

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

Our File No. 1426

05.0007.0850

RULE REVIEW CHECKLIST

DATE RULE RECEIVED 12-18-85
DATE FOR REVIEW 12-27-85
DATE DUE 1-02-86

Adopted w/a hearing _____
Adopted w/o hearing ✓
Temporary rule _____

Approved 1/2/86 Disapproved _____ Returned to Agency _____

Resubmitted _____ Due _____
Approved _____ Disapproved _____ Returned to Agency _____

Date filed w/Secretary of State 1-3-86 Revisor approved 12.9.85 disapproved _____

✓ Rule as Adopted

✓ Rule as Proposed See SR.

✓ Order Adopting 12.16.85 Date

N/A Notice of Intent to Solicit Outside Opinion

✓ Order for rulemaking
N/A date of Hearing

N/A Certificate of Board's Authorizing Resolution

✓ Notice of rulemaking
✓ Sufficiency

✓ Affidavit of Mailing Notice or rulemaking
9.11.85 At least 30 days prior to ~~hearing~~/adoption

✓ Affidavit of Additional Mailing

✓ Mailing list Certificate

✓ Publication in State Register
9.16.85 At least 30/20 days prior to ~~hearing~~/adoption

N/A Hearing Examiner's Report

✓ Chief Hearing Examiner's Report(s)
_____ Approving H.E.'s Report
_____ Approving agency action

✓ Agency's Findings of Fact

N/A LCRAR Report or agency Affidavit

✓ Certificate of Board's Resolution Adopting Rules

✓ Order Approving Incorporation by Reference

✓ Statement of Need and Reasonableness including Fiscal Note

N/A Petition for Adoption of a Rule

✓ Record (includes transcript or tape, exhibits, comments received by agency, requests for a hearing, and other relevant materials)

✓ Certificate of Compliance w/Rulemaking Procedures

✓ Affidavit of Mailing Notice of Submission to Attorney General

✓ Notice of Submission to the Attorney General
(misstates AG - Admin address)

SF-00006-02

STATE OF MINNESOTA

Office Memorandum

DEPARTMENT ATTORNEY GENERAL

TO : LEONARD W. LEVINE, Commissioner
Department of Human Services

DATE: 1/3/86

ATTN: MAUREEN W. BELLIS
Special Assistant Attorney General

FROM : J. MICHAEL MILES JMM
Assistant Attorney General

PHONE: 296-6555

SUBJECT: In the Matter of the Proposed Adoption of a Department of Human Services Rule Governing Reimbursement for Cost of Care of Patients in a State Hospital

The above-referenced rule has been approved as to its legality by the Attorney General on January 2, 1986.

Enclosed is the agency's copy of the approved rule. This office has already filed two copies of the approved rule with the Secretary of State, who will forward one copy to the Revisor of Statutes. The fourth copy is being retained by this division of the Attorney General's Office for its records.

Also enclosed are any petitions, requests, submission or comments received by the agency and any extra copies of documents which the agency submitted to the Attorney General.

In order for a permanent rule without a hearing to become effective, your agency must publish a notice of adoption in the State Register in accordance with Minn. Stat. § 14.27. An emergency rule becomes effective five working days after approval by the Attorney General; however, the agency must publish a notice in the State Register in accordance with Minn. Stat. § 14.34.

If you have any questions in this regard, please contact me.

JMM:pmf

Enclosures

cc: Maryanne Hruby
Executive Director
Legislative Commission to Review
Administrative Rules

Duane Harves
Chief Administrative Law Judge
Office of Administrative Hearings

RR1236

AG copy

Department of Human Services

Adopted Rules Relating to Reimbursement for Cost of Care of Patients in a State Hospital

Rules as Adopted

9515.1200 DEFINITIONS.

Subpart 1. to 6. [Unchanged.]

Subp. 7. **Gross income or gross earnings.** "Gross income" or "gross earnings" means all income received except dividends and interest.

Subp. 8. **Homestead.** "Homestead" means the house owned and occupied by the patient as his or her dwelling place, together with the land upon which it is situated as limited by Minnesota Statutes, section 510.02.

Subp. 9. [See Repealer.]

Subp. 10. to 16. [Unchanged.]

Subp. 17. **Personal property.** "Personal property" means all property which is not real property including dividends and interest.

Subp. 18. to 20. [Unchanged.]

Subp. 21. **Responsible relative.** "Responsible relative" means the spouse and the parents of minor children in that order of liability for cost of care.

Subp. 22. [Unchanged.]

9515.1300 TIME OF DETERMINATION.

Ability to pay the cost of care shall be determined when the patient is admitted, when there is a change in the person's financial status, when a patient, responsible relative, guardian, conservator or representative payee reports a change in the financial status used in determining ability to pay, when the patient has been hospitalized for 120 days or more, when the patient is being discharged, and when the responsible relative's financial status has not been reviewed for one year.

Within the six-year period after the date of a patient's

discharge from the hospital, the department from time to time may, and upon request of the patient shall, reevaluate the patient's ability to pay any balance of the charge for cost of care.

9515.1400 PERSONS INTERVIEWED TO DETERMINE ABILITY TO PAY.

In all instances the patient shall be present at the interview to determine ability to pay unless the patient is a minor or the treatment staff of the state hospital attests the patient's presence is medically contraindicated. When the patient cannot be present at the interview, the reason shall be noted in the patient's financial information file.

The patient shall be the source of financial information to determine ability to pay except when the management of the patient's financial affairs is in the hands of another person. When the patient is not the source of financial information the reason shall be noted in the patient's financial information file.

When the patient is not able to act on his own behalf, the person interviewed shall be the patient's legal guardian, the conservator, the parents of a minor child, a spouse, a relative of the patient, a trustee, a representative payee, the patient's legal representative, or a county social worker.

If the patient is unable to pay the full cost of the per diem, the responsible relative shall be interviewed.

9515.1600 VERIFICATION REQUIRED.

This process shall be used to substantiate information entered on the signed financial information form. The department shall verify: the person's income, insurance benefits, property, deductions allowed to pay previously incurred debts, and the number of dependents claimed.

9515.1700 CONSENT FORMS.

The person shall provide the department with a separate signed consent form for each verification which must be obtained from a third party. The name, date, and the information authorized shall be on the consent form prior to the person's

signature. A blanket authorization may be used for a group of related agencies such as banks or insurance companies.

9515.2200 SOURCES OF INCOME CONSIDERED TO BE PATIENT RESOURCES.

Subpart 1. and 2. [Unchanged.]

Subp. 3. **Net income.** The patient's entire net income remaining after the deductions from gross income have been made in accordance with part 9515.2300, subpart 4 shall be available to pay the cost of care.

Subp. 4. [Unchanged.]

9515.2300 NET INCOME OF PATIENT.

Subpart 1. [See Repealer.]

Subp. 2. **Lump sums.** Lump sums, other than excluded property, shall be treated as income in the month received and thereafter shall be treated as property, except that retroactive awards of social security or veterans' benefits shall be treated as income during the months to which such benefits are attributable. The patient shall report the lump sum to the department within ten working days.

Subp. 3. [Unchanged.]

Subp. 4. **Deductions from gross income to arrive at net income.** The following items shall be deducted from the patient's monthly gross income:

A. to J. [Unchanged.]

K. A personal needs and clothing allowance of the inpatient in the amount determined in accordance with Minnesota Statutes, section 256B.35 for persons receiving public assistance grants. In addition, a special personal allowance drawn solely from earnings from any productive employment under an individual plan of rehabilitation or work therapy shall be given to all patients in state hospitals. The special personal allowance shall not exceed 50 percent of net monthly income.

