not complied with the procedures necessary to determine eligibility or ineligibility for other maintenance benefits, the county agency shall mail or give the recipient notice of termination from general assistance according to subpart 5.

D. An applicant or recipient shall execute an interim assistance authorization agreement with the county agency within 30 days of the date of referral.

If the recipient fails to execute an interim assistance authorization agreement within the 30 days prescribed, the county agency shall mail or give the recipient notice of termination from general assistance according to subpart 5.

Subp. 5. Ineligibility. This subpart governs termination of general assistance eligibility for a recipient who fails, without good cause, to comply with the requirements of subpart 4.

A. Upon determining that a recipient has failed, without good cause, to comply with the requirements of subpart 4, the county agency shall mail or give the recipient notification of termination from general assistance. The county agency shall hand deliver or mail the written notice to the recipient at least 30 days before reducing, suspending, or terminating the recipient's monthly general assistance payment. The notice must be on a form prescribed by the commissioner and must:

(1) list the requirements with which the county agency believes the recipient has not complied and inform the recipient that the recipient must comply with the requirements to avoid or end a period of ineligibility;

(2) inform the recipient that the recipient will be terminated from general assistance if the recipient fails to comply with the listed requirements, specify the date that the recipient's general assistance will be terminated if the recipient does not comply, and explain the recipient's right to appeal the action according to subpart 6;

(3) offer assistance to resolve the circumstances or concerns which prevent the recipient from complying with the requirements of subpart 4; and

(4) inform the recipient of the continued availability of special services provided under part 9500.1256, subpart 1.

B. If the recipient complies with the requirements specified in the notice in item A before the termination date stated in the notice, a period of ineligibility must not be imposed.

C. A recipient who fails to comply with the requirements specified in the notice in item A before the termination date stated in the notice is ineligible for general assistance. The period of ineligibility begins on the date specified in the notice and continues until the person fulfills the requirements of subpart 4. The period of ineligibility always begins on the first day of a calendar month. If the ineligible person subsequently applies for general assistance, the application must be denied unless the requirements of subpart 4 have been met.

D. If the person is determined to be ineligible under item C, the assistance standard applicable to the person's assistance unit must be based on the number of remaining eligible members of the assistance unit.

Subp. 6. Appeals. A recipient to whom the county agency has given or mailed a notice of termination according to subpart 5 may appeal the determination by submitting a written request for a hearing according to Minnesota Statutes, section 256.045. If the recipient files a written request for an appeal on or before the first day of the period of ineligibility under subpart 5, item C, the recipient shall continue to receive general assistance while the appeal is pending, provided that the recipient is otherwise eligible for general assistance.

Subp. 7. Reimbursement for interim assistance. A county agency must seek reimbursement for the interim assistance provided to a person who has executed an interim assistance authorization agreement under subpart 4, item D, when the person receives a retroactive payment of other maintenance benefits unless reimbursement is prohibited under federal or state law. Reimbursement for interim assistance and special services provided to an SSI applicant or recipient is governed by part 9500.1256, subpart 2.

The county agency must request reimbursement for interim assistance from the person receiving other retroactive maintenance benefits, except for SSI, or in those instances where the state or county agency has rights of subrogation under Minnesota Statutes, section 256.03. If a request for reimbursement under this subpart is denied, the county agency may institute a civil action to recover the interim assistance based on the interim assistance authorization agreement. The county agency must take no action other than a civil action to recover the interim assistance.

Statutory Authority: *MS s 256D.01; 256D.04; 256D.051; 256D.06; 256D.08; 256D.09; 256D.111*

History: *15 SR 1842*

9500.1256 SPECIAL SERVICES FOR SSI APPLICANTS.

Subpart 1. Special services. A recipient who is referred to SSI according to part 9500.1254, subparts 2 and 3, item B, may elect to receive special services to assist the recipient in obtaining SSI benefits. Special services for which reimbursement for fees, costs, or disbursements may be claimed under subpart 2 or 3 are limited to the following:

A. explaining to or counseling the applicant or recipient about the application procedures and benefits available through the SSI program;

B. assisting the applicant or recipient in completing the application for SSI and arranging appointments related to application for SSI;

C. assisting the applicant or recipient in assessing his or her disability in relation to SSI eligibility, and identifying probable issues that may arise during the SSI eligibility determination process;

D. providing the applicant or recipient with medical or vocational evidence, social history, or expert testimony currently available to substantiate the presence and severity of the applicant's or recipient's blindness or disability;

E. assisting the applicant or recipient in obtaining and using medical or vocational evidence, social history, or expert testimony and in cooperating with the Social Security Administration and its agents, procedures, and requirements;

F. assisting the applicant or recipient with necessary transportation;

G. preparing for and representing the applicant or recipient at interviews, hearings, or appeals related to application for SSI or appeal of the Social Security Administration's determination of ineligibility for SSI;

H. the county agency's preparation of a contractual agreement with a qualified provider chosen by the applicant or recipient; and

I. providing other services to assist the applicant or recipient to establish eligibility for SSI benefits.

Subp. 2. Reimbursement for interim assistance and special services. A county agency must be reimbursed for providing interim assistance and special services to an SSI applicant or recipient in the following manner:

A. Upon receiving the initial SSI payment for a person who has executed an interim assistance authorization agreement as specified in part 9500.1254, subpart 4, item D, the county agency may recover the amount of interim assistance provided. After recovering the interim assistance from the initial SSI payment, the county agency shall pay the remainder to the person or to a representative payee identified by the Social Security Administration within ten days of receiving the initial SSI payment. From the amount of interim assistance recovered, the county agency:

(1) shall retain the county's share of the interim assistance provided;

(2) may retain, subject to subpart 3, item E, 25 percent as an advocacy incentive for providing the special services specified in subpart 1, items A to D; and

(3) may retain from the remainder, subject to subpart 3, item E, reimbursement for actual reasonable fees, costs, and disbursements related to appeals and litigation and provision of special services under subpart 1.

B. The county agency may not seek reimbursement from the applicant or recipient for the fees, costs, or disbursements of providing special services except as provided in item A.

C. The balance of the amount of interim assistance that is not retained by the county agency pursuant to item A or paid to another qualified provider under subpart 3 must be credited to the state as an advance payment to the county agency for the state's share of the next month's general assistance grants.

D. The county agency must document the fees, costs, and disbursements which it incurs in providing the special services to claim reimbursement. The county agency shall be reimbursed under item A, subitem (3), only for the direct costs of providing special services.

Subp. 3. Reimbursement to qualified providers under contract with the county agency to provide special services. Qualified providers under contract with the county agency to provide special services to general assistance applicants or recipients shall be reimbursed from the amount of interim assistance recovered by the county agency under subpart 2 in the following manner:

A. To receive reimbursement for the fees, costs, and disbursements related to appeals and litigation and the provision of special services as provided in subpart 1, the qualified provider shall enter into a contract with the county and provide one or more of the special services specified in subpart 1.

The contract must be on a form prescribed by the commissioner except that

the county agency may add to or modify the form without changing the substance of the contract in order to meet standard contracting procedures established by the county board.

