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State of Minnesota

HOUSE OF REPRESENTATIVES

Unofficial Engrossment

House Engrossment of a Senate File

NINETIETH SESSION

S. F. No. 800

- 04/04/2017 Companion to House File No. 945. (Authors:Dean, M.)
Read First Time and Referred to the Committee on Ways and Means
- 04/05/2017 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
- 04/07/2017 Calendar for the Day, Amended
Read Third Time as Amended
- 04/18/2017 Passed by the House as Amended and transmitted to the Senate to include Committee and Floor Amendments
Refused to concur and a Conference Committee was appointed

1.1 A bill for an act

1.2 relating to state government; establishing the health and human services budget;

1.3 modifying provisions governing health care, continuing care, health department

1.4 and public health, children and families, health occupations, chemical and mental

1.5 health, and opiate abuse prevention; establishing prescribed pediatric extended

1.6 care center license; modifying provisions governing medical cannabis; establishing

1.7 intentional diversion of medical cannabis violation and penalties; modifying tax

1.8 levy; modifying certain definitions; establishing federally facilitated marketplace;

1.9 modifying sections related to telemedicine, nursing, psychology, dentistry, and

1.10 medical practice; requiring legislative approval for certain federal waivers and

1.11 approval; repealing MNsure; making technical changes; requiring reports;

1.12 establishing and modifying fees; making forecast adjustments; appropriating

1.13 money; amending Minnesota Statutes 2016, sections 3.972, by adding a subdivision;

1.14 119B.011, by adding subdivisions; 119B.02, subdivision 5; 119B.03, subdivisions

1.15 4, 6; 119B.09, subdivision 9a; 119B.125, subdivisions 4, 6; 119B.13, subdivisions

1.16 1, 6; 119B.16, subdivisions 1, 1a, 1b, by adding subdivisions; 144.0722, subdivision

1.17 1; 144.0724, subdivisions 1, 2, 6, 9; 144.1501, subdivision 2; 144.1506; 144.551,

1.18 subdivision 1; 144.562, subdivision 2; 144.99, subdivision 1; 144A.071,

1.19 subdivisions 3, 4a, 4c, 4d; 144A.073, subdivision 3c; 144A.10, subdivision 4;

1.20 144A.15, subdivision 2; 144A.154; 144A.161, subdivision 10; 144A.1888;

1.21 144A.474, subdivision 11; 144A.4799, subdivision 3; 144A.611, subdivision 1;

1.22 144A.70, subdivision 6, by adding a subdivision; 144A.74; 145.4131, subdivision

1.23 1; 145.4716, subdivision 2; 148.171, subdivision 7b, by adding a subdivision;

1.24 148.211, subdivisions 1a, 1c, 2; 148.881; 148.89; 148.90, subdivisions 1, 2;

1.25 148.905, subdivision 1; 148.907, subdivisions 1, 2; 148.9105, subdivisions 1, 4,

1.26 5; 148.916, subdivisions 1, 1a; 148.925; 148.96, subdivision 3; 148B.53, subdivision

1.27 1; 150A.06, subdivisions 3, 8; 150A.10, subdivision 4; 151.01, subdivision 5, by

1.28 adding subdivisions; 151.21; 151.212, subdivision 2; 152.11, by adding a

1.29 subdivision; 152.25, by adding subdivisions; 152.33, by adding a subdivision;

1.30 245.462, subdivision 9; 245.4871, by adding a subdivision; 245.4876, subdivision

1.31 2; 245.4889, subdivision 1; 245.814, subdivisions 2, 3; 245.91, subdivisions 4, 6;

1.32 245.94, subdivision 1; 245.97, subdivision 6; 245A.02, subdivisions 2b, 5a, by

1.33 adding subdivisions; 245A.03, subdivision 2; 245A.04, subdivision 4; 245A.06,

1.34 subdivision 8, by adding a subdivision; 245A.191; 245D.03, subdivision 1; 245E.01,

1.35 by adding a subdivision; 245E.02, subdivisions 1, 3, 4; 245E.03, subdivisions 2,

1.36 4; 245E.04; 245E.05, subdivision 1; 245E.06, subdivisions 1, 2, 3; 245E.07,

1.37 subdivision 1; 252.27, subdivision 2a; 252.41, subdivision 3; 254A.03, subdivision

1.38 3; 254A.08, subdivision 2; 254B.01, by adding a subdivision; 254B.03, subdivision