L. [Unchanged.]

M. An inpatient without dependents living in his or her home shall be allowed the actual cost of his or her housing and utilities in the community for the month of admission and a

period of three months of continuous hospitalization subsequent to that admission. An inpatient with dependents living in his or her home shall be allowed a pro rata share of his or her household's total actual housing costs during the month of admission and for a period of three months of continuous hospitalization subsequent to that admission. This housing allowance shall be available to the inpatient only twice in any one calendar year regardless of the number of times the patient is admitted to a state hospital in that calendar year. An outpatient or former patient shall be allowed the actual cost of his or her housing and utilities.

N. [Unchanged.]

9515.2400 MONTHLY HOUSEHOLD LIVING ALLOWANCE SCHEDULE.

Number in Household	Monthly Household Living Allowance
1	$ 419
2	$ 628
3	$ 838
4	$1,047
5	$1,256
6	$1,466
over 6	$1,466 plus $209 for each additional person

The number in household of an inpatient shall be the number of dependents the patient claims. The number in household of an outpatient or former patient shall be the patient plus the number of dependents the patient claims. The gross monthly income of a patient's spouse, if any, shall be deducted from the housing allowances shown above.

By July 1 of each year, the department shall adjust the monthly household living allowance to reflect the annual percentage change reported in the most recent Consumer Price Index, for all urban consumers in the Minneapolis-Saint Paul area. The Consumer Price Index shall be as published by the Bureau of Labor Statistics, U.S. Department of Labor. The year 1967 is the standard reference base period.

9515.2500 PROPERTY OF PATIENT.

Subpart 1. [Unchanged.]

Subp. 2. **Real property.** The value of the patient's homestead shall be excluded from consideration as a resource.

The value of real property owned by the patient which produces a net income shall be excluded from consideration as a resource. Real property which the patient is selling on a contract for deed and for which the patient receives payments shall be considered income producing property.

Subp. 3. to 7. [Unchanged.]

9515.2600 RESPONSIBLE RELATIVE'S ABILITY TO PAY.

Subpart 1. [Unchanged.]

Subp. 2. **Interview.** The responsible relative shall be contacted to obtain and verify financial information.

Subp. 3. [Unchanged.]

Subp. 4. **Liability of responsible relatives.** When the sum of the benefits described in subpart 3 and the patient's other resources pay less than the full cost of care, the ability of each responsible relative to pay shall be determined in the statutory order of liability for cost of care. When two responsible relatives have the same order of liability for cost of care, a determination shall be made for each one except that a joint determination shall be made for parents who reside in the same household.

Subp. 5. **Limitations on relative's ability to pay.** The ability of a responsible relative to pay shall be determined from the annual gross earnings of the responsible relative subject to the following limitations:

A. to F. [Unchanged.]

G. The liability of parents for cost of care provided to minor children shall be determined according to Minnesota Statutes, section 252.27, subdivision 2, and rules adopted under that section.

Subp. 6. to 11. [Unchanged.]

REPEALER. Minnesota Rules, parts 9515.1200, subpart 9; and 9515.2300, subpart 1, are repealed.

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
JAN 3 1986
Joan Anderson Growe
Secretary of State
8:50 AM

APPROVED AS TO FORM AND LEGALITY

1/2 1986

HUBERT H. HUMPHREY, III
ATTORNEY GENERAL

BY _____
ASSISTANT ATTORNEY GENERAL

STATE OF MINNESOTA

DEPARMENT OF HUMAN SERVICES

IN THE MATTER OF THE PROPOSED ADOPTION OF AMENDMENTS TO RULES OF THE STATE DEPARTMENT OF HUMAN SERVICES GOVERNING REIMBURSEMENT FOR THE COST OF CARE OF PATIENTS IN A STATE HOSPITAL, 9515.1200 TO 9515.2600

ORDER ADOPTING RULES WITHOUT PUBLIC HEARING

The above entitled matter was published in the State Register on September 16, 1985 and the proper notice, as required by Minnesota Statutes, section 14.14 was also served upon all persons, associations, and other interested groups registered with the State Department of Human Services for that purpose.

After affording all interested persons an opportunity to present written data, statements and arguments, considering all the evidence adduced and upon the record herein, and applicable statutory standards or criteria, and confirming the need for and reasonableness of the above-captioned rules,

NOW, THEREFORE, IT IS ORDERED that these rules identified as amendments to Rules of the State Department of Human Services governing Reimbursement for the Cost of Care of Patients in a State Hospital, parts 9515.1200 to 9515.2600, are adopted this 16th day of December, 1985, pursuant to the authority vested in me by Minnesota Statutes, sections 246.50 to 246.55.

STATE OF MINNESOTA

Leonard W. Levine
Commissioner of Human Services

STATE OF MINNESOTA

DEPARTMENT OF HUMAN SERVICES

In the Matter of the Proposed Amendments to the Department of Human Services Rule governing Reimbursement for the Cost of Care of Patients in a State Hospital (Minnesota Rules, Parts 9515.1000 to 9515.2600)

ORDER FOR PUBLICATION OF A RULE WITHOUT A PUBLIC HEARING

IT IS ORDERED this 30th day of August, 1985 that a Notice of Intent to Adopt Rules Without a Public Hearing in the above-entitled matter be given to all persons who have registered their names with the Department of Human Services for that purpose and be published in the State Register.

STATE OF MINNESOTA

LEONARD W. LEVINE
Commissioner of Human Services

SFM/14

STATE OF MINNESOTA
DEPARTMENT OF HUMAN SERVICES

In the Matter of the Proposed Adoption of a Department of Human Services Rule Governing Reimbursement for Cost of Care of Patients in a State Hospital

NOTICE OF PROPOSED ADOPTION OF A RULE WITHOUT A PUBLIC HEARING

Notice is hereby given that the State Department of Human Services proposes to adopt the above-entitled rule without a public hearing following the procedures set forth in Minnesota Statutes, sections 14.22 to 14.28. The specific statutory authority to adopt the rule is Minnesota Statutes, sections 246.50 to 246.55 .

Persons interested in this rule shall have 30 days in which to submit comment in support of or in opposition to the proposed rule or any part or subpart of the rule and comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed.

Any person may make a written request for a public hearing on the rule within the 30-day comment period. If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw their request. Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed. If a public hearing is required, the agency will proceed pursuant to Minnesota Statutes, sections 14.131 to 14.20.

Persons who wish to submit comments or a written request for a public hearing must submit such comments or requests by 4:30 p.m., October 16, 1985, to:

Luanne Laurents
Reimbursement Division
Department of Human Services
Fourth Floor Space Center
444 Lafayette Road
St. Paul, MN 55101
612/296-2140

The proposed rule may be modified if the modifications are supported by data and views and do not result in a substantial change in the proposed rule as noticed.

The proposed amendements to Minnesota Rules, parts 9515.1000 to 9515.2600 implement amendments passed by the 1984 Legislature. Parts 9515.1000 to 9515.2600 specify the extent of liability of responsible relatives for the cost of care of patients in state hospitals. Most of the amendments are procedural in nature or result in minor changes only.

For the purpose of determining a relative's reimbursement for the cost of care of a patient of a state hospital, dividends and interest would be characterized as personal property; the definition of "homestead" would be

made consistent with the long-standing definition in Minnesota Statute, section 510.02; all references to in-kind income would be eliminated; children of mentally ill or chemically dependent patients would no longer be liable for state hospital costs; personal interview procedures would be modified to allow contact by mail or telephone; retroactive lump sum awards would be treated as income during the months for which they are designated; the special personal allowance would change from $50 per month to 50 percent of net monthly income as specified by statute; and differential treatment between spouses who are employed outside the home, and those who are not, would be eliminated.

