

Minnesota Attorney General: Administrative Rules Proceedings

Copyright Notice:

This material may be protected by copyright law (U.S. Code, Title 17). Researchers are liable for any infringement. For more information, visit www.mnhs.org/copyright.

Version 3
August 20, 2018

1264 05-0001.1620

RULE REVIEW CHECKLIST

DATE RULE RECEIVED 4-15-86
DATE FOR REVIEW 4-24
DATE DUE 4-30

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

Approved 4-25-86 mjc Disapproved _____ Returned to Agency _____

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

Date filed w/Secretary of State 4-28-86 Revisor approved 4.17.85
disapproved _____

✓ Rule as Adopted

✓ Rule as Proposed

✓ Order Adopting 4.14.86 Date combined w/ Order Adopting

✓ Notice of Intent to Solicit Outside Opinion SR. 4.23.84

✓ 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
9.23. At least 30 days prior to ~~hearing~~/adoption

✓ Mailing list Certificate

✓ Publication in State Register
9.23.85 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 combined w/ Order Adopting

N/A LCRAR Report or agency Affidavit

✓ Certificate of Board's Resolution Adopting Rules

✓ Order Approving Incorporation by Reference

✓ Statement of Need and Reasonableness

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

N/A Affidavit of Mailing Notice of Submission to Attorney General

✓ Notice of Submission to the Attorney General

SF-00006-03

STATE MINNESOTA

DEPARTMENT ATTORNEY GENERAL

Office Memorandum

TO: SISTER MARY MADONNA ASHTON
Commissioner of Health

ATTN: CATHERINE E. AVINA
Special Assistant Attorney General

DATE: 4/28/86

FROM: MARTHA J. CASSERLY MJC
Special Assistant Attorney General

PHONE: 296-4692

SUBJECT: In the Matter of Proposed Amendments to Rules Relating to Eligibility, Cost Sharing and Reimbursement for Services for Children with Handicaps, and Adults with Cystic Fibrosis and Hemphilia

The above-referenced rule has been approved as to its legality by the Attorney General on April 25, 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.

MJC:pmf

Enclosures

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

Duane Harves
Chief Administrative Law Judge
Office of Administrative Hearings

RR1266

AG copy.

Department of Health

Adopted Rules Relating to Services for Children with Handicaps

Rules as Adopted

4705.0100 DEFINITIONS.

Subpart 1. and 2. [Unchanged.]

Subp. 3. **Administrative review committee.** "Administrative review committee" means the committee, as identified by the commissioner of health, composed of administrative personnel from the Maternal and Child Health Division and the SCH program and a representative from the SCH field staff who have responsibility for the review of SCH decisions relating to eligibility and cost sharing for those applicants who wish review.

Subp. 4. **Allowable deductions.** "Allowable deductions" means those expenses incurred by household members for the following items:

A. medical/dental expenses for treatment and other health-care-related expenses paid during the previous 12 months which were not reimbursed by a third-party payer such as insurance or title XIX (medical assistance); and

B. transportation costs in order to obtain medical/dental care and services during the previous 12 months. Travel expenses by car are calculated at 27 cents a mile. Actual costs of train, airplane, bus, and taxi fares.

Subp. 5. to 10. [Unchanged.]

Subp. 11. **Cost-sharing schedule.** "Cost-sharing schedule" means the schedule which specifies income levels by number of members in the household and the corresponding percentage of that income level an applicant shall be required to share in the cost of treatment service(s), depending upon the level of their SCH adjusted income.

Subp. 12. to 26. [Unchanged.]

Subp. 27. **State gross median income.** "State gross median

APPROVED IN THE
REVISOR OF STATUTES
OFFICE BY:

income" means the income level at which 50 percent of the people in the state have incomes higher than the gross median income and 50 percent of the people in the state have incomes which are lower, as determined by the United States Secretary of Health and Human Services in accordance with procedures established in United States Code, title 42, section 2002 (a)(6), as amended through August 12, 1981, adjusted in accordance with regulations prescribed by the secretary to take into account the number of individuals in a household, at Code of Federal Regulations, title 45, section 96.85, as amended through November 16, 1983. State median income figures for each household size are published annually in the Federal Register.

Subp. 28. to 31. [Unchanged.]

4705.0300 APPLICANT ELIGIBILITY FOR DIAGNOSTIC EVALUATION.

An applicant shall complete an application provided by SCH as described in part 4705.0500. Any applicant, regardless of income, who meets all of the following criteria shall be eligible for a diagnostic evaluation authorized by SCH:

A. a resident of Minnesota; and

B. a child under 21 years of age with a suspected handicap, or an adult 21 years of age or over with cystic fibrosis or hemophilia.

In addition to items A and B, an applicant shall be required to make use of available third-party reimbursement sources for the examinations and tests necessary for a diagnostic evaluation. There shall be no out-of-pocket cost to the applicant for the actual examinations and tests. Prior written authorization shall be required for a diagnostic evaluation to be reimbursed in full or for that part not reimbursed by third-party payers by SCH.

4705.0400 APPLICANT ELIGIBILITY FOR TREATMENT SERVICES.

An applicant shall complete an application provided by SCH and described in part 4705.0500. Any applicant who meets all of the following criteria shall be eligible for SCH reimbursement to service providers for the cost of treatment service(s):

APPROVED IN THE REVISOR OF STATUTES OFFICE BY:

A. a resident of Minnesota; and

B. a child under 21 years of age who has a diagnosed handicapping condition as defined in parts 4705.0100 to 4705.1600, or an adult 21 years of age or older with cystic fibrosis or hemophilia.

In addition to items A and B, an applicant shall agree to participate in cost sharing if any is required, according to the specifications in part 4705.0600. An applicant shall be required to make use of available third-party reimbursement sources for treatment service(s). Prior written authorization shall be required for treatment service(s) to be reimbursed in full or in part by SCH.

An applicant who meets all of the criteria and requirements for eligibility, but whose handicapping condition may not require extended or sequential care, shall be eligible for SCH reimbursement to service providers in those instances where the cost of treatment is anticipated to exceed 40 percent of the applicant's adjusted gross income as defined in parts 4705.0100 to 4705.1600.

4705.0500 APPLICATION FOR SERVICE(S).

Subpart 1. to 3. [Unchanged.]

Subp. 4. **Financial responsibility under cost-sharing schedule.** For applicants for treatment service(s), SCH shall give a written explanation to the applicant detailing the applicant's financial responsibility under the cost-sharing schedule, if cost-sharing is indicated under part 4705.0600.

Subp. 5. [Unchanged.]

Subp. 6. **Period of eligibility.** The period in which an applicant shall remain eligible for SCH authorization for reimbursement to service providers of treatment costs shall be as follows:

A. One year from the date of the original eligibility determination.

B. SCH shall make an exception regarding the beginning date of eligibility in those instances where the child

APPROVED IN THE REVISOR OF STATUTES OFFICE BY:

is in an unanticipated treatment situation and the applicant was unaware of the program before this time. Where the time required to process the application will cause delay in the provision of treatment service(s), a documented, initial contact with SCH shall be considered the beginning of eligibility if the application is received within 60 days of the initial contact.

SCH shall send the applicant written notification of the date upon which eligibility begins. To maintain eligibility, an applicant must complete another application at the end of the eligibility period.

4705.0600 COST-SHARING.

Subpart 1. **Applicants who must cost-share.** Any applicant whose SCH adjusted income as defined and described in part 4705.0100, subpart 24 is above 60 percent of the state gross median income shall be required to share in the treatment costs of all service(s) authorized by SCH. SCH shall reimburse service providers for remaining expenses for authorized treatment service(s) which are not covered by the applicant's cost-sharing or third-party reimbursement sources. No cost sharing is required of an applicant who is a ward of the state or whose SCH adjusted income falls below 60 percent of the state gross median income.

Subp. 2. **Adjusted gross income.** The adjusted gross income used in any cost-sharing calculations shall be that of the applicant as applicant is defined in part 4705.0100, subpart 5. The income of a stepparent who does not adopt a child is not considered in cost-sharing calculations.

Subp. 3. **Amount of cost-sharing.** The amount of cost-sharing required of an applicant is determined in the following manner:

A. Step No. 1: The includable assets are totalled. If applicable, the household member deduction is subtracted from this total.

B. Step No. 2: The amount derived in Step No. 1 is then added to the adjusted gross income.

APPROVED IN THE REVISOR OF STATUTES OFFICE BY:

C. Step No. 3: The total of the allowable deductions is subtracted from the amount derived in Step No. 2. This figure indicates the SCH adjusted income.

D. [See Repealer.]

E. Step No. 4: The percentage that the applicant must share in the cost of treatment is based on the applicant's SCH adjusted income level and on the number of members in the household. This percentage is calculated according to the SCH cost-sharing schedule which must be updated annually to reflect any change in the state median income. The cost share schedule is determined for each household size, by establishing a zero cost share level for applicant families whose SCH adjusted income is equal to or less than 60 percent of the state gross median income. Increments of $1,000 are used to establish each succeeding cost share level for each size household. The percentage that an applicant family will share in the cost of treatment increases one percent for each $1,000, or fraction thereof, of applicant income above 60 percent of the state gross median income for that size household. For example, if X equals 60 percent of the state gross median income for Minnesota families with four members, applicant families of four members who have SCH adjusted incomes equal to or less than X will have a zero cost share obligation. Applicant families of four members whose SCH adjusted incomes fall between X and X plus $1,000 will have a one percent cost share obligation. The SCH cost-sharing schedule is incorporated by reference. It is subject to frequent change. The SCH cost-sharing schedule shall be published annually in the State Register no later than 30 days prior to the effective date of the schedule. It is available at the Ford Law Library, 117 University Avenue, Saint Paul, Minnesota 55155.

FFB

Subp. 4. to 6. [Unchanged.]

4705.0900 LIMITATIONS ON AUTHORIZATION OF REIMBURSEMENT FOR TREATMENT SERVICE(S).

SCH shall authorize reimbursement to a service provider

APPROVED IN THE
REVISOR OF STATUTES
OFFICE BY:

_____

only for treatment that is part of the treatment plan for an individual's handicapping condition. SCH shall not authorize reimbursement for the treatment of conditions determined by SCH to be primarily cosmetic in nature. SCH shall not authorize reimbursement for costs of equipment such as hospital beds or wheelchairs unless no other resource is available. Within any 12-month period, SCH shall pay no more than $10,000 for the care of an individual. SCH shall not authorize reimbursement for treatment service(s) not associated with an individual's eligible condition. An exception shall be made and treatment services not associated with an individual's eligible condition shall be authorized, subject to the $10,000 per 12-month period limit, when the SCH medical director has determined that medical conditions exist which, if left untreated, could have a deleterious impact upon the applicant's health status.

SCH shall not authorize reimbursement for treatment services for individuals 21 years of age or over with hemophilia except as specified in part 4705.1000.

4705.1400 RESPONSIBILITIES BETWEEN SCH AND SERVICE PROVIDERS.

Subpart 1. [Unchanged.]

Subp. 2. **Payment of service providers.** SCH shall pay service providers at the same rates for medical, dental, and hospital care up to the maximum allowable charges as set forth in the most current Medical Assistance Rates Schedule established by the Minnesota Department of Human Services pursuant to its authority found in parts 9500.0750 to 9500.1080. A copy of the most current Medical Assistance Rates Schedule is incorporated by reference, and is available at the Ford Law Library, 117 University Avenue, Saint Paul, Minnesota 55155. It is subject to frequent change. In instances where there are not established rates, SCH shall reimburse service providers at rates based upon the following criteria:

A. complexity of service;

B. time involved in completing the service;

C. training and skills of the service provider; and

APPROVED IN THE REVISOR OF STATUTES OFFICE BY:

D. reasonableness of fees in the context of the community.

SCH is the payer of last resort. SCH reimbursement of treatment costs to service providers shall be made only after arrangements have been made by the service provider to collect third-party and cost-sharing payments.

Subp. 3. to 6. [Unchanged.]

REPEALER. Minnesota Rules, parts 4705.0600, subpart 3, item D; and 4705.1600 are repealed.

APPROVED IN THE REVISOR OF STATUTES OFFICE BY:

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
APR 28 1986
Joan Anderson Growe
Secretary of State
9:35 AM

APPROVED AS TO FORM AND LEGALITY
April 25 1986
HUBERT H. HUMPHREY, III
ATTORNEY GENERAL
BY M J Cassuly
SPECIAL ASSISTANT ATTORNEY GENERAL

STATE OF MINNESOTA

COUNTY OF HENNEPIN

BEFORE THE MINNESOTA

COMMISSIONER OF HEALTH

In the Matter of Proposed Amendments to Rules Relating to Eligibility, Cost Sharing and Reimbursement for Services for Children with Handicaps, and Adults with Cystic Fibrosis and Hemophilia, Minnesota Rules, chapter 4705

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

Notice of the Commissioner's proposed adoption of the above-entitled rule was published in the State Register on September 23, 1985, and was sent by United States mail to all persons on the list maintained by the agency pursuant to Minnesota Statutes, section 14.14, subdivision 1, paragraph (a) and 14.22 on September 23, 1985.

All persons were given the opportunity to submit comment on the rule for 30 days after notice of proposed rulemaking. No requests for hearing or requests for notice of submission to the attorney general were received by the agency.

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

A. Part 4705.0100, subpart 27, which defines state gross median income is modified to clarify for the public what information is published annually in the Federal Register.

