

# MINNESOTA RULES 1994

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## CHAPTER 9500 DEPARTMENT OF HUMAN SERVICES ASSISTANCE PAYMENTS PROGRAMS

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	MINNESOTA FAMILY INVESTMENT PROGRAM	9500 4190	SPECIAL POLICIES
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	AND UNDERPAYMENTS		

### 9500.1100 DEFINITIONS.

*[For text of subs 1 to 20a see M R.]*

Subp 20b. **Diagnostic categories eligible under the medical assistance program.**  
The following diagnostic categories are for persons eligible under the medical assistance program except as provided in subpart 20c, 20d, 20e, or 20f

DIAGNOSTIC CATEGORIES	DRG NUMBERS WITHIN DIAGNOSTIC CATEGORIES	INTER-NATIONAL CLINICAL DIAGNOSIS CODES (9th Ed)
A Nervous System Conditions		
(1) [Reserved for future use]		
(2) [Reserved for future use]		
(3) Treated with Craniotomy	001-003	
(4) Treated with Spinal Procedure	004	
(5) Treated with Other Surgical Procedure	005-008	
(6) Nervous System Neoplasms	010-011	
(7) Cranial and Peripheral Nerve Disorders	018-019	
(8) Nervous System Infection except Viral Meningitis	020	
(9) Viral Meningitis	021	
(10) Seizure and Headache Age > 17	024-025	
(11) Seizure and Headache Age 0-17	026	
(12) Traumatic Stupor with Coma > 1 hour	027	

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	(13) Traumatic Stupor with Coma < 1 hour, Age 0-17	030
	(14) Concussion	031-033
	(15) Other Nervous System Conditions	009, 012-017, 022-023, 028-029, 034-035
B	Eye Diseases and Disorders	036-048
C	Ear, Nose, Throat, and Mouth Diseases and Disorders	
	(1) Treated with Tonsillectomy/ Adenoidectomy Only	059-060
	(2) Treated with Myringotomy with Tube Insertion, Age 0-17	062
	(3) Otitis Media and URI	068-070
	(4) Dental and Oral Disorders	185-187
	(5) Other Ear, Nose, Throat, and Mouth Conditions	049-058, 061, 063-067, 071-074, 168-169
D	Respiratory System Conditions	
	(1) [Reserved for future use]	
	(2) Treated with Ventilator Support	475
	(3) [Reserved for future use]	
	(4) Treated with Tracheostomy except for Face, Mouth, and Neck Diagnoses	483
	(5) Treated with Other Surgical Procedure	075-077, 482
	(6) Respiratory Neoplasms	082
	(7) Simple Pneumonia and Pleurisy, Age > 17	089-090
	(8) Simple Pneumonia and Pleurisy, Age 0-17	091
	(9) Other Respiratory System Conditions	078-081, 083-088, 092-097, 099-102
E	Circulatory System Conditions	
	(1) [Reserved for future use]	
	(2) [Reserved for future use]	
	(3) [Reserved for future use]	
	(4) Treated with Vein Ligation and Stripping	119
	(5) Treated with Other Surgical Procedure	104-108, 110-118, 120, 478, 479
	(6) Deep Vein Thrombophlebitis	128

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	(7) Circulatory Disorders/ Endocarditis	121-126
	(8) Cardiac Congenital and Valvular Disorders Age 0-17	137
	(9) Other Circulatory System Conditions	127, 129-136, 138-145
F	Digestive System Diseases and Disorders	
	(1) Treated with Anal and Stomal Procedures	157-158
	(2) Treated with Hernia Procedures	159-163
	(3) Treated with Appendectomy with Compl Prn Dx or CC	164-166
	(4) Treated with Appendectomy Without Compl Prn Dx or CC	167
	(5) Treated with Other Surgical Procedure	146-156, 170-171
	(6) Esophagitis, Gastroent, or Misc Digestive Disorders, Age > 17	182-183
	(7) Other Digestive System Condition	172-181, 188-190
G	Hepatobiliary System Conditions	
	(1) Treated with Surgical Procedure	191-201, 493-494
	(2) [Reserved for future use]	
	(3) Cirrhosis and Alcoholic Hepatitis	202
	(4) Malignancy of Hepatobiliary System or Pancreas	203
	(5) Disorders of Pancreas Except Malignancy	204
	(6) Other Disorders of the Liver	205-206
	(7) Disorders of the Biliary Tract	207-208
H.	Diseases and Disorders of the Musculoskeletal System and Connective Tissues	
	(1) Treated with Major Joint and Limb Reattachment Procedures	209, 471, 491
	(2) Treated with Hip and Femur Procedures or Amputation	210-213
	(3) Treated with Back and Neck Procedures	214-215
	(4) Treated with Biopsy of Musculoskeletal System and Connective Tissue	216

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(5) Treated with Wound Debrid or Skin Graft except Hand	217
(6) Treated with Lower Extremity and Humer Procedure Except Hip, Foot, Femur	218–220
(7) Treated with Knee Procedure	221–222
(8) Treated with Upper Extremity Procedure	223–224
(9) Treated with Foot Procedure	225
(10) Treated with Soft Tissue Procedure	226–227
(11) Treated with Hand or Wrist Procedure	228–229
(12) Treated with Local Excision and Removal of Interior Fix Devices of Hip and Femur	230
(13) Treated with Local Excision and Removal of Interior Fix Devices except Hip and Femur	231
(14) Treated with Other Surgical Procedures	232–234
(15) Other Musculoskeletal System and Connective Tissues Conditions	235–256
I Diseases and Disorders of the Skin, Subcutaneous Tissue, and Breast	
(1) Treated with Mastectomy for Malignancy	257–260
(2) Treated with Skin Graft or Debridement	263–266
(3) Skin Ulcers	271
(4) Other Skm, Subcutaneous Tissue, and Breast Conditions	261–262, 267–270, 272–284
J Endocrine, Nutritional, and Metabolic Diseases and Disorders	
(1) Treated with Major Surgical Procedures	285–288
(2) Diabetes Age > 35	294
(3) Diabetes Age 0–35	295
(4) Nutritional and Metabolic Disorders	296–299
(5) Other Endocrine, Nutritional, and Metabolic Conditions	289–293, 300–301

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K	Kidney and Urinary Tract Conditions	
	(1) Treated with Kidney, Ureter, or Major Bladder Procedure	303-305
	(2) Treated with Prostatectomy, Minor Bladder, or Urethral Procedure	306-314
	(3) Treated with Other Surgical Procedure	315
	(4) Renal Failure	316
	(5) Other Kidney and Urinary Tract Conditions	317-333
L	Male Reproductive System Conditions	334-352
M.	Female Reproductive System Conditions	
	(1) Treated with Tubal Interuption Procedure	361-362
	(2) Treated with D & C, Conization, or Radio-implant	363-364
	(3) Female Reproductive System Infection	368
	(4) Menstrual and Other Female Reproductive System Disorders	369
	(5) Other Female Reproductive System Conditions	353-360, 365-367
N	Pregnancy Related Conditions	
	(1) [Reserved for future use]	
	(2) [Reserved for future use]	
	(3) Postpartum and Post Abortion Conditions Treated without Surgical Procedure	376
	(4) Postpartum and Post Abortion Conditions Treated with Surgical Procedure	377
	(5) Ectopic Pregnancy	378
	(6) Threatened Abortion	379
	(7) Abortion without D & C	380
	(8) Abortion with D & C, Aspiration Curettage or Hysterotomy	381
	(9) False Labor	382
	(10) Other Antepartum Conditions	383-384
O.	[Reserved for future use]	
P	Blood and Immunity Disorders	
	(1) Treated with Surgical Procedure of the Blood and Blood Forming Organs	392-394
	(2) [Reserved for future use]	

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	(3) Red Blood Cell Disorders Age > 17	395
	(4) Red Blood Cell Disorders Age 0-17	396
	(5) Coagulation Disorders	397
	(6) Reticuloendothelial and Immunity Disorders	398-399
Q	Myeloproliferative Diseases and Disorders, Poorly Differentiated Malignancy and other Neoplasms Not Elsewhere Classified	
	(1) Treated with Chemotherapy without Acute Leukemia as Secondary Diagnosis	410
	(2) Treated with Chemotherapy with Acute Leukemia as Secondary Diagnosis	492
	(3) Other Treatments for Myeloproliferative Diseases and Disorders	400-409, 411-414, 473
R.	Infections and Parasitic Diseases	
	(1) Treated with Surgical Procedure	415
	(2) [Reserved for future use]	
	(3) Septecemia Age > 17	416
	(4) Septecemia Age 0-17	417
	(5) Viral Illness Age > 17	421
	(6) Viral Illness and Fever of Unknown Origin Age 0-17	422
	(7) Other Infections and Parasitic Diseases	418-420, 423
S	Mental Diseases and Disorders	
	(1) Treated with Surgical Procedure (Ages 0+)	424
	(2) (Ages 0-17)	425, 427-429, 432
	(3) (Ages > 17)	425, 427-429, 432
T	Substance Use and Substance Induced Organic Mental Disorder	
	(1) (Ages 0-20)	434, 435
	(2) (Ages > 20)	434, 435
U	[Reserved for future use]	
V	Injuries, Poisonings, and Toxic Effects of Drugs	
	(1) Treated with Surgical Procedure	439-443
	(2) [Reserved for future use]	
	(3) Traumatic Injury	444-446
	(4) Allergic Reactions	447-448

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	(5) Poisoning and Toxic Effects of Drugs Age > 17 with CC	449
	(6) Poisoning and Toxic Effects of Drugs Age > 17 without CC	450
	(7) Poisoning and Toxic Effects of Drugs Age 0–17	451
	(8) Other Injuries, Poisoning, and Toxic Effects	452–455
W	Burns	
	(1) Extensive Burns or Burns Treated with Surgical Procedure	457–459, 472
	(2) Nonextensive Burns Without Surgery	460
X	Factors Influencing Health Status	461–467
Y	Bronchitis and Asthma	
	(1) (Ages 0–1)	098
	(2) (Ages 2–17)	098
Z	[Reserved for future use]	
AA	Esophagitis, Gastroenteritis, Miscellaneous Digestive Disorders	
	(1) (Ages 0–1)	184
	(2) (Ages 2–17)	184
BB	[Reserved for future use]	
CC	Caesarean Sections	
	(1) with Complicating Diagnosis	370
	(2) without Complicating Diagnosis	371
DD	Vaginal Delivery	
	(1) [Reserved for future use]	
	(2) Without Complicating Diagnosis or Operating Room Procedures	373
	(3) With Operating Room Procedure	374–375
	(4) With Complicating Diagnosis	372
EE	[Reserved for future use]	
FF	Depressive Neurosis	
	(1) (Ages 0–17)	426
	(2) (Ages > 17)	426
GG	Psychosis	
	(1) (Ages 0–17)	430
	(2) (Ages > 17)	430
HH	Childhood Mental Disorders	431
II	Unrelated Operating Room Procedures	
	(1) Extensive	468
	(2) Nonextensive	476, 477
JJ	[Reserved for future use]	

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KK	Extreme Immaturity		
	(1) (< 750 Grams)	386	76501, 76502
	(2) [Reserved for future use]		
	(3) [Reserved for future use]		
	(4) (750 to 1499 Grams)	386	76503, 76504, 76505
		387	76500
	(5) Neonate Respiratory Distress Syndrome	386	CODES FOR DRG 386 Except 76501 to 76505
LL	Prematurity with Major Problems		
	(1) (< 1249 Grams)	387	76511, 76512, 76513, 76514
	(2) (1250 to 1749 Grams)	387	76506, 76510 76515, 76516
	(3) (> 1749 Grams)	387	Codes for DRG 387 Except 76500, 76506, 76510 to 76516
MM	Prematurity without Major Problems	388	
NN	Full Term Neonates with		
	(1) Major Problems (Age 0)	389	
	(2) Other Problems	390	
OO	Multiple Significant Trauma	484-487	
PP	[Reserved for future use]		
QQ	Normal Newborns	391	
RR	[Reserved for future use]		
SS	[Reserved for future use]		
TT	[Reserved for future use]		
UU	Organ Transplants		
	(1) Kidney Transplant	302	
	(2) Other Transplants	103, 480-481	
VV.	Conditions Originating in Perinatal Period (Age > 0)	389	
WW	Human Immunodeficiency Virus		
	(1) Treated with Extensive Operating Room Procedure	488	
	(2) With Major Related Condition	489	
	(3) With or Without Other Related Condition	490	

Subp 20c **Medical assistance covered diagnostic categories under the aid to families with dependent children program.** The following diagnostic categories are for persons eligible for medical assistance under the aid to families with dependent children program, except as provided in subpart 20d, 20e, or 20f



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	DIAGNOSTIC CATEGORIES	DRG NUMBERS WITHIN DIAGNOSTIC CATEGORIES	INTER-NATIONAL CLINICAL DIAGNOSIS CODES (9th Ed )
A	Nervous System Conditions		
	(1) [Reserved for future use]		
	(2) [Reserved for future use]		
	(3) Treated with Craniotomy	001-003	
	(4) Treated with Spinal Procedure	004	
	(5) Treated with Other Surgical Procedure	005-008	
	(6) Nervous System Neoplasms	010-011	
	(7) Cranial and Peripheral Nerve Disorders	018-019	
	(8) Nervous System Infection except Viral Meningitis	020	
	(9) Viral Meningitis	021	
	(10) Seizure and Headache Age > 17	024-025	
	(11) Seizure and Headache Age 0-17	026	
	(12) Traumatic Stupor with Coma > One hour	027	
	(13) Traumatic Stupor with Coma < One hour, Age 0-17	030	
	(14) Concussion	031-033	
	(15) Other Nervous System Conditions	009, 012-017, 022-023, 028-029, 034-035, 036-048	
B	Eye Diseases and Disorders		
C	Ear, Nose, Throat, and Mouth Diseases and Disorders		
	(1) Treated with Tonsillectomy/Adenoidectomy Only	059-060	
	(2) Treated with Myringotomy with Tube Insertion, Age 0-17	062	
	(3) Otitis Media and URI	068-070	
	(4) Dental and Oral Disorders	185-187	
	(5) Other Ear, Nose, Throat, and Mouth Conditions	049-058, 061, 063-067, 071-074, 168-169	
D	Respiratory System Conditions		
	(1) [Reserved for future use]		
	(2) Treated with Ventilator Support	475	
	(3) [Reserved for future use]		

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(4) Treated with Tracheostomy except for Face, Mouth, and Neck Diagnoses	483
(5) Treated with Other Surgical Procedure	075-077, 482
(6) Respiratory Neoplasms	082
(7) Simple Pneumonia and Pleurisy, Age > 17	089-090
(8) Simple Pneumonia and Pleurisy, Age 0-17	091
(9) Other Respiratory System Conditions	078-081, 083-088, 092-097, 099-102
<b>E Circulatory System Conditions</b>	
(1) [Reserved for future use]	
(2) [Reserved for future use]	
(3) [Reserved for future use]	
(4) Treated with Vein Ligation and Stripping	119
(5) [Reserved for future use]	
(6) Deep Vein Thrombophlebitis	128
(7) Circulatory Disorders/ Endocarditis	121-126
(8) Cardiac Congenital and Valvular Disorders Age 0-17	137
(9) Other Circulatory System Conditions	127, 129-136, 138-145
(10) [Reserved for future use]	
(11) Treated with Other Surgical Procedure	103-108, 110-118, 120, 478, 479
<b>F Digestive System Diseases and Disorders</b>	
(1) Treated with Anal and Stomal Procedures	157-158
(2) Treated with Hernia Procedures	159-163
(3) Treated with Appendectomy with Compl Prn Dx or CC	164-166
(4) Treated with Appendectomy Without Compl Prn Dx or CC	167
(5) Treated with Other Surgical Procedure	146-156, 170-171
(6) Esophagitis, Gastroent, or Misc Digestive Disorders, Age > 17	182-183
(7) Other Digestive System Condition	172-181, 188-190

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G	Hepatobiliary System Conditions	
	(1) [Reserved for future use]	
	(2) [Reserved for future use]	
	(3) Cirrhosis and Alcoholic Hepatitis	202
	(4) Malignancy of Hepatobiliary System or Pancreas	203
	(5) Disorders of Pancreas Except Malignancy	204
	(6) Other Disorders of the Liver	205–206
	(7) Disorders of the Biliary Tract	207–208
	(8) Treated with Surgical Procedure	191–201, 480, 493–494
H	Diseases and Disorders of the Musculoskeletal System and Connective Tissues	
	(1) Treated with Major Joint and Limb Reattachment Procedures	209, 471, 491
	(2) Treated with Hip and Femur Procedures or Amputation	210–213
	(3) Treated with Back and Neck Procedures	214–215
	(4) [Reserved for future use]	
	(5) Treated with Wound Debrid or Skin Graft except Hand	217
	(6) Treated with Lower Extremity and Humer Procedures Except Hip, Foot, Femur	218–220
	(7) Treated with Knee Procedure	221–222
	(8) Treated with Upper Extremity Procedure	223–224
	(9) Treated with Foot Procedure	225
	(10) Treated with Soft Tissue Procedure	226–227
	(11) Treated with Hand or Wrist Procedure	228–229
	(12) Treated with Local Excision and Removal of Int Fix Devices of Hip and Femur	230
	(13) Treated with Local Excision and Removal of Int Fix Devices except Hip and Femur	231
	(14) [Reserved for future use]	
	(15) Other Musculoskeletal System and Connective Tissues Conditions	235–256
	(16) Treated with Other	

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	Surgical Procedures	216, 232–234
I	Diseases and Disorders of the Skin, Subcutaneous Tissue, and Breast	
	(1) Treated with Mastectomy for Malignancy	257–260
	(2) Treated with Skin Graft or Debridement	263–266
	(3) Skin Ulcers	271
	(4) Other Skin, Subcutaneous Tissue, and Breast Conditions	261–262, 267–270, 272–284
J	Endocrine, Nutritional, and Metabolic Diseases and Disorders	
	(1) Treated with Major Surgical Procedure	285–288
	(2) Diabetes Age > 35	294
	(3) Diabetes Age 0–35	295
	(4) Nutritional and Metabolic Disorders	296–299
	(5) Other Endocrine, Nutritional, and Metabolic Conditions	289–293, 300–301
K	Kidney and Urinary Tract Conditions	
	(1) [Reserved for future use]	
	(2) Treated with Prostatectomy, Minor Bladder, or Urethral Procedure	306–314
	(3) Treated with Other Surgical Procedure	315
	(4) Renal Failure	316
	(5) Other Kidney and Urinary Tract Conditions	317–333
	(6) Treated with Kidney, Ureter, or Major Bladder Procedure	302–305
L	Male Reproductive System Conditions	334–352
M	Female Reproductive System Conditions	
	(1) Treated with Tubal Interruption Procedure	361–362
	(2) Treated with D & C, Conization, or Radio-implant	363–364
	(3) Female Reproductive System Infection	368
	(4) Menstrual and Other Female Reproductive System Disorders	369

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	(5) Other Female Reproductive System Conditions	353–360, 365–367
N	Pregnancy Related Conditions	
	(1) [Reserved for future use]	
	(2) [Reserved for future use]	
	(3) Postpartum and Post Abortion Conditions Treated without Surgical Procedure	376
	(4) Postpartum and Post Abortion Conditions Treated with Surgical Procedure	377
	(5) Ectopic Pregnancy	378
	(6) Threatened Abortion	379
	(7) Abortion without D & C	380
	(8) Abortion with D & C, Aspiration Curettage or Hysterotomy	381
	(9) False Labor	382
	(10) Other Antepartum Conditions	383–384
O.	[Reserved for future use]	
P.	Blood and Immunity Disorders	
	(1) Treated with Surgical Procedure of the Blood and Blood Forming Organs	392–394
	(2) [Reserved for future use]	
	(3) Red Blood Cell Disorders Age > 17	395
	(4) Red Blood Cell Disorders Age 0–17	396
	(5) Coagulation Disorders	397
	(6) Reticuloendothelial and Immunity Disorders	398–399
Q	Myeloproliferative Diseases and Disorders, Poorly Differentiated Malignancy and other Neoplasms Not Elsewhere Classified	
	(1) Treated with Chemotherapy without Acute Leukemia as Secondary Diagnosis	410
	(2) Treated with Chemotherapy with Acute Leukemia as Secondary Diagnosis	492
	(3) [Reserved for future use]	
	(4) [Reserved for future use]	
	(5) Other Treatments for Myeloproliferative Diseases and Disorders	400–409, 411–414, 473, 481

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R	Infections and Parasitic Diseases	
	(1) Treated with Surgical Procedure	415
	(2) [Reserved for future use]	
	(3) Septecemia Age > 17	416
	(4) Septecemia Age 0–17	417
	(5) Viral Illness Age > 17	421
	(6) Viral Illness and Fever of Unknown Origin Age 0–17	422
	(7) Other Infections and Parasitic Diseases	418–420, 423
S	Mental Diseases and Disorders	
	(1) Treated with Surgical Procedure (Ages 0+)	424
	(2) (Ages 0–17)	425, 427–429, 432
	(3) (Ages > 17)	425, 427–429, 432
T	Substance Use and Substance Induced Organic Mental Disorder	
	(1) (Ages 0–20)	434, 435
	(2) (Ages > 20)	434, 435
U	[Reserved for future use]	
V	Injuries, Poisonings, and Toxic Effects of Drugs	
	(1) Treated with Surgical Procedure	439–443
	(2) [Reserved for future use]	
	(3) Traumatic Injury	444–446
	(4) Allergic Reactions	447–448
	(5) Poisoning and Toxic Effects of Drugs Age > 17 with CC	449
	(6) Poisoning and Toxic Effects of Drugs Age > 17 without CC	450
	(7) Poisoning and Toxic Effects of Drugs Age 0–17	451
	(8) Other Injuries, Poisoning, and Toxic Effects	452–455
W.	Burns	
	(1) Extensive Burns or Burns Treated with Surgical Procedure	457–459, 472
	(2) Nonextensive Burns Without Surgery	460
X	Factors Influencing Health Status	461–467
Y	Bronchitis and Asthma	
	(1) (Ages 0–1)	098
	(2) (Ages 2–17)	098
Z	[Reserved for future use]	