B. The county agency must reimburse a qualified provider under contract with the county agency for the provider's reasonable actual fees, costs, and disbursements, including medical reports and expert testimony related to appeals, litigation, and providing special services to an applicant or recipient according to the following:

(1) a qualified provider shall not be reimbursed by the county agency for any fees, costs, or disbursements unless the applicant or recipient has requested the services, the county agency has referred the applicant or recipient to the qualified provider, and the county agency has received the initial SSI payment for the recipient served;

(2) the qualified provider shall be reimbursed by the county agency for fees related to the provision of special services at the rate determined by the qualified provider, but not to exceed \$75 per hour of service; and

(3) when a qualified provider requests reimbursement from the county agency for fees, costs, or disbursements related to services provided, the qualified provider shall document the total number of hours of services provided to the applicant or recipient and provide a record of its costs and disbursements.

C. A qualified provider under contract to provide special services must comply with the following:

(1) a qualified provider shall not require prepayment of any fees, costs, or disbursements from the applicant or recipient; and

(2) a qualified provider shall not seek reimbursement from the applicant or recipient for fees related to the provision of special services. If a qualified provider intends to seek reimbursement for costs and disbursements from an applicant or recipient in the event the applicant or recipient is determined to be ineligible for SSI and the qualified provider therefore will not be fully reimbursed by the county agency, the qualified provider must so inform the applicant or recipient and obtain the applicant's or recipient's written consent before providing the special services. The qualified provider must also inform the applicant or recipient that he or she may receive the special services from the county agency without cost to the applicant or recipient.

D. The total reimbursement for special services made by the county agency to all qualified providers must not exceed the amount of interim assistance retained by the county agency as specified in subpart 2, item A, subitems (2) and (3), unless the excess is expressly authorized by the county agency and paid for exclusively with county agency funds.

E. If more than one qualified provider provides special services to an applicant or recipient, and the amount of interim assistance retained by the county agency will not fully reimburse all qualified providers, the reimbursement to each qualified provider for fees, costs, and disbursements shall be calculated by multiplying the total amount of funds available to the county agency as specified in subpart 2, item A, subitems (2) and (3), including any excess funds authorized by the county agency under item D, by the qualified provider's reimbursement percentage. The qualified provider's reimbursement percentage shall be determined by dividing the number of hours spent by each qualified provider who provided special services by the total number of hours spent by the county agency and all other qualified providers under contract with the county agency who have provided special services to the applicant or recipient.

F. If the county agency and one or more other qualified providers provide special services to an applicant or recipient, and the amount of interim assistance recovered by the county agency under subpart 2, item A, subitems (2) and (3), exceeds the amount necessary to fully reimburse the qualified providers for

fees, costs, and disbursements, the county agency may retain the excess to the extent allowed under subpart 2, item A, subitem (2).

G. The county agency shall reimburse a qualified provider for fees, costs, and disbursements for special services provided during the six-month period before the applicant or recipient was referred to the qualified provider, unless general contracting procedures of the particular county prohibit this payment. The provider's fees, costs, or disbursements for special services provided before the person's application for general assistance may be reimbursed only if funds remain after reimbursement for special services provided to the person after the person made application for general assistance.

H. The county agency and another qualified provider may contract to jointly provide the special services specified in subpart 1.

Subp. 4. Termination of special services and contracts. Special services and contracts must be terminated in the following manner:

A. If an applicant or recipient requests in writing that the county agency terminate the special services agreement with a qualified provider, the special services agreement for that applicant or recipient must be terminated, and the county agency shall mail written notice of the termination to the qualified provider. The notice must include a copy of the applicant's or recipient's written request for termination of the special services agreement. Termination of the agreement is effective three days after the date when the notice is mailed. The qualified provider shall not be reimbursed for fees, costs, or disbursements for special services provided to an applicant or recipient after the effective date of termination.

B. If a qualified provider decides to stop providing special services to an applicant or recipient, the qualified provider shall give or mail the following information to the applicant or recipient and, if the qualified provider is not the county agency, to the county agency:

(1) the status of the applicant's or recipient's application for SSI benefits;

(2) any deadlines that must be met regarding the applicant's or recipient's application for SSI benefits;

(3) the right of the applicant or recipient to choose another qualified provider, and the county agency's obligation to enter into a contract with a new qualified provider to provide the special services specified if the applicant or recipient chooses a qualified provider other than the county agency; and

(4) that a list of qualified providers may be obtained from the county agency.

Termination of the contract is effective three days after the date the provider gives or mails the information required in subitems (1) to (4) to the client.

C. If a qualified provider fails to perform all or part of the terms of the contract with the county agency, the county agency may terminate the contract with the provider. The county agency shall terminate the contract and mail written notice to the qualified provider and to the recipients served by the qualified provider. The notice must specify the county agency's grounds for terminating the contract. Termination of the contract is effective three days after the notice is mailed to the qualified provider. The county agency shall also give the recipient a list of other qualified providers who have contracted with the county agency to provide the special services specified in subpart 1 or who have asked to be included on the list. The qualified provider shall not be reimbursed for fees, costs, or disbursements related to special services provided after the effective date of termination.

Statutory Authority: *MS s 256D.01; 256D.04; 256D.051; 256D.06; 256D.08; 256D.09; 256D.111*

History: *15 SR 1842*

9500.1257 [Repealed, 15 SR 1842]

9500.1258 [Repealed, 15 SR 1842]

9500.1259 COUNTY AGENCY RESPONSIBILITIES.

Subpart 1. **Work readiness program.** The county agency must provide a work readiness program for mandatory and voluntary participants according to items A to F.

A. The county agency's work readiness program must include an orientation to the work readiness program which must be offered at least monthly.

B. The county agency must assess each participant's literacy; ability to communicate in the English language; eligibility for displaced homemaker services under Minnesota Statutes, section 268.96; educational history; occupational assets; barriers to employment; and exemption status from work readiness participation. When assessing a participant's literacy, the county agency must determine whether the participant is functionally illiterate. For the purpose of this item, "functionally illiterate" means the participant is unable to read at or above the eighth grade level. A county agency shall determine if the participant is functionally illiterate according to subitems (1) and (2).

(1) The county agency may determine that the participant is functionally illiterate based on personal observations or information in the participant's case file.

(2) If the participant is not determined to be functionally illiterate as provided in subitem (1), but the county agency believes that the participant may be functionally illiterate, or if the participant asserts or presents evidence that the participant may be functionally illiterate, the county agency shall offer the participant an opportunity to take a standardized literacy test approved by the commissioner. The test must be offered in the county at no expense to the participant. The county agency shall either administer the test or make arrangements for the test. If the participant attains a score lower than the eighth grade, the participant shall be considered functionally illiterate.

C. The county agency must prepare an employability development plan for each participant in work readiness. The employability development plan must address the participant's barriers to employment; estimate the length of time it will take for the participant to obtain employment; and specify steps necessary for the participant to overcome any barriers to employment identified in item B. Barriers to employment shall be addressed in the following order:

(1) A participant who is assessed by an English as a second language specialist, vocational specialist, or the county agency as being unable to communicate in the English language must participate in an English language program, if available.

(2) A participant, who is determined to be functionally illiterate under item B must participate in an occupational or vocational literacy program, if available.

(3) A participant who has not completed secondary education must participate in a secondary school program or GED program, if available and appropriate.

(4) A participant who has none of the barriers specified in subitems (1) to (3) but who has no work experience must participate in job seeking skills training and a job search program.

(5) A participant who has none of the barriers specified in subitems (1) to (3) and who has a work history must participate in a job search program.