B. Part 4705.0600, subpart 3E, has been modified to include the formula which the agency uses to determine the cost share schedule by which the cost share of applicant families is determined. The modification also includes an example of how the formula works. By setting forth the formula in the rule, the agency may annually recalculate the cost share schedule by simply applying commonly accepted and widely available demographic data to the formula without the appearance of promulgating a rule outside the procedures of the Administrative Procedures Act.

C. The above modifications are not substantial changes from the rules as proposed. The parts as modified affect the same class of persons who were affected by the rule as proposed. Moreover, the modifications do not introduce significant new subject matter. Therefore, a reasonable person, on the basis of the rulemaking notice and proposed rule, could have anticipated that such modifications would occur during the rulemaking procedure.

D. The above-captioned rule as modified is needed and reasonable.

NOW, THEREFORE, IT IS ORDERED that the rule identified as Rules Relating to Services for Children with Handicaps is adopted this 14 day of April, 1986, pursuant to authority vested in me by Minnesota Statutes, sections 144.05-144.07, and 144.10-144.12.

STATE OF MINNESOTA

DEPARTMENT OF HEALTH

for Mary Madonna Ashton

SISTER MARY MADONNA ASHTON
Commissioner of Health

Department of Corrections

Outside Opinion Sought Regarding Proposed Changes in Rules Governing Group Foster Homes

Notice is hereby given that the Department of Corrections is seeking information or opinions from sources outside the agency in preparing to make changes in the promulgated rules Governing Group Foster Homes. The existing rules are identified Minnesota Rules 2925.0100.

The Minnesota Department of Corrections requests information and comments concerning the subject matter of these rules. Interested and affected persons or groups may submit statements of information or comments orally or in writing. Written statements should be addressed to:

John McLagan
430 Metro Square Building
7th & Robert Streets
St. Paul, Minnesota 55101

Oral statements will be received during regular business hours over the telephone at (612) 296-1312 and in person at the above address.

All statements of information and comments shall be accepted until May 18, 1984. Any written material received by the Department of Corrections shall become part of the record in the event that changes in the rules are promulgated.

Orville B. Pung
Commissioner of Corrections

Department of Health

Outside Opinion Sought Regarding: 1) Rules Governing Administration of the Special Supplemental Food Program for Women, Infants and Children (WIC); 2) Rules Governing Administration of the Maternal and Child Health (MCH) Grant Programs; 3) an Amendment to a Rule Governing Metabolic Screening, 7 MCAR § 1.172; 4) an Amendment to a Rule Governing Family Planning Special Projects, 7 MCAR § 1.457; 5) Repeal of a Rule Governing Private Baby Homes and Infant Homes, MDH 171; and 6) Amendments to Rules Relating to Services for Children with Handicaps and Adults with Cystic Fibrosis and Hemophilia for Eligibility, Cost Sharing and Reimbursement, 7 MCAR §§ 1.651-1.657

Notice is hereby given that the Department of Health is seeking information or opinions from persons outside the agency in preparing to promulgate new rules governing administration of the special supplemental food program for Women, Infants and Children (WIC) as authorized by Minn. Stat. §§ 144.110 and 144.11; rules governing administration of the MCH grant programs as authorized by Minn. Stat. § 145.882 (1982) as amended by Minnesota Laws 1983, ch. 312, art. 4, § 2; an amendment to a rule governing metabolic screening as authorized by Minn. Stat. § 144.125; an amendment to a rule governing family planning special projects as authorized by Minn. Stat. § 145.925, subd. 5; repeal of a rule governing private baby homes and infant homes as authorized by Minn. Stat. § 144.12, subd. 1 (4); and amendments to rules relating to services for children with handicaps and adults with cystic fibrosis and hemophilia for eligibility, cost sharing and reimbursement as authorized by Minn. Stat. § 144.12, as amended by Minnesota Laws 1983, ch. 359, § 9, and Minn. Stat. §§ 144.05, 144.06, 144.07, 144.09, 144.10, and 144.11 (1982). Further authority is vested in the Commissioner of Health (hereinafter "Commissioner") through Minnesota Department of Administration Reorganization Order No. 101 issued pursuant to Minn. Stat. § 16.125 (1982) (hereinafter "Reorganization Order 101"). Reorganization Order 101 vests the Commissioner with the authority to implement Minn. Stat. § 256.01, subd. 2(3) and (5), as amended by Minnesota Laws 1983, ch. 7, § 3; ch. 243, § 5, subd. 3; and ch. 312, art. 5, § 3. Reorganization Order 101 also vests the Commissioner with authority to implement Minn. Stat. §§ 256.011, 257.175, 250.05 (1982) as amended by Minnesota Laws 1983, ch. 305, § 22, and Minn. Stat. § 260.35 (1982) insofar as these statutes concern Services for Children with Handicaps. Further legal authority is found in Minn. Stat. §§ 14.05, subds. 1 to 3; 14.07 subd. 5 (Supp. 1983) and 14.06 (1982).

Outside opinion is also being solicited as to how these rules will affect small businesses as defined by Minnesota Laws 1983, ch. 188, codified as Minn. Stat. § 14.115, subd. 1.

The Department of Health requests information and comments concerning the subject matter of these rules. Interested or affected persons or groups may submit statements of information or comment in writing to: Mr. Gary Goetzke, Minnesota Department of Health, Maternal and Child Health Division, 717 Delaware Street, S.E., Minneapolis, MN 55440, (612) 623-5119.

All statements of information and comment will be accepted until May 31, 1984. Any written material received by the Department of Health will become part of the record in the event that the rules are promulgated.

Sister Mary Madonna Ashton
Commissioner of Health

Department of Health
Emergency Medical Services Section

Emergency Medical Services Licensure Application for Burnsville MN

As of April 23, 1984, a complete application for advanced life support transportation service was submitted by the City of Burnsville (i.e., Burnsville Fire Department), to operate a base of operation at 14011 Burnhaven Drive, Burnsville, Minnesota.

This notice is given pursuant to Minnesota Statutes 1979, Section 144.802, which requires in part that the Commissioner of Health shall publish the notice in the *State Register* at the applicant's expense; and in a newspaper in the municipality in which the service will be provided.

Each municipality, county, community health services agency, and any other interested person wishing to comment on this application may submit comments to the Metropolitan Health Board, 300 Metro Square Building, 7th and Robert, St. Paul, MN 55101, Attn: Tom Chapel, 612/291-6357. The comments mus reach the Health Systems Agency before May 23, 1984, or be submitted at the public hearing which will be held in Burnsville.

After a public hearing has been held, the Health Systems Agency shall recommend that the Commissioner of Health grant or deny a license or recommend that a modified license be granted. The Health Systems Agency shall make the recommendations and reasons available to any individual requesting them.

Within 30 days of receipt of the recommendation to the Commissioner of Health, the Commissioner shall grant or deny the license to this applicant.

Department of Public Welfare
Mental Health Bureau

Nominations Sought for Individuals to Serve as Reviewers for a Proposed Rule Governing the Provision of Home and Community-Based Waiver Services for Mentally Retarded Persons

Notice is hereby given that the Department of Public Welfare is seeking nominations of individuals to serve as reviewers of a proposed temporary rule which governs the provision of services as specified in the Home and Community-Based Services Waiver Request. Notice is hereby given that the Minnesota Department of Public Welfare is considering a draft temporary rule, Home and Community-Based Services Standards. This proposed temporary rule will provide standards for Home and Community-Based Services to those eligible mentally retarded individuals as specified in the Home and Community-Based Service Waiver.

All interested or affected persons or groups are invited to participate. Nominations may be addressed to:

Russell Tyler, Ph.D.
Mental Retardation Division
Department of Public Welfare
Centennial Office Building, 4th Floor
658 Cedar Street
St. Paul, MN 55155

Oral nominations will be received during regular business hours over the telephone (612) 297-1241. All nominations must be received by May 16, 1984.

STATE OF MINNESOTA

COUNTY OF HENNEPIN

BEFORE THE MINNESOTA

COMMISSIONER OF HEALTH

In the Matter of Proposed Amendments to Rules Relating to Eligibility, Cost Sharing and Reimbursement for Services for Children with Handicaps, and Adults with Cystic Fibrosis and Hemphilia, Minnesota Rules, chapter 4705

ORDER FOR NOTICE OF INTENT TO AMEND RULES WITHOUT A PUBLIC HEARING

IT IS ORDERED this 4th day of September, 1985, that a Notice of Intent to Amend Rules Without a Public Hearing in the above-entitled matter be given to all person who have registered their names with the Minnesota Department of Health for that purpose and be published in the State Register.

STATE OF MINNESOTA

DEPARTMENT OF HEALTH

Sr. Mary Madonna Ashton

SISTER MARY MADONNA ASHTON
Commissioner of Health

STATE OF MINNESOTA

COUNTY OF HENNEPIN

BEFORE THE MINNESOTA

COMMISSIONER OF HEALTH

In the Matter of Proposed Amendments to Rules Relating to Eligibility, Cost Sharing and Reimbursement for Services for Children with Handicaps, and Adults with Cystic Fibrosis and Hemophilia, Minnesota Rules, chapter 4705

NOTICE OF INTENT TO AMEND RULES WITHOUT A PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Commissioner of Health (hereinafter "Commissioner") proposes to amend Minnesota Rules, chapter 4705, governing eligibility, cost sharing and reimbursement for services for children with handicaps and adults with cystic fibrosis and hemophilia. A copy of the proposed amendments follows this notice.

The Commissioner has determined that the proposed amendments will be noncontroversial in nature and has elected to follow the provisions of Minnesota Statutes, section 14.22 to 14.28 (1984). Sections 14.22 to 14.28 provide for an expedited process for the adoption of administrative rule changes without the holding of a public hearing.

The implementation of these amendments will not require the expenditure of public money by local public bodies of greater than $100,000 in either of the two years following their adoption, nor do the amendments have any impact on agricultural land. Further, the small business considerations in rulemaking do not apply to these rules pursuant to Minnesota Statutes, section 14.115, subdivision 7(c) (1984).

THE PUBLIC IS HEREBY ADVISED that:

1. They have 30 days in which to submit comment in support of or in opposition to the proposed amendments, and comment is encouraged;

2. Each comment should identify the portion of the proposed amendment addressed, the reason for the comment, and any change proposed;

3. If twenty-five or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held;

4. All comments and any written requests for a public hearing shall be submitted to Nancy Okinow, Services for Children with Handicaps, Minnesota Department of Health, 717 Delaware Street Southeast, Minneapolis, Minnesota 55440;

5. Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed amendment addressed, the reason for the request, and any change proposed;

6. The proposed amendments may be modified if the modifications are supported by the data and views submitted and do not result in a substantial change in the proposed language;

7. Under this expedited procedure, if a hearing is not required, the department must submit any action on its rules to the attorney general for review of the form and legality of the rule change. Notice of the date of submission of the proposed amendment to the attorney general for review will be mailed to any person who requests to recieve the notice. Requests to receive notice must be submitted to Ms. Okinow at the above address;

8. Authority to amend Minn. Rules ch. 4705 is contained in Minnesota Statutes, sections 144.05 through 144.07 and 144.09 through 144.12 (1984). Additionally, a Statement of Need and Reasonableness that describes the need for and reasonablness of each provision of the proposed amendments has been prepared and is now available. Anyone wishing to receive a copy of this document may contact Ms. Okinow at the above address;

9. If twenty-five or more persons request a public hearing on this matter, notice of any such hearing will be published in the State Register;

10. Any rule change made pursuant to this proceeding shall be effective five working days after publicaton in the State Register of notice of the adoption of the change.

Dated: September 4, 1985

STATE OF MINNESOTA

DEPARTMENT OF HEALTH

Sr. Mary Madonna Ashton

SISTER MARY MADONNA ASHTON
Commissioner of Health

Rules as Proposed

4705.0100 DEFINITIONS.

Subpart 1. and 2. [Unchanged.]

Subp. 3. **Administrative review committee.** "Administrative review committee" means the committee, as identified by the commissioner of health, composed of administrative personnel from the ~~Division of Community Services~~ Maternal and Child Health Division and the SCH program and a representative from the SCH field staff who have responsibility for the review of SCH decisions relating to eligibility and cost sharing for those applicants who wish ~~such reconsideration~~ review.

Subp. 4. **Allowable deductions.** "Allowable deductions" means those expenses incurred by household members for the following items:

A. medical/dental expenses for treatment and other health-care-related expenses paid during the previous 12 months which were not reimbursed by a third-party payer such as insurance or title XIX (medical assistance); and

B. transportation costs in order to obtain medical/dental care and services during the previous 12 months. Travel expenses by car are calculated at ~~17~~ 27 cents a mile. Actual costs of train, airplane, bus, and taxi fares.

Subp. 5. to 10. [Unchanged.]

Subp. 11. **Cost-sharing schedule.** "Cost-sharing schedule" means the schedule ~~set out in part 4705.0600, subpart 3~~ which specifies income levels by number of members in the household and the corresponding percentage of that income level an applicant shall be required to share in the cost of treatment service(s), depending upon the level of their SCH adjusted income.

Subp. 12. to 26. [Unchanged.]