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AA	Esophagitis, Gastroenteritis, Miscellaneous Digestive Disorders		
	(1) (Ages 0–1)	184	
	(2) (Ages 2–17)	184	
BB	[Reserved for future use]		
CC	Caesarean Sections		
	(1) with Complicating Diagnosis	370	
	(2) without Complicating Diagnosis	371	
DD	Vaginal Delivery		
	(1) [Reserved for future use]		
	(2) Without Complicating Diagnosis or Operating Room Procedures	373	
	(3) With Operating Room Procedure	374–375	
	(4) With Complicating Diagnosis	372	
EE	[Reserved for future use]		
FF	Depressive Neurosis		
	(1) (Ages 0–17)	426	
	(2) (Ages > 17)	426	
GG	Psychosis		
	(1) (Ages 0–17)	430	
	(2) (Ages > 17)	430	
HH	Childhood Mental Disorders	431	
II	Unrelated Operating Room Procedure		
	(1) Extensive	468	
	(2) Nonextensive	476, 477	
JJ	[Reserved for future use]		
KK	Extreme Immaturity		
	(1) (< 750 Grams)	386	76501, 76502
	(2) [Reserved for future use]		
	(3) [Reserved for future use]		
	(4) (750 to 1499 Grams)	386	76503, 76504, 76505
		387	76500
	(5) Neonate Respiratory Distress Syndrome	386	Codes for DRG 386 Except 76501 to 76505
LL	Prematurity with Major Problems		
	(1) (< 1249 Grams)	387	76511, 76512, 76513, 76514
	(2) (1250 to 1749 Grams)	387	76506, 76510 76515, 76516
	(3) (> 1749 Grams)	387	Codes for DRG 387 Except 76500, 76506, 76510 to 76516
MM	Prematurity without Major Problems	388	





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	(4) Dental and Oral Disorders	185-187
	(5) [Reserved for future use]	
	(6) Other Ear, Nose, Throat, and Mouth Conditions	049-058, 061-067, 071-074, 168-169
D	Respiratory System Conditions	
	(1) [Reserved for future use]	
	(2) Treated with Ventilator Support	475
	(3) [Reserved for future use]	
	(4) Treated with Tracheostomy except for Face, Mouth, and Neck Diagnoses	483
	(5) Treated with Other Surgical Procedure	075-077, 482
	(6) Respiratory Neoplasms	082
	(7) [Reserved for future use]	
	(8) [Reserved for future use]	
	(9) [Reserved for future use]	
	(10) Other Respiratory System Conditions	078-081, 083-088, 092-102
	(11) Simple Pneumonia and Pleurisy	089-091
E	Circulatory System Conditions	
	(1) [Reserved for future use]	
	(2) [Reserved for future use]	
	(3) Acute and Subacute Endocarditis	126
	(4) Treated with Vein Ligation and Stripping	119
	(5) [Reserved for future use]	
	(6) Deep Vein Thrombophlebitis	128
	(7) [Reserved for future use]	
	(8) [Reserved for future use]	
	(9) [Reserved for future use]	
	(10) Circulatory Disorders	121-125
	(11) Treated with Other Surgical Procedure	103-108, 110-118, 120, 478-479
	(12) Other Circulatory System Conditions	127, 129-145
F	Digestive System Diseases and Disorders	
	(1) Treated with Anal and Stomal Procedures	157-158
	(2) Treated with Hernia Procedures	159-163
	(3) Treated with Appendectomy with Compl Prn Dx or CC	164-166
	(4) Treated with Appendectomy without Compl Prn Dx or CC	167

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	(5) Treated with Other Surgical Procedure	146–156, 170–171
	(6) [Reserved for future use]	
	(7) Other Digestive System Condition	172–181, 188–190
	(8) Esophagitis, Gastroent, or Misc Digestive Disorders	182–184
G.	Hepatobiliary System Conditions	
	(1) [Reserved for future use]	
	(2) [Reserved for future use]	
	(3) Cirrhosis and Alcoholic Hepatitis	202
	(4) Malignancy of Hepatobiliary System or Pancreas	203
	(5) Disorders of Pancreas Except Malignancy	204
	(6) Other Disorders of the Liver	205–206
	(7) Disorders of the Biliary Tract	207–208
	(8) Treated with Surgical Procedure	191–201, 480, 493–494
H	Diseases and Disorders of the Musculoskeletal System and Connective Tissues	
	(1) Treated with Major Joint and Limb Reattachment Procedures	209, 471, 491
	(2) Treated with Hip and Femur Procedures or Amputation	210–213
	(3) Treated with Back and Neck Procedures	214–215
	(4) Treated with Biopsy of Musculoskeletal System and Connective Tissue	216
	(5) Treated with Wound Debrid or Skm Graft except Hand	217
	(6) Treated with Lower Extrem and Humer Proc except Hip, Foot, Femur	218–220
	(7) Treated with Knee Procedure	221–222
	(8) Treated with Upper Extremity Procedure	223–224
	(9) Treated with Foot Procedure	225
	(10) Treated with Soft Tissue Procedure	226–227
	(11) Treated with Hand or Wrist Procedure	228–229

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(12) Treated with Local Excision and Removal of Int Fix Devices of Hip and Femur	230
(13) Treated with Local Excision and Removal of Int Fix Devices Except Hip and Femur	231
(14) Treated with Other Surgical Procedures	232–234
(15) Other Musculoskeletal System and Connective Tissues Conditions	235–256
I. Diseases and Disorders of the Skin, Subcutaneous Tissue, and Breast	
(1) Treated with Mastectomy for Malignancy	257–260
(2) Treated with Skin Graft or Debridement	263–266
(3) [Reserved for future use]	
(4) [Reserved for future use]	
(5) Other Skin, Subcutaneous Tissue, and Breast Conditions	261–262, 267–284
J. Endocrine, Nutritional, and Metabolic Diseases and Disorders	
(1) Treated with Major Surgical Procedure	285–288
(2) Diabetes Age > 35	294
(3) Diabetes Age 0–35	295
(4) Nutritional and Metabolic Disorders	296–299
(5) Other Endocrine, Nutritional, and Metabolic Conditions	289–293, 300–301
K. Kidney and Urinary Tract Conditions	
(1) [Reserved for future use]	
(2) Treated with Prostatectomy, Minor Bladder, or Urethral Procedure	306–314
(3) Treated with Other Surgical Procedure	315
(4) Renal Failure	316
(5) Other Kidney and Urinary Tract Conditions	317–333
(6) Treated with Kidney, Ureter, or Major Bladder Procedure	302–305
L. Male Reproductive System Conditions	334–352

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M	Female Reproductive System Conditions (1) Treated with Tubal Interruption Procedure	361-362
	(2) Treated with D & C, Conization, or Radio-implant	363-364
	(3) Female Reproductive System Infection	368
	(4) Menstrual and Other Female Reproductive System Disorders	369
	(5) Other Female Reproductive System Conditions	353-360, 365-367
N	Pregnancy Related Conditions (1) Postpartum Complications Treated with Surgical Procedure and Ectopic Pregnancy	377, 378
	(2) Other Pregnancy Related Conditions	376, 379-384
O	[Reserved for future use]	
P	Blood and Immunity Disorders (1) Treated with Surgical Procedure of the Blood and Blood Forming Organs	392-394
	(2) [Reserved for future use]	
	(3) [Reserved for future use]	
	(4) [Reserved for future use]	
	(5) Coagulation Disorders	397
	(6) Reticuloendothelial and Immunity Disorders	398-399
	(7) Red Blood Cell Disorders	395-396
Q	Myeloproliferative Diseases and Disorders, Poorly Differentiated Malignancy and other Neoplasms Not Elsewhere Classified (1) [Reserved for future use]	
	(2) [Reserved for future use]	
	(3) [Reserved for future use]	
	(4) Treated with Chemotherapy	410, 492
	(5) Other Treatments for Myeloproliferative Diseases and Disorders	400-409, 411-414, 473, 481
R.	Infections and Parasitic Diseases (1) Treated with Surgical Procedure	415
	(2) [Reserved for future use]	
	(3) [Reserved for future use]	
	(4) [Reserved for future use]	
	(5) Viral Illness Age > 17	421
	(6) [Reserved for future use]	

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	(7) [Reserved for future use]	
	(8) Septecemia	416-417
	(9) Other Infections and Parasitic Diseases	418-420, 422-423
S	Mental Diseases and Disorders	
	(1) Treated with Surgical Procedure	424
	(2) [Reserved for future use]	
	(3) [Reserved for future use]	
	(4) Not Treated with Surgical Procedure	425, 427-429, 431-432
T	Substance Use and Substance Induced Organic Mental Disorder	
	(1) [Reserved for future use]	
	(2) [Reserved for future use]	
	(3) (Ages 0+)	434, 435
U	[Reserved for future use]	
V	Injuries, Poisonings, and Toxic Effects of Drugs	
	(1) Treated with Surgical Procedure	439-443
	(2) [Reserved for future use]	
	(3) Traumatic Injury	444-446
	(4) Allergic Reactions	447-448
	(5) Poisoning and Toxic Effects of Drugs Age > 17 with CC	449
	(6) Poisoning and Toxic Effects of Drugs Age > 17 without CC	450
	(7) Poisoning and Toxic Effects of Drugs Age 0-17	451
	(8) Other Injuries, Poisoning, and Toxic Effects	452-455
W	Burns	
	(1) Extensive Burns or Burns Treated with Surgical Procedure	457-459, 472
	(2) Nonextensive Burns Without Surgery	460
X	Factors Influencing Health Status	461-467
Y	[Reserved for future use]	
Z	[Reserved for future use]	
AA	[Reserved for future use]	
BB	[Reserved for future use]	
CC.	Caesarean Sections	
	(1) with Complicating Diagnosis	370
	(2) without Complicating Diagnosis	371
DD	Vaginal Delivery	
	(1) [Reserved for future use]	

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	(2) Without Complicating Diagnosis or Operating Room Procedures	373
	(3) With Operating Room Procedure	374-375
	(4) With Complicating Diagnosis	372
EE	[Reserved for future use]	
FF	Depressive Neurosis	426
GG	Psychosis	430
HH	[Reserved for future use]	
II	Unrelated Operating Room Procedure	
	(1) Extensive	468
	(2) Nonextensive	476, 477
JJ	[Reserved for future use]	
KK	[Reserved for future use]	
LL	[Reserved for future use]	
MM	[Reserved for future use]	
NN	[Reserved for future use]	
OO	Multiple Significant Trauma	484-487
PP	[Reserved for future use]	
QQ	[Reserved for future use]	
RR	[Reserved for future use]	
SS	[Reserved for future use]	
TT	[Reserved for future use]	
UU	[Reserved for future use]	
VV	[Reserved for future use]	
WW	Human Immunodeficiency Virus	488-490
XX	Newborns	386-391

**Subp 20e. Diagnostic categories relating to a rehabilitation hospital or a rehabilitation distinct part.** The following diagnostic categories are for services provided within a rehabilitation hospital or a rehabilitation distinct part regardless of program eligibility:

	DIAGNOSTIC CATEGORIES	DRG NUMBERS WITHIN DIAGNOSTIC CATEGORIES	INTER- NATIONAL CLINICAL DIAGNOSIS CODES (9th Ed )
A.	Nervous System Diseases and Disorders	001-035	
B	[Reserved for future use]		
C.	[Reserved for future use]		
D	[Reserved for future use]		
E	[Reserved for future use]		
F	[Reserved for future use]		
G	[Reserved for future use]		
H	Diseases and Disorders of the Musculoskeletal System and Connective Tissues	209-256, 471, 491	
I.	[Reserved for future use]		
J	[Reserved for future use]		
K.	[Reserved for future use]		
L	[Reserved for future use]		
M	[Reserved for future use]		

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N	[Reserved for future use]	
O	[Reserved for future use]	
P	[Reserved for future use]	
Q	[Reserved for future use]	
R	[Reserved for future use]	
S	[Reserved for future use]	
T	[Reserved for future use]	
U.	[Reserved for future use]	
V	[Reserved for future use]	
W	[Reserved for future use]	
X	[Reserved for future use]	
Y	[Reserved for future use]	
Z	[Reserved for future use]	
AA	[Reserved for future use]	
BB	[Reserved for future use]	
CC	[Reserved for future use]	
DD	[Reserved for future use]	
EE	[Reserved for future use]	
FF	[Reserved for future use]	
GG.	[Reserved for future use]	
HH	[Reserved for future use]	
II	[Reserved for future use]	
JJ	[Reserved for future use]	
KK	[Reserved for future use]	
LL	[Reserved for future use]	
MM	[Reserved for future use]	
NN	[Reserved for future use]	
OO	[Reserved for future use]	
PP	[Reserved for future use]	
QQ	[Reserved for future use]	
RR	Mental Diseases and Disorders/Substance Use and Substance Induced Organic Mental Disorders	424-432, 434, 435
SS	Multiple Significant Trauma/Unrelated Operating Room Procedures	468, 476-477, 484-487
TT	Other Conditions Requiring Rehabilitation Services	036-108, 110-208, 257-423, 439-455, 457-467, 472, 473, 475 478-483, 488-490, 492-494
UU	[Reserved for future use]	
VV	[Reserved for future use]	
WW	[Reserved for future use]	

[For text of subps 20f to 51 see M R ]

**Statutory Authority:** *MS s 256 969*

**History:** *19 SR 1191*

## MINNESOTA FAMILY INVESTMENT PROGRAM

**9500.4000 SCOPE AND APPLICABILITY.**

Subpart 1. **Scope.** Parts 9500 4000 to 9500 4340 establish standards that govern the responsibilities of the Department of Human Services and local agencies in the administration of the Minnesota Family Investment Program (MFIP) and the rights and responsibilities of participants under the Minnesota Family Investment Program

Subp 2. **Applicability, field trial counties.** Parts 9500 4000 to 9500 4340 apply to the MFIP field trial beginning April 1, 1994, in Anoka, Dakota, Hennepin, Mille Lacs, Morrison, Sherburne, and Todd counties

**Statutory Authority:** *MS s 256 01, 256 031*

**History:** *18 SR 2360*

**9500.4010 MFIP SELECTION.**

Assistance units in the field trial counties assigned to the MFIP participation group must be randomly selected from the pool of applicants and recipients of AFDC, family general assistance, and food stamps After an assistance unit is assigned to the MFIP participation group, the assistance unit will remain in the MFIP participation group for the duration of the field trial Assistance units in the MFIP participation group will receive MFIP assistance as long as the assistance unit remains eligible for assistance If, after a period of ineligibility, an assistance unit that was previously assigned to the MFIP participation group reapplies for assistance in an MFIP field trial county and is found eligible, the assistance unit must be assigned to participate in MFIP Some assistance units selected to the MFIP participation group will be randomly assigned a special status and will not receive case management services under Minnesota Statutes, section 256 035, subdivision 6a Assistance units who do not receive case management services under Minnesota Statutes, section 256 035, subdivision 6a, are eligible for services under Minnesota Statutes, section 256 736, to the same extent as families receiving AFDC Assistance units assigned a special status are entitled to child care if child care is needed to enable the participants to work.

For purposes of MFIP evaluation, some assistance units in the field trial counties receiving or applying for AFDC, family general assistance, or food stamps will be randomly assigned to a comparison group After an assistance unit is assigned to a comparison group, the assistance unit will remain in the comparison group for the duration of the field trial Assistance units in a comparison group will receive assistance under AFDC, family general assistance, or food stamps, as long as the assistance unit remains eligible for assistance. If, after a period of ineligibility, an assistance unit that was previously assigned to a comparison group reapplies for assistance and is found eligible, the assistance unit shall receive assistance under the AFDC, family general assistance, or food stamps programs

Assignment to MFIP, a special status within MFIP, or a comparison group is not subject to appeal under Minnesota Statutes, section 256 045

**Statutory Authority:** *MS s 256 01, 256 031*

**History:** *18 SR 2360*

**9500.4020 PROGRAM DEFINITIONS.**

Subpart 1 **Scope.** As used in parts 9500 4000 to 9500 4340, the following terms have the meanings given them

Subp. 2 **Absent parent.** "Absent parent" means a minor child's parent who does not live in the child's home

Subp 3 **ACCESS program.** "ACCESS program" means the AFDC child care program under Minnesota Statutes, section 256H 05, subdivision 6

Subp 4 **Agency error.** "Agency error" means an error that results in an overpayment or underpayment to an assistance unit and is not caused by an applicant's or participant's failure to provide adequate, correct, or timely information about income, property, household composition, or other circumstances

Subp 5 **Aid to families with dependent children or AFDC.** "Aid to families with dependent children" or "AFDC" means the program authorized under title IV-A of the So-



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cial Security Act to provide financial assistance and social services to needy families with dependent children

Subp. 6 **Appeal.** "Appeal" means a written statement from an applicant or participant who requests a hearing under part 9500 4250 and Minnesota Statutes, section 256 045

Subp. 7. **Applicant.** "Applicant" means a person who has submitted to a local agency an application for assistance for AFDC, family general assistance, or food stamps and whose application has not been acted upon, denied, or voluntarily withdrawn.

Subp 8 **Application.** "Application" means the submission by or on behalf of a family to the local agency of a completed, signed, and dated form, prescribed by the commissioner, that indicates a desire to receive assistance

Subp 9 **Assignment of support.** "Assignment of support" means the transfer of a person's right to child support, private health care benefits, and spousal maintenance benefits to the local agency.

Subp 10 **Assistance unit or MFIP assistance unit.** "Assistance unit" or "MFIP assistance unit" means a group of mandatory and optional people receiving or applying for MFIP benefits together

Subp 11. **Authorized representative.** "Authorized representative" means a person who is authorized, in writing, by an applicant or participant to act on the applicant's or participant's behalf in matters involving the application for assistance or participation in MFIP.

Subp 12. **Basic needs.** "Basic needs" means the minimum personal requirements of subsistence and is restricted to food, clothing, shelter, utilities, and other items of which the loss, or lack of, is determined by the local agency to pose a direct, immediate threat to the physical health or safety of the applicant or participant

Subp. 13 **Budget month.** "Budget month" means the calendar month which the local agency uses to determine the income or circumstances of an assistance unit to calculate the amount of the assistance payment in the payment month

Subp. 14 **Caregiver.** "Caregiver" has the meaning given it in Minnesota Statutes, section 256.032, subdivision 2

Subp 15 **Case management.** "Case management" has the meaning given it in Minnesota Statutes, section 256 032, subdivision 3

Subp 16. **Child support pass-through.** "Child support pass-through" means the first \$50 of any support payment made by an absent parent in the month when due that is disregarded in determining the eligibility and amount of the assistance payment for a participant

Subp 17 **Client error.** "Client error" means an error that results in an overpayment or underpayment and is due to an applicant's or participant's failure to provide adequate, correct, or timely information concerning income, property, household composition, or other circumstances

Subp 18 **Collateral contacts.** "Collateral contacts" means confirmation of an assistance unit's circumstances by a person outside the assistance unit

Subp 19 **Commissioner.** "Commissioner" means the commissioner of the Department of Human Services or the commissioner's designated representative

Subp 20. **Conciliation conference.** "Conciliation conference" means a meeting conducted by a mediator that seeks to achieve mutual agreement between the caregiver and the case manager

Subp. 21 **Corrective payment.** "Corrective payment" means an assistance payment that is made to correct an underpayment.

Subp 22 **Countable income.** "Countable income" means earned and unearned income that is not excluded under part 9500 4080 or disregarded under part 9500 4150

Subp. 23. **Counted earnings.** "Counted earnings" means the earned income that remains after applicable disregards under part 9500 4150 have been subtracted from gross earned income.

Subp 24 **County board.** "County board" has the meaning given it in Minnesota Statutes, section 256 032, subdivision 5b

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Subp 25 **County of financial responsibility.** "County of financial responsibility" means the county that has financial responsibility for providing public assistance as specified in Minnesota Statutes, chapter 256G

Subp 26 **County of residence.** "County of residence" means the county where the caregiver has established a home

Subp 27 **Date of application.** "Date of application" means the date on which the local agency receives an applicant's signed application

Subp 28 **Deem.** "Deem" means to treat all or part of the income of an individual who is not in the assistance unit, but who is financially responsible for members of the assistance unit, as if it were income available to the assistance unit

Subp 29 **Department.** "Department" means the Minnesota Department of Human Services

Subp 30 **Disregard.** "Disregard" means earned income that is not counted when determining initial eligibility or ongoing eligibility and calculating the amount of the assistance payment for participants

Subp 31 **Documentation.** "Documentation" means a written statement or record that substantiates or validates an assertion made by a person or an action taken by a person, agency, or entity

Subp 32 **Earned income.** "Earned income" means cash or in-kind income earned through the receipt of wages, salary, commissions, profit from employment activities, net profit from self-employment activities, payments made by an employer for regularly accrued vacation or sick leave, and any other profit from activity earned through effort or labor

Subp 33 **Earned income credit.** "Earned income credit" means the payment which can be obtained by a qualified person from an employer or from the Internal Revenue Service as provided by United States Code, title 26, subtitle A, chapter 1, subchapter A, part 4, section 32, and Minnesota Statutes, section 290 0671

Subp 34 **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 35 **Employability plan.** "Employability plan" has the meaning given it in Minnesota Statutes, section 256 032, subdivision 6a

Subp 36 **Encumbrance.** "Encumbrance" means a legal claim against real or personal property that is payable upon the sale of that property

Subp 37 **Equity value.** "Equity value" means the amount of equity in real or personal property owned by a person and is determined by subtracting any outstanding encumbrances from the fair market value

Subp 38 **Excluded time.** "Excluded time" has the meaning given it in Minnesota Statutes, section 256G.02, subdivision 6

Subp 39 **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, sections 144 50, 144A 01, or 245A 02, subdivision 14, or a maternity home, battered women's shelter, or correctional facility

Subp 40. **Expedited issuance of food stamps assistance.** "Expedited issuance of food stamps assistance" means the issuance of food stamps assistance to eligible assistance units on the day of application as provided in Minnesota Statutes, section 393 07, subdivision 10a.

Subp 41 **Fair hearing or hearing.** "Fair hearing" or "hearing" means the evidentiary hearing conducted by the department appeals referee to resolve disputes as specified in Minnesota Statutes, section 256 045

Subp 42 **Fair market value.** "Fair market value" means the price that an item of a particular make, model, size, material, or condition would sell for on the open market in the particular geographic area

Subp 43 **Family.** "Family" has the meaning given it in Minnesota Statutes, section 256 032, subdivision 7

Subp 44 **Family support agreement.** "Family support agreement" has the meaning given it in Minnesota Statutes, section 256 032, subdivision 7a

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Subp 45 **Family wage level.** "Family wage level" has the meaning given it in Minnesota Statutes, section 256 032, subdivision 8

Subp 46 **Federal Insurance Contribution Act or FICA.** "Federal Insurance Contribution Act" or "FICA" means the federal law under United States Code, title 26, subtitle C, chapter 21, subchapter A, sections 3101 to 3126, that requires withholding or direct payment from earned income

Subp. 47. **Financial case record.** "Financial case record" means an assistance unit's financial eligibility file

Subp 48 **Financially responsible household members.** "Financially responsible household members" means spouses, parents of minor children and minor caregivers, and stepparents of minor children to the extent authorized by federal and state law

Subp 49 **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 50 **General educational development or GED.** "General educational development" or "GED" means the general educational development certification issued by the Minnesota Board of Education as an equivalent to a secondary school diploma under part 3500 3100, subpart 4

Subp 51. **Gross earned income.** "Gross earned income" means earned income from employment before mandatory and voluntary payroll deductions. Gross earned income includes salaries, wages, tips, gratuities, commissions, incentive payments from work or training programs, payments made by an employer for regularly accrued vacation or sick leave, and profits from other activity earned by an individual's effort or labor. Gross earned income includes uniform and meal allowances if federal income tax is deducted from the allowance. Gross earned income includes flexible work benefits received from an employer if the employee has the option of receiving the benefit or benefits in cash

Subp 52. **Gross income.** "Gross income" is the sum of gross earned income and unearned income

Subp 53 **Gross receipts.** "Gross receipts" means the money received by a business before the expenses of the business are deducted

Subp 54 **Half-time student.** "Half-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 of half-time attendance

Subp 55 **Home.** "Home" means the primary place of residence used by a person as the base for day to day living and does not include locations used as mail drops

Subp 56 **Homeless individual.** "Homeless individual" means an individual who lacks a fixed and regular nighttime residence or an individual whose primary nighttime residence is

A a supervised shelter designed to provide temporary accommodations such as a welfare hotel or congregate shelter,

B a halfway house or similar institution that provides temporary residence for individuals intended to be institutionalized,

C a temporary accommodation in the residence of another individual, or

D a place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings such as a hallway, lobby, bus station, or under highway bridges and overpasses

Subp 57 **Homestead.** "Homestead" means the home that is owned by, and is the usual residence of, the assistance unit together with the surrounding property which is not separated from the home by intervening property owned by others. Public rights-of-way, such as roads which run through the surrounding property and separate it from the home, do not affect the exemption of the property. Homestead includes an asset that is not real property that the assistance unit uses as a home, such as a vehicle

Subp. 58 **Household.** "Household" means a group of persons who live together.

