

education. Where two or more areas have been combined to form a single ECSU, funds shall be available to the ECSU for each of the areas. Where an ECSU does not exist, a school district may be designated by the task force to receive the funds and serve as fiscal agent.

Subd. 2. The sum of \$55,000 is appropriated from the general fund to the department of education to be available until June 30, 1979 for the purposes of section 7 of this article. One additional complement position shall be authorized for this activity.

Sec. 9. EFFECTIVE DATE. Sections 1, 3, 4, 5, 6 and 7 of this article shall be effective the day following final enactment. Section 2 of this article shall take effect with respect to each pair of independent school districts named in subdivision 1 of section 2 upon its approval by the school boards of both of the paired districts.

Approved June 8, 1977.

CHAPTER 448—H.F.No.1051

[Coded in Part]

An act relating to public welfare; catastrophic health insurance; aid to families with dependent children, medical assistance, supplemental aid, and general assistance; altering eligibility criteria; providing authority for local agencies to contract with nonprofit organizations for work program services; appropriating money; amending Minnesota Statutes 1976, Sections 62E.52, Subdivisions 2 and 5, and by adding a subdivision; 62E.53, Subdivision 2; 256.73, Subdivision 2; 256B.06, Subdivision 1; 256B.14; 256D.11, Subdivision 4; and 256D.37, Subdivision 2.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1976, Section 62E.52, Subdivision 2, is amended to read:

Subd. 2. **PUBLIC WELFARE; ADC; ASSISTANCE.** "Eligible person" means any person who is a resident of Minnesota and who, while a resident of Minnesota, has been found by the commissioner to have incurred an obligation to pay:

(1) qualified expenses for himself and any dependents in any 12 consecutive months exceeding:

(a) 40 percent of his household income up to \$15,000, plus 50 percent of his household income between \$15,000 and \$25,000, plus 60 percent of his household income in excess of \$25,000; or

(b) \$2,500, whichever is greater; or

(2) qualified nursing home expenses for himself and any dependents in any 12

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consecutive months exceeding 20 percent of his household income.

Sec. 2. Minnesota Statutes 1976, Section 62E.52, is amended by adding a subdivision to read:

Subd. 3a. "Qualified nursing home expense" includes any charge incurred for nursing home services after 36 months of continuous care provided to a person 64 years of age or younger in long-term care facilities.

Sec. 3. Minnesota Statutes 1976, Section 62E.52, Subdivision 5, is amended to read:

Subd. 5. "Household income" means the gross income of an eligible person and all his dependents 23 years of age or older for the calendar year preceding the year in which an application is filed pursuant to section 62E.53.

Sec. 4. Minnesota Statutes 1976, Section 62E.53, Subdivision 2, is amended to read:

Subd. 2. If the commissioner determines that an applicant is an eligible person, he shall pay

(1) 90 percent of all qualified expenses of the eligible person and his dependents in excess of:

(a) 40 percent of his household income under \$15,000, plus 50 percent of his household income between \$15,000 and \$25,000, plus 60 percent of his household income in excess of \$25,000; or

(b) \$2,500;

whichever is greater for the 12 month period in which the applicant becomes an eligible person and

(2) all qualified nursing home expenses of the eligible person and his dependents in excess of 20 percent of his household income. Provided, however, that the payment of qualified nursing home expenses shall not be made until the end of the fiscal year. If the appropriation for the payment of qualified nursing home expenses is inadequate to pay all qualified nursing home expenses, the commissioner shall prorate the payments among all eligible persons in proportion to their share of the total of the qualified nursing home expenses of all eligible persons. If the commissioner determines that the charge for a health service is excessive, he may limit his payment to the usual and customary charge for that service. If the commissioner determines that a health service provided to an eligible person was not medically necessary, he may refuse to pay for the service. To the extent feasible, the commissioner shall contract with a review organization as defined in section 145.61, in making any determinations as to whether or not a charge is excessive. To the extent feasible, the commissioner shall contract with a review organization as defined in section 145.61, in making any determination as to whether or not a service was medically necessary. If the commissioner in accordance with this section refuses to pay all or a part of the charge for a health service, the unpaid portion of the charge shall be

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deemed to be an unconscionable fee, against the public policy of this state, and unenforceable in any action brought for the recovery of moneys owed.