Subp. 27. **State gross median income.** "State gross median income" ~~is $25,394 annually for a family of four as developed by the Bureau of the Census and released by the Social Security Administration (Information Memorandum 82-13, September 24, 1982). "State gross median income" adjusted for households of~~

APPROVED BY THE REVISOR OF STATUTES OFFICE BY:

~~different-sizes-in-accordance-with-Federal-Register,-volume-45,~~ ~~page-56710-(Code-of-Federal-Regulations,-title-45,-section~~ ~~1396.60,-removed)-is:--households-of-one,-$13,205;-two,-$17,268;~~ ~~three,-$21,331;-five,-$29,457;-six,-$33,520;-seven,-$34,282;~~ ~~eight,-$35,044;-nine,-$35,806;-ten,-$36,567;-more-than-ten,-144~~ ~~percent-of-$25,394-plus-three-percent-of-$25,394-for-each~~ ~~household-member-in-excess-of-ten~~ means the income level at which 50 percent of the people in the state have incomes higher than the gross median income and 50 percent of the people in the state have incomes which are lower, as determined by the United States Secretary of Health and Human Services in accordance with procedures established in United States Code, title 42, section 2002 (a)(6), as amended through August 12, 1981, adjusted in accordance with regulations prescribed by the secretary to take into account the number of individuals in a household, at Code of Federal Regulations, title 45, section 96.85, as amended through November 16, 1983. State median income figures are published annually in the Federal Register.

Subp. 28. to 31. [Unchanged.]

4705.0300 APPLICANT ELIGIBILITY FOR DIAGNOSTIC EVALUATION.

An applicant shall complete an application provided by SCH as described in part 4705.0500. Any applicant, regardless of income, who meets all of the following criteria shall be eligible for a diagnostic evaluation authorized by SCH:

A. a resident of ~~the-state-of~~ Minnesota; and

B. a child under 21 years of age with a suspected handicap, or an adult 21 years of age or over with cystic fibrosis or hemophilia;

~~C.--a-child-who-is-suspected-to-be-a-child-with-a~~ ~~handicap~~.

In addition to ~~the-above-criteria~~ items A and B, an applicant shall be required to make use of available third-party reimbursement sources for the examinations and tests necessary for a diagnostic evaluation. There shall be no out-of-pocket cost to the applicant for the actual examinations and tests. Prior written authorization shall be required for a diagnostic

APPROVED BY THE REVISOR OF STATUTES OFFICE BY:

evaluation to be reimbursed in full or for that part not reimbursed by third-party payers by SCH.

4705.0400 APPLICANT ELIGIBILITY FOR TREATMENT SERVICES.

An applicant shall complete an application provided by SCH and described in part 4705.0500. Any applicant who meets all of the following criteria shall be eligible for SCH reimbursement to service providers for the cost of treatment service(s):

A. a resident of ~~the state of~~ Minnesota; and

B. a child under 21 years of age who has a diagnosed handicapping condition as defined in parts 4705.0100 to 4705.1600, or an adult 21 years of age or older with cystic fibrosis or hemophilia;

~~C. a child who has a diagnosed handicapping condition as defined in parts 4705.0100 to 4705.1600.~~

In addition to ~~the above criteria~~ items A and B, an applicant shall agree to participate in cost sharing if any is required, according to the specifications ~~set out~~ in part 4705.0600. An applicant shall be required to make use of available third-party reimbursement sources for treatment service(s). Prior written authorization shall be required for treatment service(s) to be reimbursed in full or in part by SCH.

An applicant who meets all of the criteria and requirements for eligibility, but whose handicapping condition may not require extended or sequential care, shall be eligible for SCH reimbursement to service providers in those instances where the cost of treatment is anticipated to exceed 40 percent of the applicant's adjusted gross income as defined in parts 4705.0100 to 4705.1600.

4705.0500 APPLICATION FOR SERVICE(S).

Subpart 1. to 3. [Unchanged.]

Subp. 4. **~~Preparation of~~ Financial responsibility under cost-sharing agreement** schedule. For applicants for treatment service(s), SCH shall ~~prepare~~ give a written explanation to the applicant detailing the applicant's financial responsibility under the cost-sharing ~~agreement~~ schedule, if cost-sharing is

indicated under part 4705.0600. ~~An applicant shall not be eligible to have treatment service(s) authorized through SCH until the cost-sharing agreement is signed by the applicant and received in the SCH office.~~

Subp. 5. [Unchanged.]

Subp. 6. Period of eligibility. The period in which an applicant shall remain eligible for SCH authorization for reimbursement to service providers of treatment costs shall be as follows:

A. ~~one year from the date of receipt by SCH of the signed cost-sharing agreement, when cost-sharing is required;~~

B. One year from the date of the original eligibility determination~~, when no cost-sharing is required~~.

~~C.~~ B. SCH shall make an exception regarding the beginning date of eligibility in those instances where the child is in an unanticipated treatment situation and the applicant was unaware of the program before this time. Where the time required to process the application will cause delay in the provision of treatment service(s), ~~the~~ a documented, initial contact with SCH shall be considered the beginning of eligibility if the application ~~and signed cost-sharing agreement~~ are is received within 60 days of ~~this~~ the initial contact.

SCH shall send the applicant written notification of the date upon which eligibility begins. To maintain eligibility, an applicant must complete another application at the end of the eligibility period.

4705.0600 COST-SHARING.

Subpart 1. **Applicants who must cost-share.** Any applicant whose SCH adjusted income as defined and described in part 4705.0100, subpart 24 is above 60 percent of the state gross median income shall be required to share in the treatment costs of all service(s) authorized by SCH. SCH shall reimburse service providers for remaining expenses for authorized treatment service(s) which are not covered by the applicant's cost-sharing or third-party reimbursement sources. No cost sharing ~~shall be~~ is required of an applicant who is ~~currently~~

~~eligible for medical assistance (title XIX),~~ a ward of the state or whose SCH adjusted income falls below 60 percent of the state gross median income.

Subp. 2. **Adjusted gross income.** The adjusted gross income used in any cost-sharing calculations shall be that of the applicant as applicant is defined in part ~~4705.1000~~ 4705.0100, subpart 5. The income of a stepparent who does not adopt a child is not considered in cost-sharing calculations.

Subp. 3. **Amount of cost-sharing.** The amount of cost-sharing required of an applicant is determined in the following manner:

A. Step No. 1: The includable assets are totalled. If applicable, the household member deduction is subtracted from this total.

B. Step No. 2: The amount derived in Step No. 1 is then added to the adjusted gross income.

C. Step No. 3: The total of the allowable deductions is subtracted from the amount derived in Step No. 2. This figure indicates the SCH adjusted income.

D. [See Repealer.]

E. Step No. 4: The percentage that the applicant must share in the cost of treatment is based on the applicant's SCH adjusted income level and on the number of members in the household. This percentage is calculated according to the SCH cost-sharing schedule which must be updated annually to reflect any change in the state median income. The SCH cost-sharing schedule is incorporated by reference. It is subject to frequent change. The SCH cost-sharing schedule shall be published annually in the State Register no later than 30 days prior to the effective date of the schedule. It is available at the Ford Law Library, 117 University Avenue, Saint Paul, Minnesota 55155.

Subp. 4. to 6. [Unchanged.]

4705.0900 LIMITATIONS ON AUTHORIZATION OF REIMBURSEMENT FOR TREATMENT SERVICE(S).

SCH shall authorize reimbursement to a service provider

APPROVED BY THE REVISOR OF STATUTES OFFICE BY:

only for treatment that is part of the treatment plan for an individual's handicapping condition. SCH shall not authorize reimbursement for the treatment of conditions determined by SCH to be primarily cosmetic in nature. SCH shall not authorize reimbursement for costs of equipment such as hospital beds or wheelchairs unless no other resource is available. Within any 12-month period, SCH shall pay no more than $10,000 for the care of an individual. SCH shall not authorize reimbursement for treatment service(s) not associated with an individual's eligible condition. An exception shall be made and ~~routine care shall be authorized by the SCH medical director when, as the result of the eligible condition, it is more probable than not that a life threatening situation or irrevocable damage or injury might occur during what otherwise would be routine~~ care treatment services not associated with an individual's eligible condition shall be authorized, subject to the $10,000 per 12-month period limit, when the SCH medical director has determined that medical conditions exist which, if left untreated, could have a deleterious impact upon the applicant's health status.

SCH shall not authorize reimbursement for treatment services for individuals 21 years of age or over with hemophilia except as specified in part 4705.1000.

4705.1400 RESPONSIBILITIES BETWEEN SCH AND SERVICE PROVIDERS.

Subpart 1. [Unchanged.]

Subp. 2. **Payment of service providers.** SCH shall pay service providers at the same rates for medical, dental, and hospital care up to the maximum allowable charges as set forth in the most current Medical Assistance Rates Schedule ~~(revised September 7, 1978)~~ established by the Minnesota Department of ~~Public Welfare (title XIX)~~ Human Services pursuant to its authority found in parts 9500.0750 to 9500.1080. A copy of the most current Medical Assistance Rates Schedule is incorporated by reference, and is available at the Ford Law Library, 117 University Avenue, Saint Paul, Minnesota 55155. It is subject to frequent change. In instances where there are not

APPROVED BY THE REVISOR OF STATUTES OFFICE BY:

established rates, SCH shall reimburse service providers at rates based upon the following criteria:

A. complexity of service;

B. time involved in completing the service;

C. training and skills of the service provider; and

D. reasonableness of fees in the context of the community.

SCH is the payer of last resort. SCH reimbursement of treatment costs to service providers shall be made only after arrangements have been made by the service provider to collect third-party and cost-sharing payments.

Subp. 3. to 6. [Unchanged.]

REPEALER. Minnesota Rules, parts 4705.0600, subpart 3, item D; and 4705.1600 are repealed.

APPROVED BY THE REVISOR OF STATUTES OFFICE BY:

OFFICE OF THE REVISOR OF STATUTES

Proposed Rule

RD688

Agency: Department of Health

Division:

Agency Contact: Gary Goetzke

Minnesota Rules: Parts 4705.0100; 4705.0300; 4705.0400; 4705.0500; 4705.0600; 4705.0900; 4705.1400

Title: Proposed Rules Relating to Services for Children with Handicaps

Type of Rules: Permanent

Incorporations by Reference:

Part Number:	Material Incorporated:
4705.0600, subpart 3, item E	The SCH cost-sharing schedule, published by the Department of Health
4705.1400, subpart 2	Medical Assistance Rates Schedule, published by the Minnesota Department of Human Services

Steven C. Cross
Revisor of Statutes

Susan M. Voigt
Assistant Revisor
Phone: 296-0956
Date: August 23, 1985

STATE OF MINNESOTA

COUNTY OF HENNEPIN

BEFORE THE MINNESOTA

COMMISSIONER OF HEALTH

In the Matter of Proposed Amendments to Rules Relating to Eligibility, Cost Sharing and Reimbursement for Services for Children with Handicaps, and Adults with Cystic Fibrosis and Hemophilia, Minnesota Rules, chapter 4705

AFFIDAVIT OF MAILING

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

That on the 23rd day of September, 1985, at the City of Minneapolis, County of Hennepin, State of Minnesota, she served the attached Notice of Intent to Amend Rules Without a Public Hearing by depositing in the United States mail through the mail room at the Minnesota Department of Health Building in said City of Minneapolis, true and correct copies thereof, properly enveloped, with postage prepaid, on all persons and associations who have requested that their names be placed on file with the Minnesota Department of Health for the purpose of receiving notice of the proposed adoption of rules by the Commissioner of Health.

Nancy Okinow

NANCY OKINOW
Services for Children
With Handicaps

MARJORIE A. JOHNSON
NOTARY PUBLIC — MINNESOTA
HENNEPIN COUNTY
My commission expires Sept. 9, 1990

Subscribed and sworn to before me
this 23 day of September 1985.

Marjorie A. Johnson

STATE OF MINNESOTA

COUNTY OF HENNEPIN

BEFORE THE MINNESOTA

COMMISSIONER OF HEALTH

In the Matter of Proposed Amendments to Rules Relating to Eligibility, Cost Sharing and Reimbursement for Services for Children with Handicaps, and Adults with Cystic Fibrosis and Hemophilia, Minnesota Rules, chapter 4705

NOTICE OF INTENT TO AMEND RULES WITHOUT A PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Commissioner of Health (hereinafter "Commissioner") proposes to amend Minnesota Rules, chapter 4705, governing eligibility, cost sharing and reimbursement for services for children with handicaps and adults with cystic fibrosis and hemophilia. A copy of the proposed amendments follows this notice.

The Commissioner has determined that the proposed amendments will be noncontroversial in nature and has elected to follow the provisions of Minnesota Statutes, section 14.22 to 14.28 (1984). Sections 14.22 to 14.28 provide for an expedited process for the adoption of administrative rule changes without the holding of a public hearing.

The implementation of these amendments will not require the expenditure of public money by local public bodies of greater than $100,000 in either of the two years following their adoption, nor do the amendments have any impact on agricultural land. Further, the small business considerations in rulemaking do not apply to these rules pursuant to Minnesota Statutes, section 14.115, subdivision 7(c) (1984).