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Subp 59 **Income.** "Income" means cash or in-kind benefit, whether earned or unearned, received by or available to an applicant or participant that is not an asset under part 9500 4070

Subp 60. **Initial eligibility.** "Initial eligibility" means the determination of eligibility for an applicant who has been randomly selected to participate in MFIP

Subp. 61 **Initial income test.** "Initial income test" means the test used to determine initial eligibility which compares countable income to the transitional standard as specified in part 9500 4080, subpart 3

Subp 62 **In-kind income.** "In-kind income" means income, benefits, or payments which are provided in a form other than money or liquid assets, including the forms of goods, produce, services, privileges, or payments made on behalf of an applicant or participant by a third party

Subp 63 **Inquiry.** "Inquiry" means a communication to a local agency through mail, telephone, or in person, by which a person or authorized representative requests information about public assistance. The local agency shall also treat as an inquiry any communication in which a person requesting assistance offers information about the person's family circumstances that indicates that eligibility for public assistance may exist

Subp 64 **Legally available.** "Legally available" means a person's right under the law to secure, possess, dispose of, or control income or property.

Subp 65 **Local agency.** "Local agency" means a county or multicounty agency that is authorized under Minnesota Statutes, sections 393 01, subdivision 7, and 393 07, subdivision 2, to administer MFIP

Subp 66 **Low-income home energy assistance program or LIHEAP.** "Low-income home energy assistance program" or "LIHEAP" means the program authorized under United States Code, title 42, chapter 94, subchapter II, sections 8621 to 8629, and administered by the Minnesota Department of Economic Security

Subp 67 **Lump sum.** "Lump sum" means nonrecurring income that is not excluded in part 9500 4080

Subp 68 **Maximum shelter deduction.** "Maximum shelter deduction" means the amount designated by the United States Department of Agriculture under Code of Federal Regulations, title 7, subtitle B, chapter II, subchapter C, part 273, section 273 9, paragraph (d)(8), as the maximum deduction from income allowed for shelter costs when calculating food stamp benefits

Subp 69 **Medical assistance.** "Medical assistance" means the program established under title XIX of the Social Security Act and Minnesota Statutes, chapter 256B

Subp. 70 **MFIP household report form.** "MFIP household report form" means a form prescribed by the commissioner that a participant uses to report information to a local agency about income and other circumstances as specified in part 9500 4280

Subp 71 **Minnesota family investment plan or Minnesota family investment program or MFIP.** "Minnesota family investment plan" or "Minnesota family investment program" or "MFIP" means the assistance program authorized in Minnesota Statutes, sections 256 031 to 256 0361

Subp 72 **Minnesota supplemental aid or MSA.** "Minnesota supplemental aid" or "MSA" means the program established under Minnesota Statutes, sections 256D 35 to 256D 54

Subp. 73 **Minor caregiver.** "Minor caregiver" means a person who  
A is under the age of 18, and  
B has applied or receives assistance for himself or herself and his or her minor child

Subp 74. **Minor child.** "Minor child" has the meaning given it in Minnesota Statutes, section 256 032, subdivision 8a.

Subp 75 **Monthly income test.** "Monthly income test" means the test used to determine ongoing eligibility and the assistance payment amount as specified in part 9500 4080, subpart 4.

Subp 76 **Nonrecurring income.** "Nonrecurring income" means a form of income which

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

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

Subp 77 **Overpayment.** "Overpayment" means the portion of an assistance payment issued by the local agency that is greater than the amount for which the assistance unit is eligible

Subp 78 **Parent.** "Parent" means a child's biological or adoptive parent who is legally obligated to support that child

Subp 79 **Participant.** "Participant" means a person receiving benefits through MFIP, and includes the caregiver and all members of the assistance unit

Subp 80 **Payee.** "Payee" means a person to whom an assistance payment is made payable

Subp 81 **Payment month.** "Payment month" means the calendar month for which the assistance payment is paid

Subp 82 **Personal property.** "Personal property" means an item of value that is not real property, including 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 prepaid burial, savings account, value of stocks and bonds, and value of retirement accounts

Subp 83 **Probable fraud.** "Probable fraud" means the level of evidence that, if proven as fact, would establish that assistance has been wrongfully obtained

Subp 84 **Project STRIDE.** "Project STRIDE" means the AFDC employment and training program under Minnesota Statutes, section 256 736.

Subp 85 **Prospective budgeting.** "Prospective budgeting" means a method of determining the amount of the assistance payment in which the budget month and payment month are the same

Subp 86 **Protective payee.** "Protective payee" means a person other than the caregiver of an assistance unit who receives the monthly assistance payment on behalf of an assistance unit and is responsible to provide for the basic needs of the assistance unit to the extent of that payment

Subp 87 **Real property.** "Real property" means land and all buildings, structures, and improvements, or other fixtures on the land, belonging or appertaining to the land, and all mines, minerals, fossils, and trees on or under the land

Subp 88 **Reasonable compensation.** "Reasonable compensation" means the value received in exchange for property transferred to another owner that is consistent with fair market value and equals or exceeds the seller's equity in the property, reduced by costs incurred in the sale

Subp 89 **Recertification.** "Recertification" means the periodic review of eligibility factors to determine an assistance unit's continued eligibility

Subp 90 **Recoupment.** "Recoupment" means the action of the local agency to reduce a family's monthly assistance payment to recover overpayments caused by client error and overpayments received while an appeal is pending

Subp 91 **Recovery.** "Recovery" means actions taken by a local agency to reclaim the value of overpayments through voluntary repayment, recoupment from the assistance payment, or court action

Subp 92 **Recurring income.** "Recurring income" means a form of income which is

A. received periodically, and may be received irregularly when receipt can be anticipated even though the date of receipt cannot be predicted, and

B. from the same source or of the same type that is received and budgeted in a prospective month and is received in one or both of the first two retrospective months

Subp 93 **Retrospective budgeting.** "Retrospective budgeting" means a method of determining the amount of the assistance payment in which the payment month is the second month after the budget month

Subp 94 **Sanction.** "Sanction" means the reduction of a family's assistance payment by ten percent of the applicable transitional standard because the nonexempt parental care-

giver fails to develop or comply with the terms of the family support agreement or to cooperate with child support enforcement, cost effective msurance, or tort liability

Subp. 95. **Secondary school.** "Secondary school" means a school that is accredited by the Minnesota Department of Education as a secondary school under Minnesota Statutes, section 120.05, subdivision 2, or equivalent level technical institute or an educational program that provides a GED

Subp 96 **Significant change.** "Significant change" has the meaning given it in Minnesota Statutes, section 256.032, subdivision 11

Subp 97 **Suitable employment.** "Suitable employment" has the meaning given it in Minnesota Statutes, section 256 736, subdivision 1a, paragraph (h)

Subp. 98 **Supplemental Security Income or SSI.** "Supplemental Security Income" or "SSI" means the program authorized under title XVI of the Social Security Act

Subp 99 **Title IV–A of the Social Security Act.** "Title IV–A of the Social Security Act" means United States Code, title 42, chapter 7, subchapter IV, part A, sections 601 to 617

Subp 100 **Title IV–D of the Social Security Act.** "Title IV–D of the Social Security Act" means United States Code, title 42, chapter 7, subchapter IV, part D, sections.651 to 669

Subp 101 **Title IV–E of the Social Security Act.** "Title IV–E of the Social Security Act" means United States Code, title 42, chapter 7, subchapter IV, part E, sections 670 to 679a.

Subp 102 **Title XVI of the Social Security Act.** "Title XVI of the Social Security Act" means United States Code, title 42, chapter 7, subchapter XVI, sections 1381 to 1383d

Subp 103 **Title XIX of the Social Security Act.** "Title XIX of the Social Security Act" means United States Code, title 42, chapter 7, subchapter XIX, sections 1396 to 1396u

Subp 104 **Title XX of the Social Security Act.** "Title XX of the Social Security Act" means United States Code, title 42, chapter 7, subchapter XX, sections 1397 to 1397f

Subp 105. **Transitional standard.** "Transitional standard" has the meaning given it in Minnesota Statutes, section 256 032, subdivision 13

Subp 106. **Transitional status.** "Transitional status" has the meaning given it in Minnesota Statutes, section 256 032, subdivision 12.

Subp 107 **Unearned income.** "Unearned income" means income received by a person that does not meet the definition of earned income Unearned income includes income from a contract for deed, interest, dividends, reemployment insurance, disability msurance payments, veterans benefits, pension payments, return on capital investment, insurance payments or settlements, severance payments, and payments for illness or disability whether the premium payments are made in whole or in part by an employer or participant.

Subp 108 **Reemployment insurance.** "Reemployment msurance" means the insurance benefit paid to an unemployed worker under Minnesota Statutes, sections 268.03 to 268.231

Subp 109 **Vendor.** "Vendor" means a provider of goods or services

Subp. 110. **Vendor payment.** "Vendor payment" means a payment made by a local agency directly to a vendor

Subp. 111 **Verification.** "Verification" means the process a local agency uses to establish the accuracy or completeness of information from an applicant, participant, third party, or other source as that information relates to program eligibility or an assistance payment

Subp 112 **Wrongfully obtaining assistance.** "Wrongfully obtaining assistance" means

A. to obtain or attempt to obtain assistance by means of a willfully false statement or representation,

B. to conceal a material fact, to impersonate an applicant or participant, or to use another fraudulent device that results in receiving assistance to which a person is not entitled, or

C to knowingly aid or abet in buying or in any way disposing of the property of an applicant or participant in an attempt to defeat the purposes of Minnesota Statutes, sections 256 031 to 256 0361

**Statutory Authority:** *MS s 256 01, 256 031*

**History:** *18 SR 2360, L 1994 c 483 s 1, L 1994 c 488 s 8*

### **9500.4030 APPLICATION FOR ASSISTANCE.**

**Subpart 1 Where to apply.** A person must apply for assistance at the local agency in the county where that person lives

**Subp 2 Local agency responsibility to provide information.** A local agency must inform a person who inquires about assistance about eligibility requirements for assistance and how to apply for assistance. A local agency must offer the person brochures developed or approved by the commissioner that describe how to apply for assistance

**Subp 3 Application form and accompanying advisory.** A local agency must offer, in person or by mail, the application forms prescribed by the commissioner as soon as a person makes a written or oral inquiry. At that time, the local agency must inform the person that, if the person is found eligible, assistance begins with the date the signed application is received by the local agency and that any delay in submitting the application will reduce the amount of assistance paid for the month of application. A local agency must inform a person that the person may submit the application before an interview appointment

To apply for assistance, a person must submit a signed application to the local agency. Upon receipt of a signed application, the local agency must stamp the date of receipt on the face of the application. The local agency must process the application within the time period required under subpart 8

An applicant may withdraw the application at any time by giving written or oral notice to the local agency. The local agency must issue a written notice confirming the withdrawal. The notice must inform the applicant of the local agency's understanding that the applicant has withdrawn the application and no longer wants to pursue it. When, within ten days of the date of the agency's notice, an applicant informs a local agency in writing that the applicant does not wish to withdraw the application, the local agency must reinstate the application and finish processing the application

**Subp 4 Assessment of and issuance for initial needs.** When a person inquires about assistance, a local agency must ask the person if immediate or emergency needs exist. When a person has emergency needs, the local agency must determine that person's eligibility for AFDC emergency assistance or emergency general assistance unless the person's needs can be met through other sources or by promptly processing an application for monthly assistance

The local agency must also assess eligibility for expedited issuance of food stamp assistance which requires priority processing of applications as specified in subpart 5 to assure that expedited benefits are made available to applicants with emergency needs

**Subp 5 Expedited issuance of food stamp assistance.** The following households are entitled to expedited issuance of food stamp assistance

A households with less than \$150 in monthly gross income provided their cash on hand, checking or savings accounts, saving certificates, and lump sum payments do not exceed \$100,

B migrant or seasonal farm worker households who are destitute as defined in Code of Federal Regulations, title 7, subtitle B, chapter II, subchapter C, part 273, section 273 10, paragraph (e)(3), provided their cash on hand, checking or savings accounts, savings certificates, and lump sum payments do not exceed \$100,

C eligible households in which all members are homeless individuals, and

D eligible households whose combined monthly gross income and liquid resources are less than the household's monthly rent or mortgage and utilities.

When all verifications have been provided, the benefits issued through expedited issuance of food stamp assistance must be deducted from the amount of the full monthly MFIP assistance payment and a supplemental payment for the difference must be issued

Subp 6 **Verification of information on application.** A local agency must verify information provided by an applicant as specified in part 9500 4090

Subp 7 **Participation in MFIP field trial.** A person who applies for assistance in a field trial county and is randomly selected to participate in MFIP must meet the eligibility requirements in parts 9500 4050 to 9500 4080 A person who is not selected to participate in MFIP will have the application for assistance processed to determine eligibility for AFDC, family general assistance, and food stamps and, if eligible, will receive benefits and services through those programs

Subp 8 **Processing application.** Upon receiving an application, a local agency must determine the applicant's eligibility, approve or deny the application, inform the applicant of its decision according to part 9500 4290, subpart 3, and issue the assistance payment when the applicant is eligible When a local agency is unable to process an application within 30 days, the local agency must inform the applicant of the reason in writing When an applicant establishes the inability to provide required verification within the 30 day processing period, the local agency may not use the expiration of that period as the basis for denial.

Subp 9 **Invalid reason for delay.** A local agency must not delay a decision on eligibility or delay issuing the assistance payment by

A treating the 30-day processing period as a waiting period,

B delaying approval or issuance of the assistance payment pending the decision of the county board, or

C awaiting the result of a referral to a local agency in another county when the county receiving the application does not believe it is the county of financial responsibility

Subp 10. **Changes in residence during application.** The requirements in subparts 8 and 9 apply without regard to the length of time that an applicant remains, or intends to remain, a resident of the county in which the application is made When an applicant leaves the county where application was made but remains in the state, part 9500 4330 applies and the local agency may request additional information from the applicant about changes in circumstances related to the move If an applicant in an MFIP county is selected to participate in MFIP and moves to another MFIP county, the applicant remains an MFIP applicant If an applicant in an MFIP county is selected to participate in MFIP and moves to a non-MFIP county, the applicant is no longer an MFIP applicant and must be considered an applicant for aid to families with dependent children, family general assistance, and food stamps If an applicant who is originally selected to participate in MFIP moves from a non-MFIP county to an MFIP county, the applicant must be considered for MFIP

Subp. 11 **Additional applications.** Until a local agency issues notice of approval or denial, additional applications submitted by an applicant are void However, an application for monthly assistance and an application for AFDC emergency assistance or emergency general assistance may exist concurrently More than one application for monthly assistance, AFDC emergency assistance, or emergency general assistance may exist concurrently when the local agency decisions on one or more earlier applications have been appealed to the commissioner, and the applicant asserts that a change in circumstances has occurred that would allow eligibility

A local agency must require additional application forms or supplemental forms as prescribed by the commissioner when a payee's name changes, or when a caregiver requests the addition of another person to the assistance unit

Subp 12 **Addendum to an existing application.** An addendum to an existing application may be used to add persons to an assistance unit regardless of whether the persons being added are required to be in the assistance unit When a person is added by addendum to an assistance unit, eligibility for that person begins on the first of the month the addendum was filed except as provided in part 9500 4320, subpart 6, item B

Subp. 13 **Applicants who do not meet eligibility requirements for MFIP.** When an applicant randomly assigned to MFIP is not eligible for MFIP because the applicant does not meet eligibility requirements, the local agency must determine whether the applicant is eligible for food stamps If the applicant is eligible for food stamps, food stamps must be issued to the assistance unit as authorized under the food stamp program



Subp 14 **Notice to applicant when not eligible for assistance.** When an applicant is not eligible for assistance, the local agency must deny the application and provide the applicant with notice as required in part 9500 4290, subpart 3

**Statutory Authority:** *MS s 256 01, 256 031*

**History:** *18 SR 2360*

#### **9500.4040 CONVERSION OF AFDC, FAMILY GENERAL ASSISTANCE, AND FOOD STAMP RECIPIENTS TO MFIP.**

Recipients of AFDC, family general assistance, and food stamps who are assigned to participate in MFIP must be randomly selected. The conversion to MFIP must be made at a time determined by the department. Recipients selected to participate in MFIP must be notified in writing of the change in programs, the advantages of MFIP over other assistance programs, the opportunity to attend an orientation meeting under part 9500 4210, and the date of conversion.

**Statutory Authority:** *MS s 256 01, 256 031*

**History:** *18 SR 2360*

#### **9500.4050 MFIP ELIGIBILITY REQUIREMENTS.**

To be eligible for MFIP, applicants must meet the general eligibility requirements in part 9500 4060, the property limitations in part 9500 4070, and the income limitations in part 9500 4080.

**Statutory Authority:** *MS s 256 01, 256 031*

**History:** *18 SR 2360*

#### **9500.4060 GENERAL ELIGIBILITY REQUIREMENTS.**

Subpart 1 **Citizenship.** To be eligible for MFIP, a member of the assistance unit must be a citizen of the United States, a noncitizen lawfully admitted to the United States for permanent residence, or a noncitizen otherwise permanently residing in the United States under color of law.

Subp 2 **Minnesota residence.** To be eligible for MFIP, members of the assistance unit must be Minnesota residents. A person who enters Minnesota from another state and receives assistance from that state must not be considered a Minnesota resident until the last month in which that state issues an assistance payment. Minnesota residence is established according to items A to E.

A A person who lives in Minnesota and who entered Minnesota with a job commitment or to seek employment in Minnesota, whether or not that person is currently employed, is considered a resident of Minnesota. Neither a length of prior residence nor an intent to remain in Minnesota is required.

B A person who voluntarily enters Minnesota for a reason other than seeking employment, and who intends to remain in Minnesota, is a resident of Minnesota. No length of prior residence is required.

C A person who lives in vehicles or other temporary places, including transient facilities, is a resident of Minnesota when that person is physically present in Minnesota on an ongoing basis and meets the requirements of item A or B.

D A child placed in Minnesota by another state under Minnesota Statutes, section 257 40, or a juvenile who enters Minnesota from another state under Minnesota Statutes, section 260 51, shall not be considered a resident of Minnesota. A child placed in another state by Minnesota pursuant to Minnesota Statutes, section 257 40, or a juvenile who enters another state from Minnesota pursuant to Minnesota Statutes, section 260 51, shall maintain Minnesota residence.

E Subitems (1) to (3) constitute loss of Minnesota residence for purposes of MFIP.

(1) an absence from Minnesota for more than one month, except as allowed under subpart 4,

(2) an absence involving either the establishment of a residence outside Minnesota or the abandonment of the Minnesota home, or

(3) an assertion of residence in another state in order to receive assistance

Subp 3 **Minor child in assistance unit.** To be eligible for MFIP, an assistance unit must include at least one minor child or a pregnant woman in the third trimester of pregnancy. If a minor child is a recipient of SSI or MSA, the assistance unit is eligible for MFIP but the needs of the minor child receiving SSI or MSA must not be taken into account when the local agency determines the amount of the assistance payment to be paid to the assistance unit.

Subp 4 **Physical presence.** To be eligible for MFIP, a minor child and a caregiver must live together except as provided in items A to C

A The physical presence requirement is met when a minor child is required to live away from the caregiver's home to meet the need for educational curricula that cannot be met by, but is approved by, the local public school district, the home is maintained for the minor child's return during periodic school vacations, and the caregiver continues to maintain responsibility for the support and care of the minor child

B The physical presence requirement is met when an applicant caregiver or applicant minor child is away from the home due to illness or hospitalization when the home is maintained for the return of the absent family member, the absence is not expected to last more than six months beyond the month of departure, and the conditions of subitem (1), (2), or (3) apply:

(1) when the minor child and caregiver lived together immediately prior to the absence, the caregiver continues to maintain responsibility for the support and care of the minor child, and the absence is reported at the time of application,

(2) when the pregnant mother is hospitalized or out of the home due to the pregnancy, or

(3) when the newborn child and mother are hospitalized at the time of birth

C The absence of a caregiver or minor child does not affect eligibility for the month of departure when the caregiver or minor child received assistance for that month and lived together immediately prior to the absence. Eligibility also exists in the following month when the absence ends on or before the tenth day of that month. A temporary absence of a caregiver or a minor child which continues beyond the month of departure must not affect eligibility when the home is maintained for the return of the absent family member, the caregiver continues to maintain responsibility for the support and care of the minor child, and one of subitems (1) to (7) applies:

(1) a participant caregiver or participant child is absent due to illness or hospitalization, and the absence is expected to last no more than six months beyond the month of departure,

(2) a participant child is out of the home due to placement in foster care as defined in Minnesota Statutes, section 260.015, subdivision 7, when the placement will not be paid under title IV-E of the Social Security Act, and when the absence is expected to last no more than six months beyond the month of departure,

(3) a participant minor child is out of the home for a vacation, the vacation is not with an absent parent, and the absence is expected to last no more than two months beyond the month of departure,

(4) a participant minor child is out of the home due to a visit or vacation with an absent parent, the home of the minor child remains with the caregiver, the absence meets the conditions of subpart 5, item C, and the absence is expected to last no more than two months beyond the month of departure,

(5) a participant caregiver is out of the home due to a death or illness of a relative, incarceration, training, or employment search and suitable arrangements have been made for the care of the minor child, or a participant minor child is out of the home due to incarceration, and the absence is expected to last no more than two months beyond the month of departure,

(6) a participant caregiver and a participant minor child are both absent from Minnesota due to a situation described in subitem (5) or vacation, and the absence is expected to last no more than one month beyond the month of the departure, or

(7) a participant minor child has run away from home, and another person has not made application for that minor child, assistance must continue for no more than two months following the month of departure

Subp 5 **Shared, court ordered, and other custody arrangements.** The language of a court order that specifies joint legal or physical custody does not preclude a determination that a parent is absent. Absence must be determined based on the actual facts of the absence and according to items A to C

A When a minor child spends time in each of the parents' homes within a payment month, the minor child's home shall be considered the home in which the majority of the minor child's time is spent. When this time is exactly equal within a payment month, or when the parents alternately live in the minor child's home within a payment month, the minor child's home shall be with that parent who is applying for MFIP, unless the minor child's needs for the full payment month have already been met through the provision of assistance to the other parent for that month

B When the physical custody of a minor child alternates between parents for periods of at least one payment month, each parent shall be eligible for assistance for any full payment months the minor child's home is with that parent, except under the conditions in item C

C When a minor child's home is with one parent for the majority of time in each month for at least nine consecutive calendar months, and that minor child visits or vacations with the other parent under the provisions of subpart 4, item C, subitem (4), the minor child's home shall remain with the first parent even when the stay with the second parent is for all or the majority of the months in the period of the temporary absence

Subp 6 **Eligibility during labor disputes.** To be eligible for MFIP, an assistance unit with a member on strike must.