The amendments would further provide for the deduction from gross income of actual costs of housing and a monthly household living allowance in situations involving outpatients and former patients.

A copy of the rule is available for review from Luanne Laurents upon request.

A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rule amendments and identifies the data and information relied upon to support the proposed rule has been prepared and is available from Luanne Laurents upon request.

The adoption of these rules will not require the expenditure of any money by local government bodies. A fiscal note which explains that there is no cost to local government bodies is available from Luanne Laurents.

These rules will not have a direct impact on small businesses.

If no hearing is required, upon adoption of the rule, the rule and the required supporting documents will be delivered to the Attorney General for review as to legality and form to the extent the form relates to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the adopted rule, must submit the written request to Luann Laurents.

State of Minnesota

1-4-85

Date

LEONARD W. LEVINE
Commissioner

SFM/11

STATE OF MINNESOTA

DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF THE PROPOSED ADOPTION OF A DEPARTMENT OF HUMAN SERVICES RULE GOVERNING REIMBURSEMENT FOR COST OF CARE OF PATIENTS IN A STATE HOSPITAL

AFFIDAVIT OF MAILING

Nancy Storelee, being first duly sworn, deposes and says:

That on the 11th day of September, 1985, at the City of St. Paul, County of Ramsey, State of Minnesota, I served the attached Notice of Proposed Adoption of a Rule Without a Public Hearing by depositing in the State of Minnesota Central Mail System for first class mailing, a copy thereof, properly enveloped, with postage prepaid, on all persons and associations who have requested that their names be placed on file with the Department of Human Services for the purpose of receiving notice of proposed adoption of a rule without a public hearing by this Department.

Nancy Storelee

Subscribed and sworn to before me

this 1 day of October, 1985.

Claudia A. Eliason

CLAUDIA A. ELIASON
NOTARY PUBLIC-MINNESOTA
WASHINGTON COUNTY
MY COMMISSION EXPIRES NOVEMBER 15, 1990

STATE OF MINNESOTA
DEPARTMENT OF HUMAN SERVICES

In the Matter of the Proposed Adoption of a Department of Human Services Rule Governing Reimbursement for Cost of Care of Patients in a State Hospital	NOTICE OF PROPOSED ADOPTION OF A RULE WITHOUT A PUBLIC HEARING

Notice is hereby given that the State Department of Human Services proposes to adopt the above-entitled rule without a public hearing following the procedures set forth in Minnesota Statutes, sections 14.22 to 14.28. The specific statutory authority to adopt the rule is Minnesota Statutes, sections 246.50 to 246.55 .

Persons interested in this rule shall have 30 days in which to submit comment in support of or in opposition to the proposed rule or any part or subpart of the rule and comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed.

Any person may make a written request for a public hearing on the rule within the 30-day comment period. If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw their request. Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed. If a public hearing is required, the agency will proceed pursuant to Minnesota Statutes, sections 14.131 to 14.20.

Persons who wish to submit comments or a written request for a public hearing must submit such comments or requests by 4:30 p.m., October 16, 1985, to:

Luanne Laurents
Reimbursement Division
Department of Human Services
Fourth Floor Space Center
444 Lafayette Road
St. Paul, MN 55101
612/296-2140

The proposed rule may be modified if the modifications are supported by data and views and do not result in a substantial change in the proposed rule as noticed.

The proposed amendements to Minnesota Rules, parts 9515.1000 to 9515.2600 implement amendments passed by the 1984 Legislature. Parts 9515.1000 to 9515.2600 specify the extent of liability of responsible relatives for the cost of care of patients in state hospitals. Most of the amendments are procedural in nature or result in minor changes only.

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A copy of the rule is available for review from Luanne Laurents upon request.

A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rule amendments and identifies the data and information relied upon to support the proposed rule has been prepared and is available from Luanne Laurents upon request.

The adoption of these rules will not require the expenditure of any money by local government bodies. A fiscal note which explains that there is no cost to local government bodies is available from Luanne Laurents.

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State of Minnesota

9-4-85

Date

LEONARD W. LEVINE
Commissioner

SFM/11

STATE OF MINNESOTA

DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF THE PROPOSED ADOPTION OF A DEPARTMENT OF HUMAN SERVICES RULE GOVERNING REIMBURSEMENT FOR COST OF CARE OF PATIENTS IN A STATE HOSPITAL

AFFIDAVIT OF ADDITIONAL MAILING

Nancy Storelee, being first duly sworn, deposes and says:

That on the 11th day of September, 1985, at the City of St. Paul, County of Ramsey, State of Minnesota, in addition to serving the attached Notice of Proposed Adoption of a Rule Without a Public Hearing to all persons and associations who have requested that their names be placed on file for the purpose of receiving Notice of Proposed Adoption of a rule without a public hearing by this Department, I also served the attached Notice by depositing in the State of Minnesota Central Mail System for first class mailing, a copy thereof, properly enveloped, with postage prepaid, to the following agencies:

.The 87 Minnesota County Human Services Agencies
.11 State Hospitals

Nancy Storelee

Subscribed and sworn to me before

this 1 day of October, 1985.

Claudia A. Eliason

CLAUDIA A. ELIASON
NOTARY PUBLIC-MINNESOTA
WASHINGTON COUNTY
MY COMMISSION EXPIRES NOVEMBER 15, 1990

STATE OF MINNESOTA
DEPARTMENT OF HUMAN SERVICES

In the Matter of the Proposed Adoption of a Department of Human Services Rule Governing Reimbursement for Cost of Care of Patients in a State Hospital	NOTICE OF PROPOSED ADOPTION OF A RULE WITHOUT A PUBLIC HEARING

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444 Lafayette Road
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State of Minnesota

9-4-85

Date

LEONARD W. LEVINE
Commissioner

SFM/11

STATE OF MINNESOTA

DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF THE PROPOSED ADOPTION OF A DEPARTMENT OF HUMAN SERVICES RULE GOVERNING REIMBURSEMENT FOR COST OF CARE OF PATIENTS IN A STATE HOSPITAL

CERTIFICATE

I hereby certify that the list of persons, associations, and other interested groups who have requested, pursuant to Minnesota Statutes, section 14.14, subdivision 1, that their names be placed on file with and maintained by the Department of Human Services for the purpose of receiving notice of the proposed adoption of rules by this Department is accurate and complete as of 2:00 p.m., this 11th day of September, 1985.

Nancy Storlee

Rule Hearing Mailing List
Inter Office
Page One

F. James Rybak, Ph.D.
MN Dept. of Economic Security
690 American Center Bldg. OEO
150 East Kellogg Blvd.
St. Paul, MN 55101

J. Poupart
Ombudsman
Department of Ombudsman for Corrections
333 Sibley Street, Suite 895

Director,
Office of Community Development
Minn. Dept. of Health

Charles Schaffer
MN Dept. of Energy, Planning & Development
980 American Center
150 East Kellogg

Jean Dawson, Editor
The Minnesota Governement Report
B-12 Press Room,
State Capitol

MN Board on Aging
204 Metro Square Bldg.
St. paul, MN 55101

Executive Secretary
MN Board of Pharmacy
717 Delaware St. SE #351
Mpls., MN 55414

Office of the Commissioner
MN Dept. of Energy and Economic Development
900 American Center Bldg.