THE PUBLIC IS HEREBY ADVISED that:

1. They have 30 days in which to submit comment in support of or in opposition to the proposed amendments, and comment is encouraged;

2. Each comment should identify the portion of the proposed amendment addressed, the reason for the comment, and any change proposed;

3. If twenty-five or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held;

4. All comments and any written requests for a public hearing shall be submitted to Nancy Okinow, Services for Children with Handicaps, Minnesota Department of Health, 717 Delaware Street Southeast, Minneapolis, Minnesota 55440;

5. Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed amendment addressed, the reason for the request, and any change proposed;

6. The proposed amendments may be modified if the modifications are supported by the data and views submitted and do not result in a substantial change in the proposed language;

7. Under this expedited procedure, if a hearing is not required, the department must submit any action on its rules to the attorney general for review of the form and legality of the rule change. Notice of the date of submission of the proposed amendment to the attorney general for review will be mailed to any person who requests to recieve the notice. Requests to receive notice must be submitted to Ms. Okinow at the above address;

8. Authority to amend Minn. Rules ch. 4705 is contained in Minnesota Statutes, sections 144.05 through 144.07 and 144.09 through 144.12 (1984). Additionally, a Statement of Need and Reasonableness that describes the need for and reasonablness of each provision of the proposed amendments has been prepared and is now available. Anyone wishing to receive a copy of this document may contact Ms. Okinow at the above address;

9. If twenty-five or more persons request a public hearing on this matter, notice of any such hearing will be published in the State Register;

10. Any rule change made pursuant to this proceeding shall be effective five working days after publicaton in the State Register of notice of the adoption of the change.

Dated: September 4, 1985

STATE OF MINNESOTA

DEPARTMENT OF HEALTH

S. Mary Madonna Ashton

SISTER MARY MADONNA ASHTON
Commissioner of Health

Rules as Proposed

4705.0100 DEFINITIONS.

Subpart 1. and 2. [Unchanged.]

Subp. 3. **Administrative review committee.** "Administrative review committee" means the committee, as identified by the commissioner of health, composed of administrative personnel from the ~~Division of Community Services~~ Maternal and Child Health Division and the SCH program and a representative from the SCH field staff who have responsibility for the review of SCH decisions relating to eligibility and cost sharing for those applicants who wish ~~such reconsideration~~ review.

Subp. 4. **Allowable deductions.** "Allowable deductions" means those expenses incurred by household members for the following items:

A. medical/dental expenses for treatment and other health-care-related expenses paid during the previous 12 months which were not reimbursed by a third-party payer such as insurance or title XIX (medical assistance); and

B. transportation costs in order to obtain medical/dental care and services during the previous 12 months. Travel expenses by car are calculated at ~~17~~ 27 cents a mile. Actual costs of train, airplane, bus, and taxi fares.

Subp. 5. to 10. [Unchanged.]

Subp. 11. **Cost-sharing schedule.** "Cost-sharing schedule" means the schedule ~~set out in part 4705.0600, subpart 3~~ which specifies income levels by number of members in the household and the corresponding percentage of that income level an applicant shall be required to share in the cost of treatment service(s), depending upon the level of their SCH adjusted income.

Subp. 12. to 26. [Unchanged.]

Subp. 27. State gross median income. "State gross median income" ~~is $25,394 annually for a family of four as developed by the Bureau of the Census and released by the Social Security Administration (Information Memorandum 82-13, September 24, 1982). "State gross median income" adjusted for households of~~

~~different sizes in accordance with Federal Register, volume 45, page 56710 (Code of Federal Regulations, title 45, section 1396.60, removed) is: households of one, $13,205; two, $17,268; three, $21,331; five, $29,457; six, $33,520; seven, $34,282; eight, $35,044; nine, $35,806; ten, $36,567; more than ten, 144 percent of $25,394 plus three percent of $25,394 for each household member in excess of ten~~ means the income level at which 50 percent of the people in the state have incomes higher than the gross median income and 50 percent of the people in the state have incomes which are lower, as determined by the United States Secretary of Health and Human Services in accordance with procedures established in United States Code, title 42, section 2002 (a)(6), as amended through August 12, 1981, adjusted in accordance with regulations prescribed by the secretary to take into account the number of individuals in a household, at Code of Federal Regulations, title 45, section 96.85, as amended through November 16, 1983. State median income figures are published annually in the Federal Register.

Subp. 28. to 31. [Unchanged.]

4705.0300 APPLICANT ELIGIBILITY FOR DIAGNOSTIC EVALUATION.

An applicant shall complete an application provided by SCH as described in part 4705.0500. Any applicant, regardless of income, who meets all of the following criteria shall be eligible for a diagnostic evaluation authorized by SCH:

A. a resident of ~~the state of~~ Minnesota; and

B. a child under 21 years of age with a suspected handicap, or an adult 21 years of age or over with cystic fibrosis or hemophilia; ~~or~~

~~C. a child who is suspected to be a child with a handicap.~~

In addition to ~~the above criteria~~ items A and B, an applicant shall be required to make use of available third-party reimbursement sources for the examinations and tests necessary for a diagnostic evaluation. There shall be no out-of-pocket cost to the applicant for the actual examinations and tests. Prior written authorization shall be required for a diagnostic

evaluation to be reimbursed in full or for that part not reimbursed by third-party payers by SCH.

4705.0400 APPLICANT ELIGIBILITY FOR TREATMENT SERVICES.

An applicant shall complete an application provided by SCH and described in part 4705.0500. Any applicant who meets all of the following criteria shall be eligible for SCH reimbursement to service providers for the cost of treatment service(s):

A. a resident of ~~the state of~~ Minnesota; and

B. a child under 21 years of age who has a diagnosed handicapping condition as defined in parts 4705.0100 to 4705.1600, or an adult 21 years of age or older with cystic fibrosis or hemophilia;

~~C. a child who has a diagnosed handicapping condition as defined in parts 4705.0100 to 4705.1600.~~

In addition to ~~the above criteria~~ items A and B, an applicant shall agree to participate in cost sharing if any is required, according to the specifications ~~set out~~ in part 4705.0600. An applicant shall be required to make use of available third-party reimbursement sources for treatment service(s). Prior written authorization shall be required for treatment service(s) to be reimbursed in full or in part by SCH.

An applicant who meets all of the criteria and requirements for eligibility, but whose handicapping condition may not require extended or sequential care, shall be eligible for SCH reimbursement to service providers in those instances where the cost of treatment is anticipated to exceed 40 percent of the applicant's adjusted gross income as defined in parts 4705.0100 to 4705.1600.

4705.0500 APPLICATION FOR SERVICE(S).

Subpart 1. to 3. [Unchanged.]

Subp. 4. **Preparation of** Financial responsibility under cost-sharing **agreement** schedule. For applicants for treatment service(s), SCH shall **prepare** give a written explanation to the applicant detailing the applicant's financial responsibility under the cost-sharing **agreement** schedule, if cost-sharing is

indicated under part 4705.0600. ~~An applicant shall not be eligible to have treatment service(s) authorized through SCH until the cost-sharing agreement is signed by the applicant and received in the SCH office.~~

Subp. 5. [Unchanged.]

Subp. 6. Period of eligibility. The period in which an applicant shall remain eligible for SCH authorization for reimbursement to service providers of treatment costs shall be as follows:

A. ~~one year from the date of receipt by SCH of the signed cost-sharing agreement, when cost-sharing is required;~~

B. One year from the date of the original eligibility determination~~, when no cost-sharing is required~~.

~~C.~~ B. SCH shall make an exception regarding the beginning date of eligibility in those instances where the child is in an unanticipated treatment situation and the applicant was unaware of the program before this time. Where the time required to process the application will cause delay in the provision of treatment service(s), ~~the~~ a documented, initial contact with SCH shall be considered the beginning of eligibility if the application ~~and signed cost-sharing agreement~~ ~~are~~ is received within 60 days of ~~this~~ the initial contact.

SCH shall send the applicant written notification of the date upon which eligibility begins. To maintain eligibility, an applicant must complete another application at the end of the eligibility period.

4705.0600 COST-SHARING.

Subpart 1. **Applicants who must cost-share.** Any applicant whose SCH adjusted income as defined and described in part 4705.0100, subpart 24 is above 60 percent of the state gross median income shall be required to share in the treatment costs of all service(s) authorized by SCH. SCH shall reimburse service providers for remaining expenses for authorized treatment service(s) which are not covered by the applicant's cost-sharing or third-party reimbursement sources. No cost sharing ~~shall be~~ is required of an applicant who is ~~currently~~

~~eligible for medical assistance (title XIX),~~ a ward of the state or whose SCH adjusted income falls below 60 percent of the state gross median income.

Subp. 2. **Adjusted gross income.** The adjusted gross income used in any cost-sharing calculations shall be that of the applicant as applicant is defined in part ~~4705.1000~~ 4705.0100, subpart 5. The income of a stepparent who does not adopt a child is not considered in cost-sharing calculations.

Subp. 3. **Amount of cost-sharing.** The amount of cost-sharing required of an applicant is determined in the following manner:

A. Step No. 1: The includable assets are totalled. If applicable, the household member deduction is subtracted from this total.

B. Step No. 2: The amount derived in Step No. 1 is then added to the adjusted gross income.

C. Step No. 3: The total of the allowable deductions is subtracted from the amount derived in Step No. 2. This figure indicates the SCH adjusted income.

D. [See Repealer.]

E. Step No. 4: The percentage that the applicant must share in the cost of treatment is based on the applicant's SCH adjusted income level and on the number of members in the household. This percentage is calculated according to the SCH cost-sharing schedule which must be updated annually to reflect any change in the state median income. The SCH cost-sharing schedule is incorporated by reference. It is subject to frequent change. The SCH cost-sharing schedule shall be published annually in the State Register no later than 30 days prior to the effective date of the schedule. It is available at the Ford Law Library, 117 University Avenue, Saint Paul, Minnesota 55155.

Subp. 4. to 6. [Unchanged.]

4705.0900 LIMITATIONS ON AUTHORIZATION OF REIMBURSEMENT FOR TREATMENT SERVICE(S).

SCH shall authorize reimbursement to a service provider

APPROVED BY THE REVISOR OF STATUTES OFFICE BY:

only for treatment that is part of the treatment plan for an individual's handicapping condition. SCH shall not authorize reimbursement for the treatment of conditions determined by SCH to be primarily cosmetic in nature. SCH shall not authorize reimbursement for costs of equipment such as hospital beds or wheelchairs unless no other resource is available. Within any 12-month period, SCH shall pay no more than $10,000 for the care of an individual. SCH shall not authorize reimbursement for treatment service(s) not associated with an individual's eligible condition. An exception shall be made and ~~routine care shall be authorized by the SCH medical director when, as the result of the eligible condition, it is more probable than not that a life threatening situation or irrevocable damage or injury might occur during what otherwise would be routine care~~ treatment services not associated with an individual's eligible condition shall be authorized, subject to the $10,000 per 12-month period limit, when the SCH medical director has determined that medical conditions exist which, if left untreated, could have a deleterious impact upon the applicant's health status.

SCH shall not authorize reimbursement for treatment services for individuals 21 years of age or over with hemophilia except as specified in part 4705.1000.

4705.1400 RESPONSIBILITIES BETWEEN SCH AND SERVICE PROVIDERS.

Subpart 1. [Unchanged.]

Subp. 2. **Payment of service providers.** SCH shall pay service providers at the same rates for medical, dental, and hospital care up to the maximum allowable charges as set forth in the most current Medical Assistance Rates Schedule ~~(revised September 7, 1978)~~ established by the Minnesota Department of ~~Public Welfare (title XIX)~~ Human Services pursuant to its authority found in parts 9500.0750 to 9500.1080. A copy of the most current Medical Assistance Rates Schedule is incorporated by reference, and is available at the Ford Law Library, 117 University Avenue, Saint Paul, Minnesota 55155. It is subject to frequent change. In instances where there are not

established rates, SCH shall reimburse service providers at rates based upon the following criteria:

A. complexity of service;

B. time involved in completing the service;

C. training and skills of the service provider; and

D. reasonableness of fees in the context of the community.

SCH is the payer of last resort. SCH reimbursement of treatment costs to service providers shall be made only after arrangements have been made by the service provider to collect third-party and cost-sharing payments.

Subp. 3. to 6. [Unchanged.]

REPEALER. Minnesota Rules, parts 4705.0600, subpart 3, item D; and 4705.1600 are repealed.

APPROVED BY THE REVISOR OF STATUTES OFFICE BY:

OFFICE OF THE REVISOR OF STATUTES

Proposed Rule

RD688

Agency: Department of Health

Division:

Agency Contact: Gary Goetzke

Minnesota Rules: Parts 4705.0100; 4705.0300; 4705.0400; 4705.0500; 4705.0600; 4705.0900; 4705.1400

Title: Proposed Rules Relating to Services for Children with Handicaps

Type of Rules: Permanent

Incorporations by Reference:

Part Number:	Material Incorporated:
4705.0600, subpart 3, item E	The SCH cost-sharing schedule, published by the Department of Health
4705.1400, subpart 2	Medical Assistance Rates Schedule, published by the Minnesota Department of Human Services

Steven C. Cross
Revisor of Statutes

Susan M. Voigt
Assistant Revisor
Phone: 296-0956
Date: August 23, 1985

STATE OF MINNESOTA

COUNTY OF HENNEPIN

BEFORE THE MINNESOTA

COMMISSIONER OF HEALTH

In the Matter of Proposed Amendments to Rules Relating to Eligibility, Cost Sharing and Reimbursement for Services for Children with Handicaps, and Adults with Cystic Fibrosis and Hemophilia, Minnesota Rules, chapter 4705

CERTIFICATE OF MAILING LIST

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 Minnesota Department of Health for the purpose of receiving notice of the proposed adoption of rules by the commissioner is accurate and complete as of 2 :00 P M, this 23rd day of September, 1985.

