

1.1 Senator moves to amend S.F. No. 1637 as follows:

1.2 Page 1, after line 5, insert:

1.3 "Section 1. Minnesota Statutes 2022, section 256B.056, subdivision 3d, is amended to
1.4 read:

1.5 Subd. 3d. **Reduction of excess assets.** Assets in excess of the limits in subdivisions ~~3~~
1.6 ~~to 3b and 3c~~ may be reduced to allowable limits as follows:

1.7 (a) Assets may be reduced in any of the three calendar months before the month of
1.8 application in which the applicant seeks coverage by paying bills for health services that
1.9 are incurred in the retroactive period for which the applicant seeks eligibility, starting with
1.10 the oldest bill. After assets are reduced to allowable limits, eligibility begins with the next
1.11 dollar of MA-covered health services incurred in the retroactive period. Applicants reducing
1.12 assets under this subdivision who also have excess income shall first spend excess assets
1.13 to pay health service bills and may meet the income spenddown on remaining bills.

1.14 (b) Assets may be reduced beginning the month of application by paying bills for health
1.15 services that are incurred during the period specified in Minnesota Rules, part 9505.0090,
1.16 subpart 2, that would otherwise be paid by medical assistance. After assets are reduced to
1.17 allowable limits, eligibility begins with the next dollar of medical assistance covered health
1.18 services incurred in the period. Applicants reducing assets under this subdivision who also
1.19 have excess income shall first spend excess assets to pay health service bills and may meet
1.20 the income spenddown on remaining bills.

1.21 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,
1.22 whichever is later. The commissioner of human services shall notify the revisor of statutes
1.23 when federal approval is obtained."

1.24 Page 2, after line 9, insert:

1.25 "Sec. 3. Minnesota Statutes 2022, section 256B.0571, subdivision 9, is amended to read:

1.26 Subd. 9. **Medical assistance eligibility.** (a) Upon request for medical assistance program
1.27 payment of long-term care services by an individual who meets the requirements described
1.28 in subdivision 8, the commissioner shall determine the individual's eligibility for medical
1.29 assistance according to paragraphs (b) to (i).

1.30 (b) After determining assets subject to the asset limit under section 256B.056, subdivision
1.31 ~~3 or 3c~~, or 256B.057, subdivision 9 or 10, the commissioner shall allow the individual to
1.32 designate assets to be protected from recovery under subdivisions 13 and 15 up to the dollar

2.1 amount of the benefits utilized under the partnership policy as of the effective date of
2.2 eligibility for medical assistance program payment of long-term care services. Benefits
2.3 utilized under a long-term care insurance policy before July 1, 2006, do not count for the
2.4 purpose of determining the amount of assets that can be designated. Designated assets shall
2.5 be disregarded for purposes of determining eligibility for payment of long-term care services.
2.6 The dollar amount of benefits utilized must be equal to the amount of claims paid by the
2.7 issuer under the policy as verified by the issuer.

2.8 (c) The individual shall identify the designated assets and the full fair market value of
2.9 those assets and designate them as assets to be protected at the time of application for medical
2.10 assistance payment of long-term care services. The full fair market value of real property
2.11 or interests in real property shall be based on the most recent full assessed value for property
2.12 tax purposes for the real property, unless the individual provides a complete professional
2.13 appraisal by a licensed appraiser to establish the full fair market value. The extent of a life
2.14 estate in real property shall be determined using the life estate table in the health care
2.15 program's manual. Ownership of any asset in joint tenancy shall be treated as ownership as
2.16 tenants in common for purposes of its designation as a disregarded asset. The unprotected
2.17 value of any protected asset is subject to estate recovery according to subdivisions 13 and
2.18 15.

2.19 (d) The right to designate assets to be protected is personal to the individual and ends
2.20 when the individual dies, except as otherwise provided in subdivisions 13 and 15. It does
2.21 not include the increase in the value of the protected asset and the income, dividends, or
2.22 profits from the asset. It may be exercised by the individual or by anyone with the legal
2.23 authority to do so on the individual's behalf. It shall not be sold, assigned, transferred, or
2.24 given away.

2.25 (e) As the individual continues to utilize benefits under a partnership policy after
2.26 eligibility for medical assistance payment of long-term care services begins, the individual
2.27 may designate, for additional protection, an increase in the value of protected assets and
2.28 additional assets that become available during the individual's lifetime up to the amount of
2.29 additional benefits utilized. The individual must make the designation in writing no later
2.30 than ten days from the date the designation is requested by the county agency. The amount
2.31 used for this purpose must reduce the unused amount of asset protection available to protect
2.32 assets in the individual's estate from recovery under section 256B.15 or 524.3-1202, or
2.33 otherwise.

2.34 (f) This section applies only to estate recovery under United States Code, title 42, section
2.35 1396p, subsections (a) and (b), and does not apply to recovery authorized by other provisions

3.1 of federal law, including, but not limited to, recovery from trusts under United States Code,
3.2 title 42, section 1396p, subsection (d)(4)(A) and (C), or to recovery from annuities, or similar
3.3 legal instruments, subject to section 6012, subsections (a) and (b), of the Deficit Reduction
3.4 Act of 2005, Public Law 109-171.

3.5 (g) An individual's protected assets owned by the individual's spouse who applies for
3.6 payment of medical assistance long-term care services shall not be protected assets or
3.7 disregarded for purposes of eligibility of the individual's spouse solely because they were
3.8 protected assets of the individual.

3.9 (h) Assets designated under this subdivision shall not be subject to penalty under section
3.10 256B.0595.

3.11 (i) The commissioner shall otherwise determine the individual's eligibility for payment
3.12 of long-term care services according to medical assistance eligibility requirements.

3.13 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,
3.14 whichever is later. The commissioner of human services shall notify the revisor of statutes
3.15 when federal approval is obtained.

3.16 Sec. 4. **REPEALER.**

3.17 Minnesota Statutes 2022, section 256B.056, subdivision 3, is repealed effective January
3.18 1, 2024, or upon federal approval, whichever is later. The commissioner of human services
3.19 shall notify the revisor of statutes when federal approval is obtained."

3.20 Renumber the sections in sequence and correct the internal references

3.21 Amend the title accordingly