A be a participant on the day before the strike, or

B have been eligible for MFIP on the day before the strike

The local agency must count the striker's pre-strike earnings as current earnings. When a member of an assistance unit who is not in the bargaining unit that voted for the strike does not cross the picket line for fear of personal injury, the assistance unit member is not a striker. Except for a member of an assistance unit who is not in the bargaining unit that voted for the strike and who does not cross the picket line for fear of personal injury, a significant change cannot be invoked as a result of a labor dispute

Subp 7 **Assignment of support.** To be eligible for MFIP, the caregiver must assign all rights to child support, private health care benefits, and spousal maintenance benefits to the local agency

Subp 8 **Requirement to provide social security numbers.** To be eligible for MFIP, each member of the assistance unit must provide the member's social security number to the local agency. When a social security number is not provided to the local agency for verification, this requirement is satisfied when each member of the assistance unit cooperates with the procedures for verification of numbers, issuance of duplicate cards, and issuance of new numbers which have been established jointly between the Social Security Administration and the commissioner

**Statutory Authority:** *MS s 256 01, 256 031*

**History:** *18 SR 2360*

### 9500.4070 PROPERTY LIMITATIONS.

Subpart 1 **Property ownership provisions.** The local agency must apply items A to D to real and personal property. The local agency must use the equity value of legally available real and personal property, except property excluded in subparts 2 and 3, to determine whether an applicant or participant is eligible for assistance

A When real or personal property is jointly owned by two or more persons, the local agency shall assume that each person owns an equal share, except that either person owns the entire sum of a joint personal checking or savings account. When an applicant or participant documents greater or lesser ownership, the local agency must use that greater or lesser share to determine the equity value held by the applicant or participant. Other types of ownership must be evaluated according to law

B Real or personal property owned by the applicant or participant must be presumed legally available to the applicant or participant unless the applicant or participant documents that the property is not legally available to the applicant or participant. When real or personal property is not legally available, its equity value must not be applied against the limits of subparts 2 and 3.

C An applicant must disclose whether the applicant has transferred real or personal property valued in excess of the property limits in subparts 2 and 3 for which reasonable compensation was not received within one year prior to application. A participant must disclose all transfers of property valued in excess of these limits, according to the reporting requirements in part 9500 4280, subpart 9. When a transfer of real or personal property without reasonable compensation has occurred, subitems (1) and (2) apply.

(1) The person who transferred the property must provide the property's description, information needed to determine the property's equity value, the names of persons who received the property, and the circumstances of and reasons for the transfer.

(2) When the transferred property can be reasonably reacquired, or when reasonable compensation can be secured, the property is presumed legally available to the applicant or participant.

D A participant may build the equity value of real and personal property to the limits in subparts 2 and 3.

**Subp 2 Real property limitations.** Ownership of real property by an applicant or participant is subject to the limitations in items A and B.

A A local agency shall exclude the homestead of an applicant or participant according to subitems (1) to (3).

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

(2) The total amount of land that can be excluded under this subpart 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 a participant is sold, the local agency must treat the cash proceeds from the sale as excluded property for six months when the participant intends to reinvest the proceeds in another home and maintains those proceeds, unused for other purposes, in a separate account.

B The equity value of real property that is not excluded under item A and which is legally available must be applied against the limits in subpart 3. When the equity value of the real property exceeds the limits under subpart 3, the applicant or participant may qualify to receive assistance for a consecutive nine-month period when the applicant or participant makes a good faith effort to sell the property and signs a legally binding agreement to repay the amount of assistance issued during that nine months less child support collected by the agency. When the property is sold during the nine-month period, repayment must be made within five working days after the property is sold. Repayment to the local agency must be in the amount of assistance received or the proceeds of the sale, whichever is less. If the property is not sold during the nine-month period, the local agency must terminate MFIP assistance. When the property is sold, the former participant must repay the local agency within five working days after the property is sold. Repayment to the local agency must be in the amount of the assistance received or the proceeds of the sale, whichever is less.

**Subp 3 Other property limitations.** To be eligible for MFIP, the equity value of all nonexcluded real and personal property of the assistance unit must not exceed \$2,000. The value of items A to R must be excluded when determining the equity value of real and personal property.

A The value of licensed automobiles, trucks, or vans up to a total equity value of \$4,500, exclusive of the value of special equipment for a handicapped member of the assistance unit. To establish the equity value of vehicles, a local agency must subtract any outstanding encumbrances from the loan value listed in the N A D A Official Used Car Guide, Midwest Edition, for newer model cars. The N A D.A Official Used Car Guide, Midwest Edition, is incorporated by reference. It is published monthly by the National Automobile

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Dealers Used Car Guide Company and is available through the Minitex interlibrary loan system. It is subject to frequent change. When a vehicle is not listed in the guidebook, or when the applicant or participant disputes the value listed in the guidebook as unreasonable given the condition of the particular vehicle, the local agency may require the applicant or participant to document the value 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 local agency shall reimburse the applicant or participant for the cost of a written statement that documents a lower value.

B The value of a prepaid burial account, burial plan, or burial trust up to \$1,500 for each member of the assistance unit.

C One burial plot per member of an assistance unit.

D The value of personal property needed to produce earned income, including tools, implements, farm animals, inventory, business loans, business checking and savings accounts used exclusively for the operation of a self-employment business, and any motor vehicles if the vehicles are essential for the self-employment business.

E The value of real and personal property owned by a parent of a minor caregiver or a stepparent when those persons are not applying for MFIP and are not required to be included in the MFIP assistance unit under part 9500.4100, subpart 2.

F The value of personal property not otherwise specified which is commonly used by household members in day-to-day living such as clothing, necessary household furniture, equipment, and other basic maintenance items essential for daily living.

G The value of real and personal property owned by a recipient of SSI or MSA.

H The value of corrective payments and the AFDC housing allowance, but only for the month in which the payment is received and for the following month.

I A mobile home used by an applicant or participant as the applicant's or participant's home.

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

K Money held in escrow to cover employee FICA, employee tax withholding, sales tax withholding, employee worker compensation, business insurance, property rental, property taxes, and other costs that are paid at least annually, but less often than monthly.

L Monthly assistance and emergency assistance payments for the current month's needs.

M The value of school loans, grants, or scholarships for the period they are intended to cover.

N Payments listed in part 9500.4080, subpart 2, item I, which are held in escrow for a period not to exceed three months to replace or repair personal or real property.

O Income received in a budget month through the end of the budget month.

P The earned income credit and Minnesota working family credit in the month received and the following month.

Q Payments excluded under federal law as long as those payments are held in a separate account from any nonexcluded funds.

**Statutory Authority:** *MS s 256.01, 256.031*

**History:** *18 SR 2360*

### 9500.4080 INCOME LIMITATIONS.

Subpart 1 **Evaluation of income.** To determine MFIP eligibility, the local agency must evaluate income received by members of an assistance unit, or by other persons whose income is considered available to the assistance unit. All payments, unless specifically excluded in subpart 2, must be counted as income.

Subp 2 **Excluded income.** The following items must be excluded from countable income:

A payments for basic care, difficulty of care, and clothing allowances received for providing family foster care to children or adults under parts 9545.0010 to 9545.0260 and

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9555 5050 to 9555 6265 and payments received and used for care and maintenance of a third party beneficiary who is not a household member,

B reimbursements for employment training received through the Job Training Partnership Act, United States Code, title 29, chapter 19, sections 1501 to 1792b,

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

D all educational grants and loans, including income from work-study programs,

E loans, regardless of purpose, from public or private lending institutions, governmental lending institutions, or governmental agencies,

F loans from private individuals, regardless of purpose, provided an applicant or participant documents that the lender expects repayment,

G state and federal income tax refunds,

H state and federal earned income credits,

I funds received for reimbursement, replacement, or rebate of personal or real property when these payments are made by public agencies, awarded by a court, solicited through public appeal, or made as a grant by a federal agency, state or local government, or disaster assistance organizations, subsequent to a presidential declaration of disaster,

J the portion of an insurance settlement that is used to pay medical, funeral, and burial expenses, or to repair or replace insured property,

K reimbursements for medical expenses which cannot be paid by medical assistance,

L payments by a vocational rehabilitation program administered by the state under Minnesota Statutes, chapter 268A, except those payments that are for current living expenses,

M in-kind income, including any payments directly made by a third party to a provider of goods and services,

N assistance payments to correct underpayments, but only for the month in which the payment is received,

O AFDC emergency assistance payments issued under part 9500.2800, subpart 2, emergency general assistance issued under part 9500 1261, or AFDC special needs payments issued under part 9500 2800, subparts 6 to 8;

P supplemental housing allowance payments as provided by Minnesota Statutes, section 256 879,

Q funeral and cemetery payments as provided by Minnesota Statutes, section 256 935,

R nonrecurring cash gifts of \$30 or less, not exceeding \$30 per participant in a calendar month,

S any form of energy assistance payment made by LIHEAP, payments made directly to energy providers by other public and private agencies, benefits issued by energy providers when the Minnesota Department of Economic Security determines that those payments qualify under Code of Federal Regulations, title 45, subtitle B, chapter II, part 233, section 233 53, and any form of credit or rebate payment issued by energy providers,

T the first \$50 of child support paid under Code of Federal Regulations, title 45, subtitle B, chapter III, part 302, section 302 51, paragraph (b)(1),

U SSI, including retroactive payments,

V MSA, including retroactive payments,

W proceeds from the sale of real or personal property,

X payments for subsidized adoptions as provided by Minnesota Statutes, section 259 67,

Y state-funded family subsidy program payments made under Minnesota Statutes, section 252 32, to help families care for children with mental retardation or related conditions,

Z interest payments and dividends from property that is not excluded from and that does not exceed the \$2,000 asset limit,

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

BB rent rebates,

CC income earned by a minor child who is at least a half-time student,

DD MFIP child care payments,

EE all other payments made through MFIP to support a caregiver's pursuit of greater self support,

FF income a participant receives related to shared living expenses,

GG reverse mortgages,

HH benefits provided by the Child Nutrition Act of 1966, United States Code, title 42, chapter 13A, sections 1771 to 1790,

II benefits provided by the women, infants, and children (WIC) nutrition program, United States Code, title 42, chapter 13A, section 1786,

JJ benefits from the National School Lunch Act, United States Code, title 42, chapter 13, sections 1751 to 1769e,

KK relocation assistance for displaced persons under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, United States Code, title 42, chapter 61, subchapter II, section 4636, or the National Housing Act, United States Code, title 12, chapter 13, sections 1701 to 1750jj,

LL benefits from the Trade Act of 1974, United States Code, title 19, chapter 12, part 2, sections 2271 to 2322,

MM war reparations payments to Japanese Americans and Aleuts under United States Code, title 50, sections 1989 to 1989d,

NN payments to veterans or their dependents as a result of legal settlements regarding Agent Orange or other chemical exposure under Public Law Number 101-239, section 10405, paragraph (a)(2)(E),

OO security and utility deposit refunds, and

PP American Indian tribal land settlements excluded under Public Law Numbers 98-123, 98-124, and 99-377 to the Mississippi Band Chippewa Indians of White Earth, Leech Lake, and Mille Lacs reservations and payments to members of the White Earth Band, under United States Code, title 25, chapters 9, section 331, and 16, section 1407

**Subp 3 Initial income test.** The local agency shall determine initial eligibility by considering all earned and unearned income that is not excluded under subpart 2. To be eligible for MFIP, the assistance unit's countable income minus the disregards in items A to C must be below the transitional standard of assistance specified in part 9500.4100, subpart 7, for that size assistance unit.

**A** When determining initial eligibility and when determining income deemed from members who do not elect to be included in the assistance unit, the employment disregard is 18 percent of the gross earned income whether or not the member is working full time or part time.

**B** When determining initial eligibility, dependent care costs must be deducted from gross earned income for the actual amount paid for dependent care up to the maximum disregard allowed under United States Code, title 42, chapter 7, section 602, subsection (a), paragraph (8), subparagraph (A)(iii).

**C** Notwithstanding item A, when determining initial eligibility for participants who have received AFDC, family general assistance, or MFIP in Minnesota within four months of the most recent application for MFIP, the employment disregard is 38 percent of the gross earned income.

After initial eligibility is established, the assistance payment calculation is based on the monthly income test.

**Subp 4 Monthly income test and determination of assistance payment.** The local agency shall determine ongoing eligibility and the assistance payment amount according to the monthly income test. To be eligible for MFIP, the result of the computations in items A to D must be at least one dollar.

A For earned income, a 38 percent income disregard is applied and counted earnings are subtracted from the family wage level. If the difference is equal to or greater than the transitional standard, the assistance payment is equal to the transitional standard. If the difference is less than the transitional standard, the assistance payment is equal to the difference. The employment disregard in this item must be deducted every month there is earned income.

B For unearned income, there is no income disregard. Unearned income is subtracted dollar for dollar from the transitional standard to determine assistance payment amount.

C If income is both earned and unearned, the amount of the assistance payment must be determined by first treating gross earned income as specified in item A. After determining the amount of the assistance payment under item A, unearned income must be subtracted from that amount dollar for dollar to determine the assistance payment amount.

D When the monthly income is greater than the transitional or family wage level standard after applicable deductions and the income will only exceed the standard for one month, the local agency must suspend the assistance payment for the payment month.

**Subp 5 Distribution of income.** The income of all members of the assistance unit must be counted. Income must be attributed to the person who earns it or to the assistance unit according to items A to G.

A Income may be allocated from spouse to spouse and from parents to children under age 21 according to part 9500.4140 when the person to whom the income is allocated is in financial need according to the MFIP standard and when that person lives with the minor child who is applying for or receiving assistance.

B For stepparents who do not elect to be part of the assistance unit, the local agency must not count the stepparent's income if it is less than or equal to 275 percent of federal poverty guidelines for a family of one. For stepparents whose income is more than 275 percent of the federal poverty guidelines for a family of one and parents of minor caregivers who do not elect to be part of the assistance unit, the local agency must count the income that remains after disregarding

(1) the first 18 percent of the excluded family member's gross earned income,

(2) amounts the stepparent or parent of the minor caregiver actually paid to individuals not living in the same household but whom the stepparent or parent claims as dependents for determining federal personal income tax liability,

(3) child or spousal support paid to a person who lives outside of the household,

(4) an amount for the needs of one parent of a minor caretaker or a stepparent at the first adult standard, and

(5) an amount for the needs of other persons who live in the household but are not included in the assistance unit and are or could be claimed by a parent of a minor caretaker or stepparent as dependents for determining federal personal income tax liability. This amount must equal the MFIP family allowance for a family group of the same composition as the dependent persons described in this subitem.

C Funds distributed from a trust, whether from the principal holdings or sale of trust property or from the interest and other earnings of the trust holdings, must be considered income when the income is legally available to an applicant or participant. Trusts are presumed legally available unless an applicant or participant can document that the trust is not legally available.

D Income from jointly owned property must be divided equally among property owners unless the terms of ownership provide for a different distribution.

E Income of the sponsors of noncitizens must be deemed to the noncitizens as provided by Code of Federal Regulations, title 45, subtitle B, chapter II, part 233, section 233.51.

F Except as provided under items B and E, deductions are not allowed from the gross income of a financially responsible household member or by the members of an assistance unit to meet a current or prior debt.



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G For persons who have been disqualified from receiving MFIP, the local agency must count the disqualified member's income according to subitems (1) and (2)

(1) For stepparents and parents of minor caregivers, the local agency must count the income remaining after disregarding income according to item B, except income must not be allocated to meet the needs of the disqualified person

(2) For mandatory unit members, the local agency must count the income as though the member was included in the unit, but income must not be allocated to meet the needs of the disqualified person

Subp 6 **Earned income of wage and salary employees.** The local agency must include gross earned income less any disregards in the initial and monthly income test. Gross earned income received by persons employed on a contractual basis must be prorated over the period covered by the contract even when payments are received over a lesser period of time

Subp 7 **Self-employment, general.** The local agency must include the income from self-employed individuals in the initial and monthly income test. Self-employed individuals are individuals who

A work for themselves rather than an employer,

B do not have federal or state income taxes or FICA withheld from payments made to them,

C are responsible for their own work schedule, and

D do not have coverage under employers' liability insurance or workers' compensation

Self-employed individuals may own a business singularly or in partnership. Individuals operating more than one self-employment business may use the loss from one business to offset self-employment income from another business. A loss from a self-employment business may not offset income earned under subpart 6

Subp 8 **Self-employment earnings.** The local agency must determine self-employment income according to items A and B.

A The local agency must subtract allowable business expenses from total gross receipts. Allowable business expenses include

(1) interest on mortgages and loans,

(2) employee wages, except for persons who are part of the assistance unit or whose income is deemed to the participant,

(3) FICA funds paid on employees' wages, payment of employee workers' compensation, and unemployment insurance,

(4) livestock and veterinary or breeding fees,

(5) raw material,

(6) seed and fertilizer;

(7) maintenance and repairs which are not capital expenditures,

(8) tax return preparation fees,

(9) license fees, professional fees, franchise fees, and professional dues,

(10) tools and supplies that are not capital expenditures,

(11) fuel and transportation expenses other than fuel costs covered by the flat rate transportation rate deduction,

(12) advertising costs,

(13) meals eaten when required to be away from the local work site,

(14) property expenses such as rent, insurance, taxes, and utilities,

(15) postage,

(16) purchase cost of inventory at time of sale,

(17) loss from another self-employment business,

(18) attorney fees allowed by the Internal Revenue Service; and

(19) tuition for classes necessary to maintain or improve job skills or required by law to maintain job status or salary as allowed by the Internal Revenue Service

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B The local agency may not allow a deduction for the following expenses

- (1) purchases of capital assets;
- (2) payments on the principals of loans for capital assets,
- (3) depreciation,
- (4) amortization,
- (5) the wholesale costs of items purchased, processed, or manufactured which are unsold inventory,
- (6) transportation costs that exceed the maximum standard mileage rate allowed for use of a personal car in the Internal Revenue Code,
- (7) costs, in any amount, for mileage between an applicant's or participant's home and place of employment,
- (8) salaries and other employment deductions made for members of an assistance unit or persons who live in the household for whom an employer is legally responsible,
- (9) monthly expenses in excess of \$71 for each roomer,
- (10) monthly expenses in excess of the Thrifty Food Plan amount for one person for each boarder For purposes of this subitem and subitem (11), "Thrifty Food Plan" has the meaning given it in Code of Federal Regulations, title 7, subtitle B, chapter II, subchapter C, part 271, section 271.2,
- (11) monthly expenses in excess of the roomer rate plus the Thrifty Food Plan amount for one person for each roomer-boarder If there is more than one boarder or roomer-boarder use the total number of boarders as the unit size to determine the Thrifty Food Plan amount,
- (12) an amount greater than actual expenses 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 Internal Revenue Code, and
- (14) expenses in excess of 60 percent of gross receipts for in-home child care unless a higher amount can be documented Funds that are received from the Minnesota child care food program as authorized under the National School Lunch Act, United States Code, title 42, chapter 13, sections 1751 to 1769e, are excluded from gross receipts and the expenses covered by the funds must not be claimed as a deduction

Subp 9 **Self-employment budget period.** The self-employment budget period begins in the month of application or in the first month of self-employment Gross receipts must be budgeted in the month received Expenses must be budgeted against gross receipts in the month the expenses are paid, except for items A to C

A The purchase cost of inventory items, including materials which are processed or manufactured, must be deducted as an expense at the time payment is received for the sale of the inventory items

B A 12-month rolling average based on subitems (1) to (3) must be used to budget monthly income

(1) If a business has been in operation for at least 12 months, the local agency must use the average monthly self-employment income from the most current income tax report for the 12 months before the month of application Each month, the local agency must determine a new monthly average by adding in the actual self-employment income and expenses from the previous month and dropping the first month from the averaging period

(2) If a business has been in operation for less than 12 months, the local agency must compute the average for the number of months the business has been in operation to determine a monthly average When data are available for 12 or more months, average monthly self-employment income is determined under subitem (1)

(3) If the business undergoes a major change, the local agency must compute a new rolling average beginning with the first month of the major change For the purpose of this subitem, "major change" means a change that affects the nature and scale of the business and is not merely the result of normal business fluctuations.

C For seasonal self-employment, the caregiver may choose whether to use actual income in the month of receipt and expenses in the month incurred or the rolling average

method of computation. The choice must be made once per year at the time of application or recertification. For the purpose of this item, "seasonal" means working six or less months per year.

**Subp 10 Farm income.** Farm income is the difference between gross receipts and operating expenses, subject to subpart 8, item B. Gross receipts include sales, rents, subsidies, soil conservation payments, production derived from livestock, and income from home produced food.

**Subp 11 Rental income.** The local agency must treat income from rental property as earned or unearned income. Income from rental property is unearned income unless the assistance unit spends an average of ten hours per week on maintenance or management of the property. When the owner spends more than ten hours per week on maintenance or repairs, the earnings are considered self-employment earnings. An amount must be deducted for upkeep and repairs as specified in subpart 8, item B, subitem (12), for real estate taxes, insurance, utilities, and interest on principal payments. When the applicant or participant lives on the rental property, expenses for upkeep, taxes, insurance, utilities, and interest must be divided by the number of rooms to determine expense per room and expenses deducted must be deducted only for the number of rooms rented.

**Subp 12 Unearned income.** The local agency must apply unearned income to the transitional standard. When determining the amount of unearned income, the local agency must deduct the costs necessary to secure payments of unearned income. These costs include legal fees, medical fees, and mandatory deductions such as federal and state income taxes.

**Subp 13 Treatment of lump sums.** The local agency must treat lump sum payments as earned or unearned income. If the lump sum payment is included in the category of income identified in subpart 12, it must be treated as unearned income. A lump sum is counted as income in the month received and budgeted either prospectively or retrospectively depending on the budget cycle at the time of receipt. When an individual receives a lump sum payment, that lump sum must be combined with all other earned and unearned income received in the same budget month, and it must be applied according to items A to C. There is no carry-over into subsequent months. Any funds that remain in the third month after the month of receipt are counted in the asset limit.