Nancy Okinow

NANCY OKINOW
Services for Children With Handicaps
Minnesota Department of Health

Michael J. Ahern, Esq.
Moss and Barnett, P.A.
1200 Pillsbury Center
200 South Sixth Street
Minneapolis, MN 55402

Alpha Homes, Inc.
P.O. Box 475
Spicer, MN 56288

American Water Well Drilling
West Route Box 42
Northome, MN 56661

Donna M. Anderson
Community Health Services Div.
1600 Highway 55
Hastings, MN 55033

Herbert Anderson
418 Eighth Street South
Virginia, MN 55792

James F. Andre, City Manager
City of Roseville
2660 Civic Center Drive
Roseville, MN 55113

Anoka County Community Health
and Social Services Dept.
c/o Robert Hutchinson
Courthouse - Fourth Floor
Anoka, MN 55303

Joan Archer
MN Manufactured Housing Assoc.
222 Little Canada Road
Suite 222
St. Paul, MN 55117

Kathleen P. Burek, Director
Office of Health Systems
Development
Minnesota Department of Health
717 S.E. Delaware Street
Minneapolis, MN 55440

Allyson Ashley
Southwestern Mental Health Ctr.
P.O. Box D
Luverne, MN 56156

Assisi Residences of Faribault
County, Inc.
218 South Linton
Blue Earth, MN 56013

Association for Retarded
Citizens of Olmsted County
903 West Center
Rochester, MN 55902

Walter A. Baldus
Woodvale Management
Services, Inc.
P.O. Box 1047
Austin, MN 55912

Charles Ball, Exec. Director
Ebenezer Center for Aging
2722 Park Avenue
Minneapolis, MN 55407

Bergerson - Caswell, Inc.
5115 Industrial Street
Maple Plain, MN 55359

James Biggar
205 West Center
Lake City, MN 55041

Cristine Boswell
Association for Retarded
Citizens of Hennepin County
Suite 370 - 2344 Nicollet Ave.
Minneapolis, MN 55404

Nancy Brady
Greenbrier Home
941 Birmingham
St. Paul, MN 55106

Dave Bredenberg
Christian Union Home
1507 Lowry Avenue Northeast
Minneapolis, MN 55418

Jennifer P. Bredenberg
Dept. of Community Development -
Environmental Health Division
City Hall-14600 Minnetonka Blvd.
Minnetonka, MN 55343

Nancy Briggs
New Connection Programs
73 Leech Street
St. Paul, MN 55102

John M. Broeker
Broeker, Hartfeldt, Hedges
and Grant
2850 Metro Drive, Suite 800
Minneapolis, MN 55420

Ray Bullick
410 South Fifth Street
Mankato, MN 56001

Georgine L. Busch
Our House of Minnesota, Inc.
1846 Dayton Avenue
St. Paul, MN 55104

Pamela Byers
Region IX Development Commission
Box 3367, 410 South Fifth Street
Mankato, MN 56001

Ann Carey
The Residence, Inc.
2499 N. Rice Street, Suite 220
Roseville, MN 55113

William R. Carter, III
Minnesota POST Board
333 Sibley Street, Suite 495
St. Paul, MN 55101

Thomas F. Catania, Jr.
117 University Avenue
200 Ford Building
St. Paul, MN 55101

Community Involvement Programs
2217 Nicollet Avenue South
Minneapolis, MN 55404

Becky A. Comstock
Dorsey and Whitney
1900 First Bank Place East
Minneapolis, MN 55402

William W. Conley
Mental Health Assoc. of MN
5501 Green Valley Drive
Bloomington, MN 55437

Milton Conrath
Wekton, Inc.
633 North Snelling
St. Paul, MN 55104

Pat Coughlin/Betsy Christensen
6700 Portland Avenue South
Richfield, MN 55423

Jan Cuccia
SE14 Local 113
3001 University Avenue S.E.
Minneapolis, MN 55414

Minnesota Chapter
Cystic Fibrosis Foundation
2344 Nicollet Avenue S.
Suite 150
Minneapolis, MN 55404

Rod Danielson
F.S. Carpenters Union #87
411 Main Labor Center
St. Paul, MN 55102

Donald A. Dee, MSPhA
Suite 326
2221 University Avenue S.E.
Minneapolis, MN 55414

Janice M. Devens, Director
Wright County Human Services
Courthouse
Buffalo, MN 55313

John E. Drawz
LeFevere, Lefler, Kennedy,
O'Brien and Drawz
2000 First Bank Place West
Minneapolis, MN 55402

James R. Driscoll
Orvilla, Inc.
3430 Westcott Hills Drive
Eagan, MN 55123

Glenn A. Erickson
445 City Hall
St. Paul, MN 55102

David Felske
Pine Ridge Homes, Inc.
915 - 18th Street
Cloquet, MN 55720

Bob Fitzgerald, D.C.
133 West Lake Street
Minneapolis, MN 55408

Jean Dawson
Minnesota Government Report
Room B-12 State Capitol
St. Paul, MN 55155

Dale Forseth
Minnesota Board of Dentistry
717 Delaware Street S.E.
Suite 338
Minneapolis, MN 55414

Conrad M. Fredin
811 Norwest Center
Duluth, MN 55802

Friendship Haven, Inc.
Box 576
Sherburn, MN 56171

Miller A. Friesen
Range Mental Health Center
P.O. Box 1188
Virginia, MN 55792

Peter X. Fugina
Minnesota Senior Federation
301 Fuller
St. Paul, MN 55103

Kathy Gaalswyk, Exec. Director
Region 5 Regional Development
Commission
611 Iowa Avenue
Staples, MN 56479

General Mills, Inc.
Attn: J. W. Haun - 4SW
P.O. Box 1113
Minneapolis, MN 55440

Ric M. Giese, Director
Pharmacy Department
U of M Hospitals and Clinics
Box 611 Mayo
420 Delaware Street Southeast
Minneapolis, MN 55455

James L. Glasoe, Exec. Director
Homeward Bound Inc.
4741 Zealand Avenue North
New Hope, MN 55441

Gerald Glomb
Good Neighbor Homes, Inc.
1081 Fairmount Avenue
St. Paul, MN 55105

Governmental Affairs Department
Minnesota Nurses Association
1821 University Avenue N-377
St. Paul, MN 55104

Philip G. Graves
Century Avenue
Hutchinson, MN 55350

Jerry Gross
Community Living
Box 130
Victoria, MN 55386

Eileen L. Harris
3601 Park Center Boulevard
Suite 301
St. Louis Park, MN 55416

Robert L. Haven
Twin Town Treatment Center
1706 University Avenue
St. Paul, MN 55104

Thomas L. Heenan
Supervising Sanitarian
City of Brooklyn Center,
Brooklyn Park and Crystal
4141 Douglas Drive
Crystal, MN 55422

Beverly Helgeson
Presbyterian Family Foundation
901 Memorial Parkway
Wilmar, MN 56201

Harold Hietala
St. Louis County Health Dept.
910 South 8½ Street
Virginia, MN 55792

SandraLee Henry
865 Front Avenue
St. Paul, MN 55103
Retired

Jack D. Higgins
American Baptist Homes of
the Midwest
11985 West 78th Street
Eden Prairie, MN 55344

Joan Hinderscheit
Mental Health Advocates'
Coalition
265 Fort Road
St. Paul, MN 55102

Charles B. Hoffman
Pickands Mather and Company
Suite 811 - 200 West Superior
Duluth, MN 55802

Irene Holmquist
Box 23
Worthington, MN 56187

David E. Holmstrom
c/o MN Board of Pharmacy
717 Delaware St. S.E. #351
Minneapolis, MN 55414

Home for Creative Living
Box 123
Windom, MN 56101

Hope Residence, Inc.
Box 63
Waterville, MN 56096

Cathie Hughes
North Memorial Medical Center
Planning Department
3300 Oakdale Avenue
Robbinsdale, MN 55422

Murvil R. Hurd, ACSW
Dakota County Mental Health Ctr
744 - 19th Avenue North
South St. Paul, MN 55075

Huron Drilling, Inc.
West Highway 14
Huron, S.D. 57350

Alan W. Ingram, Exec. Director
NASW, Minnesota Chapter
614 Portland, Room 302
St. Paul, MN 55102

Innovative Homes, Inc.
P.O. Box 11
Kasson, MN 55944

James Jack
Dept. of Recreation, Parks and
Leisure Services
Mankato State University
Mankato, MN 56001

Gertrude M. James
Fourth Floor Courthouse
325 East Main Street
Anoka, MN 55303

Gaynold Jensen, R.D.
111 West 107th Street
Minneapolis, MN 55420

Jobart, Inc.
Lincoln and W. Second Street
Sauk Centre, MN 56378

Gene Johannes
Minnesota Chiropractic Assoc.
2353 Rice Street
St. Paul, MN 55113

Steve Johnson
MN-DAK Retail Hardware Assoc.
3033 Excelsior Boulevard
Minneapolis, MN 55416

Jones, Haugh and Smith Inc.
515 South Washington
Albert Lea, MN 56007

Kevin C. Jones
Geo. A. Hormel and Company
P.O. Box 800
Austin, MN 55912

Sharon Kannenberg
Group Homes of Winona, Inc.
252 W. Wabasha Street
Winona, MN 55987

Barbara W. Kaufman
MN Assoc. of Voluntary Social
Service Agencies
141 S Griggs - Midway Building
1821 University Avenue
St. Paul, MN 55104

Richard J. Keenan, Esq.
Thompson and Klaverkamp, P.A.
4444 IDS Center
Minneapolis, MN 55402

Kent Well Drilling - Bob Kent
Rt. 1 Box 67-C
Wrenshall, MN 55797

Raylene Kimball, Interim Admin.
Box 214
Heartland Homes
Park Rapids, MN 56470

Koep Group Homes, Inc.
Rt. 1, Box 404
Fergus Falls, MN 56537

Jim Koesling
c/o Capitol Supply Company
600 Lafayette Road
St. Paul, MN 55101

Vicki Kunerth
627 Oak Street S.E.
Minneapolis, MN 55414

Byron Laher
United Way of Minneapolis
404 South Eighth Street
Minneapolis, MN 55404

W. J. Langlois
3M Company
3M Center - 225-2N-06
St. Paul, MN 55144

Ms. Tobey Lapakko
Director of Consumer Affairs
Minnesota AFL-CIO
175 Aurora Avenue
St. Paul, MN 55103

Leland L. Laymon
NC Dept. of Natural Resources/
Groundwater Section
P.O. Box 27687
Raleigh, N.C. 27611

Carol A. Lee
Harry Meyering Center
P.O. Box 302
Mankato, MN 56001

Stephen D. Lee
New Dawn
Box G
Fulda, MN 56131

Ernest K. Lehmann & Assoc., Inc
1409 Willow Street #300
Minneapolis, MN 55403
Attn: J. K. Moore

Rev. Richard J. Leisen
Catholic Charities
1730 Seventh Avenue South
St. Cloud, MN 56301

Karen Lenander
Norther States Power Company
A. S. King Plant, Box 34
Stillwater, MN 55082

David Lilienfeld
Room 333 - MN Dept. of Health
717 S.E. Delaware Street
Minneapolis, MN 55440

Sue Linder, Exec. Director
Ramsey County Medical Society
215 Lowry Medical Building
350 St. Peter Street
St. Paul, MN 55102

Georgianne Lowney
609 West First Street
Waconia, MN 55387

David Lurie
Commissioner of Health
City of Minneapolis
250 South Fourth Street
Minneapolis, MN 55415

Mary Luth
Washington County
2000 Industrial Boulevard
Stillwater, MN 55082

Thomas J. Manthey
1100 Superior Avenue, Room 1802
Cleveland, OH 44114

Mantyla Well Drilling, Inc.
1392 St. Croix Trail North
P.O. Box 797
Lakeland, MN 55043

Maryann S. Marino
Koppers Company, Inc.
1201 Koppers Building
Pittsburgh, PA 15219

Michael E. Maus, Ph.D.
Woodvale Management Services Inc.
P.O. Box 1047
Austin, MN 55912

Philip M. McDonald
2085 Eleanor Avenue
St. Paul, MN 55116

Sherry McGonigal
Meridian Minerals Company
Box 1779
Billings, MT 59103

Martin McGraw
P.O. Box 549
Cokato, MN 55321

Mary Kay McJiHon
Assoc. Director of Operations
People, Incorporated
1885 University Avenue
St. Paul, MN 55104

Carl F. Meissner
City of Cottage Grove
7516 80th Street South
Cottage Grove, MN 55016

Metropolitan Senior Federation
1885 University Avenue
St. Paul, MN 55104

MN Board of Examiners for
Nursing Home Administrators
717 Delaware Street S.E.
Minneapolis, MN 55414

Minnesota Dental Association
2236 Marshall Avenue
St. Paul, MN 55104

Susan Mock
The Robert H. Kellen Company
Suite 500-D
5775 Peachtree-Dunwoody Road
Atlanta, GA 30342

Roger Moore
P.O. Box 1249
Minnetonka, MN 55345-0249

Timothy S. Mowbray
Residential Services of
Northeastern Minnesota, Inc.
707 West Arrowhead Road
Duluth, MN 55811