Jonathan A. Balk
Chief Executive Officer
Cambridge State Hospital

Executive Secretary
MN Board of Psychology
717 Delaware St. SE #343
Mpls., MN 55414

Director,
Developmental Disabilities Planning Office
201 Capitol Square Bldg.

Maryanne V. Hruby
Executive Director, LCRAR
55 State Office Building

Martha Schmitt, Research Cons.
DFL Caucus Research
MN House of Representatives
Room 264, State Office Bldg.

Charles V. Turnbull
Chief Executive Officer
Faribault State Hospital
Faribault, MN 55021

Ramsey County Commissioners
Courthouse
St. Paul, MN 55101

Roland F. Winterfeldt, Dir.
Otter Tail County
Dept. of Social SErvices
Fergus Falls, MN 56537

Linda Ewen
Anoka County Financial Serv. Department
Courthouse, 3rd Floor
Anoka, MN 55303

Jeff Olson
Deputy Commissioner
Dept. of Veterans Affairs
Veterans Service Building

John Anderson
Rules Unit
6th Floor, Space Center

Rae Bly
Rules Unit
4th Floor, COB

Rosemary Chapin
DHS, Rules Unit
6th Floor, Space Center

Mike Dean
DHS, Rules Unit
6th Floor, Space Center

Jane Delage
Rules Unit
4th Floor, COB

Dan Lipschultz
Rules Unit
4th Floor, COB

Dorothy Mosso
DHS, Rules Unit
6th Floor, Space Center

Jane Nelson
Rules Unit
4th Floor, COB

Barry Stern
Rules Unit
4th Floor, COB

Eleanor Weber
DHS, Rules Unit
6th Floor, Space Center

Alice Weck
Rules Unit
4th Floor, COB

RULE HEARING MAILING LIST
1ST CLASS MAIL
PAGE ONE

Regulatory Department
S & FA Reporting Serv., Inc.
1101 - 15th ST. NW
Washington, D.C. 20005

South Center Manor, Inc.
Park Island
Center City, MN 55012

Leo Fitzpatrick
8138 Henslowe Ave. S.
Cottage Grove, MN 55016

Forestview - Hemmingway
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due to sickness, ~~or~~ injury ~~of the filer~~, or other compelling reason ~~when~~ upon receipt of a written request for a waiver ~~is submitted not later than the fifth business day following the day of filing the late statement or report~~.

4515.0100 DEFINITIONS.

Subpart 1. ~~**Act.** "Act" means Laws of Minnesota 1974, chapter 470, approved April 12, 1974, and effective April 13, 1974 (Minnesota Statutes 1974, sections 10A.01 to 10A.34)~~ **Applicability.** When they are used in this chapter, the terms defined in this part have the meanings given them.

Subp. 2. [Unchanged.]

Subp. 3. [See repealer.]

Subp. 4. and 5. [Unchanged.]

Subp. 6. **Public official.** "Public official" ~~means: any member of the legislature; any person holding a constitutional office in the executive branch and his chief administrative deputy; any member of a state board or commission with rulemaking authority as provided in Minnesota Statutes, section 14.02; any person employed by the executive branch in a position specified in Minnesota Statutes, section 15A.081; any person employed by the legislature as secretary of the senate, chief clerk of the house, revisor of statutes, legislative auditor, or researcher or attorney in the office of legislative research; any member of the Metropolitan Council, Metropolitan Transit Commission, Metropolitan Sewer Board, or Metropolitan Airports Commission. Minnesota Statutes 1974, section 10A.01, subdivision 18~~ has the meaning given in Minnesota Statutes, section 10A.01, subdivision 18.

Subp. 7. [Unchanged.]

4515.0300 APPLICABILITY OF THE CONFLICTS OF INTEREST PROVISIONS.

Any public official who, in the discharge of ~~his~~ official duties, would be required to take action or make a decision which would substantially affect ~~his~~ the official's financial interests, or those of a business with which he is associated, as that term is defined in Minnesota Statutes, section 10A.01, subdivision 4, must file a potential conflict of interest notice, unless the effect on ~~him~~ the official is no greater than on other members of ~~his~~ the official's business classification, profession, or occupation.

4520.0100 DEFINITIONS.

Subpart 1. ~~**Act.** "Act" means Laws of Minnesota 1974, chapter 470, approved April 12, 1974, and effective April 13, 1974 (Minnesota Statutes 1974, sections 10A.01 to 10A.34)~~ **Applicability.** When they are used in this chapter, the terms defined in this part have the meanings given them.

Subp. 2. [Unchanged.]

Subp. 3. [See repealer.]

Subp. 4. [Unchanged.]

Subp. 5. **File, filed, ~~and~~ filing.** "File," "filed," and "filing," mean delivery to the ~~Minnesota~~ office of the Ethical Practices Board by ~~midnight of~~ 4:30 p.m. on the prescribed filing date ~~for filing or deposit as certified mail in an established United States post office, postage prepaid, no later than midnight two days before the prescribed~~ or postmarked on the filing date. If the filing date is a Saturday, Sunday, or legal holiday, the filing date is the next regular business day.

Subp. 6. [Unchanged.]

Subp. 7. **Public official.** "Public official" ~~means: any member of the legislature; any person holding a constitutional office in the executive branch and his chief administrative deputy; any member of a state board or commission with rulemaking authority as provided in Minnesota Statutes, section 14.02, subdivision 4; any person employed by the legislature as secretary of the senate, chief clerk of the house, revisor of statutes, legislative auditor, or researcher or attorney in the office of legislative research; any person employed by the executive branch in a position specified in Minnesota Statutes, section 15A.081; any member of the Metropolitan Council, Metropolitan Transit Commission, Metropolitan Sewer Board, or Metropolitan Airports Commission. Minnesota Statutes 1974, section 10A.01, subdivision 18~~ has the meaning given in Minnesota Statutes, section 10A.01, subdivision 18.

REPEALER. Minnesota Rules, parts 4515.0100, subpart 3, and 4520.0100, subpart 3, are repealed.

Department of Human Services

Proposed Rules Relating to Reimbursement for Cost of Care of Patients in a State Hospital

Notice of Intent to Adopt Rules without a Public Hearing

Notice is hereby given that the State Department of Human Services proposes to adopt the above-entitled rule without a public

hearing following the procedures set forth in Minnesota Statutes, sections 14.22 to 14.28. The specific statutory authority to adopt the rule is Minnesota Statutes, sections 246.50 to 246.55.

Persons interested in this rule shall have 30 days in which to submit comment in support of or in opposition to the proposed rule or any part or subpart of the rule and comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed.

Any person may make a written request for a public hearing on the rule within the 30-day comment period. If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw their request. Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed. If a public hearing is required, the agency will proceed pursuant to Minnesota Statutes, sections 14.131 to 14.20.

Persons who wish to submit comments or a written request for a public hearing must submit such comments or requests by 4:30 p.m., October 16, 1985, to:

Luanne Laurents
Reimbursement Division
Department of Human Services
Fourth Floor Space Center
444 Lafayette Road
St. Paul, MN 55101
612/296-2140

The proposed rule may be modified if the modifications are supported by data and views and do not result in a substantial change in the proposed rule as noticed.

The proposed amendments to Minnesota Rules, parts 9515.1000 to 9515.2600 implement amendments passed by the 1984 Legislature. Parts 9515.1000 to 9515.2600 specify the extent of liability of responsible relatives for the cost of care of patients in state hospitals. Most of the amendments are procedural in nature or result in minor changes only.