The employability development plan may include referral to available training programs and work experience programs designed to prepare the participant for permanent employment or to education and training activities. A participant in a work experience program shall not perform work ordinarily performed by

a regular public employee. The employability development plan must address the participant's barriers to employment, and may, in addition, require the participant to engage in job search or other work readiness activities so long as the combination of requirements does not exceed 32 hours per week or place any requirement upon a participant that interferes with employment which the county agency has determined can lead to self-sufficiency.

D. For those participants who are considered to be functionally illiterate under item B, the county agency must:

- (1) assess existing reading level, learning disabilities, reading potential, and vocational or occupational interests of the participant;
- (2) assign suitable participants to openings in occupational and vocational literacy programs;
- (3) if no openings are available in occupational or vocational literacy programs, assign suitable participants to openings in literacy training programs;
- (4) reassign to another literacy program any participant who does not complete an assigned program and who wishes to try another program;
- (5) within the limits of funds available, contract with technical institutes or other groups who have literacy instructors trained in occupational literacy methods to provide literacy training sessions so that eligible participants will have the opportunity to attend training;
- (6) provide transportation to enable participants to participate in literacy training. The state shall reimburse the county agency for the costs of providing this transportation; and
- (7) make every effort to ensure that child care is available as needed by participants who are pursuing literacy training; however, no participant shall be disqualified for noncompliance with the literacy training requirement of work readiness if child care is not made available.

E. The county agency shall provide notices to work readiness participants as provided in subitems (1) to (6).

(1) The county agency shall provide, at the time of registration and each 30 days after that, in advance, a clear written description of the specified tasks and assigned duties the participant must complete to receive work readiness pay. The county agency shall provide notice that the participant will be terminated from the work readiness program unless the participant completes the specified tasks and assigned duties, or shows good cause for failure to do so. The county agency shall provide notice of the disqualification that will be imposed on the participant for failure to comply with part 9500.1245, subpart 8, item B.

(2) The county agency shall provide notice to a participant within three days of determination that the participant has failed to comply with work readiness requirements as specified in part 9500.1245, subpart 8, item A.

(3) For the first instance of noncompliance in a six-month period, beginning on the date of the participant's orientation or the end of the previous disqualification, whichever is later, the county agency's notice:

(a) must allow at least five working days, after the mailing or hand delivery of the notice, for the participant to take specific corrective action which can realistically be done before the date assistance is scheduled to be paid;

(b) must advise the participant that the participant may request and have a conference with the county agency to discuss the notice; and

(c) must advise the participant that failure to take corrective action by the effective date of the termination notice in subitem (5) will result in termination of assistance and disqualification from program eligibility for one month.

(4) For a second or subsequent instance of noncompliance with

a six-month period, beginning on the date of the participant's orientation or the end of the previous disqualification, whichever is later, the county agency's notice of its determination of noncompliance:

(a) must be mailed or hand delivered to the participant before the date assistance is scheduled to be paid; and

(b) must advise the participant that the participant may request and have a conference with the county agency to discuss the notice. The applicable period of disqualification under this subitem is two months.

(5) The county agency shall mail or hand deliver notice of termination concurrently with the notice of noncompliance specified in subitems (3) and (4) only after assessing the participant's exemption status from work readiness participation under part 9500.1251, subpart 2, items A to Q, using the information contained in the recipient's case file. The notice of termination must state that the recipient is not exempt from registration and must indicate the applicable period of disqualification. The advance notice requirements of this item are the same as those of subitems (3) and (4).

(6) The county agency shall assign a schedule by which a participant who has failed to provide the agency with a mailing address must visit the county agency to pick up any notices. Those notices must be deemed delivered on the date of the participant's next scheduled visit to the county agency.

F. The county agency may subcontract any or all of the duties prescribed in items A to D and E, subitem (1). The contract does not relieve the county agency of its primary responsibility in the instance of a default of any provision by a subcontractor.

Subp. 2. Appeals. The participant may appeal a proposed termination of benefits until five days after the effective date specified in the notice and continue benefits otherwise due, pending the outcome of the appeal. Appeals from proposed terminations of benefits of participants must be heard within 30 days from the date that the appeal was filed.

Subp. 3. Information about other programs. A county agency must inform an applicant or recipient about other programs administered by the county agency for which, from the county agency's knowledge of the person's situation, the person may be eligible.

Subp. 4. Notices. The county agency shall mail or hand deliver a notice to a recipient no later than ten days before the effective date of the action except as provided in items A to C. A recipient who has failed to provide the county agency with a mailing address must be assigned a schedule by which the recipient is to visit the agency to pick up any notices. Notices will be deemed to have been delivered on the date of the recipient's next scheduled visit to the county agency.

A. A county agency shall mail a notice to a recipient no later than five days before the effective date of the action when the county agency has factual information which requires an action to reduce, suspend, or terminate assistance based on probable fraud.

B. A county agency must mail or hand deliver a notice to a recipient no later than the effective date of the action when:

(1) the county agency receives a recipient's household report form which includes facts that require payment reduction, suspension, or termination and which contains the recipient's signed acknowledgment that this information will be used to determine program eligibility or the assistance payment amount;

(2) the county agency verifies the death of a recipient or the payee;

(3) the county agency receives a signed statement from a recipient that assistance is no longer wanted;

(4) the county agency receives a signed statement from a recipient that provides information which requires the termination or reduction of assis-

tance, and the recipient shows in that statement that the recipient understands the consequences of providing that information;

(5) the county agency verifies that a member of an assistance unit has been approved to receive assistance by another county or state; or

(6) the county agency cannot locate a payee's whereabouts and mail from the local agency has been returned by the post office showing that the post office has no forwarding address.

C. Whenever any provision of this subpart conflicts with any special notice requirements of another part, those special notice provisions shall prevail.

Statutory Authority: *MS s 256D.01; 256D.04; 256D.051; 256D.06; 256D.08; 256D.09; 256D.111*

History: *15 SR 1842*

9500.1260 [Repealed, 15 SR 1842]

9500.1261 EMERGENCY ASSISTANCE.

Subpart 1. Emergency assistance. A county agency shall make grants of general assistance for emergency situations to eligible individuals, married couples, or families whether residents or nonresidents of the state. The emergency assistance grant may be in excess of the standard amounts for eligible individuals, married couples, or families under part 9500.1231.

Subp. 2. Emergency situation. An emergency situation is a situation in which an assistance unit is without, or will lose within 30 days after application, a basic need item as defined in part 9500.1206, subpart 7a.

A. The emergency situation must require immediate financial assistance.

B. The financial assistance required by the emergency must be temporary and must not exceed 30 days subsequent to the date of application. Assistance must be paid for needs that accrue before the 30-day period when it is necessary to resolve emergencies arising or continuing during the 30-day period subject to subpart 4.