Louis R. Nelson, Director
620 North Wood Street
Mora, MN 55051

Northeast House Inc.
c/o Donald G. Levin
2821 S. Inglewood Avenue
Minneapolis, MN 55416

Northeast Residence, Inc.
4680 Bald Eagle Avenue
White Bear Lake, MN 55110

Northern States Power Company
Medical Services
414 Nicollet Mall (Sixth Floor
Minneapolis, MN 55401

Jeffrey L. Olson
Deputy Commissioner
Department of Veterans Affairs
Second Floor-Vet. Serv. Bldg.
St. Paul, MN 55155

Olson Well Service
Donald Olson
Halstad, MN 56548

Howard L. Paulsen
2414 Park Avenue
Minneapolis, MN 55404

Gordon R. Peake, Land Manager
Texasgulf Minerals and
Metals, Inc.
5932 McIntyre Street
Golden, CO 80403

Norville Petersen
P.O. Box 1045
Virginia, MN 55792

Phillips Legislative Service Inc.
459 Rice Street
St. Paul, MN 55103

Connie Pikala
Foundation for Health Care
2221 University Avenue S.E.
Minneapolis, MN 55414

Kathleen Pine
Dakota's Children Inc.
400 West Marie Avenue
West St. Paul, MN 55118

Pine River Group Home
Box 96
Pine River, MN 56474

William P. Poblete
704 East Center Street #301
Rochester, MN 55904

Project Environment Foundation
Suite N, Boyd Place
2929 Fourth Avenue South
Minneapolis, MN 55408

QSS, Inc.
Charles A. Kroeger
P.O. Box 838
Faribault, MN 55021

Liz Ramsay
P.O. Box 1249
Minnetonka, Mn 55345-0249

Range Center, Inc.
P.O. Box 629
1001 Eighth Avenue Northwest
Chisholm, MN 55719

Residential Alternatives, Inc.
6300 Shingle Creek Parkway
Suite 195
Brooklyn Center, MN 55430

Verner E. Reuter, Manager
Minnesota Insurance Office
Boise Cascade Corporation
International Falls, MN 56649

Paul Riddle, Associate Director
Metropolitan Health Planning Bd.
300 Metro Square Building
Seventh and Robert Streets
St. Paul, MN 55101

Carol Riste
6300 Quincy Street Northeast
Fridley, MN 55432

Robert R. Roe
Kerr - McGee Corporation
710 Chippewa Square
Marquette, MI 49855

Alfred Ross
6356 Ware Road
Lino Lakes, MN 55014

Marjorie L. Ross
1145 Quentin Avenue South
Lakeland, MN 55043

Bruce T. Rowe, Administrator
Community Health Services Board
Carlton-Cook-Lake-St. Louis Co.
325 Lake Avenue South/Suite 604
Duluth, MN 55802

Neil A. Rowland
901 South Main Street
Chatfield, MN 55923

Rowland Well Co., Inc.
909 South Main Street Box 485
Chatfield, MN 55923

Sam Ruhle
Office of Administrative Hearing
400 Summit Bank Building
310 Fourth Avenue South
Minneapolis, MN 55415

St. Joe American Corporation
7880 12th Avenue South
Minneapolis, MN 55420

St. Mary's Hospital
Pharmacy Services
Virgil H. Lee, Asst. Director
1216 Second Street Southwest
Rochester, MN 55901

Peter J. Sajevic
276 North Snelling Avenue
St. Paul, MN 55104

Benno Salewski
MN Association of Health Care Facilities
2850 Metro Drive, Suite 429
Bloomington, MN 55420

Salmi Board and Lodging
Route 1, Box 237-B
Aurora, MN 55705

David L Sams, Director
Windom CRF Inc.
945 Prospect Avenue
Windom, MN 56101

Barry C. Schade, Director
Division of Water Quality
MN Pollution Control Agency
1935 West County Road B-2
Roseville, MN 55113

Charles A. Schaeffer, Ph.D.
Program of Business Information
Dept. of Economic Development
900 American Center Building
150 East Kellogg
St. Paul, MN 55101

Joyce M. Schowalter
MN Board of Nursing
717 Delaware Street S.E.
Minneapolis, MN 55414

Jean Searles, Resa Inc.
38 Seventh Avenue North
Hopkins, MN 55343

Shingle Creek Option
5624 - 73rd Avenue North
Brooklyn Park, MN 55429

returned
Mel Sinn, Executive Director
MN Water Resources Board
555 Wabasha Street, Rm. 206
St. Paul, MN 55102

Burton H. Skuza, O.D.
Executive Secretary
MN Board of Optometry
717 S.E. Delaware St., Rm. 342
Minneapolis, MN 55426

Carl A. Smith, Jr. (3750)
The Pillsbury Company
Pillsbury Center
Minneapolis, MN 55402

Dr. Robert W. Snyder
248 Classroom Office Building
1994 Buford Avenue
University of Minnesota
St. Paul, MN 55108

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

State and Federal Association
1101 - 15th Street Northwest
Suite 204
Washington, D.C. 20005

Mary E. Steele
St. Joseph's Hospital
69 West Exchange Street
St. Paul, MN 55102

Michael J. Stefft
Route 4 Box 249A
Willmar, MN 56201

Jerry B. Steinke
2978 Northview Street
Roseville, MN 55113

Sunnarborg Well Drilling Inc.
28 West Palkie Road
Esko, MN 55733

H. A. Swift
5165 North St. Albans Street
St. Paul, MN 55112

Harold Tapper, Exec. Director
Assoc. of Residences for the
Retarded in Minnesota
1885 University Avenue
St. Paul, MN 55104-3486

Elaine J. Timmer
Goodhue-Wabasha Community
Health Service
426 West Avenue
Red Wing, MN 55066

Torgerson Well Company, Inc.
6855 Dogwood Street
Greenfield, MN 55373

University of Minnesota
Attn: Robert A. Silvagni
200 Shops Building
319 - 15th Avenue Southeast
Minneapolis, MN 55455

Valnes Well Drilling
R.R. 1
Morris, MN 56267

Brian Van Beusekom
Ingleside Engineering and
Construction, Inc.
Route 1, Box 175
Rockford, MN 55373

Jim Varpness
MN Board on Aging
204 Metro Square
St. Paul, MN 55101

David Velde
4801 West 50th Street
Edina, MN 55424

W.C. Viitala
Public Affairs Department
Honeywell
P.O. Box 524
Minneapolis, MN 55440

G.F. Walsh
Mount Olivet Rolling Acres
7200 Rolling Acres Road
Excelsior, MN 55331

John Washburn
Room 309A
Minnesota Dept. of Health
717 S.E. Delaware Street
Minneapolis, MN 55440

Roy Waters
Northwestern Mental Hlth. Clinic
College Avenue
P.O. Box 603
Crookston, MN 56716

Colleen Wieck, Ph.D., Exec. Dir.
Developmental Disabilities Prgrm
State Planning Agency
201 Capitol Square Building
550 Cedar Street
St. Paul, MN 55101

Michael Weinandt
Great River Homes, Inc.
717 Rustic Lane
Wabasha, MN 55981

Mark Wiger
801 Center Street
New Ulm, MN 56073

Merlin A. Wilbur
100 Sibley Street
Hastings, MN 55033

Judith S. Witherspoon
The Phoenix Residence, Inc.
135 Colorado Street East
St. Paul, MN 55107

Valley Group Home
1332 Second Avenue North
Moorhead, MN 56560


1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31
OCT 1985
RECEIVED
ATTORNEY GENERAL
HEALTH

A group contract which provides health care benefits and was issued before that date shall be brought into compliance with parts 2742.0100 to 2742.0400 by the later of the next anniversary date or renewal date of the group contract; or the expiration of any applicable collectively bargained contract pursuant to which it was written.

Department of Health

Proposed Rules Relating to Services for Children with Handicaps

Notice of Intent to Amend Rules without a Public Hearing

NOTICE IS HEREBY GIVEN that the Commissioner of Health (hereinafter "Commissioner") proposes to amend Minnesota Rules, chapter 4705, governing eligibility, cost sharing and reimbursement for services for children with handicaps and adults with cystic fibrosis and hemophilia. A copy of the proposed amendments follows this notice.

The Commissioner has determined that the proposed amendments will be noncontroversial in nature and has elected to follow the provisions of Minnesota Statutes, section 14.22 to 14.28 (1984). Sections 14.22 to 14.28 provide for an expedited process for the adoption of administrative rule changes without the holding of a public hearing.

The implementation of these amendments will not require the expenditure of public money by local public bodies of greater than $100,000 in either of the two years following their adoption, nor do the amendments have any impact on agricultural land. Further, the small business considerations in rulemaking do not apply to these rules pursuant to Minnesota Statutes, section 14.115, subdivision 7(c) (1984).

THE PUBLIC IS HEREBY ADVISED that:

1. They have 30 days in which to submit comment in support of or in opposition to the proposed amendments, and comment is encouraged;

2. Each comment should identify the portion of the proposed amendment addressed, the reason for the comment, and any change proposed;

3. If twenty-five or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held;

4. All comments and any written requests for a public hearing shall be submitted to Nancy Okinow, Services for Children with Handicaps, Minnesota Department of Health, 717 Delaware Street Southeast, Minneapolis, Minnesota 55440;

5. Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed amendment addressed, the reason for the request, and any change proposed;

6. The proposed amendments may be modified if the modifications are supported by the data and views submitted and do not result in a substantial change in the proposed language;

7. Under this expedited procedure, if a hearing is not required, the department must submit any action on its rules to the Attorney General for review of the form and legality of the rule change. Notice of the date of submission of the proposed amendment to the attorney general for review will be mailed to any person who requests to receive the notice. Requests to receive notice must be submitted to Ms. Okinow at the above address;

8. Authority to amend Minn. Rules ch. 4705 is contained in Minnesota Statutes, sections 144.05 through 144.07 and 144.09 through 144.12 (1984). Additionally, a Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed amendments has been prepared and is now available. Anyone wishing to receive a copy of this document may contact Ms. Okinow at the above address;

9. If twenty-five or more persons request a public hearing on this matter, notice of any such hearing will be published in the *State Register*;

10. Any rule change made pursuant to this proceeding shall be effective five working days after publication in the *State Register* of notice of the adoption of the change.

September 4, 1985

Department of Health,
Sister Mary Madonna Ashton
Commissioner of Health

Rules as Proposed

4705.0100 DEFINITIONS.

Subpart 1. and 2. [Unchanged.]

Subp. 3. **Administrative review committee.** "Administrative review committee" means the committee, as identified by the commissioner of health, composed of administrative personnel from the ~~Division of Community Services~~ Maternal and Child Health Division and the SCH program and a representative from the SCH field staff who have responsibility for the review of SCH decisions relating to eligibility and cost sharing for those applicants who wish ~~such reconsideration~~ review.

Subp. 4. **Allowable deductions.** "Allowable deductions" means those expenses incurred by household members for the following items:

A. medical/dental expenses for treatment and other health-care-related expenses paid during the previous 12 months which were not reimbursed by a third-party payer such as insurance or title XIX (medical assistance); and

B. transportation costs in order to obtain medical/dental care and services during the previous 12 months. Travel expenses by car are calculated at ~~17~~ 27 cents a mile. Actual costs of train, airplane, bus, and taxi fares.

Subp. 5. to 10. [Unchanged.]

Subp. 11. **Cost-sharing schedule.** "Cost-sharing schedule" means the schedule ~~set out in part 4705.0600, subpart 3~~ which specifies income levels by number of members in the household and the corresponding percentage of that income level an applicant shall be required to share in the cost of treatment service(s), depending upon the level of their SCH adjusted income.

Subp. 12. to 26. [Unchanged.]

Subp. 27. **State gross median income.** "State gross median income" ~~is $25,394 annually for a family of four as developed by the Bureau of the Census and released by the Social Security Administration (Information Memorandum 82-13, September 24, 1982). "State gross median income" adjusted for households of different sizes in accordance with Federal Register, volume 45, page 56710 (Code of Federal Regulations, title 45, section 1396.60, removed) is: households of one, $13,205; two, $17,268; three, $21,331; five, $29,457; six, $33,520; seven, $34,282; eight, $35,044; nine, $35,806; ten, $36,567; more than ten, 144 percent of $25,394 plus three percent of $25,394 for each household member in excess of ten~~ means the income level at which 50 percent of the people in the state have incomes higher than the gross median income and 50 percent of the people in the state have incomes which are lower, as determined by the United States Secretary of Health and Human Services in accordance with procedures established in United States Code, title 42, section 2002 (a)(6), as amended through August 12, 1981, adjusted in accordance with regulations prescribed by the secretary to take into account the number of individuals in a household, at Code of Federal Regulations, title 45, section 96.85, as amended through November 16, 1983. State median income figures are published annually in the Federal Register.

Subp. 28. to 31. [Unchanged.]

4705.0300 APPLICANT ELIGIBILITY FOR DIAGNOSTIC EVALUATION.

An applicant shall complete an application provided by SCH as described in part 4705.0500. Any applicant, regardless of income, who meets all of the following criteria shall be eligible for a diagnostic evaluation authorized by SCH:

A. a resident of ~~the state of~~ Minnesota; and

B. a child under 21 years of age with a suspected handicap, or an adult 21 years of age or over with cystic fibrosis or hemophilia~~;~~

~~C. a child who is suspected to be a child with a handicap~~.

