

Bulletin

December 19, 2008

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

OF INTEREST TO

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

ACTION/DUE DATE

Please read and implement effective January 1, 2009.

EXPIRATION DATE

December 19, 2010

Worker's Compensation Settlements Excluded as Assets for MinnesotaCare

TOPIC

Exclude Worker's Compensation settlements as assets for purposes of determining eligibility for MinnesotaCare.

PURPOSE

To provide policy and instructions to exclude Worker's Compensation settlements as assets when determining MinnesotaCare eligibility.

CONTACT

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

All other 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

I. Background and Introduction

The 2007 Minnesota legislature enacted a law to exclude Worker's Compensation settlements people receive due to work-related injuries from consideration as assets for MinnesotaCare. The Department of Human Services (DHS) received federal approval from the Centers for Medicare & Medicaid Services (CMS) to implement this legislation.

This change does not apply to Medical Assistance (MA) or General Assistance Medical Care (GAMC). Continue to follow the Health Care Programs Manual (HCPM) 19.10 – Excluded Assets for MA and GAMC applicants and enrollees who receive Worker's Compensation settlements.

II. Workers Compensation Settlements Excluded as Assets for MinnesotaCare

A. Policy Prior to January 1, 2009

MinnesotaCare asset exclusions include court-ordered settlements, which may include some Worker's Compensation settlements, up to \$10,000. Amounts over \$10,000 are counted as an asset if legally available. Worker's Compensation settlements that are not court-ordered are counted as an asset in their entirety.

Worker's Compensation settlements are received as lump sums, which are excluded as income for purposes of MinnesotaCare eligibility.

Worker's Compensation settlements are a source of third party liability (TPL). Workers notify the Benefit Recovery Section (BRS) of potential TPL due to receipt of Workers Compensation.

B. Policy Effective January 1, 2009

Apply the following policies when determining eligibility for MinnesotaCare on or after January 1, 2009.

1. Do not consider a Worker's Compensation settlement that a person receives due to a work-related injury to be an asset when determining eligibility for MinnesotaCare.
2. Do not limit the exclusion to \$10,000 if the settlement is court-ordered. Exclude the full value of the Worker's Compensation settlement as an asset.
3. Do not require an applicant or enrollee to keep the Worker's Compensation settlement funds in a separate account in order to exclude them.
4. Require verification of the worker's compensation settlement amount only if it causes the applicant or enrollee to exceed the asset limit for eligibility.
 - a. Accept an award notice or settlement letter that documents the amount of the worker's compensation settlement.

- b. Accept the applicant or enrollee's verbal or written statement about the amount of the settlement funds they have remaining.

Note: Do not require verification of the worker's compensation settlement if the applicant or enrollee's total assets (including the settlement) are within the MinnesotaCare asset limit.

5. Enter a case note to document that the worker's compensation settlement amount is excluded as an asset.
6. Submit a HealthQuest if you have questions about a specific MinnesotaCare applicant or enrollee who has reported receiving a Worker's Compensation settlement.
7. Continue to exclude Worker's Compensation settlements as lump sum income. (HCPM 20.25.10 – Lump Sum Income.)
8. Continue to notify BRS of potential TPL due to Worker's Compensation. (HCPM 15.15 - Non-Health Care Coverage Third Party Liability (TPL).)

III. Systems Instructions

There are no systems changes.

IV. Legal References

Minnesota Statutes §256L.17, subdivision 2

Laws of Minnesota 2007, Chapter 147, Article 5, Section 35

V. Special Needs

This information is available in other forms to people with disabilities by contacting us at (651) 431-2283 or toll free at (800) 938-3224 or through the Minnesota Relay Service at (800) 627-3529 (TDD), 711 or (877) 627-3848 (speech to speech relay service).