Subp. 3. Eligible persons. Eligible individuals, married couples, or families are those:

A. who are not current recipients of AFDC, other than a one-person assistance unit consisting of a pregnant woman;

B. who are not recipients under or eligible for the program of emergency assistance under AFDC in the month of application for emergency general assistance;

C. whose resources are not adequate to resolve the emergency situation. For the purpose of this part, "resources" means any funds or services which can actually be available to the applicant or recipient or any member of the filing unit before the loss of a basic need item. Resources include available income without exclusion or disregard, and any resource otherwise excluded under part 9500.1221, subpart 2, which could be liquidated before the loss of a basic need item, so long as the terms of any borrowing cannot be reasonably expected to place the borrower in another emergency situation within three months including the month of application;

D. who have not, without good cause, used more than 50 percent of available income and liquid resources for purposes other than basic needs during the 60 days before application. This item does not apply to individuals who are chemically dependent, mentally ill, or mentally retarded; or

E. who are not in a period of disqualification from work readiness if that disqualification has caused the emergency situation unless the emergency situation directly affects other assistance unit members who are not in a period of disqualification.

Subp. 4. Payment provisions. When the county agency has determined that an applicant has an emergency situation and is eligible for emergency general assistance, the county agency must resolve the emergency in the most cost-effective manner. Resolution of the emergency situation in a cost-effective manner shall be governed by items A to H.

A. An emergency general assistance payment is not cost-effective if the applicant's anticipated income together with the grant of emergency general assistance will not be sufficient to cover the applicant's basic needs for the three-month period beginning with the month of application, and another emergency situation can reasonably be anticipated within the two months after the month of the grant of emergency general assistance.

B. When alternative solutions to the emergency situation are available, the most cost-effective solution is the solution which will require an expenditure of emergency general assistance funds which is at least 25 percent less than the emergency general assistance expenditure required to maintain the applicant or recipient in his or her current situation. The county agency has no duty to provide alternative solutions, but must have a reasonable basis to believe that alternative solutions exist. A county agency must not deny assistance because of the determination that the applicant's anticipated income will not cover continued payment of shelter and utility costs when no alternative solution is identified by either the applicant or the county agency.

C. In determining the cost-effectiveness of an emergency general assistance payment, the county agency must not consider a period of time greater than three months including the month of application for emergency general assistance.

D. When the county agency has determined that the emergency situation has resulted from the applicant's mismanagement of money, the county agency may include vendor payment of future needs as part of a cost-effective solution subject to review at each redetermination of eligibility.

E. Emergency grants for food must not exceed the amount the assistance unit would receive under the United States Department of Agriculture's Thrifty Food Plan.

F. Emergency grants for clothing must not exceed the cost of necessary clothing for assistance unit members considering the season of application.

G. Emergency grants for shelter, exclusive of moving expenses or deposits, must not exceed an amount equal to four times the assistance unit's monthly assistance standard. For the purposes of this item, the amount of a single individual's monthly assistance standard is the amount specified in part 9500.1231, subpart 1. A county agency may receive state participation for payments in excess of the limits of this item if the county agency has documented that no shelter is available within the limits of this item which is cost effective as governed by items A to C.

H. Grants for emergency general assistance must be in the form of vouchers or vendor payments unless the county agency determines that a cash grant will better meet the need of the emergency situation.

Subp. 5. Assistance for transportation. Notwithstanding subpart 2, grants may be issued under the emergency general assistance program for an applicant's immediate need for transportation in the following situations:

A. the need for assistance will not exceed 30 days and the transportation is required to accept a bona fide offer of suitable employment; or

B. the transportation is requested by the applicant to return to a residence maintained by or for the applicant.

Subp. 6. Excess grants, county agency payment responsibility. A county agency may issue emergency assistance grants that exceed the limitations in subpart 4 if the county agency does not include the additional costs on its claim for state aid reimbursement.

Statutory Authority: *MS s. 256D.01; 256D.04; 256D.051; 256D.06; 256D.08; 256D.09; 256D.111*

History: *15 SR 1842*

9500.1262 [Repealed, 15 SR 1842]

9500.1264 [Repealed, 15 SR 1842]

9500.1266 [Repealed, 15 SR 1842]

9500.1268 [Repealed, 15 SR 1842]

9500.1270 [Repealed, 15 SR 1842]

9500.1272 ASSIGNMENT OF REPRESENTATIVE PAYEE FOR RECIPIENTS WHO ARE DRUG DEPENDENT.

[For text of subps. 1 to 3, see M.R.]

Subp. 4. Form of payment pending completion of assessment. A county agency shall provide only emergency general assistance (EGA) or general assistance vendor payments to a client who has been referred for a chemical use assessment under subpart 2. EGA may be provided to clients only in emergency situations as provided in part 9500.1261. All other payments made under this subpart must be general assistance vendor payments.

[For text of subps 5 to 19, see M.R.]

Statutory Authority: *MS s. 256D.01; 256D.04; 256D.051; 256D.06; 256D.08; 256D.09; 256D.111*

History: *15 SR 1842*

9500.1300 [Repealed, 15 SR 1842]

9500.1302 [Repealed, 15 SR 1842]

9500.1304 [Repealed, 15 SR 1842]

9500.1306 [Repealed, 15 SR 1842]

9500.1308 [Repealed, 15 SR 1842]

9500.1310 [Repealed, 15 SR 1842]

9500.1312 [Repealed, 15 SR 1842]

9500.1314 [Repealed, 15 SR 1842]

9500.1316 [Repealed, 15 SR 1842]

9500.1318 [Repealed, 15 SR 1842]

ADMINISTRATION OF THE PREPAID MEDICAL ASSISTANCE PROGRAM

9500.1450 INTRODUCTION.

Subpart 1. Scope. Parts 9500.1450 to 9500.1464 govern administration of the prepaid medical assistance program (PMAP) in Minnesota. Parts 9500.1450 to 9500.1464 shall be read in conjunction with title XIX of the Social Security Act, Code of Federal Regulations, title 42, and waivers approved by the Health Care Financing Administration, Minnesota Statutes, chapters 256 and 256B, and rules adopted under them, governing the administration of the title XIX program and PMAP in Minnesota.

Subp. 2. References. Parts 9500.1450 to 9500.1464 shall be interpreted as necessary to comply with federal laws and regulations and state laws applicable to the prepaid medical assistance program.

Subp. 3. Geographic area. PMAP shall be operated in the counties of Dakota, Hennepin, and Itasca and other geographical areas designated by the commissioner. If the geographic area is expanded beyond Dakota, Hennepin, and Itasca counties, participating counties in the expanded area shall receive at least 180 days notice from the commissioner before implementation of PMAP and shall be governed by parts 9500.1450 to 9500.1464.

Statutory Authority: *MS s 256.045; 256B.031; 256B.69*

History: *16 SR 1086*

9500.1451 DEFINITIONS.

[For text of subpart 1, see M.R.]

Subp. 2. [Repealed, 16 SR 1086]

Subp. 2a. Appeal. "Appeal" means an enrollee's written request for a hearing, filed with the commissioner according to Minnesota Statutes, section 256.045, related to the delivery of health services or participation in a health plan.

Subp. 2b. Authorization. "Authorization" means a participating provider's written referral for health services provided by a nonparticipating provider. Authorization includes an admission request by a participating provider, on behalf of a PMAP enrollee, following the established health plan admission procedures for inpatient health services.

Subp. 2c. Authorized representative. "Authorized representative" means a person authorized in writing by a PMAP consumer to act on the PMAP consumer's behalf in matters involving the prepaid medical assistance program.

Subp. 3. [Repealed, 16 SR 1086]

Subp. 4. Capitation. "Capitation" means a method of payment for health services that involves a monthly per person rate paid on a prospective basis to a health plan.