A For a lump sum received by an applicant during the first two months, prospective budgeting is used to determine the payment and the lump sum must be combined with other earned or unearned income received and budgeted in that prospective month.

B For a lump sum received by a participant after the first two months of MFIP eligibility, the lump sum must be combined with other income received in that budget month, and the combined amount must be applied retrospectively against the applicable payment month.

C When a lump sum, combined with other income according to items A and B, is less than the transitional standard for the applicable payment month, the assistance payment is reduced according to the amount of the countable income. When the countable income is greater than the transitional standard or the family wage standard, the assistance payment is suspended for the payment month.

**Statutory Authority:** *MS s 256 01, 256 031*

**History:** *18 SR 2360, L 1994 c 483 s 1, L 1994 c 631 s 31*

### **9500.4090 DOCUMENTING, VERIFYING, AND RECERTIFYING ELIGIBILITY.**

**Subpart 1 Verification of information.** A local agency must only require verification of information necessary to determine MFIP eligibility and the amount of the assistance payment.

**Subp 2 Sufficiency of documentation.** The applicant or participant must document the information in subparts 4 and 5 or authorize the local agency to verify it. The applicant or participant has the burden of providing documentary evidence to verify eligibility. The local agency shall assist the applicant or participant in obtaining required documents when the applicant or participant is unable to do so. When an applicant or participant and the local agency are unable to obtain documents needed to verify information, the local agency may accept an affidavit from an applicant or participant as sufficient documentation.

Subp 3 **Contacting third parties.** A local agency must not request information about an applicant or participant which is not of public record from a source other than local agencies, the department, or the United States Department of Health and Human Services without the person's prior written consent. An applicant's signature on an application form shall constitute this consent for contact with the sources specified on that form. A local 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 local agency prior to requesting an applicant's consent.

Subp 4 **Factors to be verified.** The local agency must verify the following at application:

- A identity of adults,
- B. presence of the minor child in the home, if questionable,
- C. relationship of a minor child to caregivers in the assistance unit,
- D age, if necessary to determine MFIP eligibility,
- E immigration status,
- F social security number,
- G income,
- H self-employment expenses used as a deduction,
- I source and purpose of deposits and withdrawals from business accounts,
- J spousal support and child support payments to persons outside the household,
- K real property,
- L vehicles,
- M checking and savings accounts,
- N savings certificates, savings bonds, stocks, and individual retirement accounts,
- O cash surrender value of life insurance,
- P inconsistent information, if related to eligibility,
- Q medical insurance,
- R the first day of the third trimester for a pregnant woman,
- S the anticipated graduation date of an 18-year-old,
- T burial accounts, and
- U school attendance, if related to eligibility

An applicant's written authorization is required before the local agency contacts the Immigration and Naturalization Service to verify immigration status under item E. However, refusal to provide such authorization is grounds for a finding of ineligibility if the applicant fails to produce proof of eligible immigration status.

When the local agency verifies inconsistent information under item P, the reason for verifying the information must be documented in the financial case record.

Subp 5 **Items that must be verified at recertification.** The local agency must verify the following at recertification:

- A presence of the minor child in the home, if questionable;
- B income,
- C self-employment expenses used as a deduction,
- D checking and savings accounts,
- E source and purpose of deposits and withdrawals from business accounts,
- F burial accounts, individual retirement accounts, cash surrender value of life insurance, savings certificates, stocks, bonds, real property, and vehicles when their value is within \$200 of the asset limit, and
- G inconsistent information, if related to eligibility

Subp 6 **Recertification of eligibility.** The local agency must recertify eligibility at least annually in a face-to-face interview with the participant.

**Statutory Authority:** *MS s 256 01, 256 031*

**History:** *18 SR 2360*

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**9500.4100 FAMILY COMPOSITION AND ASSISTANCE STANDARDS.**

Subpart 1 **MFIP assistance unit.** An MFIP assistance unit is either a group of individuals with at least one minor child who live together whose needs, assets, and income are considered together and who receive assistance from MFIP, or a pregnant woman in the third trimester of pregnancy with no other children who receives assistance from MFIP. Individuals identified in subpart 2 must be included in the MFIP assistance unit. Individuals identified in subpart 3 must be excluded from the assistance unit. Individuals identified in subpart 4 may be included in the assistance unit at their option. Individuals not included in the assistance unit who are identified in part 9500 4080, subpart 5, item B, must have their income considered when determining eligibility and benefits for an MFIP assistance unit. All assistance unit members, whether mandatory or elective, who live together and for whom one caregiver or two married caregivers apply must be included in a single assistance unit.

Subp. 2 **Mandatory assistance unit composition.** When the following individuals live together, they must be included in the assistance unit:

- A a minor child;
- B. the minor child's siblings and half-siblings, and
- C the minor child's natural or adoptive parents.

Subp. 3. **Individuals who must be excluded from an assistance unit.** The following individuals must be excluded from an assistance unit:

- A. individuals receiving SSI or MSA,
- B individuals living at home while performing court-imposed, unpaid community service work due to a criminal conviction,
- C. individuals disqualified from the food stamp program or AFDC due to noncompliance with quality control requirements or who are under a fraud disqualification until the period of disqualification ends; and
- D individuals disqualified from MFIP, until the disqualification ends.

Subp. 4. **Individuals who may elect to be included in the assistance unit.** When the following individuals live with mandatory members of the assistance unit identified in subpart 2, the individuals may elect to be included in the assistance unit.

- A the minor child's eligible relative caregiver, but only one eligible relative caregiver may elect to be included in the assistance unit,
- B the minor child's stepparent,
- C. the minor child's stepsiblings, and
- D. the parents of a minor parent caregiver.

Subp 5 **MFIP family allowance table.** The following table represents the MFIP family allowance table.

Children Standard	Monthly Standard of Need	Eligible Adults	Adult Standard	Monthly Standard of Need
1	\$250		first adult standard	\$187
2	\$345		second adult standard	\$ 73
3	\$434			
4	\$510			
5	\$586			
6	\$663			
7	\$729			
8	\$793			
9	\$848			
10	\$902			
over 10	add \$53 per additional child			
Special Standard for one child	\$337	Special Standard for one adult	\$250	

Subp 6 **Application of assistance standards.** The standards that apply to an assistance unit are set forth in items A to F

A The children standard must be used for the minor child or a minor caregiver who lives with either or both parents

B The first adult standard must be used for the first eligible adult caregiver in the unit and the first eligible minor caregiver who is emancipated or who lives apart from both parents

C The second adult standard must be used for an additional parent caregiver when one parent caregiver is eligible for the first adult standard.

D The special child standard must be used whenever the only adult or adults in the household receive SSI or MSA or both. When an assistance unit includes more than one minor child, the special child standard must be determined by substituting the first adult standard for the needs of the last minor child in the assistance unit and combining that amount with the children standard for the remaining minor children

E The assistance standard for a family consisting of a pregnant woman in the third trimester of pregnancy must be equal to the assistance standard paid to one adult and one child

F The special adult standard must be used whenever the only child or children in the household receive SSI

Subp 7 **Transitional standard.** The transitional standard for the assistance units identified in subpart 6 is the MFIP allowance under subpart 5 plus the full cash value of food stamps for an assistance unit of the same size and composition. For the purpose of this subpart, "full cash value of food stamps" means the amount of the cash value of food stamps to which an assistance unit of a given size would be entitled for a month, determined by assuming unearned income equal to the AFDC standard for a family of that size and composition and subtracting the standard deduction and maximum shelter deduction from gross family income, as allowed under the Food Stamp Act of 1977, United States Code, title 7, section 2031, and the Hunger Prevention Act of 1988, Public Law Number 100-435

Subp 8 **Family wage level standard.** The family wage level standard is 120 percent of the transitional standard under subpart 7 and is the standard used when there is earned income in the assistance unit. Earned income is subtracted from the family wage level as specified in part 9500 4080, subpart 4, item A, to determine the amount of the assistance payment. Assistance payments may not exceed the transitional standard for the assistance unit

Subp 9 **Publication of transitional standard.** The Department of Human Services shall annually publish in the State Register the transitional standard for an assistance unit size 1 to 10

**Statutory Authority:** *MS s 256 01, 256 031*

**History:** *18 SR 2360*

#### **9500.4110 DETERMINATION OF MFIP ELIGIBILITY AND ASSISTANCE PAYMENT.**

A local agency must determine MFIP eligibility prospectively for a payment month based on retrospectively assessing income and the local agency's best estimate of the circumstances that will exist in the payment month

Except as described in part 9500 4130, subpart 1, when prospective eligibility exists, a local agency must calculate the amount of the assistance payment using retrospective budgeting. To determine MFIP eligibility and the assistance payment amount, a local agency must apply countable income, described in part 9500 4080, subparts 6 to 13, received by members of an assistance unit or by other persons whose income is counted for the assistance unit, described under part 9500 4080, subpart 5

This income must be applied to the transitional standard or family wage standard described in part 9500 4100, subparts 7 and 8, subject to parts 9500 4120 to 9500 4160. Income received in a calendar month and not otherwise excluded under part 9500 4080, subpart 2, must be applied to the needs of an assistance unit

**Statutory Authority:** *MS s 256 01, 256 031*

**History:** *18 SR 2360*

**9500.4120 MFIP ELIGIBILITY TESTS.**

Subpart 1 **Prospective eligibility.** A local agency must determine whether the eligibility requirements that pertain to an assistance unit, including those in parts 9500 4060 and 9500 4070, will be met prospectively for the payment month. Except for the provisions in part 9500 4130, subpart 1, the income test will be applied retrospectively.

Subp 2 **Retrospective eligibility.** After the first two months of MFIP eligibility, a local agency must continue to determine whether an assistance unit is prospectively eligible for the payment month by looking at all factors other than income and then determine whether the assistance unit is retrospectively income eligible by applying the monthly income test to the income from the budget month. When the monthly income test is not satisfied, the assistance payment must be suspended when ineligibility exists for one month or ended when ineligibility exists for more than one month.

Subp 3 **Monthly income test.** A local agency must apply the monthly income test retrospectively for each month of MFIP eligibility. An assistance unit is not eligible when the countable income equals or exceeds the transitional standard or the family wage level for the assistance unit. The income applied against the monthly income test must include

A gross earned income from employment, prior to mandatory payroll deductions, voluntary payroll deductions, wage authorizations, and after the disregards in part 9500 4150, and the allocations in part 9500 4140, unless the employment income is specifically excluded under part 9500 4080, subpart 2,

B gross earned income from self-employment less deductions for self-employment expenses in part 9500 4080, subpart 8, but prior to any reductions for personal or business state and federal income taxes, personal FICA, personal health and life insurance, and after the disregards in part 9500 4150, and the allocations in part 9500 4140,

C unearned income after deductions for allowable expenses in part 9500 4080, subpart 12, and allocations in part 9500 4140, unless the income has been specifically excluded in part 9500.4080, subpart 2,

D gross earned income from employment as determined under item A which is received by a member of an assistance unit who is a minor child and less than a half-time student,

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

F the income of a parent even when that parent has opted not to be included in the assistance unit,

G. the income of a stepparent whose income must be counted according to part 9500 4080, subpart 5, item B,

H the income of an eligible relative who seeks to be included in the assistance unit, and

I the unearned income of a minor child included in the assistance unit

Subp. 4 **When to terminate.** When an assistance unit is ineligible for MFIP assistance for two consecutive months, the local agency must terminate MFIP assistance.

**Statutory Authority:** *MS s 256 01, 256 031*

**History:** *18 SR 2360*

**9500.4130 CALCULATING PAYMENTS.**

Subpart 1 **Prospective budgeting.** A local agency must use prospective budgeting to calculate the assistance payment amount for the first two months for an applicant who has not received assistance in Minnesota for at least one payment month preceding the first month of payment under a current application. Prospective budgeting is not subject to overpayments or underpayments.

A The local agency must apply the income received or anticipated in the first month of MFIP eligibility against the need of the first month. The local agency must apply the income received or anticipated in the second month 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, the local agency must base the initial assistance payment amount on the information available at the time the initial assistance payment is made.

C The local agency must determine the assistance payment amount for the first two months of MFIP eligibility by budgeting both recurring and nonrecurring income for those two months

D The local agency must budget child support income received or anticipated to be received by an assistance unit to determine the assistance payment amount from the month of application through the month in which MFIP eligibility is determined and assistance is authorized. Child support income which has been budgeted to determine the assistance payment in the initial two months is considered nonrecurring income. An assistance unit must forward the payment of child support to the child support enforcement unit of the local agency for the months which follow the month in which assistance is authorized.

**Subp 2 Retrospective budgeting.** The local agency must use retrospective budgeting to calculate the monthly assistance payment amount after the payment for the first two months has been made under subpart 1.

**Subp 3 Additional uses of retrospective budgeting.** Notwithstanding subpart 1, the local agency must use retrospective budgeting to calculate the monthly assistance payment amount for the first two months under items A and B.

A The local agency must use retrospective budgeting to determine the amount of the assistance payment in the first two months of MFIP eligibility

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

(2) when a person applies to be added to an assistance unit, that assistance unit has received assistance in Minnesota for at least the two preceding months, and that person has been living with and has been financially responsible for one or more members of that assistance unit for at least the two preceding months.

B Except as provided in subitems (1) to (4), the local agency must use retrospective budgeting and apply income received in the budget month by an assistance unit and by a financially responsible household member who is not included in the assistance unit against the appropriate transitional or family wage level standard to determine the assistance payment to be issued for the payment month.

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

(2) When a member of an assistance unit or a financially responsible household member leaves the household of the assistance unit, the income of that departed household 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 assistance unit.

(3) When an individual is removed from an assistance unit because the individual is no longer a minor child, the income of that individual is not budgeted retrospectively for payment months in which that individual is not a member of the assistance unit, except that income of an ineligible child in the household must continue to be budgeted retrospectively against his or her own needs when the parent or parents of that child request allocation of their income against any unmet needs of that ineligible child.

(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. 4 Significant change in gross income.** The local agency must recalculate the assistance payment when an assistance unit experiences a significant change resulting in a reduction in the gross income received in the payment month from the gross income received in the budget month. The local agency must issue a supplemental assistance payment based on the local agency's best estimate of the assistance unit's income and circumstances for the payment month.



Subp 5 **Income averaging for participants paid weekly or biweekly.** For the purposes of stabilizing assistance payments, the local agency may average income for participants paid weekly or biweekly. Monthly income may be computed by adding income from all paychecks, dividing the sum by the number of paychecks, and multiplying the result by 4 3 if paychecks are weekly or 2 16 if paychecks are biweekly. The local agency may not use income averaging unless discussed with the participant and requested by the participant.

**Statutory Authority:** *MS s 256 01, 256 031*

**History:** *18 SR 2360*

#### **9500.4140 ALLOCATION FOR UNMET NEED OF OTHER HOUSEHOLD MEMBERS.**

Except as prohibited in items A and B, an allocation of income is allowed to meet the unmet need of an ineligible spouse or an ineligible child under the age of 21 for whom the caregiver is financially responsible who also lives with the caregiver. An allocation from the caregiver's income to meet the need of an ineligible or excluded spouse is allowed up to the amount of the second adult standard. An allocation is allowed from the caregiver's income to meet the need of an ineligible or excluded child. That allocation is allowed in an amount up to the difference between the MFIP family allowance for the assistance unit when that excluded or ineligible child is included in the assistance unit and the MFIP family allowance for the assistance unit when the excluded or ineligible child is not included in the assistance unit. These allocations must be deducted from the caregiver's counted earnings and from unearned income subject to items A and B.

A. Income of a minor child in the assistance unit must not be allocated to meet the need of a person who is not a member of the assistance unit, including the child's parent, even when that parent is the payee of the child's income.

B. Income of an assistance unit must not be allocated to meet the needs of a person ineligible for failure to cooperate with program requirements including child support requirements under part 9500 4280, subpart 10, a person ineligible due to fraud, or a person who opts out of the assistance unit.

**Statutory Authority:** *MS s 256 01, 256 031*

**History:** *18 SR 2360*

#### **9500.4150 EMPLOYMENT DISREGARDS.**

The employment disregards in items A to D apply to MFIP.

A. When determining initial eligibility and when determining income deemed from members who do not elect to be included in the assistance unit, the employment disregard is 18 percent of the gross earned income whether or not the member is working full time or part time.

B. When determining initial eligibility, dependent care costs must be deducted from gross earned income for the actual amount paid for dependent care up to the maximum disregard allowed under United States Code, title 42, chapter 7, section 602, subsection (a), paragraph (8), subparagraph (A)(iii).

C. When determining initial eligibility for participants who have received AFDC, family general assistance, or MFIP in Minnesota within four months of the most recent application for MFIP, the employment disregard is 38 percent of the gross earned income.

D. When determining ongoing eligibility and payment amount, the employment disregard is 38 percent of the gross earned income. The employment disregard in this item is applied every month there is earned income.

**Statutory Authority:** *MS s 256 01, 256 031*

**History:** *18 SR 2360*

#### **9500.4160 AMOUNT OF ASSISTANCE PAYMENT.**

Except as provided in items A to C, the amount of an assistance payment is equal to the difference between the transitional standard in part 9500 4100, subpart 7, or the family wage level in part 9500.4100, subpart 8, and countable income.

A. When MFIP 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 applica-

tion or the date all other eligibility factors are met for that applicant, whichever is later. This provision applies when an applicant loses at least one day of MFIP eligibility.

B AFDC or MFIP overpayments to an assistance unit must be recouped according to part 9500.4170, subpart 4.

C An initial assistance payment must not be made to an applicant who is not eligible on the date payment is made.

**Statutory Authority:** *MS s 256 01, 256 031*

**History:** *18 SR 2360*

### 9500.4170 CORRECTION OF OVERPAYMENTS AND UNDERPAYMENTS.

Subpart 1 **Scope of overpayment.** When a participant or former participant receives an overpayment due to client error or due to assistance received while an appeal is pending and the participant or former participant is determined ineligible for assistance, the local agency must recoup or recover the overpayment under the conditions of this part.

Subp 2 **Notice of overpayment.** When a local agency discovers that a participant or former participant has received an overpayment for one or more months, the local agency must notify the participant or former participant 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 participant's or former participant's right to appeal. No limit applies to the period in which the local agency is required to recoup or recover the overpayment. A local agency must recoup or recover an overpayment according to subparts 3 and 4.

Subp 3 **Recovering overpayments from former participants.** A local agency must initiate efforts to recover overpayments paid to a former participant. Adults and minor caregivers of an assistance unit at the time an overpayment occurs are jointly and individually liable for repayment of the overpayment. The local agency must request repayment from the former participants. When an agreement for repayment is not completed within six months of the date of discovery or when there is a default on an agreement for repayment after six months, the local agency must initiate recovery consistent with Minnesota Statutes, chapter 270A or section 541.05. When a person has been convicted of fraud under Minnesota Statutes, section 256.98, recovery must be sought regardless of the amount of overpayment. When an overpayment is less than \$35, and is not the result of a fraud conviction under Minnesota Statutes, section 256.98, the local agency must not seek recovery under this subpart. The local agency must retain information about all overpayments regardless of the amount. When an adult or minor caregiver reapplies for assistance, the overpayment must be recouped under subpart 4.

Subp 4 **Recouping overpayments from participants.** A participant may voluntarily repay, in part or in full, an overpayment even if assistance is reduced under this subpart, until the total amount of the overpayment is repaid. The local agency must recoup an overpayment to a participant by reducing one or more monthly assistance payments until the overpayment is repaid. When an overpayment occurs due to client error, the local agency must recover three percent of the transitional standard or the amount of the monthly assistance payment, whichever is less. When an overpayment occurs due to fraud, the local agency must recover ten percent of the transitional standard or the amount of the monthly assistance payment, whichever is less. When an overpayment occurs due to agency error, the local agency must not recoup the overpayment.

Subp 5 **Scope of underpayments.** A local agency must issue a corrective payment for underpayments made to a participant or to a person who would be a participant if an agency or client error causing the underpayment had not occurred. The local agency must issue the corrective payment according to subpart 7.

Subp 6 **Identifying the underpayment.** An underpayment may be identified by a local agency, by a participant, by a former participant, or by a person who would be a participant except for agency or client error.

Subp 7 **Issuing corrective payments.** A local 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 of the participant or by issuing a

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separate payment to a participant or former participant, or by reducing an existing overpayment balance. When an underpayment occurs in a payment month and is not identified until the next payment month or later, the local agency must first subtract the underpayment from any overpayment balance before issuing the corrective payment. The local agency must not apply an underpayment in a current payment month against an overpayment balance. When an underpayment in the current payment month is identified, the corrective payment must be issued within seven calendar days after the underpayment is identified.

**Subp 8 Appeals.** A participant may appeal an underpayment, an overpayment, and a reduction in an assistance payment made to recoup the overpayment under subpart 4. The participant's appeal of each issue must be timely under Minnesota Statutes, section 256.045. When an appeal based on the notice issued under subpart 2 is not timely, the fact or the amount of that overpayment must not be considered as a part of a later appeal, including an appeal of a reduction in an assistance payment to recoup that overpayment.

**Statutory Authority:** *MS s 256 01, 256 031*

**History:** *18 SR 2360*

### 9500.4180 PAYMENT PROVISIONS.

**Subpart 1 Payments.** This subpart applies to monthly assistance payments and corrective payments.

**A** The department must mail assistance payment checks to the address where a caretaker lives unless the local agency approves an alternate arrangement.

**B** The department must mail monthly assistance payment checks within time to allow postal service delivery to occur no later than the first day of each month. Monthly assistance payment checks must be dated the first day of the month.

**C** The department must issue replacement checks promptly, but no later than seven calendar days after the provisions of Minnesota Statutes, sections 16A 46, 256 01, subdivision 11, and 471 415, have been met.

**D** When a payment is made by means other than by check, the time limits in items B and C apply.

**E** When the department issues payments in the form of food coupons, the payments will be issued on a staggered basis through the first ten mailing days of the month. Sundays and federal holidays are not mailing days.

**Subp 2 Protective and vendor payments; when allowed.** Alternatives to paying assistance directly to a participant may be used only:

**A** when a local agency determines that a vendor payment is the most effective way to resolve an emergency situation pertaining to basic needs,

**B** when a caregiver makes a written request to the local agency asking that part or all of the assistance payment be issued by protective or vendor payments. The caregiver may withdraw this request in writing at any time; or

**C** when a caregiver has exhibited a continuing pattern of mismanaging funds under the conditions specified in Code of Federal Regulations, title 45, subtitle B, chapter II, part 234, section 234 60, paragraph (a)(2).

(1) The director of a local agency must approve a proposal for protective or vendor payment for money mismanagement. During the time a protective or vendor payment is being made, the local agency must provide services designed to alleviate the causes of the mismanagement according to Code of Federal Regulations, title 45, subtitle B, chapter II, part 234, section 234 60, paragraph (a)(8).

