STATE OF MINNESOTA
IN COURT OF APPEALS
A24-1096

Joseph Thomas Gardner,
Appellant,

vs.

State of Minnesota,
Defendant,

Department of Human Services,
Respondent,

HealthPartners,
Respondent.

Filed June 23, 2025
Remanded
Slieter, Judge

Dakota County District Court
File No. 19WS-CV-23-929

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Considered and decided by Larson, Presiding Judge; Cochran, Judge; and Slieter, Judge.

NONPRECEDENTIAL OPINION

SLIETER, Judge

Appellant challenges an agency decision denying his medical claim for dental implants because he did not qualify for such coverage under Minnesota statute. On appeal, the district court concluded that the statute on which the agency based its lack-of-coverage decision was unconstitutional. Because the agency relied on a statute that the district court determined to be unconstitutional and because it did not make findings as to whether the claimed dental work was medically necessary, we remand to the agency.

FACTS

Appellant Joseph Thomas Gardner began receiving MinnesotaCare dental coverage through respondent HealthPartners in 2020. MinnesotaCare is a health-care program that provides medical assistance to Minnesotans with qualifying incomes. *See* Minn. Stat. § 256L.02 (2024). HealthPartners contracts with respondent Minnesota Department of Human Services (DHS) to provide insurance through this program.

In May 2022, Gardner had all of his remaining teeth extracted due to severe decay and cavities. Gardner's dental specialist submitted an authorization request to HealthPartners for dental implants and permanent bridges. HealthPartners denied this request in October 2022, determining that, pursuant to a provision in the medical-assistance statute in effect at that time, which limited such dental treatment to children and pregnant women, Gardner did not qualify. *See* Minn. Stat. § 256B.0625, subd. 9 (2022). Gardner filed an appeal via HealthPartners' internal appeals process. As part of this internal appeal, Gardner provided documents addressing his medical need for the requested treatment,

including letters from his psychologist and primary-care provider, a proposed treatment plan, and medical literature which explains the efficacy of the proposed treatment. HealthPartners upheld its decision that Gardner did not qualify for the treatment because state statute limits it to children and pregnant women.

Gardner subsequently appealed HealthPartners' decision to DHS. Following an evidentiary hearing before a human-services judge in May 2023, DHS affirmed HealthPartners' denial of the coverage request. DHS explained that, pursuant to section 256B.0625, subd. 9, dental implants and permanent bridges are not one of the 16 covered dental services available to nonpregnant adults covered by MinnesotaCare.[1] Because DHS determined that the treatment was not covered, it did not address whether it was medically necessary.[2]

Gardner requested that DHS reconsider its decision. DHS affirmed the order denying coverage, explaining that the lack of coverage under the statute was dispositive

[1] The 2022 statute provided broader coverage to children and pregnant women than to other individuals, stating that medical assistance "covers medically necessary dental services for children and pregnant women" and included guidelines concerning such services. *Id.*, subd. 9(b).

The Minnesota Legislature modified the relevant statutory language in 2023 to replace the defined list of 16 covered services available to nonpregnant adults with language that broadly states that "[m]edical assistance covers medically necessary dental services" without reference to age or pregnancy status. *See* 2023 Minn. Laws ch. 70, art. 1, § 11, at 3483-84 (codified at Minn. Stat. § 256B.0625, subd. 9 (2024)).

[2] A covered service under this program must also "be medically necessary" to be eligible for payment. Minn. R. 9505.0210(A)(1) (2023).

and, even if it was not, Gardner had "not provided any evidence—other than his own statements—that the dental work he wants completed is 'medically necessary.'"

Gardner appealed DHS' order to the Dakota County District Court, arguing that the statute upon which DHS based its decision was unconstitutional. And he requested that the district court order coverage for the dental-implant procedure, adding that he provided proof of medical necessity. In a May 2024 order, the district court reversed DHS' order after determining that section 256B.0625, subd. 9 (2022), which was the sole basis for DHS' denial of coverage, was unconstitutional because it discriminated on the basis of sex by denying dental-implant coverage to nonpregnant adults.[3] The district court denied Gardner's request that it order HealthPartners to authorize coverage of the treatment because the record on medical necessity had "not been developed," but it did not remand the matter to DHS for further consideration of the medical-necessity issue.

Gardner appeals.[4]

DECISION

Gardner makes two related arguments on appeal. First, he argues that the district court erroneously failed to award him a remedy despite its ruling that the statutory provision on which the agency denied him coverage was unconstitutional. Second, he contends that the district court erred by determining that the medical-necessity issue was undeveloped, that he offered a *prima facie* case of medical necessity, and that, as a remedy,

[3] The constitutionality of this provision is not an issue on appeal.

[4] DHS did not participate in the district court proceedings or file a brief in this appeal.

this court should order HealthPartners to cover his treatment. HealthPartners responds that the parties did not develop the medical-necessity issue because the denial was a statutory-based lack of qualification for coverage. HealthPartners asks this court to affirm the agency's denial of such medical benefit because the record lacks information about whether the treatment is medically necessary.

"On appeal from the district court's appellate review of an administrative agency's decision, this court does not defer to the district court's review, but instead independently examines the agency's record and determines the propriety of the agency's decision." *Johnson v. Minn. Dep't of Hum. Servs.*, 565 N.W.2d 453, 457 (Minn. App. 1997). Consequently, we do not, as Gardner requests, review the district court's order and determine whether it erred. That is particularly so here where no party has appealed the single issue determined by the district court—the constitutionality of the applicable statute. We therefore will review the agency's decision.

