



Minnesota Department of **Human Services**

**Financial Operations Division**  
**P.O. Box 64171**  
**St. Paul, MN 55164-0171**  
**Fax 651-431-7507**

Medical Assistance (MA) Parental Fees

# **Important Notice and Parental Fee Worksheet**

**for Fiscal Year 2017 (July 1, 2016 - June 30, 2017)**

*(Please retain for your records.)*

Attention. If you need free help interpreting this document, call 651-431-3806.

ملاحظة: إذا أردت مساعدة مجانية لترجمة هذه الوثيقة، اتصل على الرقم 651-431-3806.

កំណត់សំគាល់ ។ បើអ្នកត្រូវការជំនួយក្នុងការបកប្រែឯកសារនេះដោយឥតគិតថ្លៃ សូមហៅតាមទូរស័ព្ទមកលេខ 651-431-3806 ។

Pažnja. Ako vam treba besplatna pomoć za tumačenje ovog dokumenta, nazovite 651-431-3806.

Thov ua twb zoo nyeem. Yog hais tias koj xav tau kev pab txhais lus rau tsab ntaub ntawv no pub dawb, ces hu rau 651-431-3806.

ໂປຣດຊາບ. ຖ້າທາກ ທ່ານຕ້ອງການການຊ່ວຍເຫຼືອໃນການແປເອກະສານນີ້ພຣີ, ຈຶ່ງໂທໂຮໂປທີ່ 651-431-3806.

Hubachiisa. Dokumentiin kun bilisa akka siif hiikamu gargaarsa hoo feete, lakkoobsi bilbiltu 651-431-3806.

Внимание: если вам нужна бесплатная помощь в устном переводе данного документа, позвоните по телефону 651-431-3806.

Digniin. Haddii aad u baahantahay caawimaad lacag-la' aan ah ee tarjumaadda qoraalkan, wac 651-431-3806.

Atención. Si desea recibir asistencia gratuita para interpretar este documento, llame al 651-431-3806.

Chú ý. Nếu quý vị cần được giúp đỡ dịch tài liệu này miễn phí, xin gọi số 651-431-3806.

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If you believe you are treated differently because of race, color, national origin, political beliefs, marital status, religion, sex, age or because of physical, mental or emotional disability, you may file a complaint with either the Department of Human Services, Office of Civil Rights, P.O. Box 64997, St. Paul MN 55164-0997; or the Department of Human Rights, 500 Bremer Tower, 7th Place and Minnesota Street, St. Paul, MN 55105.

## Important Notice About Parental Fees

Your child has been approved for Medical Assistance (MA) under Tax Equity and Fiscal Responsibility Act (TEFRA), Community Alternative Care (CAC), Community Alternatives for Disabled Individuals (CADI), Traumatic Brain Injury (TBI), a Developmental Disabilities (DD) Waiver or an out-of-home placement. Eligibility for MA was based on your child's disability or placement in a state facility. Your income and assets were not considered in determining your child's eligibility for MA. However, Minnesota law says that **you may have to pay a parental fee for the MA program that your disabled child is on.**

### What information do we use to determine your parental fee?

- Your adjusted gross income (before taxes) from last year's federal tax return. Do not include stepparent income.
- The amount of MONTHLY court-ordered support that you pay for the child receiving services.
- Your household size. Your household size includes the natural and adoptive parents and their dependents who live in their home. The child receiving MA services is included in the household size. Stepparents and stepchildren are not counted.
- Whether the child receiving MA lives in your home.
- Whether you carry private health insurance for the child receiving MA. Your fee will increase if you can obtain health insurance for your child through your employer at a cost of less than 5 percent of your adjusted gross income but you have chosen not to obtain it.

### Who has to pay a parental fee?

All parents with an adjusted gross income beginning at 275 percent of federal poverty guidelines will have a fee.

Parents not living with each other may each have to pay a fee.

### What if the parental fee is more than the cost of services that your child receives?

The total amount that you owe for a fiscal year (July through June) will never be higher than the cost of services paid by MA and your county for that same fiscal year. Shortly after the fiscal year ends, you will receive a statement comparing the cost of services paid on behalf of your child against the parental fee that you were charged for the year. Necessary adjustments to your account will be made at that time.