For the purpose of determining a relative's reimbursement for the cost of care of a patient of a state hospital, dividends and interest would be characterized as personal property; the definition of "homestead" would be made consistent with the long-standing definition in Minnesota Statute, section 510.02; all references to in-kind income would be eliminated; children of mentally ill or chemically dependent patients would no longer be liable for state hospital costs; personal interview procedures would be modified to allow contact by mail or telephone; retroactive lump sum awards would be treated as income during the months for which they are designated; the special personal allowance would change from $50 per month to 50 percent of net monthly income as specified by statute; and differential treatment between spouses who are employed outside the home, and those who are not, would be eliminated.

The amendments would further provide for the deduction from gross income of actual costs of housing and a monthly household living allowance in situations involving outpatients and former patients.

A copy of the rule is available for review from Luanne Laurents upon request.

A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rule amendments and identifies the data and information relied upon to support the proposed rule has been prepared and is available from Luanne Laurents upon request.

The adoption of these rules will not require the expenditure of any money by local government bodies. A fiscal note which explains that there is no cost to local government bodies is available from Luanne Laurents.

These rules will not have a direct impact on small businesses.

If no hearing is required, upon adoption of the rule, the rule and the required supporting documents will be delivered to the Attorney General for review as to legality and form to the extent the form relates to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the adopted rule, must submit the written request to Luanne Laurents.

August 30, 1985

Leonard W. Levine
Commissioner

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." ADOPTED RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

Rules as Proposed

9515.1200 DEFINITIONS.

Subpart 1. to 6. [Unchanged.]

Subp. 7. **Gross income or gross earnings.** "Gross income" or "gross earnings" means all income received ~~including in kind income~~ except dividends and interest.

Subp. 8. **Homestead.** "Homestead" means the house owned and occupied by the patient as his or her dwelling place, together with the land upon which it is situated ~~and an area no greater than two contiguous lots in a platted and laid out city or town or the smallest parcel allowed under applicable zoning regulations in unplatted land~~ as limited by Minnesota Statutes, section 510.02.

Subp. 9. [See Repealer.]

Subp. 10. to 16. [Unchanged.]

Subp. 17. **Personal property.** "Personal property" means all property which is not real property including dividends and interest.

Subp. 18. to 20. [Unchanged.]

Subp. 21. **Responsible relative.** "Responsible relative" means the spouse~~,~~ and the parents of minor children~~, and in the case of the mentally ill or chemically dependent, the adult children of a patient,~~ in that order of liability for cost of care.

Subp. 22. [Unchanged.]

9515.1300 TIME OF DETERMINATION.

Ability to pay the cost of care shall be determined when the patient is admitted, when there is a change in the ~~patient's~~ person's financial affairs is in the hands of another person. When the patient is not the source of financial information the reason shall be cial status used in determining ability to pay, when the patient has been hospitalized for 120 days or more, when the patient is being discharged, and when the responsible relative's financial status has not been reviewed for one year.

Within the six-year period after the date of a patient's discharge from the hospital, the department from time to time may, and upon request of the patient shall, reevaluate the patient's ability to pay any balance of the charge for cost of care.

9515.1400 PERSONS INTERVIEWED TO DETERMINE ABILITY TO PAY.

In all instances the patient shall be present at the interview to determine ability to pay unless the patient is a minor or the ~~attending physician~~ treatment staff of the state hospital attests the patient's presence is medically contraindicated. ~~The physician's signed statement shall be placed~~ When the patient cannot be present at the interview, the reason shall be noted in the patient's financial information file.

The patient shall be the source of financial information to determine ability to pay except when the management of the patient's financial affairs is in the hands of another person. When the patient is not the source of financial information the reason shall be noted in the patient's financial information file.

When the patient is not able to act on his own behalf, the person interviewed shall be the patient's legal guardian, the conservator, the parents of a minor child, a spouse, a relative of the patient, a trustee, a representative payee, the patient's legal representative, or a county social worker.

If the patient is unable to pay the full cost of the per diem, the responsible relative shall be interviewed.

9515.1600 VERIFICATION REQUIRED.

This process shall be used to substantiate information entered on the signed financial information form. The ~~reimbursement officer~~ department shall verify: the ~~patient's~~ person's income, insurance benefits, property, deductions allowed to pay previously incurred debts, and the number of dependents claimed.

9515.1700 CONSENT FORMS.

The person shall provide the ~~reimbursement officer~~ department with a separate signed consent form for each verification which must be obtained from a third party. The name, date, and the information authorized shall be on the consent form prior to the person's signature. A blanket authorization may be used for a group of related agencies such as banks or insurance companies.

9515.2200 SOURCES OF INCOME CONSIDERED TO BE PATIENT RESOURCES.

Subpart 1. and 2. [Unchanged.]

Subp. 3. **Net income.** The patient's entire net income remaining after the deductions from gross income have been made in accordance with part 9515.2300, subpart 4 shall be available to pay the cost of care ~~and shall be converted to a daily amount~~.

Subp. 4. [Unchanged.]

9515.2300 NET INCOME OF PATIENT.

Subpart 1. [See Repealer.]

Subp. 2. **Lump sums.** Lump sums, other than excluded property, shall be treated as income in the month received and thereafter shall be treated as property, except that retroactive awards of social security or veterans' benefits shall be treated as income during the months to which such benefits are attributable. The patient shall report the lump sum to the department within ten working days.

Subp. 3. [Unchanged.]

Subp. 4. **Deductions from gross income to arrive at net income.** The following items shall be deducted from the patient's monthly gross income:

A. to J. [Unchanged.]

K. A personal needs and clothing allowance of the inpatient in the amount determined in accordance with Minnesota Statutes, section 256B.35 for persons receiving public assistance grants. In addition, a special personal allowance drawn solely from earnings from any productive employment under an individual plan of rehabilitation or work therapy shall be given to all patients in state hospitals. The special personal allowance shall not exceed ~~$50 per month~~ 50 percent of net monthly income. ~~This amount shall be adjusted in accordance with the limit established by the department pursuant to Minnesota Statutes, section 256B.36 for persons receiving public assistance grants;~~

L. [Unchanged.]

M. ~~A housing allowance for inpatients.~~ An inpatient without dependents living in his or her home shall be allowed the actual cost of his or her housing and utilities in the community for the month of admission and a period of three months of continuous hospitalization subsequent to that admission. An inpatient with dependents living in his or her home shall be allowed a pro rata share of his or her household's total actual housing costs during the month of admission and for a period of three months of continuous hospitalization subsequent to that admission. This housing allowance shall be available to the inpatient only twice in any one calendar year regardless of the number of times the patient is admitted to a state hospital in that calendar year. An outpatient or former patient shall be allowed the actual cost of his or her housing and utilities.

N. [Unchanged.]

9515.2400 MONTHLY HOUSEHOLD LIVING ALLOWANCE SCHEDULE.

Number in Household	Monthly Household Living Allowance
1	~~$ 356~~ $ 419
2	~~$ 534~~ $ 628
3	~~$ 712~~ $ 838
4	~~$ 890~~ $1,047
5	~~$1,068~~ $1,256
6	~~$1,246~~ $1,466
over 6	~~$1,246~~ $1,466 plus ~~$178~~ $209 for each additional person

The number in household of an inpatient shall be the number of dependents the patient claims. The number in household of an outpatient or former patient shall be the patient plus the number of dependents the patient claims. ~~The housing allowance for the outpatient is included in the above budgets~~ The gross monthly income of a patient's spouse, if any, shall be deducted from the housing allowances shown above.

By July 1 of each year, the department shall adjust the monthly household living allowance to reflect the annual percentage change reported in the most recent Consumer Price Index, for all urban consumers in the Minneapolis-Saint Paul area. The Consumer Price Index shall be as published by the Bureau of Labor Statistics, U.S. Department of Labor. The year 1967 is the standard reference base period.