(2) The continuing need for and method of payment must be documented and reviewed every 12 months. The director of a local agency must approve the continuation of protective or vendor payments.

(3) When it appears that the need for protective or vendor payments will continue or is likely to continue beyond two years because the local agency's efforts have not resulted in sufficiently improved use of assistance on behalf of the minor child, judicial appointment of a legal guardian or other legal representative must be sought by the local agency.

**Subp 3 Choosing payees for protective or vendor payments.** A local agency must consult with a caregiver regarding the selection of the form of payment, the selection of a protective payee, and the distribution of the assistance payment to meet the various costs incurred by the assistance unit. When choosing a protective payee, the local agency must notify the caregiver of a consultation date. If the caregiver fails to respond to the local agency's request for consultation by the effective date on the notice, the local agency must choose a protective payee for that payment month and subsequent payment months until the caregiver responds to the agency's request for consultation. The local agency must notify the caregiver of the right to appeal the determination that a protective or vendor payment should be made or continued and to appeal the selection of the payee.

When a local agency is not able to find another protective payee, a local agency staff member may serve as a protective payee. The following persons may not serve as protective payees: a member of the county board of commissioners, the local agency staff member determining financial eligibility for the family, special investigative or resource staff, the staff member handling accounting or fiscal processes related to the participant, or a landlord, grocer, or other vendor dealing directly with the participant.

**Subp 4 Discontinuing protective or vendor payments.** A local agency must discontinue protective or vendor payments in two years or in the month following the local agency's failure to grant six-month approval to a money management plan, whichever occurs first. At least once every 12 months, a local agency must review the performance of a protective payee acting under subpart 2, item C, to determine whether a new payee should be selected. When a participant complains about the performance of a protective payee, a review must occur within 30 calendar days.

**Statutory Authority:** *MS s 256 01, 256 031*

**History:** *18 SR 2360*

#### **9500.4190 SPECIAL POLICIES.**

**Subpart 1 General.** The special policies in subparts 2 to 6 apply to MFIP counties.

**Subp 2 Medical assistance.** As authorized by Congress under United States Code, title 42, chapter 7, subchapter IV, part A, section 602, note on Demonstration of Effectiveness of Minnesota Family Investment Plan, paragraph (b), subparagraph (7), families receiving assistance through MFIP are automatically eligible for and entitled to medical assistance under Minnesota Statutes, chapter 256B. A family that leaves MFIP due to increased earnings from employment is eligible for extended medical assistance as provided under United States Code, title 42, chapter 7, subchapter XIX, section 1396 and subchapter IV, part A, section 602, note on Demonstration of Effectiveness of Minnesota Family Investment Plan, paragraph (b), subparagraph (7).

**Subp 3 Hold harmless.** No family may receive less assistance in aggregate under MFIP than they would have received in the absence of MFIP, unless the family's assistance has been reduced because of sanction or fraud disqualification. The procedures in items A to C must be followed to protect families at risk of receiving less assistance under MFIP.

**A** The department must identify characteristics of families who may be at risk of receiving less assistance on an ongoing basis.

**B** When a family that fits the profile identified by the department in item A files an application for assistance, the local agency must calculate the level of assistance the family would have received under current programs and compare it with the level of assistance provided under MFIP.

**C** The local agency must provide assistance to the family at the higher of the two levels calculated under item B. MFIP rules apply to the assistance issued and the applicants are treated as participants if found eligible.

**Subp 4. Food stamps for household members not in the assistance unit.** For household members who purchase and prepare food with the MFIP assistance unit but are not part of the assistance unit, the local agency must calculate food stamp benefits according to items A and B.

**A** The local agency must determine food stamp benefits for the household without regard to MFIP assistance unit members, using maximum shelter deductions.

B The local agency must provide food stamp benefits equal to 75 percent of the amount calculated in item A or \$10, whichever is greater, rounded to the nearest lower whole dollar

This subpart does not apply to optional members who have chosen not to be in the assistance unit

Fair hearing requirements for persons who receive food stamps under this subpart are governed by Minnesota Statutes, section 256 045, and Code of Federal Regulations, title 7, subtitle B, chapter II, part 273, section 273 15

**Subp 5 Income disregard for certain programs, food assistance portion of assistance payment.** The portion of the MFIP assistance payment that is designated by the commissioner as the food assistance portion of the assistance payment must be disregarded as income in the following programs

- A housing subsidy programs,
- B low-income home energy assistance program,
- C SSI, when determining interim assistance amount, and
- D other programs that do not count food stamps as income

For the purpose of this subpart, the "food assistance portion of the assistance payment" means a predetermined portion of the MFIP assistance payment that may be received in cash or food stamps The predetermined portion of the assistance payment will vary by family profile, which is based on family size

**Subp 6 Retention of case records.** The local agency must retain financial case records and case management records for MFIP and comparison group members for six years Information in the case records must be maintained according to Minnesota Statutes, chapter 13

**Subp 7 Surveys.** Participants and comparison group assistance units may be requested to complete surveys for data collection purposes Participant and comparison group participation in the survey process is voluntary

**Statutory Authority:** *MS s 256 01, 256 031*

**History:** *18 SR 2360*

### **9500.4200 OPTION TO RECEIVE FOOD ASSISTANCE IN THE FORM OF FOOD COUPONS.**

The local agency must offer participants the option to receive food coupons in place of the food portion of assistance identified in part 9500 4190, subpart 5, at application and at every recertification Participants may change methods of receiving food assistance at any time upon request

**Statutory Authority:** *MS s 256 01, 256 031*

**History:** *18 SR 2360*

### **9500.4210 MFIP ORIENTATION TO FINANCIAL SERVICES.**

**Subpart 1 Local agency to provide orientation.** Local agencies in MFIP counties must provide MFIP orientation to financial assistance and the caregiver must be given an opportunity for face-to-face interaction with staff of the local agency or the entity providing the orientation The local agency may not require caregivers to attend an MFIP orientation If a caregiver does not attend an orientation, the local agency must provide written information to the caregiver about MFIP

**Subp 2 General information.** The MFIP orientation must consist of a presentation that informs caregivers of

- A work incentives under MFIP,
- B the types and locations of child care services available through the local agency that are accessible to enable a caregiver to participate in employment, preemployment, and training or educational programs,
- C the child care resource and referral program designated by the commissioner to provide education and assistance to select child care services and a referral to the child care resource and referral when assistance is requested,

- D the rights, responsibilities, and obligations of participants,
- E the consequences for failure to meet requirements,
- F the expectation that the caregiver will independently seek self-support and explain the obligation, based on time on assistance, to develop a family support agreement under part 9500 4220, subpart 6,
- G the method of entering educational programs or employment and training services available through the county,
- H the availability and the benefits of the early childhood health and developmental screening under Minnesota Statutes, sections 123 701 to 123 744
- I the caregiver's eligibility for transition year child care assistance when the caregiver loses eligibility for MFIP due to increased earnings, and
- J the caregiver's eligibility for extended medical assistance when the caregiver loses eligibility for MFIP due to increased earnings or increased child or spousal support

Subp 3 **Support services to attend orientation.** Upon a caregiver's request, the local agency must arrange for transportation and child care or reimburse caregivers for transportation and child care expenses necessary to enable caregivers to attend orientation scheduled on a day other than when the caregiver makes application for assistance

**Statutory Authority:** *MS s 256 01, 256 031*

**History:** *18 SR 2360*

**9500.4220 CASE MANAGEMENT.**

Subpart 1 **Mission statement.** The goal of MFIP case management is to help caregivers increase their family income in a timely manner through paid employment While the ultimate objective is employment leading to maximum family support, case management services vary depending upon the family's circumstances

Subp 2 **Service providing agencies.** Case management services must be offered by providers certified by the commissioner of economic security who meet the standards in Minnesota Statutes, section 268 871, subdivision 1 Local agencies must assure that all services, including contracted services, meet the requirements of case management in this part and Minnesota Statutes, section 256 035

Subp 3 **Staffing.** Local agencies may hire case managers or a combination of staff to provide case management and employment and preemployment services described in subpart 4, and coordinate social and support services Local agencies are expected to ensure that staff providing case management services have the necessary training and experience to perform the specific aspects of case management which they are assigned to do

Subp 4 **Case management.** The local agency must provide case management services identified in items A to I Specific case management services provided to a caregiver depend on the family's needs and circumstances Case management services include

A a review of the information presented at an earlier MFIP orientation pursuant to part 9500 4210, subpart 2, and an overview of services available under case management,

B an MFIP assessment that meets the requirements of Minnesota Statutes, section 256 736, subdivision 10, paragraph (a), clause (14), and addresses caregivers' skills, abilities, interests, and needs,

C development of, together with the caregiver, an employability plan and family support agreement according to Minnesota Statutes, section 256 035, subdivisions 6b and 6c,

D assistance in accessing and coordination of social services including chemical dependency treatment, mental health services, self-esteem enhancement, motivation training, and parenting education and specific support services such as child care and transportation needed by the caregiver to fulfill the terms of the employability plan and family support agreement,

E provision of services in support of employment which includes basic skills testing, interest and aptitude testing, career exploration, life skills training, and budgeting,

F provision of a broad range of employment and training services including job seeking and keeping skills, job development, job club, job search, and either community

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work experience program under Minnesota Statutes, section 256 737, or on-the-job training under Minnesota Statutes, section 256 738,

G evaluation and support of the caregiver's progress and compliance with the employability plan and family support agreement,

H provision of postemployment case management services for up to six months after caregivers become exempt or exit MFIP due to employment if requested by the caregiver, and

I coordination of education and training program activities

**Subp 5 Timing of case management.** The requirement for a caregiver to meet with a case manager and begin development of a family support agreement is tied to the structure of the family and the length of time on assistance according to item A, B, or C

A In a family headed by a single adult parental caregiver who has received AFDC, family general assistance, MFIP, or a combination of AFDC, family general assistance, and MFIP assistance for 24 or more months within the preceding 36 months, the parental caregiver must be developing and complying with the terms of the family support agreement commencing with the 25th month of assistance

B For a family with a minor parental caregiver or a family whose parental caregiver is 18 or 19 years of age and does not have a high school diploma or its equivalent, the parental caregiver must be developing and complying with a family support agreement concurrent with the receipt of assistance The terms of the family support agreement must include compliance with Minnesota Statutes, section 256 736, subdivision 3b If the parental caregiver fails to comply with the terms of the family support agreement, the sanctions in Minnesota Statutes, section 256 035, subdivision 3, apply When the requirements in Minnesota Statutes, section 256 736, subdivision 3b, have been met, a caregiver has fulfilled the caregiver's obligation Local agencies must continue to offer case management services if the caregiver wants to continue with an employability plan The timing of the requirement to develop a family support agreement under items A and C still apply

C In a family with two adult parental caregivers at least one of whom has received AFDC, family general assistance, MFIP, or a combination of AFDC, family general assistance, and MFIP assistance for six or more months within the preceding 12 months, one parental caregiver must be developing and complying with the terms of the family support agreement commencing with the seventh month of assistance The family and the case manager will designate the parental caregiver who will develop the family support agreement based on which parent has the greater potential to increase family income or to support the family's transition to financial independence

**Subp 6 Employability plan and family support agreement.** The case manager shall develop, together with the caregiver, an employability plan and family support agreement The employability plan includes the caregiver's overall employment goal, activities necessary to reach that goal, a timeline for each activity, and the social and support services provided by the agency All activities in the employability plan must contribute to the caregiver's overall employment goal

The family support agreement is the enforceable subsection of an employability plan for mandatory caregivers The family support agreement must be limited to those steps outlined in Minnesota Statutes, section 256 035, subdivision 6c, that involve employment, education, or employment and training services, and scheduled meetings with the case manager The family support agreement must be signed by both the case manager and parental caregiver

A In developing an employability plan and family support agreement, the case manager must discuss with the caregiver the economic benefit under MFIP of taking available employment on family income The case manager must provide examples of how different levels of earnings increase available income

B Activities in the family support agreement must enhance the family's opportunities to increase its income in a timely manner through paid employment or to support the family's transition to financial independence

C Each step of the family support agreement shall build upon prior steps and facilitate progress toward the caregiver's overall employment goal

D The employability plan and family support agreement must be individualized and designed to meet the specific needs of the caregiver and the caregiver's family

If the employability plan consists solely of social and health services, the family support agreement must specify required meetings with the case manager at least semiannually. Caregivers with an employability plan from Project STRIDE or other programs must develop a mutually acceptable MFIP employability plan and, if applicable, a family support agreement

**Subp 7 Education and training activities.** The case manager and the caregiver must consider the criteria in items A to E before including education and training activities in the employability plan

A The caregiver and case manager must agree

(1) there is a market for full-time employees with this education or training where the caregiver will or is willing to reside upon completion of the program;

(2) the average wage level for employees with this education or training is greater than the caregiver can earn without this education or training;

(3) the caregiver can meet the requirements for admission into the program;

and  
(4) there is a reasonable expectation that the caregiver will complete the training program based on such factors as the caregiver's current MFIP assessment; previous education, training, and work history, current motivation, and changes in previous circumstances

B A comparison must be made between income foregone by delaying immediate entry into paid employment while in pursuit of education or training and the probable income which will be earned following the education or training. The advantages and disadvantages to the family must be discussed with respect to both options

C When considering part-time education and training under item A, the case manager and caregiver must assess the advantages of combining part-time education or training with part-time employment

D Activities under this subpart are limited to education up to a baccalaureate degree, with the exception of limited coursework necessary for licensure or certification

E Caregivers in education or training programs must maintain satisfactory progress. "Satisfactory progress" in an education or training program means the caregiver remains in good standing as defined by the education or training institution and meets the requirements of the caregiver's MFIP employability plan. The case manager may withdraw approval of the caregiver's employability plan when the caregiver does not maintain satisfactory progress in the education or training program

**Subp 8 Good cause for failure to comply.** Caregivers may claim the following reasons as good cause for failure to comply with the expectations of MFIP case management

A needed child care is not available,

B the job does not meet the definition of suitable employment,

C the parental caregiver is ill, incapacitated, or injured;

D a family member is ill and needs care by the parental caregiver,

E the parental caregiver is unable to secure the necessary transportation,

F the parental caregiver is in an emergency situation,

G the schedule of compliance with the family support agreement conflicts with judicial proceedings,

H the parental caregiver is already participating in acceptable activities,

I the family support agreement requires an educational program for a parent under the age of 20, but the educational program is not offered in the school district,

J activities identified in the family support agreement are not available,

K the parental caregiver is willing to accept suitable employment but employment is not available,

L the parental caregiver documents other verifiable impediments to compliance with the family support agreement beyond the parental caregiver's control, or



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M. the family support agreement requires an educational program for a parent under the age of 20, but the only available school program requires round trip commuting time from the custodial parent's residence of more than two hours by available means of transportation, excluding the time necessary to transport children to and from child care

**Subp 9 Revisions to the family support agreement.** The caregiver may revise the family support agreement with the case manager when good cause, as provided in subpart 8, indicates revision is warranted. Revisions for reasons other than good cause to employment goals or steps toward self-support may be made in the first six months after the initial signing of the family support agreement with the agreement of the case manager. After that, the revision must be approved by the case management supervisor or other persons responsible for review of case management decisions.

**Subp 10 Exemptions from expectations.** A caregiver is exempt from expectations as provided in items A and B.

A. Except for subitem (4), which applies only for a single-parent family, a caregiver in a single parent or two-parent family is exempt from the expectations of MFIP case management if the caregiver is

(1) ill, incapacitated, or 60 years of age or older,

(2) needed in the home because of the illness or incapacity of another family member,

(3) the parent of a child under one year of age and is personally providing care for the child. This exemption does not apply to the school attendance requirement for minor parents or 18- and 19-year-old parents as provided in Minnesota Statutes, section 256.736, subdivision 3b, paragraphs (f) and (g),

(4) the parent of a child under six years of age and is employed or participating in education or employment and training services for 20 or more hours per week. This exemption does not apply to the school attendance requirement for minor parents or 18- and 19-year-old parents as provided in Minnesota Statutes, section 256.736, subdivision 3b, paragraph (f), clause (5),

(5) working 30 hours or more per week, or if the number of hours worked cannot be verified, earns at least the federal minimum hourly wage rate multiplied by 30 hours per week,

(6) in the second or third trimester of pregnancy, or

(7) not the natural, adoptive, or stepparent of a minor child in the assistance unit.

B. In a two-parent household, only one parent may be exempt under item A, subitem (2) or (3). If item A, subitem (5), applies to either parent in a two-parent family, the other parent is exempt. In a two-parent household, if the parent designated to develop a family support agreement becomes exempt and the exemption is expected to last longer than six months, then the second parent is required to develop a family support agreement unless otherwise exempt under item A.

**Subp. 11 Volunteers for case management.** Upon request, local agencies must continue to offer case management services to caregivers with a signed family support agreement who become exempt under subpart 10 and caregivers randomly assigned to MFIP during the conversion period who have a Project STRIDE or ACCESS employability plan and who have not reached the timing requirement for case management under subpart 5. Local agencies may also serve other volunteers for case management according to the following priority:

A. caregivers who have reached the time for case management under subpart 5 but are exempt under subpart 10, and

B. caregivers who have not reached the time for case management under subpart 5.

Caregivers identified in this subpart are voluntary participants for case management and may not be sanctioned for failure to cooperate with case management until they reach the timing of case management services under subpart 5 or are no longer exempt under subpart 10.

**Subp. 12 Length of job search.** When the family support agreement specifies that a caregiver should seek employment, the caregiver will have three months to find a job which

is consistent with the employment goal in the family support agreement. Caregivers may request a three-month extension. If an extension is requested, the case manager must meet with the caregiver to reassess job search methods and make adjustments as necessary. If the caregiver does not request an extension or has not found a job after the full six months, the family support agreement shall be reevaluated. If no revisions are made to the agreement, the caregiver must accept any suitable employment.

**Subp 13 Cessation of employment.** Nonexempt caregivers who quit a job, are laid off, or are terminated must contact the case manager within ten calendar days and must schedule a meeting to revise the family support agreement to incorporate activities to replace the job. A caregiver who fails to contact the case manager within ten calendar days or fails to attend a scheduled meeting to revise the family support agreement is subject to sanction under part 9500.4250. If the substitute activity is to seek employment, the search is limited to three months to find a job related to the caregiver's employment goal. After three months, the caregiver must take any suitable employment. Caregivers who fail to comply with this subpart are subject to sanction under part 9500.4250.

**Statutory Authority:** *MS s 256 01, 256 031*

**History:** *18 SR 2360, L 1994 c 483 s 1*

#### **9500.4230 REDUCTION OR DISCONTINUATION OF SUPPORT SERVICES.**

Support services such as transportation and child care assistance will be reduced or discontinued for the time allotted for activities in which the caregiver is not participating. For issues of satisfactory progress, when timely request for conciliation conference or appeal was made, support services shall continue until conciliation is complete or a fair hearing decision is rendered.

**Statutory Authority:** *MS s 256 01, 256 031*

**History:** *18 SR 2360*

#### **9500.4240 CONCILIATION CONFERENCE.**

**Subpart 1 Conciliation conference option.** The local agency must inform mandatory parental caregivers of the option of a conciliation conference when the mandatory parental caregivers cannot reach agreement with the case manager about the contents or interpretation of the family support agreement. Parental caregivers who have received a notice of intent to sanction, as required under Minnesota Statutes, section 256.035, subdivision 3, shall also be informed of the conciliation conference option. A caregiver may make a request for a conciliation conference by telephone, mail, or in person. Verbal requests must be followed by a request in writing to the local agency. A caregiver's request for a conciliation conference following a notice of intent to sanction must be postmarked or hand delivered within ten calendar days of the mailing of the notice of intent to sanction. Upon receiving a notice of intent to sanction, a caregiver may request a hearing under Minnesota Statutes, section 256.045, without exercising the option of a conciliation conference.

**Subp 2 Goal of conciliation conference.** The goal of the conciliation conference is to achieve mutual agreement between the parental caregiver and the case manager.

**Subp 3 Conference facilitated by a mediator, mediator's duties.** The conciliation conference must be facilitated by a mediator. The mediator must help the parental caregiver and the case manager reach a compromise agreement and resolve the dispute, if possible. The mediator shall provide a written statement summarizing the outcome of the conference to be signed by the caregiver and case manager.

The mediator may hold a conciliation conference by telephone when the distance or time required to travel to a local agency will cause a delay in resolving the conflict, or to promote efficiency, or at the mutual request of the caregiver and case manager. A conciliation conference may not be conducted by telephone if the caregiver objects.

**Subp 4 Conciliation conference record, use not permitted in fair hearing.** No record of the conciliation conference may be used in the fair hearing.

**Statutory Authority:** *MS s 256 01, 256 031*

**History:** *18 SR 2360*

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### 9500.4250 SANCTION.

The local agency must reduce an assistance unit's assistance payment by ten percent of the transitional standard for the applicable family size when a caregiver who is not exempt from the expectations in part 9500 4220, subpart 5, fails to develop or comply with the terms of the caregiver's family support agreement. A caregiver's failure to attend scheduled meetings with the case manager means that the family support agreement cannot be developed and will also result in a ten percent sanction.

Case managers must send caregivers a notice of intent to sanction and inform the caregiver of an opportunity to request a conciliation conference at least ten days before the date the case manager notifies the local agency. If the caregiver does not request a conciliation conference within ten calendar days of the mailing of the notice of intent to sanction, the case manager must notify the local agency that the assistance payment should be reduced.

Upon notification from the case manager that an assistance payment should be reduced, the local agency must send a notice of adverse action to the caregiver stating that the assistance payment will be reduced in the next month following the ten-day notice requirement and state the reason for the action. The caregiver may request a fair hearing under Minnesota Statutes, section 256 045, upon notice of intent to sanction or notice of adverse action, but the conciliation conference is available only upon notice of intent to sanction. If a caregiver requests a conciliation conference, the local agency must postpone implementation of the sanction pending completion of the conciliation conference. For the purpose of this part, "notice of intent to sanction" means a case manager must provide written notification to the caregiver that the caregiver is not fulfilling the requirement to develop or comply with the family support agreement. This notification must inform the caregiver of the right to request a conciliation conference within ten days of the mailing of the notice of intent to sanction or the right to request a fair hearing under part 9500 4260.

For the purpose of this part, "notice of adverse action" means the local agency must send a notice of sanction, reduction, suspension, denial, or termination of benefits before taking any of those actions.

**Statutory Authority:** *MS s 256 01, 256 031*

**History:** *18 SR 2360*

### 9500.4260 FAIR HEARINGS.

Caregivers receiving a notice of intent to sanction or a notice of adverse action that includes a sanction, reduction in benefits, suspension of benefits, denial of benefits, or termination of benefits may request a fair hearing. A request for a fair hearing must be submitted in writing to the local agency or to the department and must be mailed within 30 days after a participant or former participant receives written notice of the agency's action or within 90 days when a participant or former participant shows good cause for not submitting the request within 30 days. A former participant who receives a notice of adverse action due to an overpayment may appeal the adverse action according to the requirements in this part. Issues that may be appealed are:

- A the amount of the assistance payment,
- B a suspension, reduction, denial, or termination of assistance,
- C the basis for an overpayment, the calculated amount of an overpayment, and the level of recoupment,
- D the eligibility for an assistance payment, and
- E the use of protective or vendor payments.