Subp. 4a. Case management. "Case management" means a method of providing health care in which the health plan coordinates the provision of health services to an enrollee.

Subp. 4b. Commissioner. "Commissioner" means the commissioner of the Minnesota Department of Human Services or the commissioner's designated representative.

Subp. 4c. Complaint. "Complaint" means an enrollee's written or oral communication to a health plan expressing dissatisfaction with the provision of health services. The subject of the complaint may include, but is not limited to, the scope of covered services, quality of care, or administrative operations.

Subp. 5. [Repealed, 16 SR 1086]

[For text of subp 6, see M.R.]

Subp. 7. Enrollee. "Enrollee" means a PMAP consumer who is enrolled in a health plan.

Subp. 7a. Health plan. "Health plan" means an organization contracting with the state to provide medical assistance health services to enrollees in exchange for a monthly capitation payment.

Subp. 8. Health services. "Health services" means the services and supplies given to a recipient by a provider for a health related purpose under Minnesota Statutes, section 256B.0625.

Subp. 9. Insolvency. "Insolvency" means the condition in which a health plan is financially unable to meet the financial and health care service delivery obligations in the contract between the department and the health plan.

[For text of subp 10, see M.R.]

Subp. 11. [Repealed, 16 SR 1086]

Subp. 12. [Repealed, 16 SR 1086]

[For text of subp 13, see M.R.]

Subp. 14. **Medical assistance population or MA population.** "Medical assistance population" or "MA population" means a category of eligibility for the medical assistance program, the eligibility standards for which are in parts 9505.0010 to 9505.0150 and Minnesota Statutes, section 256B.055.

Subp. 14a. **Multiple health plan model.** "Multiple health plan model" means a health services delivery system that allows PMAP consumers to enroll in one of two or more health plans.

Subp. 14b. **Nonparticipating provider.** "Nonparticipating provider" means a provider who is not employed by or under contract with a health plan to provide health services.

Subp. 14c. **Ombudsperson.** "Ombudsperson" means an individual designated by the commissioner under Minnesota Statutes, section 256B.031, subdivision 6, to advocate for PMAP consumers and enrollees and to assist them in obtaining necessary health services.

Subp. 14d. **Open enrollment.** "Open enrollment" means the annual 30-day period during which PMAP enrollees in a multiple health plan model may change to another health plan.

Subp. 14e. **Participating provider.** "Participating provider" means a provider who is employed by or under contract with a health plan to provide health services.

Subp. 14f. **Personal care assistant.** "Personal care assistant" means a provider of personal care services prescribed by a physician, supervised by a registered nurse, and provided to a medical assistance recipient under Minnesota Statutes, section 256B.0627. A personal care assistant must not be the recipient's spouse, legal guardian, or parent if the recipient is a minor child.

Subp. 14g. **Personal care services.** "Personal care services" has the meaning given it in Minnesota Statutes, section 256B.0627, subdivision 4.

Subp. 14h. **Prepaid medical assistance program or PMAP.** "Prepaid medical assistance program" or "PMAP" means the prepaid medical assistance program authorized under Minnesota Statutes, section 256B.69.

Subp. 14i. **PMAP consumer.** "PMAP consumer" means a medical assistance recipient who is selected to participate in PMAP.

Subp. 14j. **Prepayment coordinator.** "Prepayment coordinator" means the individual designated by the local agency under Minnesota Statutes, section 256B.031, subdivision 9.

Subp. 14k. **Primary care provider health plan model.** "Primary care provider health plan model" means a health services delivery system that allows PMAP consumers to select a primary care physician and primary care dentist from a list of physicians and dentists under contract with the state or a county to provide health services to PMAP consumers.

Subp. 15. **Provider.** "Provider" means a person or entity providing health services.

Subp. 16. **Rate cell.** "Rate cell" means a grouping of recipients by demographic characteristics, established by the commissioner for use in determining capitation rates. The following are deemed to be demographic characteristics: a recipient's age, sex, medicare status, basis of medical assistance eligibility, county of residence, and residence in a long-term care facility.

Subp. 16a. **Rate cell year.** "Rate cell year" means the period beginning on the date of enrollment in the health plan and ending on the date of the annual eligibility review or the date of enrollment in a new plan, whichever occurs sooner, and

thereafter the 12-month period between eligibility reviews during which an enrollee's rate cell assignment is fixed.

[For text of subp 17, see M.R.]

Subp. 17a. Spend-down. "Spend-down" means the process by which a person who has income in excess of the medical assistance income standard becomes eligible for medical assistance by incurring health services expenses, other than nursing home facility per diem charges, that are not covered by a liable third party and that reduce the excess income to zero.

Subp. 17b. State institution. "State institution" means all regional treatment centers as defined in Minnesota Statutes, section 245.0312, and all state operated facilities as defined in Minnesota Statutes, section 252.50.

Subp. 18. [Repealed, 16 SR 1086]

Statutory Authority: *MS s 256.045; 256B.031; 256B.69*

History: *16 SR 1086*

9500.1452 ELIGIBILITY TO ENROLL IN A HEALTH PLAN.

Subpart 1. Medical assistance eligibility required for PMAP participation. Only persons who have been determined eligible for medical assistance under parts 9505.0010 to 9505.0150 shall be eligible to participate in the prepaid medical assistance program.

Subp. 2. Medical assistance categories ineligible for PMAP. A person who belongs to a category listed in items A to N is ineligible to enroll in a health plan under the prepaid medical assistance program:

A. a person who is eligible for medical assistance on a spend-down basis as defined in part 9500.1451, subpart 17a;

B. a person who is currently receiving the services of a personal care assistant, or PMAP enrollees who at the end of their rate cell year are using the services of one or more personal care assistants;

C. a person who is a resident of a state institution;

D. a person who is receiving benefits under the Refugee Assistance Program, established at United States Code, title 8, section 1522(e);

E. a person who is eligible for medical assistance through an adoption subsidy;

F. a person who is determined eligible for medical assistance due to blindness or disability as certified by the Social Security Administration or the state medical review team, unless the recipient is 65 years of age or older;

G. a person who is eligible for medical assistance but currently has private health insurance coverage through a health maintenance organization licensed under Minnesota Statutes, chapter 62D;

H. a person who resides in Itasca county but who lives near the county border and who chooses to use a primary care provider located in a neighboring county;

I. a person who is a qualified medicare beneficiary, as defined in United States Code, title 42, section 1396(d), who is not otherwise eligible for medical assistance;

J. a person who is terminally ill as defined under part 9505.0297, subpart 2, item N, and who, at the time of notification of mandatory enrollment in PMAP, has a permanent relationship with a primary physician who is not part of any PMAP health plan;

K. a person who is in foster placement;

L. a child who prior to enrollment in a health plan is determined to be in need of protection under Minnesota Statutes, sections 626.556 to 626.5561,

is identified to the state by the county social service agency, and is receiving medical assistance covered services through a provider who is not a participating provider in PMAP;

M. a child who prior to enrollment in a health plan is determined to be severely emotionally disturbed under Minnesota Statutes, sections 245.487 to 245.4887, and is:

- (1) coded as severely emotionally disturbed on the Minnesota welfare information system;
- (2) receiving county mental health case management services; and
- (3) under the primary care of a mental health professional as defined in Minnesota Statutes, section 245.4871, subdivision 27, who is not a participating provider in PMAP; or

N. a person who, at the time of notification of mandatory enrollment in PMAP:

- (1) has a communicable disease;
- (2) the prognosis of the communicable disease is terminal illness, however, for the purpose of this subitem, "terminal illness" may exceed six months;
- (3) the person's primary physician is not a participating provider in any PMAP health plan; and
- (4) the physician certifies that disruption of the existing physician-patient relationship is likely to result in the patient becoming noncompliant with medication or other health services.