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." ADOPTED RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

Rules as Proposed

9515.1200 DEFINITIONS.

Subpart 1. to 6. [Unchanged.]

Subp. 7. **Gross income or gross earnings.** "Gross income" or "gross earnings" means all income received ~~including in-kind income~~ except dividends and interest.

Subp. 8. **Homestead.** "Homestead" means the house owned and occupied by the patient as his or her dwelling place, together with the land upon which it is situated ~~and an area no greater than two contiguous lots in a platted and laid-out city or town or the smallest parcel allowed under applicable zoning regulations in unplatted land~~ as limited by Minnesota Statutes, section 510.02.

Subp. 9. [See Repealer.]

Subp. 10. to 16. [Unchanged.]

Subp. 17. **Personal property.** "Personal property" means all property which is not real property including dividends and interest.

Subp. 18. to 20. [Unchanged.]

Subp. 21. **Responsible relative.** "Responsible relative" means the spouse~~,~~ and the parents of minor children~~, and in the case of the mentally ill or chemically dependent, the adult children of a patient,~~ in that order of liability for cost of care.

Subp. 22. [Unchanged.]

9515.1300 TIME OF DETERMINATION.

Ability to pay the cost of care shall be determined when the patient is admitted, when there is a change in the ~~patient's~~ person's financial affairs is in the hands of another person. When the patient is not the source of financial information the reason shall be cial status used in determining ability to pay, when the patient has been hospitalized for 120 days or more, when the patient is being discharged, and when the responsible relative's financial status has not been reviewed for one year.

Within the six-year period after the date of a patient's discharge from the hospital, the department from time to time may, and upon request of the patient shall, reevaluate the patient's ability to pay any balance of the charge for cost of care.

9515.1400 PERSONS INTERVIEWED TO DETERMINE ABILITY TO PAY.

In all instances the patient shall be present at the interview to determine ability to pay unless the patient is a minor or the ~~attending physician~~ treatment staff of the state hospital attests the patient's presence is medically contraindicated. ~~The physician's signed statement shall be placed~~ When the patient cannot be present at the interview, the reason shall be noted in the patient's financial information file.

The patient shall be the source of financial information to determine ability to pay except when the management of the patient's financial affairs is in the hands of another person. When the patient is not the source of financial information the reason shall be noted in the patient's financial information file.

When the patient is not able to act on his own behalf, the person interviewed shall be the patient's legal guardian, the conservator, the parents of a minor child, a spouse, a relative of the patient, a trustee, a representative payee, the patient's legal representative, or a county social worker.

If the patient is unable to pay the full cost of the per diem, the responsible relative shall be interviewed.

9515.1600 VERIFICATION REQUIRED.

This process shall be used to substantiate information entered on the signed financial information form. The ~~reimbursement officer~~ department shall verify: the ~~patient's~~ person's income, insurance benefits, property, deductions allowed to pay previously incurred debts, and the number of dependents claimed.

9515.1700 CONSENT FORMS.

The person shall provide the ~~reimbursement officer~~ department with a separate signed consent form for each verification which must be obtained from a third party. The name, date, and the information authorized shall be on the consent form prior to the person's signature. A blanket authorization may be used for a group of related agencies such as banks or insurance companies.

9515.2200 SOURCES OF INCOME CONSIDERED TO BE PATIENT RESOURCES.

Subpart 1. and 2. [Unchanged.]

Subp. 3. **Net income.** The patient's entire net income remaining after the deductions from gross income have been made in accordance with part 9515.2300, subpart 4 shall be available to pay the cost of care ~~and shall be converted to a daily amount~~.

9515.2500 PROPERTY OF PATIENT.

Subpart 1. [Unchanged.]

Subp. 2. **Real property.** The value of the patient's homestead shall be excluded from consideration as a resource ~~if the patient remains in the hospital for less than 18 months, if the spouse or a minor child lives in it, or if it is rented while the patient is hospitalized~~.

The value of real property owned by the patient which produces a net income shall be excluded from consideration as a resource. Real property which the patient is selling on a contract for deed and for which the patient receives payments shall be considered income producing property.

Subp. 3. to 7. [Unchanged.]

9515.2600 RESPONSIBLE RELATIVE'S ABILITY TO PAY.

Subpart 1. [Unchanged.]

Subp. 2. **Interview.** The responsible relative shall be ~~interviewed~~ contacted to obtain and verify financial information.

Subp. 3. [Unchanged.]

Subp. 4. **Liability of responsible relatives.** When the sum of the benefits described in subpart 3 and the patient's other resources pay less than the full cost of care, the ability of each responsible relative to pay shall be determined in the statutory order of liability for cost of care. When two ~~or more~~ responsible relatives have the same order of liability for cost of care, a determination shall be made for each one except that a joint determination shall be made for parents who reside in the same household. ~~This provision applies to parents of a minor child and to the adult children of a mentally ill or chemically dependent patient.~~

Subp. 5. **Limitations on relative's ability to pay.** The ability of a responsible relative to pay shall be determined from the annual gross earnings of the responsible relative subject to the following limitations:

A. to F. [Unchanged.]

G. The liability of parents for cost of care provided to minor children shall be determined according to Minnesota Statutes, section 252.27, subdivision 2, and rules adopted under that section.

Subp. 6. to 11. [Unchanged.]

REPEALER. Minnesota Rules, parts 9515.1200, subpart 9, and 9515.2300, subpart 1, are repealed.

STATE OF MINNESOTA

DEPARTMENT OF HUMAN SERVICES

In the Matter of the Proposed Adoption of the Rule of the State Department of Human Services governing Reimbursement for Cost of Care of Patients of a State Hospital (Minnesota Rules, Parts 9515.1000 to 9515.2600)

FINDINGS OF FACT, CONCLUSIONS AND ORDER ADOPTING RULE ADOPTED WITHOUT PUBLIC HEARING

Notice of the Commissioner's proposed adoption of the above-entitled matter was published in the State Register on September 16, 1985 and was sent by United States mail to all persons on the list maintained by the agency pursuant to Minnesota Statutes, sections 14.14, subdivision 1, paragraph (a) and 14.22 on September 11, 1985.

All persons were given the opportunity to submit comment on the rule for 30 days after notice of proposed rulemaking. Fewer than 25 written requests for hearing within the 30-day comment period were received. One comment on the rule or request for notice of submission to the attorney general was received by the agency.

Based on the comments and evidence in the record before the agency, I find the following:

The data and views expressed in the single comment received do not support modifications to the above captioned rule. Mr. Brooks is correct in his observation that a number of these proposed amendments are not statutorily mandated. There is, however, statutory authority for them. Such amendments, which are procedural in nature or which would result in minor substantive change, are being proposed in view of the Department's experience of over three years in administering this rule. While these proposed amendments may reduce the liability of patients and relatives for cost of state hospital care in a small number of situations, the Department of Human Services does not believe that this will be accompanied by an increase in the liability of counties for such costs. Mr. Brooks also commented upon the treatment of the income of self-employed persons. It has been the practice of the Department to view the income of such persons as total income received in a given period of time less expenses necessarily incurred in producing such income. This practice would appear to meet his concerns. Finally, Mr. Brooks commented on the treatment of dividends and interest by the proposed amendments. As explained in the Statement of Need and Reasonableness, such amendments are being pro-

posed with the view of eliminating repetitive and insubstantial redeterminations of liability.

I hereby conclude:

1. The above-captioned rule is needed and reasonable.

2. All comments concerning the proposed amendments were received within the period allowed by law and were considered by the Department.