1.39 2; 254B.05, subdivisions 1, 5; 254B.12, by adding a subdivision; 256.9657,

2.1 subdivision 1; 256.9686, subdivision 8; 256.969, subdivisions 1, 2b, 3a, 4b, 8, 8c,
 2.2 9, 12, by adding a subdivision; 256.98, subdivision 8; 256B.04, subdivision 12;
 2.3 256B.0621, subdivision 10; 256B.0625, subdivisions 3b, 6a, 13, 13e, 17, 17b, 18h,
 2.4 20, 30, 45a, 60a, 64, by adding subdivisions; 256B.0644; 256B.0653, subdivisions
 2.5 2, 3, 4, 5, 6, by adding a subdivision; 256B.072; 256B.0755; 256B.0915,
 2.6 subdivision 3e; 256B.0924, by adding a subdivision; 256B.0943, subdivision 13;
 2.7 256B.0945, subdivisions 2, 4; 256B.15, subdivisions 1, 1a, 2; 256B.196,
 2.8 subdivisions 2, 3, 4; 256B.35, subdivision 4; 256B.431, subdivision 30; 256B.434,
 2.9 subdivision 4; 256B.4913, subdivision 4a, by adding a subdivision; 256B.4914,
 2.10 subdivisions 2, 3, 5, 6, 7, 8, 9, 10; 256B.50, subdivisions 1, 1b; 256B.5012, by
 2.11 adding subdivisions; 256B.69, subdivision 5a, by adding a subdivision; 256B.75;
 2.12 256B.763; 256B.766; 256C.23, subdivision 2, by adding subdivisions; 256C.233,
 2.13 subdivisions 1, 2; 256C.24, subdivisions 1, 2; 256C.261; 256I.04, subdivisions 1,
 2.14 3; 256I.05, by adding subdivisions; 256I.06, subdivision 8; 256J.45, subdivision
 2.15 2; 256L.15, subdivision 2; 256P.06, subdivision 2; 256R.02, subdivisions 4, 17,
 2.16 18, 19, 22, 42, 52, by adding subdivisions; 256R.06, subdivision 5; 256R.07,
 2.17 subdivision 1, by adding a subdivision; 256R.13, subdivision 4; 256R.37; 256R.40,
 2.18 subdivisions 1, 5; 256R.41; 256R.47; 256R.49; 256R.53, subdivision 2; 260C.451,
 2.19 subdivision 6; 609.5315, subdivision 5c; 626.556, subdivisions 2, 3, 3c, 10d; Laws
 2.20 1988, chapter 645, section 3, as amended; Laws 2015, chapter 71, article 7, section
 2.21 54; proposing coding for new law in Minnesota Statutes, chapters 119B; 144; 147;
 2.22 148; 152; 181; 245A; 256; 256B; 256N; 256R; proposing coding for new law as
 2.23 Minnesota Statutes, chapter 144H; repealing Minnesota Statutes 2016, sections
 2.24 62V.01; 62V.02; 62V.03; 62V.04; 62V.05; 62V.051; 62V.055; 62V.06; 62V.07;
 2.25 62V.08; 62V.09; 62V.10; 62V.11; 119B.16, subdivision 2; 144.4961; 147.0375,
 2.26 subdivision 7; 148.211, subdivision 1b; 148.243, subdivision 15; 148.906; 148.907,
 2.27 subdivision 5; 148.908; 148.909, subdivision 7; 148.96, subdivisions 4, 5; 179A.50;
 2.28 179A.51; 179A.52; 179A.53; 245E.03, subdivision 3; 245E.06, subdivisions 4, 5;
 2.29 256B.4914, subdivision 16; 256B.7631; 256C.23, subdivision 3; 256C.233,
 2.30 subdivision 4; 256C.25, subdivisions 1, 2; Minnesota Rules, part 3400.0185,
 2.31 subpart 5.

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

2.33 **ARTICLE 1**

2.34 **HEALTH CARE**

2.35 Section 1. Minnesota Statutes 2016, section 3.972, is amended by adding a subdivision
 2.36 to read:

2.37 Subd. 2a. **Audits of Department of Human Services.** (a) To ensure continuous
 2.38 legislative oversight and accountability, the legislative auditor shall give high priority to
 2.39 auditing the programs, services, and benefits administered by the Department of Human
 2.40 Services. The audits shall determine whether the department offered programs and provided
 2.41 services and benefits only to eligible persons and organizations, and complied with applicable
 2.42 legal requirements.

2.43 (b) The legislative auditor shall, no less than three times each year, test a representative
 2.44 sample of persons enrolled in medical assistance and MinnesotaCare to determine whether
 2.45 they are eligible to receive benefits under those programs. The legislative auditor shall report
 2.46 the results to the commissioner of human services and recommend corrective actions, which

3.1 the commissioner must implement within 20 business days. The legislative auditor shall
3.2 monitor the commissioner's implementation of corrective actions and periodically report
3.3 the results to the Legislative Audit Commission and the chairs and ranking minority members
3.4 of the legislative committees with jurisdiction over health and human services policy and
3.5 finance. The legislative auditor's reports to the commission and the chairs and ranking
3.6 minority members must include recommendations for any legislative actions needed to
3.7 ensure that medical assistance and MinnesotaCare benefits are provided only to eligible
3.8 persons.

3.9 Sec. 2. Minnesota Statutes 2016, section 245.4889, subdivision 1, is amended to read:

3.10 Subdivision 1. **Establishment and authority.** (a) The commissioner is authorized to
3.11 make grants from available appropriations to assist:

3.12 (1) counties;

3.13 (2) Indian tribes;

3.14 (3) children's collaboratives under section 124D.23 or 245.493; or

3.15 (4) mental health service providers.

3.16 (b) The following services are eligible for grants under this section:

3.17 (1) services to children with emotional disturbances as defined in section 245.4871,
3.18 subdivision 15, and their families;

3.19 (2) transition services under section 245.4875, subdivision 8, for young adults under
3.20 age 21 and their families;

3.21 (3) respite care services for children with severe emotional disturbances who are at risk
3.22 of out-of-home placement;

3.23 (4) children's mental health crisis services;

3.24 (5) mental health services for people from cultural and ethnic minorities;

3.25 (6) children's mental health screening and follow-up diagnostic assessment and treatment;

3.26 (7) services to promote and develop the capacity of providers to use evidence-based
3.27 practices in providing children's mental health services;

3.28 (8) school-linked mental health services;

3.29 (9) building evidence-based mental health intervention capacity for children birth to age
3.30 five;

4.1 (10) suicide prevention and counseling services that use text messaging statewide;

4.2 (11) mental health first aid training;

4.3 (12) training for parents, collaborative partners, and mental health providers on the
4.4 impact of adverse childhood experiences and trauma and development of an interactive
4.5 Web site to share information and strategies to promote resilience and prevent trauma;

4.6 (13) transition age services to develop or expand mental health treatment and supports
4.7 for adolescents and young adults 26 years of age or younger;

4.8 (14) early childhood mental health consultation;

4.9 (15) evidence-based interventions for youth at risk of developing or experiencing a first
4.10 episode of psychosis, and a public awareness campaign on the signs and symptoms of
4.11 psychosis; ~~and~~

4.12 (16) psychiatric consultation for primary care practitioners; and

4.13 (17) start-up funding to support providers in meeting program requirements and beginning
4.14 operations when establishing a new children's mental health program.

4.15 (c) Services under paragraph (b) must be designed to help each child to function and
4.16 remain with the child's family in the community and delivered consistent with the child's
4.17 treatment plan. Transition services to eligible young adults under paragraph (b) must be
4.18 designed to foster independent living in the community.

4.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.