Subp. 3. Exclusions during phase-in period. The 65 percent of medical assistance eligible persons in Hennepin county who were not randomly selected to participate in the former medical assistance prepaid demonstration project because they served as a control group must participate in PMAP. Hennepin county may temporarily exclude individuals' participation in PMAP in order to provide an orderly phase-in period for new enrollees. The phase-in period must be completed within one year from the start of the enrollment period for each category of eligible PMAP consumers.

Counties participating in the prepaid medical assistance program for the first time after June 30, 1991, may temporarily exclude PMAP consumers from participation in PMAP in order to provide an orderly phase-in period for new enrollees. The phase-in period must be completed within one year from the start of the enrollment period for each category of eligible PMAP consumers.

Subp. 4. Elective enrollment. An individual categorically excluded from PMAP under subpart 2, item G, may enroll in PMAP on an elective basis if the private health insurance health plan is the same as the health plan the consumer will select under PMAP.

Individuals categorically excluded from PMAP under subpart 2, items K, L, and M, may enroll in the prepaid medical assistance program on an elective basis.

Program requirements are the same for elective and mandatory PMAP enrollees under Minnesota Statutes, section 256B.69.

Statutory Authority: *MS s 256.045; 256B.031; 256B.69*

History: *16 SR 1086*

9500.1453 MANDATORY PARTICIPATION; FREE CHOICE OF HEALTH PLAN.

Subpart 1. Local agency enrollment of PMAP consumers. Each local agency shall enroll recipients to participate as PMAP consumers in the prepaid medical assistance program. Health services may be provided to PMAP consumers under a multiple health plan model or a primary care provider health plan model.

Subp. 2. Counties using a multiple health plan model, choice. In a county that

uses a multiple health plan model, the local agency shall notify each PMAP consumer, in writing, of the health plan choices available. The PMAP consumer shall be given 30 days after receiving the notification to select a health plan and to inform the local agency of the health plan choice. If a PMAP consumer fails to select a health plan within 30 days, the local agency must randomly assign the PMAP consumer to a health plan at the end of the 30-day period. The commissioner shall notify each PMAP consumer in writing before the effective date of enrollment, of the health plan in which the PMAP consumer will be enrolled.

Subp. 3. Counties using primary care provider health plan model, provider choice. In a county that uses a primary care provider health plan model, the local agency shall notify each PMAP consumer, in writing, of the primary care physicians and dentists available. The PMAP consumer shall be given 30 days after receiving the notification to select a primary care physician and dentist and to inform the local agency of the choice. If a PMAP consumer fails to select a primary care physician or dentist within 30 days, the local agency must randomly assign the PMAP consumer to a primary care physician and dentist at the end of the 30-day period. The local agency shall notify each PMAP consumer in writing of the assigned primary care physician or dentist before the effective date of enrollment.

Subp. 4. Designation of prepayment coordinator. To carry out its responsibilities under this part, each local agency shall designate a prepayment coordinator. The prepayment coordinator shall perform the duties set forth under Minnesota Statutes, section 256B.031, subdivision 9. The commissioner shall monitor the tasks performed by the prepayment coordinator.

Subp. 5. Enrollment period in counties using a multiple health plan model; change. In a county that uses a multiple health plan model, a PMAP consumer shall be enrolled in a health plan for up to one year from the date of enrollment but shall have the right to change to another health plan once within the first year of initial enrollment in PMAP. In addition, when a PMAP consumer is enrolled in a health plan whose participation in PMAP is subsequently terminated for any reason, the PMAP consumer shall be provided an opportunity to select a new health plan and shall have the right to change health plans within the first 60 days of enrollment in the second health plan. An enrollee shall also have the opportunity to change to another health plan during the annual 30-day open enrollment period. The local agency shall notify enrollees of the opportunity to change to another health plan before the start of each annual open enrollment period.

Subp. 6. Enrollment period in counties using primary care provider health plan model; change. In a county that uses a primary care provider health plan model, an enrollee shall select a primary care physician or dentist for a period up to one year from the date of enrollment but shall have the right to select a new primary care physician or dentist during the first year of initial enrollment. An enrollee shall also have the opportunity to change primary care physicians and dentists on an annual basis. The local agency shall notify an enrollee of this change option.

Subp. 7. Enrollment changes without a hearing, substantial travel time. An enrollee in a multiple health plan model may change a health plan and an enrollee in a primary care provider health plan model may change a primary care provider without a hearing if the travel time to the enrollee's primary care provider is over 30 minutes from the enrollee's residence. The county shall notify the commissioner, in writing, prior to making a change under this subpart.

Subp. 8. Enrollment changes without a hearing when agency error. Upon an enrollee's request, the county shall change an enrollee's health plan or primary care physician or dentist without a hearing when the enrollee's health plan or primary care physician or dentist choice was incorrectly designated due to local agency error.

The county shall notify the commissioner, in writing, prior to making a change under this subpart.

Subp. 9. **Authorized representative.** A PMAP consumer may designate an authorized representative to act on the PMAP consumer's behalf in matters involving the PMAP.

Statutory Authority: *MS s 256.045; 256B.031; 256B.69*

History: *16 SR 1086*

9500.1454 RECORDS.

A health plan shall maintain fiscal and medical records as required in part 9505.0205. A local agency shall comply with part 9505.0135 and maintain a list showing the enrollment choices of recipients who participate in the PMAP.

Statutory Authority: *MS s 256.045; 256B.031; 256B.69*

History: *16 SR 1086*

9500.1455 THIRD-PARTY LIABILITY.

To the extent required under Minnesota Statutes, section 62A.046 and part 9505.0070, the health plan shall coordinate benefits for or recover the cost of medical care provided to its enrollees who have private health care or Medicare coverage. Coordination of benefits includes paying applicable copayment or deductibles on behalf of an enrollee.

The health plan must comply with the claims settlement requirements under Minnesota Statutes, section 256B.69, subdivision 6, paragraph (b).

Statutory Authority: *MS s 256.045; 256B.031; 256B.69*

History: *16 SR 1086*

9500.1457 SERVICES COVERED BY PMAP.

Subpart 1. **In general.** Services currently available under the medical assistance program in Minnesota Statutes, section 256B.0625 and parts 9505.0170 to 9505.0475 are covered under PMAP. Chemical dependency services provided under this part must fully comply with the requirements of parts 9530.4100 to 9530.6655. The following services are not covered:

A. case management services for serious and persistent mental illness as defined in Minnesota Statutes, section 256B.0625, subdivision 20;

B. nursing home facility per diem services as defined in Minnesota Statutes, section 256B.0625, subdivision 2, and parts 9549.0010 to 9549.0080; and

C. services provided under home-based and community-based waivers authorized under United States Code, title 42, section 1396.

Subp. 2. **Additional services.** A health plan may provide services in addition to those available under the medical assistance program.