### What are your rights?

We will determine your parental fee after we receive your tax information. You will be mailed a Determination Order stating the fee amount and the date that the fee starts. **You have a right to ask for a review or an appeal of your fee.** The request for a review or appeal must be made in writing within 30 calendar days of the date of the order, or within 90 calendar days if you have good cause for failing to request a hearing within 30 calendar days. Your parental fee cannot be changed simply because you feel you cannot pay it. Minnesota law does not give authority to either the Financial Operations Division or the Appeals referee to waive your parental fee.

## **What happens if you fail to send DHS the information needed to determine a parental fee?**

You must send the information needed to determine your fee. If you do not respond, you will be charged for the full cost of services provided to your child. Legal action may be taken against you if you do not provide the necessary information.

## **What happens if you do not pay your parental fee?**

Your child will not be refused MA services because you fail to pay your parental fee. However, legal action may be taken against you. Legal action includes, but is not limited to: turning your account over to a collection agency, taking your state tax refund, and garnishing your wages.

## **You MUST notify the Parental Fee Unit within 30 days of the following events:**

- Your income increases or decreases by more than 10 percent from one month to the next (not from year to year).
- Your family size changes (increase or decrease of household members).
- Parents separate and no longer live in the same household. Separate accounts will be set up for each parent and each parent will be responsible for their own fee calculation based on their individual income.
- The child on MA has a change in living arrangement (a child living at home goes into out-of-home placement, or a child in out-of-home placement returns home).
- You obtain or cancel insurance coverage for the child receiving MA.

## **Circumstances that may change your parental fee:**

- Your past cost of services is at least 60 percent less than your annual fee.
- The adjusted gross income reported on your federal tax form is different than the amount of income actually distributed to you, creating a unique financial situation. Withdrawal of IRA and/or pension funds is not a unique financial situation.
- The adjusted gross income reported on your federal tax form includes capital gains that were used to purchase a home.
- You qualify for a change in your parental fee due to undue hardship as provided for in Minnesota Rule 9550.6230 Variance for Undue Hardship.
- A “Variance for Undue Hardship” means that you may ask for a change in your parental fee due to certain out-of-pocket expenses that would be allowable as federal tax deductions under Internal Revenue Code. The expenses include:
  - Medical expenses not paid by MA, insurance, or a pre-tax medical account for any member of the household.
  - Expenditures for adaptations to the home or parent’s vehicle necessary to accommodate the disabled child.
  - Casualty losses.

*College education expenses, most new home purchases, and clothing/personal expenses are not allowable as hardship deductions.*

## **Who do you call if you have questions?**

If you have questions about this notice or you want to ask for a change in your parental fee, call the Parental Fee Unit at 651-431-3806 or 800-657-3751.

## How is your parental fee calculated?

Parental fees are calculated by using adjusted gross income (AGI) from your federal taxes and federal poverty guidelines (FPG). The parental fee formula is explained below. (To calculate your monthly parental fee, go to “You Can Estimate Your Fee” on Page 5.)

- Determine your adjusted gross income (AGI) from your most recent federal taxes.
- Subtract \$2,400 if the child receiving services lives in your home. If you are the non-custodial parent, subtract the amount of court-ordered child support that you pay PER YEAR for the child receiving services.
- Determine where the resulting number falls in the table below.

Family Size	275% of Federal Poverty Guidelines	545% of Federal Poverty Guidelines	675% of Federal Poverty Guidelines	975% of Federal Poverty Guidelines
2	\$44,055	\$87,309	\$108,135	\$156,195
3	\$55,440	\$109,872	\$136,080	\$196,560
4	\$66,825	\$132,435	\$164,025	\$236,925
5	\$78,210	\$154,998	\$191,970	\$277,290
6	\$89,595	\$177,561	\$219,915	\$317,655
7	\$101,008	\$200,179	\$247,928	\$358,118
8	\$112,448	\$222,851	\$276,008	\$398,678
Additional members	\$11,440	\$22,672	\$28,080	\$40,560

- Calculate your parental fee as follows:

ADJUSTED GROSS INCOME (Less Deductions)	Parental Fee
Equal to or greater than 275% but less than or equal to 545% of FPG	Sliding scale that goes from 2.23% - 6.08% of AGI
Greater than 545% but less than 675% of FPG	6.08% of AGI
Equal to or greater than 675% but less than 975% of FPG	Sliding scale that goes from 6.08 - 8.10% of AGI
Equal to or greater than 975% of FPG	10.13% of AGI

# You Can Estimate Your Fee

This worksheet is for fiscal year 2017 (July 1, 2016 - June 30, 2017)

Retain this form for your records.