4.20 Sec. 3. Minnesota Statutes 2016, section 256.9686, subdivision 8, is amended to read:

4.21 Subd. 8. **Rate year.** "Rate year" means a calendar year from January 1 to December 31.
4.22 Effective with the 2012 base year, rate year means a state fiscal year from July 1 to June
4.23 30.

4.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.

4.25 Sec. 4. Minnesota Statutes 2016, section 256.969, subdivision 1, is amended to read:

4.26 Subdivision 1. **Hospital cost index.** (a) The hospital cost index shall be the change in
4.27 the Centers for Medicare and Medicaid Services Inpatient Hospital Market Basket. The
4.28 commissioner shall use the indices as forecasted for the midpoint of the prior rate year to
4.29 the midpoint of the current rate year.

5.1 (b) Except as authorized under this section, for fiscal years beginning on or after July
5.2 1, 1993, the commissioner of human services shall not provide automatic annual inflation
5.3 adjustments for hospital payment rates under medical assistance.

5.4 **EFFECTIVE DATE.** This section is effective July 1, 2017.

5.5 Sec. 5. Minnesota Statutes 2016, section 256.969, subdivision 2b, is amended to read:

5.6 Subd. 2b. **Hospital payment rates.** (a) For discharges occurring on or after November
5.7 1, 2014, hospital inpatient services for hospitals located in Minnesota shall be paid according
5.8 to the following:

5.9 (1) critical access hospitals as defined by Medicare shall be paid using a cost-based
5.10 methodology;

5.11 (2) long-term hospitals as defined by Medicare shall be paid on a per diem methodology
5.12 under subdivision 25;

5.13 (3) rehabilitation hospitals or units of hospitals that are recognized as rehabilitation
5.14 distinct parts as defined by Medicare shall be paid according to the methodology under
5.15 subdivision 12; and

5.16 (4) all other hospitals shall be paid on a diagnosis-related group (DRG) methodology.

5.17 (b) For the period beginning January 1, 2011, through October 31, 2014, rates shall not
5.18 be rebased, except that a Minnesota long-term hospital shall be rebased effective January
5.19 1, 2011, based on its most recent Medicare cost report ending on or before September 1,
5.20 2008, with the provisions under subdivisions 9 and 23, based on the rates in effect on
5.21 December 31, 2010. For rate setting periods after November 1, 2014, in which the base
5.22 years are updated, a Minnesota long-term hospital's base year shall remain within the same
5.23 period as other hospitals.

5.24 (c) Effective for discharges occurring on and after November 1, 2014, payment rates
5.25 for hospital inpatient services provided by hospitals located in Minnesota or the local trade
5.26 area, except for the hospitals paid under the methodologies described in paragraph (a),
5.27 clauses (2) and (3), shall be rebased, incorporating cost and payment methodologies in a
5.28 manner similar to Medicare. The base year for the rates effective November 1, 2014, shall
5.29 be calendar year 2012. The rebasing under this paragraph shall be budget neutral, ensuring
5.30 that the total aggregate payments under the rebased system are equal to the total aggregate
5.31 payments that were made for the same number and types of services in the base year. Separate
5.32 budget neutrality calculations shall be determined for payments made to critical access
5.33 hospitals and payments made to hospitals paid under the DRG system. Only the rate increases

6.1 or decreases under subdivision 3a or 3c that applied to the hospitals being rebased during
6.2 the entire base period shall be incorporated into the budget neutrality calculation.

6.3 (d) For discharges occurring on or after November 1, 2014, through the next rebasing
6.4 that occurs, the rebased rates under paragraph (c) that apply to hospitals under paragraph
6.5 (a), clause (4), shall include adjustments to the projected rates that result in no greater than
6.6 a five percent increase or decrease from the base year payments for any hospital. Any
6.7 adjustments to the rates made by the commissioner under this paragraph and paragraph (e)
6.8 shall maintain budget neutrality as described in paragraph (c).

6.9 (e) For discharges occurring on or after November 1, 2014, through the next two rebasing
6.10 ~~that occurs~~ periods the commissioner may make additional adjustments to the rebased rates,
6.11 and when evaluating whether additional adjustments should be made, the commissioner
6.12 shall consider the impact of the rates on the following:

6.13 (1) pediatric services;

6.14 (2) behavioral health services;

6.15 (3) trauma services as defined by the National Uniform Billing Committee;

6.16 (4) transplant services;

6.17 (5) obstetric services, newborn services, and behavioral health services provided by
6.18 hospitals outside the seven-county metropolitan area;

6.19 (6) outlier admissions;

6.20 (7) low-volume providers; and

6.21 (8) services provided by small rural hospitals that are not critical access hospitals.

6.22 (f) Hospital payment rates established under paragraph (c) must incorporate the following:

6.23 (1) for hospitals paid under the DRG methodology, the base year payment rate per
6.24 admission is standardized by the applicable Medicare wage index and adjusted by the
6.25 hospital's disproportionate population adjustment;

6.26 (2) for critical access hospitals, payment rates for discharges between November 1, 2014,
6.27 and June 30, 2015, shall be set to the same rate of payment that applied for discharges on
6.28 October 31, 2014;

6.29 (3) the cost and charge data used to establish hospital payment rates must only reflect
6.30 inpatient services covered by medical assistance; and

7.1 (4) in determining hospital payment rates for discharges occurring on or after the rate
7.2 year beginning January 1, 2011, through December 31, 2012, the hospital payment rate per
7.3 discharge shall be based on the cost-finding methods and allowable costs of the Medicare
7.4 program in effect during the base year or years. In determining hospital payment rates for
7.5 discharges in subsequent base years, the per discharge rates shall be based on the cost-finding
7.6 methods and allowable costs of the Medicare program in effect during the base year or
7.7 years.

7.8 (g) The commissioner shall validate the rates effective November 1, 2014, by applying
7.9 the rates established under paragraph (c), and any adjustments made to the rates under
7.10 paragraph (d) or (e), to hospital claims paid in calendar year 2013 to determine whether the
7.11 total aggregate payments for the same number and types of services under the rebased rates
7.12 are equal to the total aggregate payments made during calendar year 2013.