Sec. 5. Minnesota Statutes 1976, Section 256.73, Subdivision 2, is amended to read:

Subd. 2. **ALLOWANCE BARRED BY OWNERSHIP OF PROPERTY.** The ownership by father, mother, child, children, or any combination thereof, of property as follows shall be a bar to any allowance under sections 256.72 to 256.87:

(1) Net equity in real estate used as a home the market value of which less encumbrances exceeds \$7,500 \$15,000; provided that real estate used as a home in excess of this amount will not be a bar to eligibility where the county welfare board determines that such real estate is not available for support of the family or the sale of such real estate would cause undue hardship.

(2) Personal property of a reasonable market value in excess of \$300 for a one child recipient or \$500 for more than one child recipient, exclusive of personal property used as the home, one automobile the market value of which does not exceed \$1,650, insurance carried by a parent which does not exceed a cash surrender value of \$500, appropriate clothing and necessary household furniture and equipment, and of such tools, implements, and domestic animals as in the opinion of the county agency it is expedient to retain for the purpose of reducing the expense or increasing the income of the family, and the earnings of a dependent child which are placed in a savings account to be used for a future purpose approved by the county agency in accordance with the rules and regulations of the commissioner of public welfare, and such property that produces a net income applicable to the family's needs; or

(3) Real estate not used as a home; provided that if such real estate does not produce net income sufficient to meet the family budget and there is no available market for the sale of such property, or if the price which can be obtained on the prevailing market is not fair and reasonable considering the applicant's interest therein and the possibilities of sale of said property for a greater amount within a reasonable length of time thereafter then in that event, in the discretion of the county agency, ownership of the same which produces net income applicable to the family's needs or which the family is making a continuing effort to sell at a fair and reasonable price shall not be a bar to an allowance under sections 256.72 to 256.87. Net income shall be the residue after payment from gross income of taxes, insurance, maintenance, and interest on encumbrances, if any, on the property, provided that in computing net income the gross income shall not be charged with any expenses toward betterment of the property as improvements or by payment on the principal of a mortgage; provided, that the net income thus derived shall be applied on the family budget.

Sec. 6. Minnesota Statutes 1976, Section 256B.06, Subdivision 1, is amended to read:

256B.06 ELIGIBILITY REQUIREMENTS. Subdivision 1. Medical assistance may be paid for any person:

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(1) Who is eligible for or receiving public assistance under the aid to families with dependent children program; or

(2) Who is eligible for or receiving supplemental security income for the aged, blind and disabled; or

(3) Who except for the amount of income or resources would qualify for supplemental security income for the aged, blind and disabled, or aid to families with dependent children and is in need of medical assistance; or

(4) Who is under 21 years of age and in need of medical care that neither he nor his relatives responsible under sections 256B.01 to 256B.26 are financially able to provide; or

(5) Who is residing in a hospital for treatment of mental disease or tuberculosis and is 65 years of age or older and without means sufficient to pay the per capita hospital charge; and

(6) Who resides in Minnesota, or, if absent from the state, is deemed to be a resident of Minnesota in accordance with the regulations of the state agency; and

(7) Who alone, or together with his spouse, does not have net equity in real property used as a home in excess of \$15,000 \$25,000 or real estate not used as a home which produces net income applicable to the family's needs or which the family is making a continuing effort to sell at a fair and reasonable price. The commissioner of public welfare shall annually adjust the limitation on net equity in real property used as a home by the same percentage as the homestead base value index provided in section 273.122, subdivision 2; and

(8) Who, if single, does not have more than \$750 in cash or liquid assets or, if married, whose cash or liquid assets do not exceed \$1,000 plus \$150 for each additional legal dependent except that the value of one automobile the market value of which does not exceed \$1,650 shall be disregarded; and

(9) Who has or anticipates receiving an annual income not in excess of \$2,600 for a single person, or \$3,250 for two family members (man and wife, parent and child, or two siblings), plus \$625 for each additional legal dependent, or who has income in excess of these maxima and in the month of application, or during the three months prior to the month of application, incurs expenses for medical care that total more than one-half of the annual excess income in accordance with the regulations of the state agency. In excess income cases, eligibility shall be limited to a period of six months beginning with the first of the month in which these medical obligations are first incurred.