A local agency must not reduce, suspend, or terminate payment when an aggrieved participant requests a fair hearing prior to the effective date of the adverse action or within ten days of the mailing of the notice of adverse action, whichever is later, unless the participant requests in writing not to receive continued assistance pending a hearing decision. Assistance issued pending a fair hearing is subject to recovery under part 9500 4170 when as a result of the fair hearing decision the participant is determined ineligible for assistance or the amount of the assistance received. A local agency may increase or reduce an assistance payment while an appeal is pending when the circumstances of the participant change and are not related to the issue on appeal. The commissioner's order is binding on a local agency. No additional notice is required to enforce the commissioner's order.

A local agency shall reimburse appellants for reasonable and necessary expenses of attendance at the hearing, such as child care and transportation costs and for the transportation expenses of the appellant's witnesses and representatives to and from the hearing. Reasonable and necessary expenses do not include legal fees. Fair hearings must be conducted at a reasonable time and date by an impartial referee employed by the department. The hearing may be conducted by telephone or at a site that is readily accessible to persons with disabilities. The appellant may introduce new or additional evidence relevant to the issues on appeal. Recommendations of the appeals referee and decisions of the commissioner must be based on evidence in the hearing record and are not limited to a review of the local agency action.

**Statutory Authority:** *MS s 256 01, 256 031*

**History:** *18 SR 2360*

### 9500.4270 MFIP CHILD CARE.

Subpart 1 **Definitions.** As used in this part, the following terms have the meanings given them:

A "Child care" means the care of a dependent child in or out of the child's own home for gain or otherwise, on a regular basis, for any part of a 24-hour day, by someone other than a parent, stepparent, legal guardian, eligible caregiver, or spouse of a parent, stepparent, legal guardian, or eligible caregiver.

B. "Child care assistance" means financial assistance for child care expenses which are paid or reimbursed under MFIP.

C. "Dependent child" means a child in the assistance unit who is 12 years of age or younger, or a person 13 or 14 years of age who is handicapped as defined in Minnesota Statutes, section 120.03, or a child under the age of 15 who is on SSI who would have been a member of the assistance unit except for receipt of SSI.

D. "Education program" means remedial or basic education or English as a second language instruction, a program leading to a GED or high school diploma, postsecondary programs excluding postbaccalaureate programs, and other education and training needs as documented in an employability plan.

E. "Full-day basis" means child care provided by a provider for more than five hours per day.

F. "Half-day basis" means child care provided by a provider for between one and five hours per day.

G. "Legal nonlicensed provider" means a provider exempt from licensing under Minnesota Statutes, section 245A.03.

H. "Provider" means a child care license holder who operates a family day care home, a group family day care home, a day care center, a nursery school, a day nursery, an extended day school age child care program, a person exempt from licensure who meets child care standards established by the state board of education, or a legal nonlicensed provider who is at least 18 years of age and who is not a member of the assistance unit.

I. "Provider rate" means the amount the provider charges for child care.

J. "Transition year child care" means the child care assistance guaranteed under United States Code, title 42, chapter 7, subchapter IV, part A, section 602, paragraph (g).

K. "Vendor payment" means a payment made by a local agency directly to a provider on behalf of a caregiver.

L. "Weekly basis" means child care provided by a provider for more than 35 hours per week.

Subp 2 **Application for child care assistance.** Caregivers must apply for child care assistance with the local agency.

Subp 3 **Caregivers entitled to child care assistance.** A caregiver with dependent children is entitled to child care assistance if the caregiver is working and child care is needed to permit the caregiver to work or the caregiver is required to develop an employability plan under Minnesota Statutes, section 256.035, subdivision 1, child care is needed to permit the caregiver to comply with the requirements in the employability plan, and the caregiver is complying with the requirements of the employability plan. Payment of child care assistance

for activities in the employability plan is effective the date of application for child care. Payment of child care assistance for employed caregivers is effective the date of employment or the date of MFIP eligibility, whichever is later.

**Subp 4 Child care for caregivers who volunteer for MFIP services.** A caregiver who volunteers for MFIP case management under part 9500 4220, subpart 11, may receive child care assistance for nonemployment activities to the extent of available resources for volunteers for case management and child care. Child care assistance must be authorized in the caregiver's employability plan and shall continue as long as the caregiver complies with the requirements of the employability plan. Payment for child care assistance for activities in the employability plan is effective the date of application for child care assistance or the date the caregiver begins the activities in the employability plan, whichever is later.

**Subp 5 Child care assistance in a two-parent assistance unit.** A local agency may authorize child care assistance in a two-parent assistance unit when the assistance unit is eligible for child care under subpart 3 or 4, and

A both caregivers have an employability plan, child care is needed to comply with the employability plans, and the caregivers are in compliance with the requirements in their employability plans,

B one caregiver is working or has an employability plan and is in compliance with the requirements in the employability plan and the other caregiver is unable to care for a dependent child as determined by a medical doctor or by an assessment by the local social services agency,

C both caregivers are working and the terms of employment make both caregivers unavailable to care for the dependent child during the hours child care is requested, or

D one caregiver is working and one caregiver has an employability plan and is in compliance with the requirements of the employability plan and neither caregiver is available to care for the dependent child during the hours child care is requested.

**Subp 6 Maximum child care assistance in a two-week period.** The maximum amount of child care assistance a local agency may authorize in a two-week period is 120 hours per child.

**Subp 7 Child care assistance for nonpostsecondary programs.** The local agency must authorize child care assistance necessary to permit a caregiver with an approved employability plan to complete remedial or basic education or English as a second language instruction, or a program leading to a GED or high school diploma. Child care assistance authorized under this subpart shall be excluded from the time limit under subpart 8 unless the basic or remedial program or English as a second language instruction is taken concurrently with a postsecondary program.

**Subp 8 Maximum child care assistance for a postsecondary education program.** A caregiver with an approved employability plan is eligible for a maximum of 48 months of child care assistance for education or training. A caregiver with a baccalaureate degree may obtain child care assistance for continuing education units or certification or coursework necessary to update credentials to obtain or retain employment.

**Subp 9 Child care during employment.** Subject to the child care limitation in subpart 6, the local agency shall authorize child care assistance during employment as provided in items A and B.

A. When the caregiver works for an hourly wage and the hourly wage is equal to or greater than the applicable minimum wage, child care assistance shall be provided for the actual hours of employment, break and meal time during employment, and travel time up to two hours per day.

B. When the caregiver does not work for an hourly wage, child care assistance shall be provided for the lesser of

(1) an amount of child care determined by dividing gross earned income by the applicable minimum wage, plus one hour every eight hours for meal and break time, plus up to two hours per day for travel time, or

(2) an amount of child care equal to the actual amount of child care used during employment, including break and meal time during employment, and travel time up to two hours per day.

Subp 10 **Child care in support of employment.** The local agency may authorize child care assistance in support of employment for nonwork hours when all of the following conditions exist

- A child care assistance is not provided during employment under subpart 9,
- B the caregiver is complying with the caregiver's employability plan, if applicable,
- C the caregiver cannot reasonably modify the caregiver's nonwork schedule to provide child care, and
- D the child care assistance does not exceed the amount of assistance that would be granted under subpart 9 during employment

Subp 11 **Sick child care, child absence, or medical leave.** The local agency may authorize child care assistance for sick child care, child absence, or medical leaves of absence based on policies the local agency has established under part 9565 5080, subparts 4 to 6

Subp 12 **Local agency approval of child care.** Child care assistance must be approved by the local agency before payments are made under MFIP. The local agency may authorize child care under subparts 7 to 11 on an hourly, half-day, full-day, or weekly basis. Combinations of hourly, half-day, or full-day child care may be paid when 11 or more hours of child care are authorized in a 24-hour period or when multiple providers are used.

Subp 13 **Standard for converting authorized care into hours used.** For purposes of converting child care assistance authorized on a half-day, full-day, or weekly basis, the local agency shall use the standards in items A to C

- A When a local agency authorizes child care assistance on a half-day basis, one half day is equal to five hours of child care
- B When a local agency authorizes child care assistance on a full-day basis, one full day is equal to ten hours of child care
- C When a local agency authorizes child care assistance on a weekly basis, one week is equal to 50 hours of child care

Subp 14 **Selection of provider.** Caregivers may choose providers who best meet the needs of the caregiver's family subject to the limitation in Minnesota Statutes, section 256H 10, subdivision 5, governing unsafe providers

Subp 15 **Registration of legal nonlicensed provider.** Before a local agency makes a child care payment to a legal nonlicensed provider, the legal nonlicensed provider must be registered with the local agency under part 9565 5110, subpart 2c. After the registration requirement for a legal nonlicensed provider is satisfied, payment shall be made retroactive to the beginning date of authorized child care for employment, education, or training, the date the child care application was signed, or the date the family began using the legal nonlicensed provider, whichever is later

Subp. 16 **Payment option.** The local agency may make child care payments for allowable child care expenditures to a provider or caregiver. The local agency must establish appropriate documentation procedures to ensure that child care expenses were incurred

Subp 17 **Vendor payment.** If the method of child care payment is vendor payment, the local agency must inform both the caregiver and the provider of the payment amount and how and when payment will be made. When a local agency sends a caregiver a notice that child care assistance will be terminated, the local agency must inform the vendor that unless the caregiver requests to continue to receive child care assistance pending an appeal, child care payments will no longer be made. The notice to a vendor must not contain any private data on the caregiver or information on why payments will no longer be made, except that the notice must identify the caregiver and the date that MFIP payment will terminate

Subp 18 **Maximum child care payments.** Child care assistance payments may not exceed the 75th percentile rate for like care arrangements in the county as determined under part 9565 5100. Payment of provider rates that exceed the 75th percentile is the responsibility of the caregiver. If the caregiver selects a provider who charges for child care on a basis greater than the amount of child care authorized by the local agency, the caregiver is responsible for the cost of the child care that exceeds the amount authorized by the local agency. When a provider's rate is less than the 75th percentile, the local agency must pay the provid-

er's rate. Payment of registration and activities fees are governed by the standards in part 9565 5100

Subp 19 **Caregiver reporting requirements.** A caregiver must notify the local agency responsible for the payment of child care assistance of a change in.

- A marital or household status,
- B. address,
- C employment, education, or training status, or
- D provider

A change in provider is subject to local agency approval before payment of child care assistance. A change must be reported within ten calendar days after the change. A caregiver's failure to report a change under items A to D is just cause for the local agency to terminate child care assistance.

Subp 20 **Overpayment of child care assistance due to caregiver error or failure to report.** When an overpayment of child care assistance occurs due to caregiver error or failure to report a change, the child care assistance is subject to recovery. The local agency must recover overpayments that occurred up to 12 months before the month the overpayment is discovered according to part 9565 5110, subpart 11, items A to C. A local agency may pursue recovery of an overpayment that extends beyond the 12-month period through means of collection other than recoupment.

Subp 21 **Transition year child care.** A family that leaves MFIP due to increased earnings is eligible for transition year child care under part 9565 5065. For purposes of transition year child care, the terms AFDC and MFIP have the same meaning. For purposes of determining transition year child care eligibility, part 9565 5065, subpart 2, item D, does not apply to former MFIP participants.

Subp. 22 **Basic sliding fee program.** When a family loses MFIP eligibility or leaves an MFIP county and the family is not eligible for AFDC child care or transition year child care, the local agency must inform the family of the basic sliding fee program under parts 9565 5000 to 9565 5200. A former MFIP family that applies for child care assistance under the basic sliding fee program must meet basic sliding fee program requirements under parts 9565.5000 to 9565 5200.

Subp 23. **Waiting list, transfer of transition year families to the basic sliding fee program.** The local agency shall place MFIP transition year families on the county's basic sliding fee program waiting list according to the priority in Minnesota Statutes, section 256H 03, subdivision 2b, effective the earliest of the following dates.

- A the date the family became eligible for transition year child care assistance;
- B. the date the family began using MFIP child care for the purpose of employment;
- C. the date the family began using MFIP child care to comply with activities in an employability plan,
- D the date the family began participating in the ACCESS program; or
- E the date the family enrolled in Project STRIDE.

If an MFIP transition year family moves to a new county, the waiting list date established under items A to E transfers with the family. If an MFIP transition year family comes to the top of a county's basic sliding fee program waiting list before the MFIP transition year ends, the county must encumber basic sliding fee program funds for those months remaining in the state fiscal year after the MFIP transition year ends. When the MFIP transition year ends, the county must move the transition year family into the basic sliding fee program. An MFIP transition year family that does not come to the top of a county's basic sliding fee program waiting list before completion of the MFIP transition year shall be moved into the basic sliding fee program as funding becomes available according to the priority under Minnesota Statutes, section 256H 03, subdivision 2b.

Subp 24. **Federal funding.** Local agencies shall claim, in the manner prescribed by the commissioner, federal funding for child care expenditures for all eligible MFIP caregivers who are in employment, education, training, or other preemployment activities allowed under federal grant and reimbursement programs.

Subp 25 **Termination of child care assistance if MFIP is terminated.** Notwithstanding subparts 3 and 4, if MFIP is terminated by the state or federal government during the field

trial, child care assistance authorized under this part is also terminated effective the date of MFIP termination. If the MFIP caregiver is eligible for child care assistance under another child care program and funding is available, the local agency must transfer the caregiver to another child care assistance program.

**Statutory Authority:** *MS s 256 01, 256 031*

**History:** *18 SR 2360*

#### **9500.4280 APPLICANT AND PARTICIPANT RESPONSIBILITIES.**

**Subpart 1 Applicant reporting requirements.** An applicant must provide information on an application form and supplemental forms about the applicant's circumstances which affect MFIP eligibility or the assistance payment. An applicant must report changes identified in subpart 9 while the application is pending. When an applicant does not accurately report information on an application, both an overpayment and a referral for a fraud investigation may result. When an applicant does not provide information or documentation, the receipt of the assistance payment may be delayed or the application may be denied depending on the type of information required and its effect on eligibility.

**Subp 2 Requirement to apply for other benefits.** An applicant or participant must apply for benefits from other programs for which the applicant or participant is potentially eligible and which would, if received, offset assistance payments. An applicant's or participant's failure to complete application for these benefits without good cause results in denial or termination of assistance. Good cause for failure to apply for these benefits is allowed when circumstances beyond the control of the applicant or participant prevent the applicant or participant from making an application.

**Subp 3 Responsibility to inquire.** An applicant or participant who does not know or is unsure whether a given change in circumstances will affect the applicant's or participant's MFIP eligibility or assistance payment must contact the local agency for information.

**Subp 4 Participant's completion of recertification of eligibility form.** A participant must complete forms prescribed by the commissioner which are required for recertification of eligibility according to part 9500.4090, subpart 6.

**Subp 5. Monthly MFIP household reports.** Each assistance unit with a member who has earned income or a recent work history, and each assistance unit that has income allocated to it from a financially responsible person living with that unit who has earned income or a recent work history, must complete a monthly MFIP household report form. "Recent work history" means the individual received earned income in the report month or any of the previous three calendar months even if the earnings are excluded. To be complete, the MFIP household report form must be signed and dated by the caregiver 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.

**Subp 6 Six-month MFIP household report.** Assistance units that are not required to report monthly under subpart 5 must complete an MFIP household report form every six months. To be complete, the MFIP household report form must be signed and dated by the caregiver 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.

**Subp 7 Due date of MFIP household report.** The caregiver must submit the MFIP household report form in time for the local agency to receive it by the eighth calendar day of the month following the reporting period covered by the form. When the eighth calendar day of the month falls on a weekend or holiday, the caregiver must submit the MFIP household report form in time for the local agency to receive it by the first working day that follows the eighth calendar day. When the MFIP household report form is late without good cause, the local agency must send a notice of termination because of a late or incomplete MFIP household report form.

**Subp 8 Late MFIP household report forms.** Items A to C apply to the reporting requirements in subpart 7.

**A** When a caregiver submits an incomplete MFIP household report form before the last working day of the month on which a ten-day notice of termination of assistance can



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be issued for failure to provide a complete MFIP household report form, the local agency must return the incomplete form on or before the ten-day notice deadline, or any ten-day notice of termination which is issued due to the incomplete MFIP household report form is invalid

B When a complete MFIP household report form is not received by a local agency before the last ten days of the month in which the form is due, the local agency must send a notice of proposed termination of assistance. When a caregiver submits an incomplete form on or after the date a notice of proposed termination has been sent, the termination is valid unless the caregiver submits a complete form before the end of the month. However, an assistance unit required to submit an MFIP household report form is considered to have continued its application for assistance if a complete MFIP household report form is received within a calendar month after the month in which assistance was received and assistance shall be paid for the period beginning with the first day of the month in which the report was due.

C A local agency must allow good cause exemptions from the reporting requirements under subparts 5 and 6 when any of the following factors cause a caregiver to fail to provide the local agency with a completed MFIP household report form before the end of the month in which the form is due:

- (1) an employer delays completion of employment verification,
- (2) a local agency does not help a caregiver complete the MFIP household report form when the caregiver asks for help,
- (3) a caregiver does not receive an MFIP household report form due to mistake on the part of the department or the local agency or due to a reported change in address;
- (4) a caregiver is ill, or physically or mentally incapacitated, or
- (5) some other circumstance occurs that a caregiver could not avoid with reasonable care which prevents the caregiver from providing a completed MFIP household report form before the end of the month in which the form is due.

**Subp 9 Changes that must be reported.** A caregiver must report the changes or anticipated changes specified in items A to P within ten days of the date they occur, within ten days of the date the caregiver learns that the change will occur, at the time of the periodic recertification of eligibility under part 9500 4090, subpart 6, or within eight calendar days of a reporting period as in subpart 5 or 6, whichever occurs first. A caregiver must report other changes at the time of the periodic recertification of eligibility under part 9500 4090, subpart 6, or at the end of a reporting period under subpart 5 or 6, as applicable. A caregiver must make these reports in writing or in person to the local agency. When a local agency could have reduced or terminated assistance for one or more payment months if a delay in reporting a change specified under items A to P had not occurred, the local agency must determine whether a timely notice under part 9500 4290, subpart 4, could have been issued on the day that the change occurred. When a timely notice could have been issued, each month's overpayment subsequent to that notice must be considered a client error overpayment under part 9500 4170. Changes in circumstances which must be reported within ten days must also be reported on the MFIP household report form for the reporting period in which those changes occurred. Within ten days, a caregiver must report:

- A a change in initial employment,
- B a change in initial receipt of unearned income,
- C a recurring change in unearned income;
- D a nonrecurring change of unearned income that exceeds \$30,
- E the receipt of a lump sum,
- F an increase in resources which may cause the assistance unit to exceed resource limits,
- G a change in the physical or mental status of an incapacitated adult if the physical or mental status is the basis of exemption from a MFIP work and training program,
- H. a change in employment status,
- I a change in household composition, including births, returns to and departures from the home of assistance unit members and financially responsible persons, or a change in the custody of a minor child,

- J a change in health insurance coverage;
- K the marriage or divorce of an assistance unit member,
- L the death of a parent, minor child, or financially responsible person,
- M a change in address or living quarters of the assistance unit,
- N the sale, purchase, or other transfer of property,
- O a change in school attendance of a custodial parent or an employed child, and
- P filing a lawsuit, a workers' compensation claim, or a monetary claim against a

third party

**Subp 10 Cooperation with child support enforcement.** The caregiver of a minor child must cooperate with the efforts of the local agency to collect child and spousal support

A A caregiver must assign the right to collect past due, current, and future support to the local agency. Signing an application form satisfies this requirement under Minnesota Statutes, section 256.74, subdivision 5. The assignment of support ends with the last day of the last month in which a minor child receives assistance. When assistance ends, a local agency has the right to any unpaid support for the period in which assistance was received.

B A caregiver must provide information known to the caregiver about an absent parent and requested by either the local agency or the child support enforcement unit, that is required to establish paternity or secure support and available health care benefits for the minor child, unless the caregiver has good cause for refusing to cooperate under subpart 12.

C When the paternity of a minor child is not established under law, a caregiver must cooperate with the child support enforcement unit to determine and establish the child's paternity unless the caregiver has good cause for refusing to cooperate under subpart 12.

D A caregiver must forward to the local agency all support the caregiver receives during the period the assignment of support is in effect according to item A. Support received by a caregiver, and not forwarded to the local agency, must be repaid to the child support enforcement unit for any month following the month in which initial eligibility is determined, except as provided under subpart 11, item B, subitem (4).

**Subp 11 Refusal to cooperate with support requirements.** Failure by a caregiver to satisfy any of the requirements of subpart 10 constitutes refusal to cooperate, and the sanctions under item B apply.

A. The local agency must determine whether a caregiver has refused to cooperate within the meaning of subpart 12. Before making this determination, the local agency must.

(1) allow the child support enforcement unit to review and comment on the findings and basis for the proposed determination of noncooperation,

(2) consider any recommendations from the child support enforcement unit,

and  
(3) allow the child support enforcement unit to appear at a hearing under part 9500.4260 that results from an appeal of a local agency action involving cooperation with child support enforcement under subpart 12.

B Determinations of refusal to cooperate shall have the effects listed in subitems (1) to (4).

(1) A parent caregiver who refuses to cooperate must be sanctioned as provided in part 9500.4250.

(2) A caregiver who is not a parent of a minor child in an assistance unit may choose to remove that child from the assistance unit unless otherwise required by federal or state law.

(3) A parental caregiver who refuses to cooperate is ineligible for medical assistance.

(4) Direct support retained by a caregiver must be counted as unearned income when determining the amount of the assistance payment.

**Subp 12 Good cause exemption from cooperating with support requirements.** Before requiring a caregiver to cooperate, a local agency must notify the caregiver that the caregiver may claim a good cause exemption from cooperating with the requirements in items B to D, under the conditions specified in Code of Federal Regulations, title 45, subtitle B, chap-

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ter II, part 232, sections 232 12 and 232 40 to 232 49, at the time of application or at any subsequent time. When a caregiver submits a good cause claim in writing, action related to child support enforcement must stop. The caregiver must submit evidence of a good cause claim to the local agency within 20 days of submitting the claim.

A Good cause exists when a caregiver documents that

(1) a minor child for whom child support enforcement is sought was conceived as the result of incest or rape,

(2) legal proceedings for the adoption of a minor child are pending before a court of competent jurisdiction, or

(3) a parent caregiver is receiving services from a licensed adoption agency to determine whether to keep the child or relinquish the child for adoption, and the services have not been provided for longer than three months.

B Good cause exists when a caregiver documents that the caregiver's cooperation would not be in the best interest of the minor child because the cooperation could result in

(1) physical harm to the child,

(2) emotional impairment of the child which would substantially affect the child's functioning, or

(3) physical harm to or emotional impairment of the caregiver which would substantially affect the caregiver's functioning and reduce the caregiver's ability to adequately care for the child.