7.13 (h) Effective for discharges occurring on or after July 1, 2017, and every two years
7.14 thereafter, payment rates under this section shall be rebased to reflect only those changes
7.15 in hospital costs between the existing base year and the next base year. Changes in costs
7.16 between base years shall be measured using the lower of the hospital cost index defined in
7.17 subdivision 1, paragraph (a), or the percentage change in the case mix adjusted cost per
7.18 claim. The commissioner shall establish the base year for each rebasing period considering
7.19 the most recent year for which filed Medicare cost reports are available. The estimated
7.20 change in the average payment per hospital discharge resulting from a scheduled rebasing
7.21 must be calculated and made available to the legislature by January 15 of each year in which
7.22 rebasing is scheduled to occur, and must include by hospital the differential in payment
7.23 rates compared to the individual hospital's costs.

7.24 (i) Effective for discharges occurring on or after July 1, 2015, inpatient payment rates
7.25 for critical access hospitals located in Minnesota or the local trade area shall be determined
7.26 using a new cost-based methodology. The commissioner shall establish within the
7.27 methodology tiers of payment designed to promote efficiency and cost-effectiveness.
7.28 Payment rates for hospitals under this paragraph shall be set at a level that does not exceed
7.29 the total cost for critical access hospitals as reflected in base year cost reports. Until the
7.30 next rebasing that occurs, the new methodology shall result in no greater than a five percent
7.31 decrease from the base year payments for any hospital, except a hospital that had payments
7.32 that were greater than 100 percent of the hospital's costs in the base year shall have their
7.33 rate set equal to 100 percent of costs in the base year. The rates paid for discharges on and
7.34 after July 1, 2016, covered under this paragraph shall be increased by the inflation factor
7.35 in subdivision 1, paragraph (a). The new cost-based rate shall be the final rate and shall not

8.1 be settled to actual incurred costs. Hospitals shall be assigned a payment tier based on the
8.2 following criteria:

8.3 (1) hospitals that had payments at or below 80 percent of their costs in the base year
8.4 shall have a rate set that equals 85 percent of their base year costs;

8.5 (2) hospitals that had payments that were above 80 percent, up to and including 90
8.6 percent of their costs in the base year shall have a rate set that equals 95 percent of their
8.7 base year costs; and

8.8 (3) hospitals that had payments that were above 90 percent of their costs in the base year
8.9 shall have a rate set that equals 100 percent of their base year costs.

8.10 (j) The commissioner may refine the payment tiers and criteria for critical access hospitals
8.11 to coincide with the next rebasing under paragraph (h). The factors used to develop the new
8.12 methodology may include, but are not limited to:

8.13 (1) the ratio between the hospital's costs for treating medical assistance patients and the
8.14 hospital's charges to the medical assistance program;

8.15 (2) the ratio between the hospital's costs for treating medical assistance patients and the
8.16 hospital's payments received from the medical assistance program for the care of medical
8.17 assistance patients;

8.18 (3) the ratio between the hospital's charges to the medical assistance program and the
8.19 hospital's payments received from the medical assistance program for the care of medical
8.20 assistance patients;

8.21 (4) the statewide average increases in the ratios identified in clauses (1), (2), and (3);

8.22 (5) the proportion of that hospital's costs that are administrative and trends in
8.23 administrative costs; and

8.24 (6) geographic location.

8.25 **EFFECTIVE DATE.** This section is effective July 1, 2017.

8.26 Sec. 6. Minnesota Statutes 2016, section 256.969, is amended by adding a subdivision to
8.27 read:

8.28 **Subd. 2e. Alternate inpatient payment rate.** (a) If the days, costs, and revenues
8.29 associated with patients who are eligible for medical assistance and also have private health
8.30 insurance are required to be included in the calculation of the hospital-specific
8.31 disproportionate share hospital payment limit for a rate year, then the commissioner, effective

9.1 retroactively to rate years beginning on or after January 1, 2015, shall compute an alternate
9.2 inpatient payment rate for a Minnesota hospital that is designated as a children's hospital
9.3 and enumerated as such by Medicare. The commissioner shall reimburse the hospital for a
9.4 rate year at the higher of the amount calculated under the alternate payment rate or the
9.5 amount calculated under subdivision 9.

9.6 (b) The alternate payment rate must meet the criteria in clauses (1) to (4):

9.7 (1) the alternate payment rate shall be structured to target a total aggregate reimbursement
9.8 amount equal to two percent less than each children's hospital's cost coverage percentage
9.9 in the applicable base year for providing fee-for-service inpatient services under this section
9.10 to patients enrolled in medical assistance;

9.11 (2) costs shall be determined using the most recently available medical assistance cost
9.12 report provided under subdivision 4b, paragraph (a), clause (3), for the applicable base year.
9.13 Costs shall be determined using standard Medicare cost finding and cost allocation methods
9.14 and applied in the same manner as the costs were in the rebasing for the applicable base
9.15 year. If the medical assistance cost report is not available, costs shall be determined in the
9.16 interim using the Medicare Cost Report;

9.17 (3) in any rate year in which payment to a hospital is made using the alternate payment
9.18 rate, no payments shall be made to the hospital under subdivision 9; and

9.19 (4) if the alternate payment amount increases payments at a rate that is higher than the
9.20 inflation factor applied over the rebasing period, the commissioner shall take this into
9.21 consideration when setting payment rates at the next rebasing.

