

Bulletin

January 23, 2008

Minnesota Department of Human Services □ P.O. Box 64941 □ St. Paul, MN 55164-0941

OF INTEREST TO

- County Directors
- Social Services Supervisors and Staff
- Financial Assistance Supervisors and Staff
- Mille Lacs Tribal TANF
- Case Managers
- MinnesotaCare Operations Managers, Supervisors and Workers

ACTION/DUE DATE

Please read and implement legislative changes for applications and renewals received on or after February 1, 2008.

EXPIRATION DATE

January 23, 2010

Changes to MinnesotaCare Verification of Access to Employer Subsidized Insurance

TOPIC

Changes to MinnesotaCare verification requirements for access to employer-subsidized insurance (ESI).

PURPOSE

Provide information and instructions for verifying access to ESI for MinnesotaCare.

CONTACT

MinnesotaCare Operations, counties and tribal agencies should submit policy questions to Health Quest.

All others should direct questions to:

Health Care Eligibility and Access (HCEA) Division
P.O. Box 64989
540 Cedar Street
St. Paul, MN 55164-0989

SIGNED

BRIAN J. OSBERG
Assistant Commissioner
Health Care Administration

Background and Introduction

Employer subsidized insurance (ESI) is health insurance coverage for which an employer pays at least 50% of the cost. People who have ESI or who have current access to ESI but choose not to take it are ineligible for MinnesotaCare. People who have had access to ESI through a current employer within the last 18 months are also ineligible for MinnesotaCare. If ESI becomes available to a MinnesotaCare enrollee, the enrollee may not remain eligible for MinnesotaCare by refusing to accept the coverage. The enrollee is ineligible regardless of whether he or she enrolls in the ESI.

Children under age 21 in families with incomes at or below 150% of Federal Poverty Guidelines (FPG) can have access to ESI and can refuse the coverage and still be eligible for MinnesotaCare. If these children are enrolled in ESI coverage, they may be eligible for MinnesotaCare if the coverage meets certain criteria and the children are considered underinsured.

See Health Care Programs Manual (HCPM) Chapter 15.05.20, Employer-Subsidized Insurance (ESI) for more information about MinnesotaCare ESI barriers.

The 2007 Minnesota Legislature eliminated the requirement that all employed MinnesotaCare applicants and enrollees verify whether they have access to ESI. Instead of mandatory verification, MinnesotaCare will require targeted verification of access to ESI for certain MinnesotaCare applicants and enrollees. There is no change to health care eligibility policy regarding ESI as a barrier to MinnesotaCare eligibility or acceptable forms of ESI verification. Targeted verification will affect the frequency of ESI verification and will eliminate this verification for applicants and enrollees who are unlikely to have ESI available. This bulletin provides information and instructions to implement targeted verification of access to ESI for MinnesotaCare applicants and enrollees.

This bulletin contains the following sections:

- A. MinnesotaCare Requirements for Verifying Access to ESI Prior to February 1, 2008
- B. New Targeted Verification of Access to ESI Effective February 1, 2008
- C. Systems Information
- D. Legal References
- E. Attachments
- F. Special Needs

A. MinnesotaCare Requirements for Verifying Access to ESI Prior to February 1, 2008

For applications and renewals received prior to February 1, 2008, MinnesotaCare policy requires all applicants and enrollees who report employment for themselves, their spouses, their parents, or their children to verify whether they have access to ESI. Applications and renewals are pended awaiting verification of access to ESI from all employers. Applicants and enrollees who fail to provide ESI verification are denied or canceled.

Note: Applicants and enrollees who are self-employed, including farmers, are exempt from this policy, since they do not have employers.

MinnesotaCare policy requires that enrollees verify access to ESI at each renewal for all employers, regardless of whether verification was previously collected. Verification is also required between renewals if enrollees report new employment or a change of employment for themselves or other household members.

Acceptable forms of verification include:

- a Request for Verification of Employer Insurance (DHS-3348) completed and signed by the employer or union; or
- documents from an employer or union such as open enrollment materials, employee handbooks or new employee orientation papers; or
- a written statement from the employer or union that provides information necessary to determine whether the employee and dependents have access to ESI; or
- verbal confirmation from the employer or union of information necessary to determine whether the employee and dependents have access to ESI. (Contact with an employer may only occur with the employed person's written consent.)

B. New Targeted Verification of Access to ESI Effective February 1, 2008

Effective with applications and renewals received by the state or county agency on or after February 1, 2008, and employment changes reported on or after February 1, 2008, MinnesotaCare will no longer require verification of access to ESI for all employed persons. Verification of access to ESI will be required only if certain criteria are met. See Attachment A.

1. REQUIRE verification of access to ESI:

- a. If the application or renewal form indicates an applicant or enrollee, his or her spouse, or his or her parent:
 - i. has access to health insurance through a current employer; or
 - ii. has turned down or dropped health insurance from a current employer; or
 - iii. works for an employer that stopped offering health insurance in the last 18 months.
- b. If ESI information provided is inconsistent with documentation or information on file. See HCPM Chapter 09.05.05, Inconsistent Information.
- c. At application, renewal, or when an employment change is reported for applicants or enrollees, their spouses or parents who meet **all** of the following:

- i. are age 21 and over; and
- ii. are employed more than 20 hours per week at any one employer; and
- iii. have not previously provided verification regarding access to ESI for the reported employer. (Verification previously provided will remain valid for as long as the person remains with the employer.)