C When a caregiver has difficulty obtaining evidence of a good cause claim, the local agency must help the caregiver obtain it. When a local agency requires additional evidence to make a determination on the claim for good cause, the local agency must notify the caregiver that additional evidence is required, explain why the additional evidence is required, identify what form this evidence might take, and specify an additional period that will be allowed to obtain it.

D A local agency must determine whether good cause exists based on the weight of the evidence.

E Once a local agency determines that good cause exists for a caregiver, the exemption from cooperating under subpart 10, items B and C, must remain in effect for the period the minor child remains eligible under that application, except for subitems (1) to (4).

(1) A good cause exemption allowed because a child was conceived as the result of incest or rape must continue until a subsequent acknowledgment of paternity or an application for adoption by a second parent is submitted for that child.

(2) A good cause exemption allowed because of adoption proceedings must be issued for a fixed period of time based on the expected time required to complete adoption proceedings. The exemption must be extended when the required time is longer than was anticipated and must stop when adoption proceedings are discontinued or completed.

(3) A good cause exemption allowed because of adoption counseling must last no more than three months from the time the counseling began.

(4) A good cause exemption must be allowed under subsequent applications and recertifications of eligibility without additional evidence when the factors that led to the exemption continue to exist. A good cause exemption allowed under item B must end when the factors that led to allowing the exemption have changed.

F A good cause exemption which has been allowed by a local agency for a caregiver must be honored by the local agency in the new county of residence when the caregiver moves into that county until the factors that led to allowing the exemption change.

G When a local agency denies a claim for a good cause exemption, the local agency shall require the caregiver to submit additional evidence in support of a later claim for a good cause exemption before the local agency terminates actions to enforce child support under this subpart.

H Following a determination that a caregiver has good cause for refusing to cooperate, a local agency shall take no further action to enforce child support until the good cause exemption ends according to item E.

Subp 13 **Cooperation with health care benefits.** The caregiver of a minor child must cooperate with the local agency to identify and provide information to assist the local agency in pursuing third-party liability for medical services

A A caregiver must assign to the department any rights to health insurance policy benefits the caregiver has during the period of MFIP eligibility

B A caregiver must identify any third party who may be liable for care and services available under the medical assistance program on behalf of the applicant or participant and all other assistance unit members

C When a participant refuses to assign the rights to the department, or when a participant refuses to identify any third party who may be liable for care and services, the caregiver's MFIP assistance payment is subject to a ten percent sanction and the caregiver is ineligible for medical assistance

**Statutory Authority:** *MS s 256 01, 256 031*

**History:** *18 SR 2360*

### **9500.4290 APPLICANT AND PARTICIPANT RIGHTS AND LOCAL AGENCY RESPONSIBILITIES.**

Subpart 1 **Right to information.** An applicant or participant has the right to obtain from the local agency information about the benefits, requirements, restrictions, and appeal provisions of public assistance programs

Subp 2 **Right to authorized representative.** An applicant or participant has the right to designate an authorized representative to act on the applicant's or participant's behalf. An applicant or participant has the right to be assisted or represented by an authorized representative in eligibility determinations, recertification, conciliation conferences, the fair hearing process, and any other contacts with the local agency or the department

When a local agency determines that it is necessary for a person to assist an applicant or participant, the local agency must designate a staff member to assist the applicant or participant

Upon a request from an applicant or participant, a local agency must provide addresses and telephone numbers of organizations that provide legal services at low cost or no cost to low-income persons

Subp 3 **Right of applicant to notice.** A local agency must notify an applicant of the disposition of the applicant's application. The notice must be in writing and on forms prescribed by the commissioner. The local agency must mail the notice to the last known mailing address provided by the applicant. When an application is denied, the local agency must notify the applicant in writing of the reasons for the denial, of the right to appeal, and of the right to reapply for assistance

Subp 4 **Participant's right to notice.** A local agency must give a participant written notice of all adverse actions affecting the participant including payment reductions, suspensions, terminations, and use of protective, vendor, or two-party payments. The notice of adverse action must be on a form prescribed or approved by the commissioner and must be mailed to the last known mailing address provided by the participant. The local agency must state on the notice of adverse action the action it intends to take, the reasons for the action, the participant's right to appeal the action, the conditions under which assistance can be continued pending an appeal decision, and the related consequences of the action

Subp 5 **Mailing of notice.** The notice of adverse action must be issued according to items A to C.

A A local agency must mail a notice of adverse action at least ten days before the effective date of the adverse action, except as provided in items B and C

B A local agency must mail a notice of adverse action at least five days before the effective date of the adverse action when the local agency has factual information that requires an action to reduce, suspend, or terminate assistance based on probable fraud.

C A local agency must mail a notice of adverse action before or on the effective date of the adverse action when

(1) the local agency receives the caregiver's monthly MFIP household report form that includes information that requires payment reduction, suspension, or termination

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and that contains the caregiver's signed acknowledgment that the caregiver understands that this information will be used to determine MFIP eligibility or the assistance payment amount,

(2) the local agency is informed of the death of a participant or the payee. The local agency must verify the death if it is reported by someone other than the payee,

(3) the local agency receives a signed statement from the caregiver that assistance is no longer wanted,

(4) the local agency receives a signed statement from the caregiver that provides information that requires the termination or reduction of assistance, and the caregiver shows in that statement that the caregiver understands the consequences of providing that information,

(5) the local agency verifies that a member of the assistance unit is hospitalized and does not qualify under part 9500 4060, subpart 4, item C, subitem (1),

(6) the local agency verifies that a member of the assistance unit has entered a state hospital or a licensed residential facility for medical or psychological treatment or rehabilitation,

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

(8) the local agency verifies that a member of an assistance unit has been placed in foster care, or

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

**Subp 6 Conciliation conferences.** A participant has a right to a conciliation conference as set forth in part 9500 4240

**Subp 7 Appeal rights.** An applicant, participant, or former participant has the right to request a fair hearing when aggrieved by an action or inaction of a local agency. A request for a fair hearing and rights pending a fair hearing are set forth in part 9500 4260

**Subp 8 Case records available.** A local agency must make financial case records available to the participant or former participant as soon as possible, but no later than the fifth business day following the date of the request. When the participant or former participant asks for photocopies of material from the financial case record, the local agency must provide one copy of each page at no cost

**Subp 9 Right to manage affairs.** Except for protective payment provisions authorized under part 9500 4180, subpart 2, participants have the right to manage their own affairs

**Subp 10 Right to protection.** Minor caregivers have the right to protection. The local agency must refer a minor caregiver to the social service unit within 30 days of the date the application is approved. The social service unit must assist the minor caregiver to develop a social service plan as specified in Minnesota Statutes, section 257 33, subdivision 2. The social service plan must take into consideration

A the age of the minor caregiver,

B the involvement of the minor caregiver's parents or other adults who provide active, ongoing guidance, support, and supervision,

C the involvement of the noncustodial parent, including steps being taken to establish paternity, if appropriate,

D completion of high school or a GED,

E parenting skills of the minor caregiver,

F the living arrangement of the minor caregiver and child,

G child care and transportation needed for education, training, or employment,

H ongoing health care, and

I other services needed to address personal and family problems and to facilitate the personal growth and development and economic self-sufficiency of the minor caregiver and the child

**Statutory Authority:** *MS s 256 01, 256 031*

**History:** *18 SR 2360*

**9500.4300 SUPPORT FROM PARENTS OF MINOR CAREGIVERS LIVING APART.**

Subpart 1 **General provisions.** A parent who lives outside the home of a minor child who is an unemancipated minor caregiver of an assistance unit is financially responsible for that minor caregiver unless the parent is a recipient of public assistance, SSI, MSA, medical assistance, general assistance, or general assistance medical care, and a court order does not otherwise provide a support obligation

Subp 2 **Amount of support payment.** The amount of support to be paid by a parent, except a parent specified in subpart 4, must be determined according to items A to F

A A minor caregiver must provide information required by the local agency to identify the whereabouts of the minor caregiver's absent parent or parents

B A local agency must notify an absent parent of the parent's legal responsibility to support a minor caregiver and shall request that the absent parent provide the following

(1) the amount of the parent's earned and unearned income for the previous tax year,

(2) the amount of the parent's earned and unearned income for the current month,

(3) the number and names of dependents who are claimed or could be claimed by the parent on federal income tax forms,

(4) the amount of annual medical bills paid by the parent,

(5) the amount of annual housing costs paid by the parent,

(6) the costs for utilities and repairs to the home which are paid by the parent; and

(7) the amount of annual educational costs for family members paid by the parent

C When a parent of a minor caregiver does not provide the information requested under item B, the local agency must refer the matter to the county attorney. Assistance to the minor caregiver must not be denied, delayed, reduced, or ended because of the lack of cooperation of the minor caregiver's parent

D When the information requested under item B is received by a local agency, the local agency must compare the parent's income against the scale set forth in part 9500 2760, subpart 2, item D, using the conditions and procedures specified in item E

E The parent's income is the parent's gross earned income plus unearned income, determined by the methods in part 9500 4080. To determine family size, each person claimed or who could be claimed by a parent as a dependent on federal income tax forms, exclusive of the minor caregiver, must be included. A deduction from income must be allowed for the amount that medical, educational, and housing costs together exceed 30 percent of the parent's income. When the amount of income, after the allowable deduction, exceeds the annual income level in item D, a parent is liable to pay one-third of the excess for the annual support of the minor caregiver. These payments must be paid monthly to the minor caregiver or to the local agency on behalf of the minor caregiver

F A local agency must notify the parents of the minor caregiver that they are liable for the amount of support determined by the local agency as specified in item E. When the support payment is received by the minor caregiver, it must be treated as unearned income of the assistance unit. When the support payment is not received, or a lesser amount is received in any payment month, the local agency must refer the matter to the county attorney

Subp 3 **Reviews.** A local agency must review financial responsibility every 12 months until minor caregivers reach the age of 18 or are otherwise emancipated. When a parent reports a change in circumstances, the local agency must review the required amount of payment within ten calendar days

Subp 4 **Parents under court order for support.** A parent who is required under an existing court order issued under some other authority in state or federal law to pay child sup-

port for a minor caregiver is subject to the conditions of that order in lieu of the requirements and contribution levels in subpart 2

**Statutory Authority:** *MS s 256 01, 256 031*

**History:** *18 SR 2360*

#### **9500.4310 WRONGFULLY OBTAINED ASSISTANCE.**

Subpart 1 **Applicability to other laws.** This part outlines procedures that apply to assistance that is wrongfully obtained under MFIP. The procedures in this part may be used in combination with other established civil and criminal procedures and law.

Subp 2 **Responsibility of local agency to act.** In response to welfare fraud allegations received by a local agency, the local agency shall take any or all of the actions in items A to C.

A A local agency must refer cases of suspected welfare fraud to the person or unit designated by the county board for investigation of welfare fraud.

B A local agency must issue notice under part 9500 4290, subpart 4, to reduce or end assistance when the local agency receives facts which show that an assistance unit is not eligible for assistance or for the amount of assistance currently being received.

C A local agency must refer cases of probable welfare fraud to the county attorney.

Subp 3 **Continued MFIP eligibility during fraud investigation.** A local agency must issue assistance for the remaining members of the assistance unit with the exception of the person who was found guilty through court action or through an administrative disqualification hearing to have committed welfare fraud in an earlier period. If MFIP eligible, the local agency must issue assistance to the assistance unit currently under fraud investigation, subject to subpart 2.

Subp 4 **Recoupment and recovery of wrongfully obtained assistance.** A local agency must recoup or attempt recovery of wrongfully obtained assistance. The amount recouped or recovered must not be more than the amount wrongfully obtained unless it is based on a court judgment. A local agency may seek voluntary repayment or recoup wrongfully obtained assistance according to the procedures in part 9500 4170, subpart 3 or 4, until the full amount of wrongfully obtained assistance is repaid. If the local agency is unable to obtain voluntary repayment or recoup the assistance according to part 9500 4170, the local agency must initiate civil court proceedings to recover any unpaid balance of the wrongfully obtained assistance.

Subp 5 **Reporting requirement.** A local agency shall gather and report statistical data required by the commissioner on local agency activities to prevent welfare fraud.

**Statutory Authority:** *MS s 256 01; 256 031*

**History:** *18 SR 2360*

#### **9500.4320 RELATIONSHIP TO OTHER PROGRAMS.**

Subpart 1 **Medical assistance; applicants.** An applicant may qualify to receive retroactive medical assistance benefits for up to three months before the month of application. An applicant must provide information about health insurance and other medical coverage held by or available to the applicant, including pending lawsuits or claims for medical costs. An applicant who is a policyholder of health insurance must assign to the department any rights to policy benefits the applicant has during the period of medical assistance eligibility. When an applicant refuses to assign the rights to the department, the caregiver's MFIP assistance payment must be reduced resulting in a ten percent sanction and the caregiver is ineligible for medical assistance. An application is used to determine retroactive medical assistance eligibility and to establish current eligibility for medical assistance according to items A and B.

A When a person applies for MFIP, the local agency must inform the applicant of the existence of retroactive medical assistance and must determine eligibility for retroactive medical assistance when the applicant requests it.

B When a local agency approves an application for assistance, the effective date of medical assistance eligibility must be the first day of the month in which MFIP eligibility begins, unless eligibility exists for medical assistance under item A. When a local agency denies cash assistance and medical assistance is requested, the local agency must accept a

medical assistance application. The local agency must use the date of application for cash assistance as the date of application for medical assistance or general assistance medical care.

**Subp 2. Medical assistance; participants.** A participant shall receive medical assistance according to items A to F:

A. A local agency must reimburse or issue direct payment to a participant for transportation costs for medical care from medical assistance administrative funds.

B. A local agency must not recover amounts for ineligible medical assistance claims or payments from the monthly assistance payment.

C. A participant must inform the state and local agency pursuant to Minnesota Statutes, sections 256.015, 256B.042, and 256B.37, of injuries for which a third-party payor may be liable for payment of medical costs.

D. A participant who is a policyholder of health insurance must assign to the department any rights to policy benefits the participant has during the period of medical assistance eligibility.

E. A local agency shall allow a participant eligibility for medical assistance for months during which monthly assistance payments are suspended due to increased earned income.

F. A local agency shall offer services through the early childhood health and developmental screening program on behalf of each applicant or participant who is less than 21 years of age, according to parts 9505.1693 to 9505.1748.

**Subp 3. Medical assistance; terminations of assistance.** A local agency must continue medical assistance when the assistance unit continues to include at least one minor child and MFIP cash assistance ends according to items A to C:

A. When MFIP cash assistance ends solely due to increased child or spousal support and MFIP or AFDC was received in at least three of the six months immediately preceding the month in which ineligibility begins, medical assistance eligibility must be continued for four months beginning the first month the assistance unit is ineligible for MFIP.

B. When MFIP cash assistance ends due to increased earned income and MFIP or AFDC was received in at least three of the six months immediately preceding the month in which ineligibility begins, medical assistance must continue for the assistance unit for six months beginning the first month the assistance unit is ineligible for MFIP. Assistance units who have six months of extended medical assistance may receive an additional six months if:

(1) the assistance unit returns a quarterly report verifying gross earned income and child care costs by the 21st day of the fourth, seventh, and tenth month,

(2) an eligible caregiver has earned income or good cause for unemployment in each month, and

(3) the average monthly gross earned income less actual child care costs necessary for employment is at or below 185 percent of the federal poverty guideline for that size assistance unit.

C. When assistance is ended due to applying the income from stepparents or parents of minor caregivers to the need of an assistance unit, the local agency must provide the participant with an MFIP termination notice that allows one month of medical assistance after assistance ends. To continue eligibility for medical assistance beyond the one month, eligibility must be established under parts 9505.0010 to 9505.0150.

**Subp 4. Medical assistance; sanctions.** Caregivers are not eligible for medical assistance for any period in which the caregiver fails to cooperate with the third-party payor requirements in subpart 2, item C, or the child support provisions in part 9500.4280, subpart 10.

**Subp 5. Social services.** The local agency shall refer a participant for social services that are offered in the county of financial responsibility according to the criteria established by that local agency under parts 9550.0010 to 9550.0092. A payment issued from title XX, child welfare funds, or county funds in a payment month must not restrict MFIP eligibility or reduce the monthly assistance payment for that participant.



Subp 6 **Concurrent eligibility, limitations.** A local agency must not count an applicant or participant as a member of more than one assistance unit in a given payment month, except as provided in items A to C

A An applicant who receives assistance in a state other than Minnesota may be eligible in the first month of application at MFIP payment standards. An assistance payment from another state must be the last payment received from that state and is considered unearned income when determining the assistance payment issued under MFIP.

B A participant who is a member of an assistance unit in Minnesota is eligible to be included in a second assistance unit in the first full month that the participant lives with a second assistance unit

C An applicant whose needs are met through foster care under title IV–E for the first part of an application month is eligible to receive assistance for the remaining part of the month in which the applicant returns home. Title IV–E payments and assistance payments must be considered prorated payments rather than a duplication of MFIP need

Subp 7 **Emergency assistance, assistance unit with a minor child.** An MFIP assistance unit with a minor child is eligible for emergency assistance when the assistance unit meets the requirements in part 9500 2820

Subp 8 **Emergency general assistance, pregnant woman without a minor child.** A pregnant woman without a minor child is eligible for emergency general assistance when the pregnant woman meets the requirements in part 9500 1261

**Statutory Authority:** *MS s 256 01, 256 031*

**History:** *18 SR 2360*

#### 9500.4330 COUNTY OF RESPONSIBILITY POLICIES.

Subpart 1 **Determining the county of financial responsibility.** The county of financial responsibility is the county in which a minor child lives on the date the application is signed, unless subpart 4 applies. The county in which a pregnant woman in the third trimester of pregnancy lives on the date the application is signed is the county of financial responsibility unless subpart 4 applies. When more than one county is financially responsible for the members of an assistance unit, financial responsibility must be assigned to a single county beginning the first day of the calendar month after the assistance unit members are required to be in a single assistance unit. Financial responsibility must be assigned to the county that was initially responsible for the assistance unit member with the earliest date of application. The county in which the assistance unit is currently residing becomes financially responsible for the entire assistance unit beginning two full calendar months after the month in which financial responsibility was consolidated in one county

Subp 2 **Change in residence.** This subpart applies when a participant has a change of residence

A When an assistance unit moves from one county to another and continues to receive assistance, the new county of residence becomes the county of financial responsibility when that assistance unit has lived in that county in nonexcluded status for two full calendar months. “Nonexcluded status” means the period of residence that is not considered excluded time under Minnesota Statutes, section 256G 02, subdivision 6. When a minor child moves from one county to another to reside with a different caregiver, the caregiver in the former county is eligible to receive assistance for that child only through the last day of the month of the move. The caregiver in the new county becomes eligible to receive assistance for the child the first day of the month following the move or the date of application, whichever is later

B When a participant moves from one MFIP county to another MFIP county, eligibility for assistance is not affected unless eligibility factors are affected in the move. A local agency must not require a participant to reestablish MFIP eligibility as a new applicant for assistance solely because a participant moves

C When a participant moves from an MFIP county to a non–MFIP county, eligibility for assistance is affected. MFIP will remain open for two months and will be provided by the original county. Before the two–month transition period ends, the former participant must submit an application for assistance and establish eligibility for AFDC, family general assistance, or food stamps in the new county

D The requirements in subitems (1) to (3) apply when a participant moves from one county to another

(1) When a participant informs the local agency in the current county of residence of a planned move, the local agency in that county must forward to the local agency in the county of planned residence the information from the financial case record which the county of planned residence needs to redetermine public assistance eligibility and to determine the amount of the assistance payment

(2) When a participant informs the new county of residence that the participant has entered the county as a current participant, the new county must obtain from the county from which the participant moved the information from the financial case record that it needs to redetermine public assistance eligibility and determine the amount of the assistance payment

(3) When a participant does not inform either county that the move has occurred before the mailing of the next assistance payment and when the whereabouts of a participant are unknown, the county of financial responsibility must end assistance. If a participant reapplies in another MFIP county within 30 calendar days of termination and is eligible, assistance is considered to be uninterrupted for the determination of the county of financial responsibility for members of the assistance unit. This payment must be issued by the county of financial responsibility until the participant has lived in the new county for two full calendar months

E When an applicant moves from one county to another while the application is pending, the county where application first occurred is the county of financial responsibility until the applicant has lived in the new county for two full calendar months, unless the applicant's move is covered under subpart 4. The county of residence must be an MFIP county for eligibility to be established for MFIP regardless of the county of responsibility

**Subp 3 Responsibility for incorrect assistance payments.** A county of residence, when different from the county of financial responsibility, will be charged by the commissioner for the value of incorrect assistance payments and medical assistance paid to or on behalf of a person who was not eligible to receive that amount. Incorrect payments include payments to an ineligible person or family resulting from decisions, failures to act, miscalculations, or overdue recertifications. However, financial responsibility does not accrue for a county when the recertification is overdue at the time the referral is received by the county of residence or when the county of financial responsibility does not act on the recommendation of the county of residence

When federal or state law requires that medical assistance continue after assistance ends, this subpart also governs financial responsibility for the extended medical assistance

**Subp 4 Excluded time.** When an applicant or participant resides in an excluded time facility as described in Minnesota Statutes, section 256G 02, subdivision 6, the county that is financially responsible for the applicant or participant is the county in which the applicant or participant last resided outside such a facility immediately before entering the facility. When an applicant or participant has not resided in Minnesota for any time other than excluded time as defined in Minnesota Statutes, section 256G 02, subdivision 6, the county that is financially responsible for the applicant or participant is the county in which the applicant or participant resides on the date the application is signed

**Statutory Authority:** *MS s 256 01, 256 031*

**History:** *18 SR 2360*

#### **9500.4340 TERMINATION OF MFIP.**

**Subpart 1 Termination of MFIP.** If major and unpredicted costs occur in MFIP, the commissioner may take corrective action consistent with United States Code, title 7, chapter 51, section 2031 and title 42, chapter 7, subchapter IV, part A, section 602, note on Demonstration of Effectiveness of Minnesota Family Investment Plan, which may include termination of MFIP. Before taking corrective action, the commissioner must comply with Minnesota Statutes, section 256 031, subdivision 3, paragraph (a). If the agreements between the state and federal government under Minnesota Statutes, section 256 031, subdivision 5, are canceled, assistance units receiving MFIP must be converted to other assistance programs, if eligible, as provided in subpart 3

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Subp 2 **Notice to participants.** If MFIP is terminated by the state or federal government, the commissioner must provide written notice to participants and inform the participants that, if eligible, they will be converted to other assistance programs

Subp 3 **Conversion to eligible assistance programs.** If MFIP is terminated, assistance units receiving assistance under MFIP who are eligible for assistance under the AFDC, general assistance, medical assistance, general assistance medical care, or food stamp programs must be placed, with their consent, on the programs for which they are eligible

**Statutory Authority:** *MS s 256 01, 256 031*

**History:** *18 SR 2360*