9.22 Sec. 7. Minnesota Statutes 2016, section 256.969, subdivision 3a, is amended to read:

9.23 Subd. 3a. **Payments.** (a) Acute care hospital billings under the medical assistance program
9.24 must not be submitted until the recipient is discharged. However, the commissioner shall
9.25 establish monthly interim payments for inpatient hospitals that have individual patient
9.26 lengths of stay over 30 days regardless of diagnostic category. Except as provided in section
9.27 256.9693, medical assistance reimbursement for treatment of mental illness shall be
9.28 reimbursed based on diagnostic classifications. Individual hospital payments established
9.29 under this section and sections 256.9685, 256.9686, and 256.9695, in addition to third-party
9.30 and recipient liability, for discharges occurring during the rate year shall not exceed, in
9.31 aggregate, the charges for the medical assistance covered inpatient services paid for the
9.32 same period of time to the hospital. Services that have rates established under subdivision
9.33 ~~11 or~~ 12, must be limited separately from other services. After consulting with the affected

10.1 hospitals, the commissioner may consider related hospitals one entity and may merge the
10.2 payment rates while maintaining separate provider numbers. The operating and property
10.3 base rates per admission or per day shall be derived from the best Medicare and claims data
10.4 available when rates are established. The commissioner shall determine the best Medicare
10.5 and claims data, taking into consideration variables of recency of the data, audit disposition,
10.6 settlement status, and the ability to set rates in a timely manner. The commissioner shall
10.7 notify hospitals of payment rates 30 days prior to implementation. The rate setting data
10.8 must reflect the admissions data used to establish relative values. The commissioner may
10.9 adjust base year cost, relative value, and case mix index data to exclude the costs of services
10.10 that have been discontinued by the October 1 of the year preceding the rate year or that are
10.11 paid separately from inpatient services. Inpatient stays that encompass portions of two or
10.12 more rate years shall have payments established based on payment rates in effect at the time
10.13 of admission unless the date of admission preceded the rate year in effect by six months or
10.14 more. In this case, operating payment rates for services rendered during the rate year in
10.15 effect and established based on the date of admission shall be adjusted to the rate year in
10.16 effect by the hospital cost index.

10.17 (b) For fee-for-service admissions occurring on or after July 1, 2002, the total payment,
10.18 before third-party liability and spenddown, made to hospitals for inpatient services is reduced
10.19 by .5 percent from the current statutory rates.

10.20 (c) In addition to the reduction in paragraph (b), the total payment for fee-for-service
10.21 admissions occurring on or after July 1, 2003, made to hospitals for inpatient services before
10.22 third-party liability and spenddown, is reduced five percent from the current statutory rates.
10.23 Mental health services within diagnosis related groups 424 to 432 or corresponding
10.24 APR-DRGs, and facilities defined under subdivision 16 are excluded from this paragraph.

10.25 (d) In addition to the reduction in paragraphs (b) and (c), the total payment for
10.26 fee-for-service admissions occurring on or after August 1, 2005, made to hospitals for
10.27 inpatient services before third-party liability and spenddown, is reduced 6.0 percent from
10.28 the current statutory rates. Mental health services within diagnosis related groups 424 to
10.29 432 or corresponding APR-DRGs, and facilities defined under subdivision 16 are excluded
10.30 from this paragraph. Payments made to managed care plans shall be reduced for services
10.31 provided on or after January 1, 2006, to reflect this reduction.

10.32 (e) In addition to the reductions in paragraphs (b), (c), and (d), the total payment for
10.33 fee-for-service admissions occurring on or after July 1, 2008, through June 30, 2009, made
10.34 to hospitals for inpatient services before third-party liability and spenddown, is reduced
10.35 3.46 percent from the current statutory rates. Mental health services with diagnosis related

11.1 groups 424 to 432 or corresponding APR-DRGs, and facilities defined under subdivision
11.2 16 are excluded from this paragraph. Payments made to managed care plans shall be reduced
11.3 for services provided on or after January 1, 2009, through June 30, 2009, to reflect this
11.4 reduction.

11.5 (f) In addition to the reductions in paragraphs (b), (c), and (d), the total payment for
11.6 fee-for-service admissions occurring on or after July 1, 2009, through June 30, 2011, made
11.7 to hospitals for inpatient services before third-party liability and spenddown, is reduced 1.9
11.8 percent from the current statutory rates. Mental health services with diagnosis related groups
11.9 424 to 432 or corresponding APR-DRGs, and facilities defined under subdivision 16 are
11.10 excluded from this paragraph. Payments made to managed care plans shall be reduced for
11.11 services provided on or after July 1, 2009, through June 30, 2011, to reflect this reduction.

11.12 (g) In addition to the reductions in paragraphs (b), (c), and (d), the total payment for
11.13 fee-for-service admissions occurring on or after July 1, 2011, made to hospitals for inpatient
11.14 services before third-party liability and spenddown, is reduced 1.79 percent from the current
11.15 statutory rates. Mental health services with diagnosis related groups 424 to 432 or
11.16 corresponding APR-DRGs, and facilities defined under subdivision 16 are excluded from
11.17 this paragraph. Payments made to managed care plans shall be reduced for services provided
11.18 on or after July 1, 2011, to reflect this reduction.

11.19 (h) In addition to the reductions in paragraphs (b), (c), (d), (f), and (g), the total payment
11.20 for fee-for-service admissions occurring on or after July 1, 2009, made to hospitals for
11.21 inpatient services before third-party liability and spenddown, is reduced one percent from
11.22 the current statutory rates. Facilities defined under subdivision 16 are excluded from this
11.23 paragraph. Payments made to managed care plans shall be reduced for services provided
11.24 on or after October 1, 2009, to reflect this reduction.

11.25 (i) In addition to the reductions in paragraphs (b), (c), (d), (g), and (h), the total payment
11.26 for fee-for-service admissions occurring on or after July 1, 2011, made to hospitals for
11.27 inpatient services before third-party liability and spenddown, is reduced 1.96 percent from
11.28 the current statutory rates. Facilities defined under subdivision 16 are excluded from this
11.29 paragraph. Payments made to managed care plans shall be reduced for services provided
11.30 on or after January 1, 2011, to reflect this reduction.

11.31 (j) Effective for discharges on and after November 1, 2014, from hospitals paid under
11.32 subdivision 2b, paragraph (a), clauses (1) and (4), the rate adjustments in this subdivision
11.33 must be incorporated into the rebased rates established under subdivision 2b, paragraph (c),
11.34 and must not be applied to each claim.

12.1 (k) Effective for discharges on and after July 1, 2015, from hospitals paid under
12.2 subdivision 2b, paragraph (a), clauses (2) and (3), the rate adjustments in this subdivision
12.3 must be incorporated into the rates and must not be applied to each claim.