In addition to ~~the above criteria~~ items A and B, an applicant shall agree to participate in cost sharing if any is required, accord- sources for the examinations and tests necessary for a diagnostic evaluation. There shall be no out-of-pocket cost to the applicant for the actual examinations and tests. Prior written authorization shall be required for a diagnostic evaluation to be reimbursed in full or for that part not reimbursed by third-party payers by SCH.

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.

4705.0400 APPLICANT ELIGIBILITY FOR TREATMENT SERVICES.

An applicant shall complete an application provided by SCH and described in part 4705.0500. Any applicant who meets all of the following criteria shall be eligible for SCH reimbursement to service providers for the cost of treatment service(s):

A. a resident of ~~the state of~~ Minnesota; and

B. a child under 21 years of age who has a diagnosed handicapping condition as defined in parts 4705.0100 to 4705.1600, or an adult 21 years of age or older with cystic fibrosis or hemophilia;

~~C. a child who has a diagnosed handicapping condition as defined in parts 4705.0100 to 4705.1600~~.

In addition to ~~the above criteria~~ items A and B, an appliacant shall agree to participate in cost sharing if any is required, according to the specifications ~~set out~~ in part 4705.0600. An applicant shall be required to make use of available third-party reimbursement sources for treatment service(s). Prior written authorization shall be required for treatment service(s) to be reimbursed in full or in part by SCH.

An applicant who meets all of the criteria and requirements for eligibility, but whose handicapping condition may not require extended or sequential care, shall be eligible for SCH reimbursement to service providers in those instances where the cost of treatment is anticipated to exceed 40 percent of the applicant's adjusted gross income as defined in parts 4705.0100 to 4705.1600.

4705.0500 APPLICATION FOR SERVICE(S).

Subpart 1. to 3. [Unchanged.]

Subp. 4. **~~Preparation~~ of Financial responsibility under cost-sharing ~~agreement~~ schedule.** For applicants for treatment service(s), SCH shall ~~prepare~~ give a written explanation to the applicant detailing the applicant's financial responsibility under the cost-sharing ~~agreement~~ schedule, if cost-sharing is indicated under part 4705.0600. ~~An applicant shall not be eligible to have treatment service(s) authorized through SCH until the cost-sharing agreement is signed by the applicant and received in the SCH office.~~

Subp. 5. [Unchanged.]

Subp. 6. **Period of eligibility.** The period in which an applicant shall remain eligible for SCH authorization for reimbursement to service providers of treatment costs shall be as follows:

A. ~~one year from the date of receipt by SCH of the signed cost-sharing agreement, when cost-sharing is required;~~

~~B.~~ One year from the date of the original eligibility determination~~, when no cost-sharing is required;~~.

~~C.~~ B. SCH shall make an exception regarding the beginning date of eligibility in those instances where the child is in an unanticipated treatment situation and the applicant was unaware of the program before this time. Where the time required to process the application will cause delay in the provision of treatment service(s), ~~the~~ a documented, initial contact with SCH shall be considered the beginning of eligibility if the application ~~and signed cost-sharing agreement are~~ is received within 60 days of ~~this~~ the initial contact.

SCH shall send the applicant written notification of the date upon which eligibility begins. To maintain eligibility, an applicant must complete another application at the end of the eligibility period.

4705.0600 COST-SHARING.

Subpart 1. **Applicants who must cost-share.** Any applicant whose SCH adjusted income as defined and described in part 4705.0100, subpart 24 is above 60 percent of the state gross median income shall be required to share in the treatment costs of all service(s) authorized by SCH. SCH shall reimburse service providers for remaining expenses for authorized treatment service(s) which are not covered by the applicant's cost-sharing or third-party reimbursement sources. No cost sharing ~~shall be~~ is required of an applicant who is ~~currently eligible for medical assistance (title XIX),~~ a ward of the state or whose SCH adjusted income falls below 60 percent of the state gross median income.

Subp. 2. **Adjusted gross income.** The adjusted gross income used in any cost-sharing calculations shall be that of the applicant as applicant is defined in part ~~4705.1000~~ 4705.0100, subpart 5. The income of a stepparent who does not adopt a child is not considered in cost-sharing calculations.

Subp. 3. **Amount of cost-sharing.** The amount of cost-sharing required of an applicant is determined in the following manner:

A. Step No. 1: The includable assets are totalled. If applicable, the household member deduction is subtracted from this total.

B. Step No. 2: The amount derived in Step No. 1 is then added to the adjusted gross income.

C. Step No. 3: The total of the allowable deductions is subtracted from the amount derived in Step No. 2. This figure indicates the SCH adjusted income.

D. [See Repealer.]

E. Step No. 4: The percentage that the applicant must share in the cost of treatment is based on the applicant's SCH adjusted income level and on the number of members in the household. This percentage is calculated according to the SCH cost-sharing schedule which must be updated annually to reflect any change in the state median income. The SCH cost-sharing schedule is incorporated by reference. It is subject to frequent change. The SCH cost-sharing schedule shall be published annually in the *State Register* no later than 30 days prior to the effective date of the schedule. It is available at the Ford Law Library, 117 University Avenue, Saint Paul, Minnesota 55155.

Subp. 4. to 6. [Unchanged.]

4705.0900 LIMITATIONS ON AUTHORIZATION OF REIMBURSEMENT FOR TREATMENT SERVICE(S).

SCH shall authorize reimbursement to a service provider only for treatment that is part of the treatment plan for an individual's handicapping condition. SCH shall not authorize reimbursement for the treatment of conditions determined by SCH to be primarily cosmetic in nature. SCH shall not authorize reimbursement for costs of equipment such as hospital beds or wheelchairs unless no other resource is available. Within any 12-month period, SCH shall pay no more than $10,000 for the care of an individual. SCH shall not authorize reimbursement for treatment service(s) not associated with an individual's eligible condition. An exception shall be made and ~~routine care shall be authorized by the SCH medical director when, as the result of the eligible condition, it is more probable than not that a life-threatening situation or irrevocable damage or injury might occur during what otherwise would be routine care~~ treatment services not associated with an individual's eligible condition shall be authorized, subject to the $10,000 per 12-month period limit, when the SCH medical director has determined that medical conditions exist which, if left untreated, could have a deleterious impact upon the applicant's health status.

SCH shall not authorize reimbursement for treatment services for individuals 21 years of age or over with hemophilia except as specified in part 4705.1000.

4705.1400 RESPONSIBILITIES BETWEEN SCH AND SERVICE PROVIDERS.

Subpart 1. [Unchanged.]

Subp. 2. **Payment of service providers.** SCH shall pay service providers at the same rates for medical, dental, and hospital care up to the maximum allowable charges as set forth in the most current Medical Assistance Rates Schedule ~~(revised September 7, 1978)~~ established by the Minnesota Department of ~~Public Welfare (title XIX)~~ Human Services pursuant to its authority found in parts 9500.0750 to 9500.1080. A copy of the most current Medical Assistance Rates Schedule is incorporated by reference, and is available at the Ford Law Library, 117 University Avenue, Saint Paul, Minnesota 55155. It is subject to frequent change. In instances where there are not established rates, SCH shall reimburse service providers at rates based upon the following criteria:

A. complexity of service;

B. time involved in completing the service;

C. training and skills of the service provider; and

D. reasonableness of fees in the context of the community.

SCH is the payer of last resort. SCH reimbursement of treatment costs to service providers shall be made only after arrangements have been made by the service provider to collect third-party and cost-sharing payments.

Subp. 3. to 6. [Unchanged.]

REPEALER. Minnesota Rules, part 4705.0600, subpart 3, item D; and 4705.1600 are repealed.

Pollution Control Agency

Proposed Emergency Rules Relating to Waste Tire Dump Abatement

Notice of Intent to Adopt Emergency Rules

Notice is hereby given that the Minnesota Pollution Control Agency (Agency) intends to adopt, in accordance with the provisions of Minn. Stat. §§ 14.29 to 14.36 (1984), emergency rules governing the abatement of waste tire dumps.

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.

STATE OF MINNESOTA

COUNTY OF HENNEPIN

BEFORE THE MINNESOTA

COMMISSIONER OF HEALTH

IN THE MATTER OF PROPOSED AMENDMENTS TO RULES RELATING TO ELIGIBILITY, COST SHARING AND REIMBURSEMENT FOR SERVICES FOR CHILDREN WITH HANDICAPS, AND ADULTS WITH CYSTIC FIBROSIS AND HEMOPHILIA, MINNESOTA RULES CHAPTER 4705.

STATEMENT OF NEED AND REASONABLENESS

The Minnesota Commissioner of Health (hereinafter "Commissioner"), pursuant to Minnesota Statutes, sections 14.05 through 14.12 and 14.21 through 14.28, presents facts establishing the need for and reasonableness of the proposed amendments to rules relating to the matter of proposed amendments to rules relating to eligibility, cost sharing and reimbursement for services for children with handicaps, and adults with cystic fibrosis and hemophilia.

In order to adopt the proposed amendments, the commissioner must demonstrate that she has complied with all the procedural and substantive requirements of rulemaking. Those requirements are that: 1) there is statutory authority to adopt the rule, 2) all necessary procedural steps have been taken, 3) the rules are needed, 4) the rules are reasonable, and 5) any additional requirements imposed by law have been satisfied. This statement demonstrates that the commissioner has met these requirements.

TABLE OF CONTENTS

		Page
1.	Statutory Authority	3
2.	Statement of Need	4
3.	Compliance with Procedural Rulemaking Requirements	6
4.	General Statement of Reasonableness	9
5.	Rule-by-rule Justification	11

1. STATUTORY AUTHORITY.

The commissioner's legal authority for adopting these rules is found in Minnesota Statutes, sections 144.05 through 144.07, and 144.09 through 144.12. Further authority is vested in the commissioner through Minnesota Department of Administration Reorganization Order No. 101 issued pursuant to Minnesota Statutes, section 16.125 (hereinafter "Reorganization Order 101"). Reorganization Order 101 vests within the commissioner the authority to implement Minnesota Statutes, sections 250.05, 256.01, subdivision 2(3) and (5), 256.011, 257.175, and 260.35 insofar as these statutes concern the Services for Children with Handicaps Program.

2. STATEMENT OF NEED.

The legislature has delegated to the commissioner certain responsibilities for administering and supervising programs related to children with handicaps and adults with cystic fibrosis and hemophilia. (Minnesota Statutes, section 256.01, subdivisions 2, 3 and 5.) Under the program entitled Services for Children with Handicaps (hereinafter "SCH"), the commissioner reimburses service providers for service(s) authorized by SCH for physically handicapping conditions in children and for care and treatment of individuals with hemophilia. Such reimbursement is subject to the limitation of available federal and state funds. In order to implement and affectuate these program responsibilities, the commissioner adopted Minnesota Rules, parts 4705.0100 to 4705.1400. These rules established, among other things, income and eligibility criteria, and cost sharing arrangements.

There is a need to make changes to these rules for several reasons. First, after working with these provisions for several years, the department staff have come up with good ideas for improving and simplifying the criteria, procedures and responsibilities relating to applicant eligibility, applicant cost sharing and reimbursement to service providers for service(s) authorized by SCH. Second, amendments are necessary regarding the state median income definition due to fluctuations in the economy which have a direct impact upon program participants.

The rule-by-rule justification will explain the need for each rule amendment, as well as justifying the reasons for making these changes.

3. COMPLIANCE WITH PROCEDURAL RULEMAKING REQUIREMENTS.

The commissioner has determined that the amendment of the rules in parts 4705.0100 to 4705.1400 is non-controversial and has elected to follow the procedures set forth in Minnesota Statutes, sections 14.05 through 14.12 and 14.22 through 14.28 which provide for an expedited process for the adoption of non-controversial administrative rule changes without the holding of a public hearing.

Procedural Rulemaking Requirements of the Administrative Procedure Act

Minnesota Statutes, section 14.10 requires an agency which seeks information or opinions in preparation for adoption of rules from sources outside the agency to publish a notice of its action in the State Register and afford all interested persons an opportunity to submit data or comments on the subject. In the State Register issue of Monday, April 23, 1984, at page 2306, the commissioner published a notice entitled "Outside Opinion Sought Regarding: 1) Rules Governing Administration of the Special Supplemental Food Program for Women, Infants and Children (WIC); 2) Rules Governing Administration of the Maternal and Child Health (MCH) Grant Programs; 3) an Amendment to a Rule Governing Metabolic Screening, 7 MCAR § 1.172 [now 4615.0300 to 4615.0700]; 4) an Amendment to a Rule Governing Family Planning Special Projects, 7 MCAR § 1.457 [now 4700.1900 to 4700.2500]; 5) Repeal of a Rule Governing Private Baby Homes

and Infant Homes, MDH 171 [now 4615.0200]; and 6) Amendments to Rules Relating to Services for Children with Handicaps and Adults with Cystic Fibrosis and Hemophilia for Eligibility, Cost Sharing and Reimbursement, 7 MCAR §§ 1.651-1.657 [now 4705.0100 to 4705.1400]."

These rules minimize the duplication of statutory language. See Minnesota Statutes, section 14.07, subdivision 3 (1). The implementation of these rules will not require the expenditure of public money by local public bodies of greater than $100,000 in either of the two years following their adoption, nor do the rules have any impact on agricultural land. See Minnesota Statutes, section 14.11. The adoption of these rules will not affect small businesses. See Minnesota Statutes, section 14.115, subdivision 7 (c).