3. The Commissioner has statutory authority to promulgate these rules.

4. Proper notice of the Department's intent to adopt the proposed above-captioned amended rules was given as required by law and all interested persons afforded an opportunity to submit data and view.

5. Any duplication in these rules of language contained in Minnesota Statutes is crucial to the ability of persons affected by the rules to comprehend their meaning and effect.

6. The Department has complied with all applicable provisions of law and rule in the promulgation of these rules.

7. If any finding or part of a finding, above, is properly characterized as a conclusion, it is adopted as a conclusion.

NOW THEREFORE, IT IS ORDERED THAT THE RULE IDENTIFIED AS Reimbursement for Cost of Care of Patients in a State Hospital, Minnesota Rules, Parts 9515.1000 to 9515.2600 is adopted this 16th day of December, 1985 pursuant to authority vested in me by Minnesota Statutes, sections 246.50 and 246.55.

STATE OF MINNESOTA

Dated: 1985

Leonard Levine
Commissioner of Human Services

September, 1985

STATE OF MINNESOTA DEPARTMENT OF HUMAN SERVICES

In the Matter of the Proposed Amendments to the Department of Human Services' Rule Governing Reimbursement for Cost of Care of Patients of a State Hospital (Minnesota Rules, Parts 9515.1000 to 9515.2600)

STATEMENT OF NEED AND REASONABLENESS

The Commissioner of Human Services believes that the proposed amendments to Minnesota Rules, parts 9515.1000 to 9515.2600 are noncontroversial in nature and therefore appropriate for promulgation pursuant to Minnesota Statutes, sections 14.22 to 14.28. All proposed amendments reflect 1984 amendments to Minnesota Statutes, sections 246.50 to 246.55, are procedural in nature or would result in minor substantive change.

Amendments to Minnesota Rules, part 9515.1200, subparts 7 and 17 would require dividends and interest to be characterized as personal property. At present, dividends and interest are viewed as income, the receipt of which must be reported and which necessitates repetitive redeterminations of liability. These amendments would bring the rule into conformity with Medical Assistance Program policy and would eliminate the need for repetitive redeterminations by allowing a patient to report dividends and interest as personal property only when and if a redetermination of liability is required for other reasons.

The proposed amendments to Minnesota Rules, parts 9515.1200, subpart 8 and 9515.2500, subpart 2 would remove some existing limitations on the exclusion of a patient's homestead as an asset which may be considered in making determinations of liability for cost of care. Presently, a homestead is defined as a dwelling place consisting of an area no greater than two contiguous lots in a platted city or town or the smallest parcel allowed under applicable zoning regulations in unplatted land and is excluded from consideration as an available resource if the patient remains hospitalized for less than 18 months, if the spouse or a minor child resides in the homestead, or if it is rented while the patient is hospitalized. These amendments makes the rule consistent with the homestead exemption provided by Minnesota Statutes, section 510.02.

The repeal of Minnesota Rules, parts 9515.1200, subpart 9 and 9515.2300, subpart 1 would eliminate all references to in-kind income. Under the present regulatory scheme, in-kind income is defined as the value of resources other than money received by a patient in excess of $100 and is to be included in calculating a patient's income. While it is within the discretion of the agency to include the value of such resources in making determinations concerning ability to pay, repeal of these subparts would result in a more accurate reflection of resources actually available to patients, upon which satisfaction of claims for cost of care ultimately depends.

The proposed amendments to Minnesota Rules, parts 9515.1200, subpart 21 and 9515.2600, subpart 4, would eliminate children of mentally ill or chemically

dependent patients as classes upon which liability for cost of state hospital care may be imposed. These amendments are mandated by Minnesota Statutes, section 246.50, subdivision 6 as amended by 1984 Minnesota Laws, Chapter 534, Section 12.

The proposed amendments to Minnesota Rules, part 9515.1300 would clarify that determinations and redeterminations concerning liability for cost of care may be made with respect to both patients and, where applicable, responsible relatives. This confirms existing practice and is consistent with the agency's statutory authority contained in Minnesota Statutes, section 246.51, subdivision 1.

The amendments to Minnesota Rules, parts 9515.1400 and 9515.2600, subpart 2 would simplify or eliminate the present requirement of personal interviews of patients or responsible relatives in some circumstances. The amendments provide for a modified method of documenting the medical inadvisability of personally interviewing the patient so as to reflect actual practices in state hospitals. Additionally, the amendments provide that the agency merely contact rather than interview responsible relatives for the purpose of gathering financial information. Such contacts, whether by mail or telephone, have been shown to be effective in gathering the rather limited information required of responsible relatives and to be less burdensome for all concerned parties.

The proposed amendments to Minnesota Rules, parts 9515.1600 and 9515.1700 vest certain duties concerning verification of resources with the agency in general rather than with specific personnel and provide that such verification process applies to patients and responsible relatives. These proposed amendments reflect personnel changes which have occurred within the agency and clarify its general statutory authority concerning determination and verification of financial resources.

The proposed amendments to Minnesota Rules, part 9515.2200, subpart 3 would eliminate the requirement that determinations concerning ability to pay be expressed in terms of a daily rate. These amendments would conform to the provisions of Minnesota Statutes, section 246.52, which require determination orders to be issued to patients and relatives requiring monthly payments and would result in considerable administrative convenience in those situations in which a former patient has been determined able to make reimbursement of a liquidated sum based upon his or her monthly income. This proposal would result in no substantive change of a patient's or responsible relative's ultimate liability.

The proposed amendments to Minnesota Rules, part 9515.2300, subpart 2 would change the treatment of lump sums in some circumstances. Presently, lump sums are treated as income in the month received and thereafter as property. This has resulted in a number of situations in which a patient has received a retroactive award of monetary benefits from the federal government which is properly attributable to specific periods of time but which, under the present regulatory mechanisms, is viewed as property subject to the exclusion provided by Minnesota Rules, part 9515.2500, subpart 3.A. These amendments would cause such retroactive awards to be treated as income during the

months for which they were so designated and thereby eliminate differential treatment between those patients receiving benefits on a continuous periodic basis and those determined eligible for retroactive awards spanning periods of months or years.

The proposed amendments to Minnesota Rules, part 9515.2300, subpart 3.K. would change the special personal allowance drawn solely from earnings from any productive employment under an individual plan of rehabilitation or work therapy from $50 per month to 50 percent of net monthly income. These amendments would, in most cases, result in a somewhat larger exclusion of those resources which may be considered available to pay cost of state hospital care. These amendments are being proposed with the view of reconciling the potentially conflicting interests of obtaining reimbursement for cost of such care and of encouraging such rehabilitation or work therapy as a therapeutic device.

The proposed amendments to Minnesota Rules, part 9515.2400 would require that household living allowances determined in accordance with this part be reduced by the gross monthly income of patients' spouses. This would eliminate differential treatment between patients whose spouses are employed and those whose spouses are not employed outside the home and more accurately reflect the extent of resources available to maintain a household. Also, these amendments would clarify that former patients, whose liability is subject to redetermination, are also entitled to such allowances. Further, these amendments, along with those to Minnesota Rules, part 9515.2300, subpart 4.M., would provide for the deduction from gross income of actual costs of housing and a monthly household living allowance in situations involving outpatients and former patients. These amendments are being proposed in recognition of the fact that such expenses must be incurred in order to meet the basic necessities of food, clothing, shelter, and medical care.