12.4 (l) Effective for discharges on and after July 1, 2017, from hospitals paid under
12.5 subdivision 2b, paragraph (a), clause (2), the rate adjustments in this subdivision must be
12.6 incorporated into the rates and must not be applied to each claim.

12.7 **EFFECTIVE DATE.** This section is effective July 1, 2017.

12.8 Sec. 8. Minnesota Statutes 2016, section 256.969, subdivision 4b, is amended to read:

12.9 Subd. 4b. **Medical assistance cost reports for services.** (a) A hospital that meets one
12.10 of the following criteria must annually submit to the commissioner medical assistance cost
12.11 reports within six months of the end of the hospital's fiscal year:

12.12 (1) a hospital designated as a critical access hospital that receives medical assistance
12.13 payments; ~~or~~

12.14 (2) a Minnesota hospital or out-of-state hospital located within a Minnesota local trade
12.15 area that receives a disproportionate population adjustment under subdivision 9; or

12.16 (3) a Minnesota hospital that is designated as a children's hospital and enumerated as
12.17 such by Medicare.

12.18 For purposes of this subdivision, local trade area has the meaning given in subdivision
12.19 17.

12.20 (b) The commissioner shall suspend payments to any hospital that fails to submit a report
12.21 required under this subdivision. Payments must remain suspended until the report has been
12.22 filed with and accepted by the commissioner.

12.23 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2015.

12.24 Sec. 9. Minnesota Statutes 2016, section 256.969, subdivision 8, is amended to read:

12.25 Subd. 8. **Unusual length of stay experience.** (a) The commissioner shall establish day
12.26 outlier thresholds for each diagnostic category established under subdivision 2 at two standard
12.27 deviations beyond the mean length of stay. Payment for the days beyond the outlier threshold
12.28 shall be in addition to the operating and property payment rates per admission established
12.29 under subdivisions 2 and 2b. Payment for outliers shall be at 70 percent of the allowable
12.30 operating cost, after adjustment by the case mix index, hospital cost index, relative values
12.31 and the disproportionate population adjustment. The outlier threshold for neonatal and burn

13.1 diagnostic categories shall be established at one standard deviation beyond the mean length
13.2 of stay, and payment shall be at 90 percent of allowable operating cost calculated in the
13.3 same manner as other outliers. A hospital may choose an alternative to the 70 percent outlier
13.4 payment that is at a minimum of 60 percent and a maximum of 80 percent if the
13.5 commissioner is notified in writing of the request by October 1 of the year preceding the
13.6 rate year. The chosen percentage applies to all diagnostic categories except burns and
13.7 neonates. The percentage of allowable cost that is unrecognized by the outlier payment shall
13.8 be added back to the base year operating payment rate per admission.

13.9 (b) Effective for admissions and transfers occurring on and after November 1, 2014, the
13.10 commissioner shall establish payment rates for outlier payments that are based on Medicare
13.11 methodologies.

13.12 **EFFECTIVE DATE.** This section is effective July 1, 2017.

13.13 Sec. 10. Minnesota Statutes 2016, section 256.969, subdivision 8c, is amended to read:

13.14 Subd. 8c. **Hospital residents.** (a) For discharges occurring on or after November 1,
13.15 2014, payments for hospital residents shall be made as follows:

13.16 (1) payments for the first 180 days of inpatient care shall be the APR-DRG system plus
13.17 any outliers; and

13.18 (2) payment for all medically necessary patient care subsequent to the first 180 days
13.19 shall be reimbursed at a rate computed by multiplying the statewide average cost-to-charge
13.20 ratio by the usual and customary charges.

13.21 (b) For discharges occurring on or after July 1, 2017, payment for hospital residents
13.22 shall be equal to the payments under subdivision 8, paragraph (b).

13.23 **EFFECTIVE DATE.** This section is effective July 1, 2017.

13.24 Sec. 11. Minnesota Statutes 2016, section 256.969, subdivision 9, is amended to read:

13.25 Subd. 9. **Disproportionate numbers of low-income patients served.** (a) For admissions
13.26 occurring on or after July 1, 1993, the medical assistance disproportionate population
13.27 adjustment shall comply with federal law and shall be paid to a hospital, excluding regional
13.28 treatment centers and facilities of the federal Indian Health Service, with a medical assistance
13.29 inpatient utilization rate in excess of the arithmetic mean. The adjustment must be determined
13.30 as follows:

14.1 (1) for a hospital with a medical assistance inpatient utilization rate above the arithmetic
14.2 mean for all hospitals excluding regional treatment centers and facilities of the federal Indian
14.3 Health Service but less than or equal to one standard deviation above the mean, the
14.4 adjustment must be determined by multiplying the total of the operating and property
14.5 payment rates by the difference between the hospital's actual medical assistance inpatient
14.6 utilization rate and the arithmetic mean for all hospitals excluding regional treatment centers
14.7 and facilities of the federal Indian Health Service; and

14.8 (2) for a hospital with a medical assistance inpatient utilization rate above one standard
14.9 deviation above the mean, the adjustment must be determined by multiplying the adjustment
14.10 that would be determined under clause (1) for that hospital by 1.1. The commissioner shall
14.11 report annually on the number of hospitals likely to receive the adjustment authorized by
14.12 this paragraph. The commissioner shall specifically report on the adjustments received by
14.13 public hospitals and public hospital corporations located in cities of the first class.

14.14 (b) Certified public expenditures made by Hennepin County Medical Center shall be
14.15 considered Medicaid disproportionate share hospital payments. Hennepin County and
14.16 Hennepin County Medical Center shall report by June 15, 2007, on payments made beginning
14.17 July 1, 2005, or another date specified by the commissioner, that may qualify for
14.18 reimbursement under federal law. Based on these reports, the commissioner shall apply for
14.19 federal matching funds.

14.20 (c) Upon federal approval of the related state plan amendment, paragraph (b) is effective
14.21 retroactively from July 1, 2005, or the earliest effective date approved by the Centers for
14.22 Medicare and Medicaid Services.