"This court's review of a decision of the Commissioner of Human Services is governed by Minn. Stat. § 14.69." *Id.* (quotation omitted) (applying an earlier version of section 14.69). Minnesota Statutes section 14.69 (2024) provides, in pertinent part, that a court reviewing an agency decision may affirm or remand the decision, or it "may reverse or modify the decision" if it is "in violation of constitutional provisions," "unsupported by substantial evidence," or "arbitrary or capricious." The burden of proving the existence of a statutory ground for reversal lies with the party challenging the agency action. *Id.* But our authority to remand to an agency under this provision "is not dependent on a

determination that the agency's decision must be reversed." *In re PolyMet Mining, Inc.*, 965 N.W.2d 1, 11 (Minn. App. 2021), *rev. denied* (Minn. Sept. 30, 2021).

We first summarize the requirements for receiving insurance authorization for medical services for individuals insured via MinnesotaCare. The treatment must qualify as a covered service under Minnesota Statutes section 256B.0625, subdivision 9 (2022 & 2024). But, as we have explained, the district court determined that section 256.0625, subdivision 9, of the 2022 Minnesota Statutes, was unconstitutional. The requested medical service must additionally "(1) be medically necessary; (2) be appropriate and effective for the medical needs of the recipient; (3) meet quality and timeliness standards; [and] (4) be the most cost-effective health service available for the medical needs of the recipient." Minn. R. 9505.0210 (2023); *see also* Minn. R. 9505.0270, subps. 2a(H), 10(I) (2023) (providing additional regulations related to fixed partial dentures and fixed bridges).

At issue in this case is whether Gardner presented sufficient evidence that his desired treatment was medically necessary. A medically necessary treatment is one that:

> A. is recognized as the prevailing standard or current practice by the provider's peer group; and
> B. is rendered in response to a life threatening condition or pain; or to treat an injury, illness, or infection; or to treat a condition that could result in physical or mental disability; or to care for the mother and child through the maternity period; or to achieve a level of physical or mental function consistent with prevailing community standards for diagnosis or condition; or
> C. is a preventive health service under part 9505.0355.

Minn. R. 9505.0175, subp. 25 (2023).

We conclude that remand is appropriate for three reasons. First, the district court determined that the statute under which the agency affirmed HealthPartners' denial of coverage—in both the initial appeal and the request for reconsideration—is unconstitutional. At the time DHS was considering Gardner's claim, the applicable statute had not yet been found unconstitutional. As we explain below, when DHS did consider Gardner's claim, it did not consider medical necessity. Therefore, remand is the appropriate disposition.

Further, we conclude that the agency's reconsideration decision regarding medical necessity is both unsupported by substantial evidence and arbitrary and capricious under section 14.69(e) and (f). Substantial evidence is "(1) such relevant evidence as a reasonable mind might accept as adequate to support a conclusion; (2) more than a scintilla of evidence; (3) more than some evidence; (4) more than any evidence; or (5) the evidence considered in its entirety." *In re Wazwaz*, 943 N.W.2d 212, 216-17 (Minn. App. 2020) (quotation omitted), *rev. denied* (Minn. June 30, 2020). And, an agency's decision can be arbitrary and capricious if, among other reasons, it "offered an explanation that runs counter to the evidence." *In re N. States Power Co.*, 775 N.W.2d 652, 658 (Minn. 2009) (quotation omitted). Here, in DHS' reconsideration decision, the DHS director of appeals found that Gardner failed to present evidence of medical necessity "other than his own statements." However, this finding runs counter to the record because, as the parties agree, Gardner submitted several documents that address the medical necessity for the treatment. This finding is therefore both unsupported by substantial evidence and arbitrary and capricious.

As we have explained, DHS did not make any findings regarding medical necessity. As an error-correcting court, we do not make factual findings. *See Whitaker v. 3M Co.*, 764 N.W.2d 631, 640 n.1 (Minn. App. 2009) (explaining that this court's "role as an error-correcting court does not extend to making findings in the first instance"), *rev. denied* (Minn. July 22, 2009); *see also Reyes v. Schmidt*, 403 N.W.2d 291, 293 (Minn. App. 1987) (explaining that "particularized findings are necessary to facilitate appellate review" (quotation omitted)).

Gardner contends that remand is unnecessary because he demonstrated a *prima facie* case of medical necessity and the other coverage requirements that went unrebutted, therefore entitling him to coverage. We are unpersuaded. The cases that Gardner cites on appeal involve determinations at prior administrative proceedings that the claimant had either established medical necessity or credibly offered evidence in support of medical necessity. *See Johnson*, 565 N.W.2d at 458-59; *Doe v. State, Dept. of Pub. Welfare*, 257 N.W.2d 816, 821 (Minn. 1977). DHS made no such determination here.

Further, appellate courts ordinarily exercise significant deference to agency decisions, particularly when an agency's decision implicates its "special knowledge in the field of [its] technical training, education, and experience." *In re Cities of Annandale & Maple Lakes NPDES/SDS Permit Issuance for the Discharge of Treated Wastewater*, 731 N.W.2d 502, 513 (Minn. 2007) (quotation omitted). Such deference is rooted in separation-of-powers principles. *Id.* In this vein, we appreciate that medical necessity and the other coverage requirements involve technical determinations and that DHS is in a better position to make these determinations. *See In re Restorff*, 932 N.W.2d 12, 24 (Minn.

2019) (remanding to DHS when there was an important unresolved factual issue that the court could not "determine on [its] own").

We therefore remand the case to DHS to consider whether, in accordance with all relevant statutory and regulatory provisions, Gardner is entitled to payment for the requested dental services. On remand, DHS has the discretion to reopen the record to allow the parties to submit evidence regarding medical necessity and the other requirements for coverage.

Remanded.