Subp. 3. **Prior authorization of services.** A health plan shall be exempt from the requirements of Minnesota Statutes, chapter 256B, parts 9505.0170 to 9505.0475 and 9505.5000 to 9505.5030, that require prior authorization before providing health services to an enrollee.

Statutory Authority: *MS s 256.045; 256B.031; 256B.69*

History: *16 SR 1086*

9500.1458 DATA PRIVACY.

Under Minnesota Statutes, section 13.46, subdivisions 1 and 2, a health plan under contract with the department is considered an agent of the department and shall have access to information on its enrollees to the extent necessary to carry out its responsibilities under the contract. The health plan must comply with Minnesota Statutes, chapter 13, the Minnesota Government Data Practices Act.

Statutory Authority: *MS s 256.045; 256B.031; 256B.69*

History: *16 SR 1086*

9500.1459 CAPITATION POLICIES.

Subpart 1. **Rates.** On or before the tenth day of each month, the commissioner shall prepay each health plan the capitation rates specified in the contract between the health plan and the state. The capitation rates shall be developed in accordance with Minnesota Statutes, section 256B.69. The capitation rates established under this part, the rate methodology and the contracts with the health plan shall be made available to the public upon request. The rates established must be less than the average per capita fee-for-service medical assistance costs for an actuarially equivalent population.

Subp. 2. [Repealed, 16 SR 1086]

Subp. 3. [Repealed, 16 SR 1086]

Subp. 4. [Repealed, 16 SR 1086]

Statutory Authority: *MS s 256.045; 256B.031; 256B.69*

History: *16 SR 1086*

9500.1460 ADDITIONAL REQUIREMENTS.

Subpart 1. **Health plan requirements.** An organization that seeks to participate as a health plan under the PMAP shall meet the criteria in subparts 2 to 17.

Subp. 2. **Medical assistance populations covered.** A health plan may choose to serve the medical assistance population defined in part 9500.1452 or the aged medical assistance population exclusively.

Subp. 3. **Services provided.** A health plan shall provide its enrollees all health services eligible for medical assistance payment under Minnesota Statutes, section 256B.0625, and parts 9505.0170 to 9505.0475 except for services excluded in part 9500.1457, subpart 1, items A to C.

Subp. 4. **Prohibition against copayments.** A health plan shall not charge its enrollees for any health service eligible for medical assistance payment under parts 9505.0170 to 9505.0475 or for a medically necessary health service that is provided as a substitute for a health service eligible for medical assistance payment.

Subp. 5. **Plan organization.** A health plan may choose to organize itself as either a profit or not-for-profit organization.

Subp. 6. **Contractual arrangements.** A health plan shall contract with providers as necessary to meet the health service needs of its enrollees. Before contracting with the state, and on an annual basis after contracting with the state, the health plan shall give the commissioner a current list of the names and locations of the providers under contract with the health plan. These subcontracts shall be submitted to the commissioner upon request. The commissioner shall require a health plan to terminate a subcontract under the following conditions:

A. the subcontractor is terminated as a medical assistance provider under the provisions of parts 9505.2160 to 9505.2245;

B. the commissioner finds through the quality assurance review process contained in subpart 17 that the quality of services provided by the subcontractor is deficient in meeting the department's quality assurance standards and the subcontractor has failed to take action to correct the area of deficiency within 60 days; or

C. the subcontractor has failed to comply with the Department of Health licensure standards under Minnesota Statutes, chapter 62D.

Subp. 7. **Enrollment capacity.** A health plan shall accept all PMAP consumers who choose or are assigned to the health plan, regardless of the PMAP consumers' health conditions, if the PMAP consumers are from the medical assistance category or categories and the geographic area or areas specified in the contract between the health plan and the state. The commissioner shall limit the number of enrollees in the health plan upon the issuance of a contract termination notice under subpart 12.

Subp. 8. Financial capacity. A health plan shall demonstrate its financial risk capacity through a reserve fund or other mechanism agreed upon by the providers within the health plan in the contract with the department. A health plan that is licensed as a health maintenance organization under Minnesota Statutes, chapter 62D, or a nonprofit health plan licensed under Minnesota Statutes, chapter 62C, is not required to demonstrate a financial risk capacity beyond the financial risk capacity required to comply with the requirements of Minnesota Statutes, chapter 62C or 62D.

Subp. 9. Insolvency. A health plan must have a plan approved by the commissioner for transferring its enrollees to other sources of health services if the health plan becomes insolvent.

Subp. 10. Limited number of contracts. The commissioner may limit the number of health plan contracts in effect under PMAP.

Subp. 11. Liability for payment for unauthorized services. Except for emergency health services under Minnesota Statutes, section 256B.0625, subdivision 4, or unless otherwise specified in contract, a health plan shall not be liable for payment for unauthorized health services rendered by a nonparticipating provider. The department is not liable for payment for health services rendered by a nonparticipating provider.

Subp. 11a. Liability for payment for authorized services rendered by a nonparticipating provider. When a health plan or participating provider authorizes services for out-of-plan care, the health plan shall reimburse the nonparticipating provider for the out-of-plan care. The health plan is not required to reimburse the nonparticipating provider more than the comparable medical assistance fee for service rate, unless another rate is otherwise required by law. A nonparticipating provider shall not bill the PMAP enrollee for any portion of the cost of the authorized service.

Subp. 12. Termination of participation as a health plan. The state may terminate a contract upon 90 days' written notice to the health plan. When the state issues a contract termination notice, the health plan must notify its enrollees in writing at least 60 days before the termination.

Subp. 13. Financial requirements placed on health plan. Each health plan shall be accountable to the commissioner for the fiscal management of the health services it provides enrollees. The state and the health plan's enrollees shall be held harmless for the payment of obligations incurred by a health plan if the health plan or a participating provider becomes insolvent and if the state has made the payments due the health plan under part 9500.1459.

Subp. 14. Required educational and enrollee materials. When contracting with the state, a health plan must provide to the commissioner educational materials to be given to the medical assistance population specified in the contract. The material should explain the services to be furnished to enrollees. No educational materials designed to solicit the enrollment of PMAP consumers shall be disseminated without the commissioner's prior approval.

When a person enrolls in the health plan, the health plan shall provide each enrollee with a certificate of coverage, a health plan identification card, a listing of plan providers, and a description of the health plan's complaint and appeal procedure.

According to Minnesota Statutes, section 256.016, any educational materials, new enrollee information, complaint and appeal information, or other enrollee materials must be understandable to a person who reads at the seventh grade level as determined by the Flesch readability scale index defined in Minnesota Statutes, section 72C.09.

Subp. 15. Required case management system. A health plan shall implement a system of case management in which an enrollee's individual medical needs are assessed to determine the appropriate plan of care. The individual plan of care

shall be developed, implemented, evaluated, monitored, revised, and coordinated with other health care providers, as appropriate and necessary.

Subp. 16. Required submission of information. The contract between the state and the health plan shall specify the information the health plan shall submit to the commissioner and the Health Care Financing Administration, and the form in which the information shall be submitted. The information submitted must enable the commissioner to make the calculations required under part 9500.1459 and to carry out the requirements of parts 9505.1750 to 9505.2150 and the Health Care Financing Administration. A health plan shall make the required information available to the commissioner at times specified in the contract or, if the commissioner requires additional information for the purposes in this subpart, within 30 days of the date of the commissioner's written request for the additional information.