Pursuant to Minnesota Statutes, section 14.23, the commissioner has prepared this statement of need and reasonableness which is available to the public. The commissioner will publish notice of intention to adopt the rules without public hearing in the State Register and mail copies of the notice and proposed rules to persons registered with the Minnesota Department of Health pursuant to Minnesota Statutes, section 14.14, subdivision 1 (a). The notice will include the following statements: a) that the public have 30 days in which to submit comments on the proposed rule; b) that no public hearing will be held unless 25 or more persons make a written request for a hearing within the 30-day comment period; c) giving information pertaining to the

manner in which persons shall request a hearing; d) that the rule may be modified if modifications are supported by data and the views submitted; and e) other information required by Minnesota Statutes, section 14.22.

If 25 or more persons submit to the Minnesota Department of Health a written request for a hearing on the proposed rule, the agency shall proceed under the provisions of Minnesota Statutes, sections 14.131 through 14.20 and notice of the hearing shall be published in the State Register.

If no hearing is required, the commissioner will submit the proposed rule and notice as published, the rule as proposed for adoption, any written comments which have been received, and this statement of need and reasonableness to the Attorney General for approval as to their legality and form to the extent that it relates to legality.

These rules shall become effective five working days after publication of a notice of adoption in the State Register.

4. GENERAL STATEMENT OF REASONABLENESS.

In order to adopt administrative rules, an agency must demonstrate that the proposed rules are reasonable. Rulemaking is a process which primarily involves policy decisions. There are many differing policy perspectives and biases which can, therefore, result in many reasonable ways to address a subject covered by administrative rules.

The original rules reflect policy decisions which the Minnesota Department of Health made regarding the Services for Children with Handicaps Program. These rules were written pursuant to Title V of the Social Security Act, U.S.C., title 47, chapter 7, which authorizes the program, and pertinent state statutes which enable the commissioner to promulgate rules. The original rules were previously judged to be reasonable, having been approved through the rulemaking process in 1979.

The proposed amendments generally are procedural rather than substantive in nature. While the original rules reflect policy decisions and procedural choices, these amendments reflect procedural improvements. Other amendments are intended to clarify the original meaning of the rules and are nonsubstantive in nature. Because these amendments will serve to make the Services for Children with Handicaps Program more efficient and make the application process less time-consuming, and because the original rules have previously been determined to be reasonable, amendments to the rules are also reasonable.

Additionally, these amendments are reasonable because they are not unduly burdensome to participants. Also, the commissioner does not exceed the scope of her rulemaking authority as provided by state statute.

5. RULE-BY-RULE JUSTIFICATION.

Part 4705.0100, subp. 3 defines the term "administrative review committee." The previous definition referred to the Division of Community Services. The proper reference is now the Maternal and Child Health Division. Therefore, an amendment is being made in this subpart in order to correct this reference.

Part 4705.0100, subp. 4 defines the term "allowable deductions." The amendment to this subpart increases the allowable travel expense deduction for mileage from $.17 a mile to $.27 a mile.

This amendment is in recognition of the increased cost of operating and maintaining an automobile. Increasing the allowable mileage deduction for the purpose of determining an applicant's cost-sharing liability will help to offset the financial burden which is placed upon those applicants who must frequently travel in order to obtain medical and dental treatment.

A rate of $.27 a mile is commensurate with the amount state professional employees receive for operating their vehicles to conduct official state business. When this subpart was first promulgated, in 1979, $.17 a mile was commensurate with the amount state professional employees were then receiving for mileage. Because the Department of Employee Relations has already determined what is a reasonable allowable mileage reimbursement rate, and because SCH has relied upon this unit in the past for determining a

reasonable mileage deduction, it is expedient for SCH to use the current rate when updating the rules.

Part 4705.0100, subp. 11 relates to the cost-sharing schedule. The current definition cross references part 4705.0600, subp. 3, which is being repealed. Because this schedule is being repealed, there is no need to include such a cross reference. Therefore, this reference has been deleted.

Part 4705.0100, subp. 27 defines the term "state gross median income." This definition relates to cost-sharing and cost-sharing procedures. State gross median income is used to determine how much a family seeking financial assistance from SCH may be required to share in the cost of treatment services. The amendment is needed to reflect the reality of inflation within the economy and to recognize that determinations of need for monetary assistance should be based on the most current figures of median income rather than those available from a previous year. Since the gross median frequently rises, it is reasonable to expect that the most recent available figures should be used by the commissioner in calculating family cost-shares.

Further, within the past several years, the commissioner has observed that the use of a static median income causes a number of families whose sole source of income is social security or other public programs to cost-share, that is, to pay for a portion of the treatment for those persons eligible for treatment. These families presently need not pay a portion of the costs to qualify for other social service

programs. Thus, a cost-share schedule which is based on outdated median income figures presents a significant financial hardship for low-income families who have a member with a long-term handicapping condition.

The United States Secretary of Health and Human Services is required to annually promulgate state median income figures, pursuant to United States Code, title 42, § 2002 (a)(6), as amended through August 12, 1981. These figures are used by the Minnesota State Department of Human Services as a basis for determining income eligibility and fees for social services. It is reasonable and desirable that the commissioner be consistent with other state programs which use gross median income levels to determine whether applicants must share in the cost of services. Also, the commissioner does not have the capacity nor the resources to independently establish gross state median income figures. Because these figures are already established by a federal source it is appropriate to use them.

Part 4705.0300 establishes criteria which an applicant must meet in order to be eligible for a diagnostic evaluation authorized by SCH. The amendments clarify the intended meaning of this part and do not alter its purpose or application.

Part 4705.0400 establishes criteria which an applicant must meet in order to be eligible for SCH reimbursement to service providers for the cost of treatment services. The amendment to Item B and the repeal of Item C clarify the

intended meaning of these criteria and do not alter its purpose or application.

Part 4705.0500, subp. 4 deals with the SCH application process. This amendment eliminates the need for a cost-sharing agreement which must be signed and returned to the SCH office before an applicant is eligible to have treatment services authorized by SCH.

The cost-sharing agreement caused an unnecessary delay in the application process and as a result, applicants were often unable to receive needed services in a timely fashion. Yet, the agreement served no truly useful or necessary function because it was not a contract; therefore, it did not create rights or remedies for either the state or the participating applicant.

Therefore, the cost-sharing agreement has been eliminated. Eliminating the agreement will reduce the administrative costs associated with the application process and will allow applicants to receive assistance more quickly.

Part 4705.0500, subp. 6 establishes the time period in which an applicant remains eligible for SCH authorization for reimbursement to service providers. The amendment eliminates the reference to a signed cost-sharing agreement. This amendment has been made in order to keep this provision consistent with the rest of the rules. Because the cost-sharing agreement has been replaced by a letter which is sent to SCH applicants explaining their cost-sharing responsibility, the eligibility determination will now be

made at the same point in the application process for all applicants.

Part 4705.0600, subpart 1 relates to applicants who are required to cost-share. The amendment to this subpart will no longer allow those persons who receive Medical Assistance to be automatically exempt from cost-sharing.

Currently, there are families receiving Medical Assistance who are not in the low income category. Medical Assistance has numerous exemptions (see, e.g., part 9500.0810) which permit individuals in higher income categories to receive some Medical Assistance benefits. When SCH initially promulgated its rules, this was not the case. At that time, Medical Assistance was available only for low income persons.

Therefore, Medical Assistance is no longer an acceptable criteria to be used in determining an applicant's exemption from cost-sharing responsibilities. Removing this criteria will not affect those applicants who are truly low income and who still qualify for exemption.

Part 4705.0600, subp. 2 relates to adjusted gross income. This amendment merely corrects an error in citing to the Minnesota Rules. The correct cite is part 4705.0100, subp. 3.

Part 4705.0600, subp. 3 relates to the cost-sharing schedule. This amendment removes the schedule from the bound volumes of the rules, and allows the commissioner to publish an annually updated version in the State Register.

Previous cost-sharing schedules which have been included in the text of the rules are not representative of current median income figures. Using outdated figures to determine an applicant's cost-sharing responsibilities would place an unreasonable burden upon applicants.

By updating the cost-sharing schedule in this timely and efficient manner, SCH is addressing the financial concerns of its participants in the most suitable fashion possible. Also, by publishing the revised schedule in the State Register 30 days prior to the effective date and keeping a copy of the most recent schedule on reference at the Minnesota Department of Health library, interested parties will be provided an adequate opportunity to review any changes in the Cost-sharing Schedule.

Part 4705.0900 establishes limitations on the authorization of reimbursement for treatment services. The amendment to this part allows the SCH medical director to authorize reimbursement for acute care under limited conditions.

Providing an applicant acute care before a medical condition causes irrevocable damage can be a cost saving measure. The costs associated with later treatment could significantly increase if immediate care is not provided. Also, secondary problems developed as a result of an untreated condition, could hamper a child's later physical development.

The possibility of having untreated conditions complicate the delivery of eligible treatment services, thus

creating a greater hardship to the applicant and a greater financial burden for the state, make this type of acute health care desirable.

Part 4705.1400, subp. 2 relates to the payment of service providers. The amendment to this part allows SCH to refer to the most current Medical Assistance Rates Schedule when providing reimbursement for authorized care.

The current rule obligates SCH to use a schedule which was last revised September 7, 1978. This creates several problems. First, the Medical Assistance rates schedule is periodically updated to reflect changes in the cost of dental, medical and hospital care. This means that SCH is using a schedule which Medical Assistance no longer uses. Thus, providers who offer services to Medical Assistance participants and to SCH participants are being reimbursed at different rates for the same types of services. Therefore, there is no incentive for these providers to offer services to SCH if the reimbursement rate for these services is less than Medical Assistance rates. Second, the outdated rates are not an accurate reflection of current dental, medical and hospital care costs.

It is proper for SCH to use the rate schedule which Medical Assistance uses for provider reimbursement. By agreeing to participate in the SCH program, physicians and other health care providers acknowledge the appropriateness of this rate schedule and view it as a consistent and impartial means for SCH to provide reimbursement for

authorized care. Also, the Medical Assistance Rate Schedule is the only such available schedule covering thousands of procedures and categories of care. It would be prohibitively expensive and a waste of resources for the program to independently generate a schedule. Indeed, this complex schedule is an undertaking beyond the capacity of the SCH Program.

Referring to the most current rate schedule ensures that SCH is reimbursing service providers at the same rate at which Medical Assistance reimburses.

Part 4706.1600 provides an illustration for the purpose of explaining how cost-sharing determinations are made. The amendment to this part eliminates this illustration.

The cost-sharing schedule will now be updated on an annual basis and will be published in the State Register. Because the cost-sharing schedule is subject to change, the figures used in the illustration are also subject to change. Therefore, this illustration will be rendered inapplicable.

It is best to remove this illustration from the rules, in order to prevent any confusion which might occur if it were not so removed.

STATE OF MINNESOTA

COUNTY OF HENNEPIN

BEFORE THE MINNESOTA

COMMISSIONER OF HEALTH

In the Matter of Proposed Amendments to Rules Relating to Eligibility, Cost Sharing and Reimbursement for Services for Children with Handicaps, and Adults with Cystic Fibrosis and Hemphilia, Minnesota Rules, chapter 4705

CERTIFICATE OF COUNSEL

I, Catherine E. Avina, Special Assistant Attorney General, do hereby declare that I have examined the above-captioned rule, and the rulemaking record, and that, based on my examination, the Administrative Procedure Act and the rules of the Attorney General have been followed.

Dated: April 15, 1986

Catherine E. Avina

CATHERINE E. AVINA
Special Assistant
Attorney General

SF-00006-04

DEPARTMENT : ATTORNEY GENERAL - Health

PHONE : 341-7272

DATE : April 15, 1986

TO : J. Michael Miles
Assistant Attorney General
Administration/Finance Division

FROM : Catherine E. Avina
Special Assistant
Attorney General

STATE OF MINNESOTA

Office Memorandum

RECEIVED
APR 15 1986
ATTORNEY GENERAL
ADMINISTRATIVE AGENCIES

SUBJECT : Adopted Rules Relating to Services for Children with Handicaps

Pursuant to Minn. Stat. § 14.26, the attached documents in support of the above-referenced rules are submitted to your office for approval:

1. A photocopy of the Notice of Solicitation of Outside Information or Opinions, as published April 23, 1984, at 8 S.R. 2306.

2. Order for Notice of Intent to Amend Rules Without a Public Hearing, executed September 4, 1985.

3. Notice of Intent to Amend Rules Without a Public Hearing, executed September 4, 1985, with attached copy of the proposed amendments approved by the Revisor's office August 23, 1985.

4. A photocopy of the relevant pages of the September 23, 1985, State Register, at 10 S.R. 684, in which the Notice and proposed amendments referenced in number 3 above were published.

5. Statement of Need and Reasonableness.

6. Affidavit of Mailing and Certificate of Mailing List executed September 23, 1985, with attachments referenced therein.

7. Comments received by the agency.

8. Findings of Fact, Conclusions, and Order Adopting Rules Without a Public Hearing, executed April 14, 1986.

9. The original and three copies of the rule as adopted.

10. Certificate of Counsel.

Please call me if you have any questions concerning the attached documents or the procedures followed by the Department.

CEA:lb

Attachments