14.23 (d) Effective July 1, 2015, disproportionate share hospital (DSH) payments shall be paid
14.24 in accordance with a new methodology using 2012 as the base year. Annual payments made
14.25 under this paragraph shall equal the total amount of payments made for 2012. A licensed
14.26 children's hospital shall receive only a single DSH factor for children's hospitals. Other
14.27 DSH factors may be combined to arrive at a single factor for each hospital that is eligible
14.28 for DSH payments. The new methodology shall make payments only to hospitals located
14.29 in Minnesota and include the following factors:

14.30 (1) a licensed children's hospital with at least 1,000 fee-for-service discharges in the
14.31 base year shall receive a factor of 0.868. A licensed children's hospital with less than 1,000
14.32 fee-for-service discharges in the base year shall receive a factor of 0.7880;

15.1 (2) a hospital that has in effect for the initial rate year a contract with the commissioner
15.2 to provide extended psychiatric inpatient services under section 256.9693 shall receive a
15.3 factor of 0.0160;

15.4 (3) a hospital that has received payment from the fee-for-service program for at least 20
15.5 transplant services in the base year shall receive a factor of 0.0435;

15.6 (4) a hospital that has a medical assistance utilization rate in the base year between 20
15.7 percent up to one standard deviation above the statewide mean utilization rate shall receive
15.8 a factor of 0.0468;

15.9 (5) a hospital that has a medical assistance utilization rate in the base year that is at least
15.10 one standard deviation above the statewide mean utilization rate but is less than three standard
15.11 deviations above the mean shall receive a factor of 0.2300; and

15.12 (6) a hospital that has a medical assistance utilization rate in the base year that is at least
15.13 three standard deviations above the statewide mean utilization rate shall receive a factor of
15.14 0.3711.

15.15 (e) Any payments or portion of payments made to a hospital under this subdivision that
15.16 are subsequently returned to the commissioner because the payments are found to exceed
15.17 the hospital-specific DSH limit for that hospital shall be redistributed, proportionate to the
15.18 number of fee-for-service discharges, to other DSH-eligible ~~non-children's~~ non-children's
15.19 hospitals that have a medical assistance utilization rate that is at least one standard deviation
15.20 above the mean.

15.21 **EFFECTIVE DATE.** This section is effective July 1, 2017.

15.22 Sec. 12. Minnesota Statutes 2016, section 256.969, subdivision 12, is amended to read:

15.23 Subd. 12. **Rehabilitation hospitals and distinct parts.** (a) Units of hospitals that are
15.24 recognized as rehabilitation distinct parts by the Medicare program shall have separate
15.25 provider numbers under the medical assistance program for rate establishment and billing
15.26 purposes only. These units shall also have operating payment rates and the disproportionate
15.27 population adjustment, if allowed by federal law, established separately from other inpatient
15.28 hospital services.

15.29 (b) The commissioner shall establish separate relative values under subdivision 2 for
15.30 rehabilitation hospitals and distinct parts as defined by the Medicare program. Effective for
15.31 discharges occurring on and after November 1, 2014, the commissioner, to the extent
15.32 possible, shall replicate the existing payment rate methodology under the new diagnostic
15.33 classification system. The result must be budget neutral, ensuring that the total aggregate

16.1 payments under the new system are equal to the total aggregate payments made for the same
16.2 number and types of services in the base year, calendar year 2012.

16.3 (c) For individual hospitals that did not have separate medical assistance rehabilitation
16.4 provider numbers or rehabilitation distinct parts in the base year, hospitals shall provide the
16.5 information needed to separate rehabilitation distinct part cost and claims data from other
16.6 inpatient service data.

16.7 (d) Effective with discharges on or after July 1, 2017, payment to rehabilitation hospitals
16.8 shall be established under subdivision 2b, paragraph (a), clause (4).

16.9 **EFFECTIVE DATE.** This section is effective July 1, 2017.

16.10 Sec. 13. Minnesota Statutes 2016, section 256B.04, subdivision 12, is amended to read:

16.11 Subd. 12. **Limitation on services.** (a) Place limits on the types of services covered by
16.12 medical assistance, the frequency with which the same or similar services may be covered
16.13 by medical assistance for an individual recipient, and the amount paid for each covered
16.14 service. The state agency shall promulgate rules establishing maximum reimbursement rates
16.15 for emergency and nonemergency transportation.

16.16 The rules shall provide:

16.17 (1) an opportunity for all recognized transportation providers to be reimbursed for
16.18 nonemergency transportation consistent with the maximum rates established by the agency;
16.19 and

16.20 (2) reimbursement of public and private nonprofit providers serving the disabled
16.21 population generally at reasonable maximum rates that reflect the cost of providing the
16.22 service regardless of the fare that might be charged by the provider for similar services to
16.23 individuals other than those receiving medical assistance or medical care under this chapter;
16.24 and.

16.25 ~~(3) reimbursement for each additional passenger carried on a single trip at a substantially~~
16.26 ~~lower rate than the first passenger carried on that trip.~~

16.27 (b) The commissioner shall encourage providers reimbursed under this chapter to
16.28 coordinate their operation with similar services that are operating in the same community.
16.29 To the extent practicable, the commissioner shall encourage eligible individuals to utilize
16.30 less expensive providers capable of serving their needs.

16.31 (c) For the purpose of this subdivision and section 256B.02, subdivision 8, and effective
16.32 on January 1, 1981, "recognized provider of transportation services" means an operator of

17.1 special transportation service as defined in section 174.29 that has been issued a current
17.2 certificate of compliance with operating standards of the commissioner of transportation
17.3 or, if those standards do not apply to the operator, that the agency finds is able to provide
17.4 the required transportation in a safe and reliable manner. Until January 1, 1981, "recognized
17.5 transportation provider" includes an operator of special transportation service that the agency
17.6 finds is able to provide the required transportation in a safe and reliable manner.