Subp. 17. Required quality assurance system. Each health plan shall have an internal quality assurance system in operation that meets the requirements of title XIX of the Social Security Act. This quality assurance system shall encompass an ongoing review of:

- A. use of services;
- B. case review of all problem cases and a random sample of all cases, including review of medical records and an assessment of medical care provided in each case;
- C. enrollee complaints and the disposition of the complaints; and
- D. enrollee satisfaction, as monitored through an annual survey.

Based on the results of the review, the health plan shall develop an appropriate corrective action plan and monitor the effectiveness of the corrective action or actions taken.

The health plan shall permit the commissioner and United States Department of Health and Human Services or their agents to evaluate through inspection or other means the quality, appropriateness, and timeliness of services performed under its contract with the commissioner. If the commissioner or Department of Health and Human Services finds that the quality of services offered by the health plan is deficient in any area, and, after giving the health plan at least 60 days in which to correct the deficiency, the health plan has failed to take action to correct the area of deficiency, the commissioner shall withhold all or part of the health plan's capitation premiums until the deficiency identified under subpart 6 is corrected to the satisfaction of the commissioner or the Department of Health and Human Services.

Statutory Authority: *MS s 256.045; 256B.031; 256B.69*

History: *16 SR 1086*

9500.1462 SECOND MEDICAL OPINION.

A health plan must indicate in the certificate of coverage that enrollees have a right to a second medical opinion according to items A to C.

A. A health plan must provide, at its expense, a second medical opinion within the health plan upon enrollee request.

B. According to Minnesota Statutes, section 62D.103, a health plan is required to provide a second medical opinion by a qualified nonparticipating provider when it determines that an enrollee's chemical dependency or mental health problem does not require structured treatment.

C. According to Minnesota Statutes, section 256.045, subdivision 3a, paragraph (b), a health plan must provide, at its expense, a second medical opinion by a participating provider or nonparticipating provider when ordered by a state human services referee.

Statutory Authority: *MS s 256.045; 256B.031; 256B.69*

History: *16 SR 1086*

9500.1463 COMPLAINT AND APPEAL PROCEDURES.

Subpart 1. [Repealed, 16 SR 1086]

Subp. 2. [Repealed, 16 SR 1086]

Subp. 3. **Health plan complaint procedure.** A health plan shall have a written procedure for reviewing enrollee complaints. This complaint procedure must be approved by the commissioner. The complaint procedure must include both an informal process, in which a determination is made within ten calendar days after the date a health plan receives a verbal complaint, and a formal process to handle written complaints. The formal process shall provide for an impartial hearing containing the elements in items A to E.

A. A person or persons with authority to resolve the case shall be designated to hear the complaint.

B. The enrollee has the right to be represented at the hearing by a representative of his or her choice, including legal counsel.

C. The enrollee and the health plan may call witnesses to provide relevant testimony.

D. A determination shall be made and written notice of the decision shall be issued to the enrollee within 30 days after the date the written complaint is received by the health plan. The written notice shall include notice of the enrollee's right to appeal to the state.

E. The health plan must notify the ombudsperson within three working days after any written complaint is filed by a PMAP enrollee.

Each health plan shall provide its enrollees with a written description of the health plan's complaint procedure and the state's appeal procedure at the time of enrollment. The written description shall clearly state that exhaustion of the health plan's complaint procedure is not required before appealing to the state. The health plan's complaint procedure and revisions to the complaint procedure must be approved by the commissioner. Approved revisions in the health plan's complaint procedure must be communicated, in writing, to its enrollees at least two weeks before the revisions are implemented.

Subp. 4. **Health plan notice requirements.** When a health plan denies, reduces, or terminates a health service, it must notify the enrollee or the enrollee's authorized representative in writing of the right to file a complaint or appeal according to Minnesota Statutes, section 256.045, subdivision 3. The notice must explain:

A. the right to a second opinion within the plan;

B. how to file a complaint;

C. how to file a state appeal, including the name and telephone number of the state ombudsperson;

D. the circumstances under which health services may be continued pending an appeal; and

E. the right to request an expedited hearing under Minnesota Statutes, section 256.045, subdivision 3a, paragraph (c).

For purposes of this subpart, a health plan does not include the treating physician, second opinion physician, or other treating health care professional whether employed by, or contracting with, the health plan.

Subp. 5. **State appeal procedure.** An enrollee may appeal the refusal to change a health plan or primary care provider under part 9500.1453, subparts 7 and 8, a health plan's or participating provider's denial, delay, reduction, or termination of health services or a health plan's resolution of a complaint or any other ruling of a prepaid health plan by submitting a written request for a hearing as provided in Minnesota Statutes, section 256.045, subdivision 3. The enrollee may request an expedited hearing by contacting the appeals referee or ombudsperson. A state human services referee shall conduct a hearing on the matter and shall recom-

mend an order to the commissioner. An enrollee is not required to exhaust the health plan's complaint system before filing a state appeal. An enrollee may request the assistance of the ombudsperson or other persons in the appeal process.

Subp. 6. Services pending state appeal or resolution of complaint. If an enrollee files a written complaint with the health plan or appeals in writing to the state under Minnesota Statutes, section 256.045, on or before the tenth day after the decision is communicated to the enrollee by the health plan to reduce, suspend, or terminate services the enrollee had been receiving on an ongoing basis, or before the date of the proposed action, whichever is later, and the treating plan physician or another plan physician has ordered the services at the present level and is authorized by the contract with the health plan to order the services, the health plan must continue to provide services at a level equal to the level ordered by the plan physician until written resolution of the complaint is made by the health plan or a decision on the appeal is made by the human services referee. If the resolution is adverse, in whole or part, to the enrollee, the enrollee must be notified of the right to a state appeal. If the enrollee appeals a health plan's written resolution within ten days after it is issued, or before the date of the proposed action, whichever is later, services must be continued pending a decision by the human services referee. A resolution is made or issued on the date it is mailed or the date postmarked, whichever is later. For the purposes of this subpart, "plan physician," where appropriate, includes a plan dentist, mental health professional, chiropractor, or osteopath, nurse practitioner, or nurse midwife.

Subp. 7. State ombudsperson. The commissioner shall designate a state ombudsperson to help enrollees resolve health plan service related problems. Upon an enrollee's request, the ombudsperson shall investigate the enrollee's case and when appropriate attempt to resolve the problem in an informal manner by serving as an intermediary between the enrollee and the health plan. If the enrollee requests appeal information, or if the ombudsperson believes that an informal resolution is not feasible or is unable to obtain a resolution of the problem, the ombudsperson shall explain to the enrollee what his or her complaint and appeal options are, how to file a complaint or appeal, how the complaint or appeal process works and assist the enrollee in presenting the enrollee's case to the appeals referee, when requested. The ombudsperson must be available to help the enrollee file a written complaint or appeal request. The ombudsperson must notify the appropriate health plan of a state appeal within three working days after the state appeal is filed.

Subp. 8. Record keeping and reporting requirements. The health plan must maintain a record of all written complaints from enrollees, actions taken in response to those complaints, and the final disposition of the complaints. The health plan must report this information to the commissioner on a semiannual basis.

Statutory Authority: *MS s 256.045; 256B.031; 256B.69*

History: *16 SR 1086*