You can also estimate your fee online at <http://pfestimator.dhs.mn.gov/>

This worksheet may be used to estimate your monthly parental fee, and is for your information only. It is not necessary to return this worksheet to DHS. After DHS receives your tax information, your parental fee will be calculated and a notice will be sent to you telling you the amount of your parental fee. You will need a calculator to complete this worksheet.

## STEP 1. Calculate the income that we will use to determine your parental fee.

- \_\_\_\_\_ 1. Enter your adjusted gross income (AGI) from your 2015 federal taxes (Line 37 of form 1040 or line 21 of form 1040A).
- \_\_\_\_\_ 2. Enter \$2,400 if the child on Medical Assistance (MA) lives with you.
- \_\_\_\_\_ 3. Subtract the amount on line 2 from the amount on line 1.
- \_\_\_\_\_ 4. Enter the amount of court-ordered child support that you pay PER YEAR for the child on MA.
- \_\_\_\_\_ 5. Subtract the amount on line 4 from the amount on line 3.
- \_\_\_\_\_ 6. Divide line 5 by 12 and round to two decimal places.  
This is the monthly income that we will use to determine your parental fee.

## STEP 2. Determine the percent of Federal Poverty Guideline (FPG) for your monthly income.

- \_\_\_\_\_ 7. Enter the income from line 6 above.
- \_\_\_\_\_ 8. Using the table below enter the "monthly poverty guideline" for your family size.

Family Size	Monthly Poverty Guideline
2	\$1,335
3	\$1,680
4	\$2,025
5	\$2,370
6	\$2,715
7	\$3,061
8	\$3,408

- \_\_\_\_\_ 9. Divide the amount on line 7 by the amount on line 8.
- \_\_\_\_\_ 10. Round the number on line 9 to two decimal places and multiply the result by 100. This is the percent of FPG that we will use to calculate your parental fee.

### **STEP 3. Calculate Your Monthly Parental Fee**

#### **Calculation if the number on line 10 is less than 275**

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11. Your parental fee is zero.

#### **Calculation if the number on line 10 is equal to or greater than 275 and equal to or less than 545**

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- \_\_\_\_\_ 12. Multiply the number on line 9 by 100 and enter here.
- \_\_\_\_\_ 13. Subtract 275 from the amount on line 12.
- \_\_\_\_\_ 14. Multiply the amount on line 13 by .0385 and divide the result by 270.
- \_\_\_\_\_ 15. Add 0.0223 to the amount on line 14.
- \_\_\_\_\_ 16. Enter the number from line 6.
- \_\_\_\_\_ 17. Multiply the amount on line 15 by the amount on line 16.  
This is your estimated monthly fee.

#### **Calculation if the number on line 10 is greater than 545 and less than 675**

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- \_\_\_\_\_ 18. Enter the number from line 6.
- \_\_\_\_\_ 19. Multiply the amount on line 18 by .0608 (6.08%). This is your estimated monthly fee.

#### **Calculation if the number on line 10 is equal to or greater than 675 and less than 975**

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- \_\_\_\_\_ 20. Multiply the number on line 9 by 100 and enter here.
- \_\_\_\_\_ 21. Subtract 675 from the amount on line 20.
- \_\_\_\_\_ 22. Multiply the amount on line 21 by .0202 and divide the result by 300.
- \_\_\_\_\_ 23. Add .0608 to the amount on line 22.
- \_\_\_\_\_ 24. Enter the number from line 6.
- \_\_\_\_\_ 25. Multiply the amount on line 23 by the amount on line 24.  
This is your estimated monthly fee.

#### **Calculation if the number on line 10 is equal to or greater than 975**

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- \_\_\_\_\_ 26. Enter the number from line 6.
- \_\_\_\_\_ 27. Multiply the amount on line 26 by .1013 (10.13%).  
This is your estimated monthly fee.