(10) Who has continuing monthly expenses for medical care that are more than the amount of his excess income, computed on a monthly basis, in which case eligibility may be established before the total income obligation referred to in the preceding paragraph is incurred, and medical assistance payments may be made to cover the monthly unmet medical need. In licensed nursing home and state hospital cases, ~~both excess income and~~

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income over and above that required for justified needs ~~are~~, determined pursuant to a schedule of contributions established by the commissioner of public welfare, is to be applied to the cost of institutional care. The commissioner of public welfare may establish a schedule of contributions to be made by the spouse of a nursing home resident to the cost of care and shall seek a waiver from federal regulations which establish the amount required to be contributed by the spouse of a nursing home resident; and

~~(10)~~ (11) Who has applied or agrees to apply all proceeds received or receivable by him or his spouse from automobile accident coverage and private health care coverage to the costs of medical care for himself, his spouse, and children. The state agency may require from any applicant or recipient of medical assistance the assignment of any rights accruing under private health care coverage. Any rights or amounts so assigned shall be applied against the cost of medical care paid for under this chapter. Any assignment shall not be effective as to benefits paid or provided under automobile accident coverage and private health care coverage prior to receipt of the assignment by the person or organization providing the benefits.

Sec. 7. Minnesota Statutes 1976, Section 256B.14, is amended to read:

256B.14 **RELATIVE'S RESPONSIBILITY.** Subject to the provisions of section 256B.06, the financial responsibility of a relative for an applicant or recipient of medical assistance shall not extend beyond the relationship of a spouse, or a parent of an applicant who is under 18 years of age.

Sec. 8. Minnesota Statutes 1976, Section 256D.11, Subdivision 4, is amended to read:

Subd. 4. A local agency may contract with the federal government, or with any department, agency, subdivision or instrumentality of the state, or with any nonprofit organization approved by the commissioner of public welfare for the services of general assistance work program recipients on such terms and conditions as may be agreed upon, with or without consideration paid to the local agency.

Sec. 9. Minnesota Statutes 1976, Section 256D.37, Subdivision 2, is amended to read:

Subd. 2. The eligibility criteria for supplemental aid under this section shall be those in effect December 31, 1973 for the categorical aid programs of old age assistance, aid to the blind, and aid to the disabled except that net equity of \$25,000 in one home used as a residence, one automobile the market value of which does not exceed \$1,650, and real estate not used as a home which produces net income applicable to the family's needs or which the family is making a continuing effort to sell at a fair and reasonable price, are to be disregarded in determining eligibility. The commissioner of public welfare shall annually adjust the limitation on net equity in real property used as a home by the same percentage as the homestead base value index provided in section 273.122, subdivision 2. The local agency shall apply the relevant criteria to each application. Effective July 1, 1974, the real property equity limitation for applicants other than the blind shall be \$12,000. Effective January 1, 1975, the real property equity limitation for all

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applicants for supplemental aid under this section shall be \$15,000. The local agency in its discretion may permit eligibility of an applicant having assets in excess of the amount prescribed in this section if liquidation of the assets would cause undue loss or hardship.

Sec. 10. APPROPRIATION. Subdivision 1. The sum of \$900,000 is appropriated to the department of public welfare for the biennium ending June 30, 1979 for the payment of qualified nursing home expenses. One-half of the money shall be available for the year ending June 30, 1978, and one-half of the money shall be available for the year ending June 30, 1979. Notwithstanding the provisions of Minnesota Statutes, Section 16A.28, the money appropriated for the biennium ending June 30, 1979 shall not lapse but shall remain available for payment of qualified nursing home expenses incurred during the biennium.

Subd. 2. There is appropriated from the general fund to the commissioner of public welfare the sum of \$7,100,000 for the biennium ending June 30, 1979 for the purposes of sections 5, 6, 7 and 9.

Approved June 8, 1977.

CHAPTER 449—H.F.No.1510

[Coded in Part]

An act relating to the organization and operation of state government; appropriating money for education and related purposes with certain conditions, including the department of education, aids to libraries, higher education coordinating board, state universities, community colleges, and the university of Minnesota and its hospitals; creating a higher education consortium for southwestern Minnesota; amending Minnesota Statutes 1976, Sections 120.17, Subdivision 7a; 128A.02, Subdivision 3; 128A.06, Subdivision 1; 128A.07; 136A.121, Subdivision 3; 141.24; 141.36; and 197.78; repealing Minnesota Statutes 1976, Section 128A.08.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. EDUCATION; APPROPRIATIONS. The sums set forth in the columns designated "APPROPRIATIONS" are appropriated from the general fund, or any other fund designated, to the agencies and for the purposes specified in the following sections of this act, to be available for the fiscal year indicated for each purpose. The figures "1977", "1978", and "1979", wherever used in this act, mean that the appropriation or appropriations listed thereunder or therefor shall be available for the year ending June 30, 1977, June 30, 1978, or June 30, 1979, respectively.

	APPROPRIATIONS	
	Available for the Year	
	Ending June 30,	
	1978	1979
\$		\$

Sec. 2. DEPARTMENT OF EDUCATION

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