The amendments to Minnesota Rules, part 9515.2600, subpart 5.G. incorporate by reference limitations on liability of parents for cost of care provided to minor children mandated by Minnesota Statutes, sections 246.511 and 252.27, subdivisions 1 and 2, as amended by 1984 Minnesota Laws, Chapter 530, Sections 1, 2, and 3.

Finally, an amendment to Minnesota Rules, part 9515.1200, subpart 8 eliminates the last reference to gender in the rule, thereby making it sex-neutral.

State of Minnesota

LEONARD W. LEVINE
Commissioner of Human Services

SFM/02

FISCAL NOTE

Change in Costs*

Source of Funding	F.Y. 1986	F.Y. 1987
State costs	none	none
Local costs	none	none
Less amount agency can absorb within existing funding	none	none
TOTAL:	none	none

If any portion is absorbed, indicate activity(s) affected: N/A

Change in Income*

	F.Y. 1986	F.Y. 1987
Increase/(Decrease) To/From which fund: N/A	none	none

Additional Personnel Required; Type; Estimated Annual Cost: N/A

Purpose of Amendments to Rule: See Statement of Need and Reasonableness for Minnesota Rules, Parts 9515.1000-.2600.

Criteria for Evaluation of Program: Implementation of uniform standards governing determinations of liability for cost of state hospital care.

Statutory Provisions Affected: Minn. Stat. §§ 246.50-246.55.

Long Range Financial and Program Implications: None

DEPARTMENT OF HUMAN SERVICES

Date: by: _____
Controller

Date: 7/17/85 by: _____
~~Deputy~~ Assistant Commissioner

* See attached methodology

ANTICIPATED FISCAL IMPACT OF PROPOSED AMENDMENTS TO MINNESOTA RULES, PARTS 9515.1000-9515.2600

The Reimbursement Division has concluded that the proposed amendments with which this fiscal note is concerned will have no fiscal impact upon state or local costs or revenue. These conclusions resulted from an analysis of the anticipated impact of these amendments in the context of the Reimbursement Division's experience in the administration of this rule in its present form. Such experience has shown that none of the proposed amendments will significantly expand or contract the classes of persons upon whom liability for cost of state hospital care may be imposed nor result in any appreciable change in the nature or extent of resources which may be considered available to defray cost of such care. The primary thrust of the proposed amendments is to make minor procedural changes in the manner in which determinations of liability for state hospital care are made rather than to effect fundamental alterations in the amounts of such determinations. Another goal of the amendments is to make the regulatory mechanism under which the Reimbursement Division functions a more realistic reflection of state hospital patients' financial circumstances, again in view of the experience in the administration of this rule. To the extent that the proposed amendments may be characterized as substantive in nature, they will at most result in inappreciable increases or decreases in revenue without requiring any changes in expenditures.

FISCAL NOTE

Change in Costs*

Source of Funding	F.Y. 1986	F.Y. 1987
State costs	none	none
Local costs	none	none
Less amount agency can absorb within existing funding	none	none
TOTAL:	none	none

If any portion is absorbed, indicate activity(s) affected: N/A

Change in Income*

	F.Y. 1986	F.Y. 1987
Increase/(Decrease) To/From which fund: N/A	none	none

Additional Personnel Required; Type; Estimated Annual Cost: N/A

Purpose of Amendments to Rule: See Statement of Need and Reasonableness for Minnesota Rules, Parts 9515.1000-.2600.

Criteria for Evaluation of Program: Implementation of uniform standards governing determinations of liability for cost of state hospital care.

Statutory Provisions Affected: Minn. Stat. §§ 246.50-246.55.

Long Range Financial and Program Implications: None

DEPARTMENT OF HUMAN SERVICES

Date: 7/17/85 by: L. M. Schoon
Controller

Date: by: _____
Deputy Commissioner

* See attached methodology

ANTICIPATED FISCAL IMPACT OF PROPOSED AMENDMENTS TO MINNESOTA RULES, PARTS 9515.1000-9515.2600

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STATE OF MINNESOTA

DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF THE PROPOSED ADOPTION OF A DEPARTMENT OF HUMAN SERVICES RULE GOVERNING REIMBURSEMENT FOR COST OF CARE OF PATIENTS IN A STATE HOSPITAL

STATEMENT OF COMPLIANCE WITH RULEMAKING PROCEDURES

I, Special Assistance Attorney General, Maureen Bellis, do hereby declare that I have examined the rules and all related documents and that, based on my examination and my personal familiarity with the applicable procedures, the Administrative Procedure Act, the rules of the Office of Administrative Hearings, and the rules of the Attorney General have been followed. Any exceptions are noted below.

Maureen W. Bellis
Special Assistant Attorney General

Dated: 12-17-85

STATE OF MINNESOTA

DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF THE PROPOSED ADOPTION OF A DEPARTMENT OF HUMAN SERVICES RULE GOVERNING REIMBURSEMENT FOR COST OF CARE OF PATIENTS IN A STATE HOSPITAL

AFFIDAVIT OF MAILING NOTICE OF SUBMISSION TO THE ATTORNEY GENERAL

STATE OF MINNESOTA)
)ss.
COUNTY OF RAMSEY)

Nancy Stoelle being first duly sworn, deposes and says:

That on the 18 day of December, 1985, in the City of St. Paul, County of Ramsey, State of Minnesota, I served the attached Notice of Submission to the Attorney General by depositing in the State of Minnesota Central Mail System for United States mailing, a copy thereof, properly enveloped, with postage prepaid, on all persons and associations who requested notice that the rules in the above-entitled matter have been submitted to the Attorney General.

Nancy Stoelle

Subscribed and sworn to before me

this 18 day of December, 1985.

Claudia G. Eliason

CLAUDIA A. ELIASON
NOTARY PUBLIC-MINNESOTA
WASHINGTON COUNTY
MY COMMISSION EXPIRES NOVEMBER 15, 1990

STATE OF MINNESOTA

DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF THE PROPOSED ADOPTION OF A DEPARTMENT OF HUMAN SERVICES RULE GOVERNING REIMBURSESMENT FOR COST OF CARE OF PATIENTS IN A STATE HOSPITAL

NOTICE OF SUBMITTAL TO THE ATTORNEY GENERAL

To all Interested Persons:

Pursuant to your request and in accordance with Minnesota Statutes, section 14.26, PLEASE TAKE NOTICE that the above-captioned rule(s) have been submitted to the Attorney General's Office on December 18, 1985 for review as to form and legality. Pursuant to Minnesota Rule, part 2000.0700, any person may question the legality of the above-captioned rules within eight (8) days after receipt of the rule by the Attorney General. Thereafter, the Office of the Attorney General shall conduct its review. If you desire to question the legality of the above-captioned rules, you should direct your comments to the Attorney General's Office, G-25 Administration Building, 50 Sherburne Avenue, St. Paul, Minnesota 55155.

Enclosed is a copy of the rule as submitted to the Attorney General. You may contact Ken Mentz at (612)296-3507 if you have anu questions about the rule.

Nancy Storlie

AUTHORIZED SIGNATURE

SF-00006-04

STATE OF MINNESOTA

Office Memorandum

DEPARTMENT : of Human Services

PHONE : 6-2794

DATE : December 18, 1985

TO : Judith Wehrwein
Attorney General

FROM : Bob Hamper BH
DHS Rules Unit Supervisor

SUBJECT : Attorney General Review, Noncontroversial Rule

Enclosed are the rule documents for your review and approval for the noncontroversial promulgation of the rule governing Reimbursement for Cost of Care of Patients in a State Hospital.

If you have any questions on this rule, please call Ken Mentz at 296-3507.

P.S. Judith, there was not a Notice of Intent to Solicit Outside Opinion published on this rule.

Bob