Require verification for persons who meet these criteria (i, ii, and iii above) even if the applicant or enrollee failed to answer the employer health insurance questions or answered “No” to these questions on the application or renewal form.

Require verification at renewal and between renewals if an employed person’s hours of employment through a previously reported employer increase from at or below 20 hours per week to over 20 hours per week, even if verification was submitted previously.

Allow 30 calendar days for receipt of verification of access to ESI for enrollees who report employment changes between renewals. If verification is not received within 30 days, cancel MinnesotaCare coverage with ten-day advance notice.

2. DO NOT REQUIRE verification of access to ESI:

- a. If applicants or enrollees who report employment for themselves, spouses or parents failed to answer the employer health insurance questions or answered “No” to these questions on the application or renewal, and **any** of the following apply to the employed persons:
 - i. are under age 21; or
 - ii. are employed 20 or fewer hours per week per job; or
 - iii. have previously verified access to ESI for the listed employer; or
 - iv. are college students with school-related employment, such as work study or internship.
- b. For spouses or parents of applicants or enrollees who are children under age 21 in households with income at or below 150% FPG. (No adults ages 21 or over are applying or enrolled.)
 - i. If the application or renewal form indicates that household income will be at or below 150% FPG do not request verification of access to ESI.

- ii. If verified income is later shown to be above 150% FPG, request verification of access to ESI from spouses and parents age 21 and over who work more than 20 hours per week at a given employer, if verification was not previously provided.
- iii. If an adult over age 21 later requests coverage on the case, verification of access to ESI would be needed for that adult and any spouse over age 21, if they work more than 20 hours per week at a given employer and verification was not previously provided.

Example 1

Dani submits an application for health care to the county agency on or after February 1, 2008. She is determined ineligible for Medical Assistance (MA) and General Assistance Medical Care (GAMC). Dani is over age 21 and works 30 hours per week at a bakery. Dani must verify that she does not have access to ESI through her employer to meet MinnesotaCare verification requirements.

Example 2

Aidan is a current MinnesotaCare parent over age 21. He submitted verification of access to ESI with his family's last renewal in October 2007. In February 2008, Aidan reports that he has changed jobs. He is working more than 20 hours per week at his new job. Aidan must submit verification of access to ESI through his new employer for his family to remain eligible for MinnesotaCare. Request verification of access to ESI to be returned within 30 days. If verification is not received within 30 days, cancel MinnesotaCare with 10-day advance notice. (If only the children are enrolled and income is at or below 150% FPG, no verification is needed.)

Example 3

The Sandrum family is enrolled in MinnesotaCare. Access to ESI was verified for all employers at renewal in March 2007. On this year's renewal in March 2008, the family reports that one parent, Jill, has started a job. She works 24 - 28 hours per week. To renew MinnesotaCare coverage, the family must submit verification of access to ESI through Jill's new employer. (If household income is at or below 150% FPG, the children's eligibility will not be affected since they are exempt from the ESI barriers.)

Example 4

Julia, 19, and Loren 22, are a married couple who apply for MinnesotaCare in February 2008. Both are employed 40 hours per week and their income is above 150% FPG. They answered 'No' to all the insurance questions on the application. Do not require verification of access to ESI through Julia's employer, since she is under age 21. Require verification of access to ESI through Loren's employer. Pend eligibility for both Julia and Loren until verification is received.

Example 5

Marquis is an adult without children enrolled in MinnesotaCare. At his last renewal, Marquis verified that he did not have access to ESI through his employer, per previous ESI verification requirements. At that time, he worked on-call about 12 hours per week. Marquis calls in March 2008 to report that his hours have increased to 36 hours per week. Require new verification of access to ESI, since Marquis previously worked 20 or fewer hours and now works over 20 hours per week.

Example 6

Joe and Beth Darling apply for MinnesotaCare for their son, Josh in May 2008. The application form indicates that their income is at or below 150% FPG. Both Joe and Beth are employed more than 20 hours per week, and they have health insurance through Joe's current employer. Verifications are not submitted with the application, so Josh's eligibility is pended for proof of citizenship and income. When the verifications are received, the household income is actually above 150% FPG. Request verification of access to ESI for both parents' employment, since Josh is not excluded from the ESI barriers.

Example 7

Forest applies for MinnesotaCare in February 2008 as an adult without children. He was previously enrolled in MinnesotaCare from January through May 2007, and his coverage was canceled for nonpayment of premiums. Forest submitted ESI verification when he applied previously. He still works for the same employer, and has not had a change from 20 or fewer to more than 20 hours per week. Do not require Forest to provide new verification of access to ESI.

Example 8

Kanye is a single adult without children applying for MinnesotaCare. Kanye's application was received in December 2007 and reviewed in January 2008. Eligibility was pended for verifications of citizenship, identity, income and access to ESI. Kanye submits verifications of citizenship, identity and income on February 12. Kanye's application was received prior to February 1, 2008; therefore, he is required to submit verification of access to ESI. Continue to pend Kanye's application for verification of access to ESI.

C. Systems Information

There are no MMIS systems changes.

D. Legal References

Laws of Minnesota 2007, Chapter 147, Article 5, Section 26

E. Attachments

Attachment A – Targeted Verification of Access to ESI Flow Chart

F. Special Needs

This information is available in other forms to people with disabilities by contacting us at (651) 431-2283 (voice) or toll free at (800) 938-3224. TDD users can call the Minnesota Relay at 711 or (800) 627-3529. For the Speech-to-Speech Relay, call (877) 627-3848.

Determining Need to Verify Employer Subsidized Insurance