17.7 Sec. 14. Minnesota Statutes 2016, section 256B.0625, subdivision 3b, is amended to read:

17.8 Subd. 3b. **Telemedicine services.** (a) Medical assistance covers medically necessary
17.9 services and consultations delivered by a licensed health care provider via telemedicine in
17.10 the same manner as if the service or consultation was delivered in person. Coverage is
17.11 limited to three telemedicine services per enrollee per calendar week. Telemedicine services
17.12 shall be paid at the full allowable rate.

17.13 (b) The commissioner shall establish criteria that a health care provider must attest to
17.14 in order to demonstrate the safety or efficacy of delivering a particular service via
17.15 telemedicine. The attestation may include that the health care provider:

17.16 (1) has identified the categories or types of services the health care provider will provide
17.17 via telemedicine;

17.18 (2) has written policies and procedures specific to telemedicine services that are regularly
17.19 reviewed and updated;

17.20 (3) has policies and procedures that adequately address patient safety before, during,
17.21 and after the telemedicine service is rendered;

17.22 (4) has established protocols addressing how and when to discontinue telemedicine
17.23 services; and

17.24 (5) has an established quality assurance process related to telemedicine services.

17.25 (c) As a condition of payment, a licensed health care provider must document each
17.26 occurrence of a health service provided by telemedicine to a medical assistance enrollee.
17.27 Health care service records for services provided by telemedicine must meet the requirements
17.28 set forth in Minnesota Rules, part 9505.2175, subparts 1 and 2, and must document:

17.29 (1) the type of service provided by telemedicine;

17.30 (2) the time the service began and the time the service ended, including an a.m. and p.m.
17.31 designation;

18.1 (3) the licensed health care provider's basis for determining that telemedicine is an
18.2 appropriate and effective means for delivering the service to the enrollee;

18.3 (4) the mode of transmission of the telemedicine service and records evidencing that a
18.4 particular mode of transmission was utilized;

18.5 (5) the location of the originating site and the distant site;

18.6 (6) if the claim for payment is based on a physician's telemedicine consultation with
18.7 another physician, the written opinion from the consulting physician providing the
18.8 telemedicine consultation; and

18.9 (7) compliance with the criteria attested to by the health care provider in accordance
18.10 with paragraph (b).

18.11 (d) For purposes of this subdivision, unless otherwise covered under this chapter,
18.12 "telemedicine" is defined as the delivery of health care services or consultations while the
18.13 patient is at an originating site and the licensed health care provider is at a distant site. A
18.14 communication between licensed health care providers, or a licensed health care provider
18.15 and a patient that consists solely of a telephone conversation, e-mail, or facsimile transmission
18.16 does not constitute telemedicine consultations or services. Telemedicine may be provided
18.17 by means of real-time two-way, interactive audio and visual communications, including the
18.18 application of secure video conferencing or store-and-forward technology to provide or
18.19 support health care delivery, which facilitate the assessment, diagnosis, consultation,
18.20 treatment, education, and care management of a patient's health care.

18.21 (e) For purposes of this section, "licensed health care provider" ~~is defined~~ means a
18.22 licensed health care provider under section 62A.671, subdivision 6, and a mental health
18.23 practitioner defined under section 245.462, subdivision 17, or 245.4871, subdivision 26,
18.24 working under the general supervision of a mental health professional; "health care provider"
18.25 is defined under section 62A.671, subdivision 3; and "originating site" is defined under
18.26 section 62A.671, subdivision 7.

18.27 Sec. 15. Minnesota Statutes 2016, section 256B.0625, subdivision 13, is amended to read:

18.28 Subd. 13. **Drugs.** (a) Medical assistance covers drugs, except for fertility drugs when
18.29 specifically used to enhance fertility, if prescribed by a licensed practitioner and dispensed
18.30 by a licensed pharmacist, by a physician enrolled in the medical assistance program as a
18.31 dispensing physician, or by a physician, physician assistant, or a nurse practitioner employed
18.32 by or under contract with a community health board as defined in section 145A.02,
18.33 subdivision 5, for the purposes of communicable disease control.

19.1 (b) The dispensed quantity of a prescription drug must not exceed a 34-day supply,
19.2 unless authorized by the commissioner.

19.3 (c) For the purpose of this subdivision and subdivision 13d, an "active pharmaceutical
19.4 ingredient" is defined as a substance that is represented for use in a drug and when used in
19.5 the manufacturing, processing, or packaging of a drug becomes an active ingredient of the
19.6 drug product. An "excipient" is defined as an inert substance used as a diluent or vehicle
19.7 for a drug. The commissioner shall establish a list of active pharmaceutical ingredients and
19.8 excipients which are included in the medical assistance formulary. Medical assistance covers
19.9 selected active pharmaceutical ingredients and excipients used in compounded prescriptions
19.10 when the compounded combination is specifically approved by the commissioner or when
19.11 a commercially available product:

19.12 (1) is not a therapeutic option for the patient;

19.13 (2) does not exist in the same combination of active ingredients in the same strengths
19.14 as the compounded prescription; and

19.15 (3) cannot be used in place of the active pharmaceutical ingredient in the compounded
19.16 prescription.

19.17 (d) Medical assistance covers the following over-the-counter drugs when prescribed by
19.18 a licensed practitioner or by a licensed pharmacist who meets standards established by the
19.19 commissioner, in consultation with the board of pharmacy: antacids, acetaminophen, family
19.20 planning products, aspirin, insulin, products for the treatment of lice, vitamins for adults
19.21 with documented vitamin deficiencies, vitamins for children under the age of seven and
19.22 pregnant or nursing women, and any other over-the-counter drug identified by the
19.23 commissioner, in consultation with the formulary committee, as necessary, appropriate, and
19.24 cost-effective for the treatment of certain specified chronic diseases, conditions, or disorders,
19.25 and this determination shall not be subject to the requirements of chapter 14. A pharmacist
19.26 may prescribe over-the-counter medications as provided under this paragraph for purposes
19.27 of receiving reimbursement under Medicaid. When prescribing over-the-counter drugs under
19.28 this paragraph, licensed pharmacists must consult with the recipient to determine necessity,
19.29 provide drug counseling, review drug therapy for potential adverse interactions, and make
19.30 referrals as needed to other health care professionals. ~~Over-the-counter medications must
19.31 be dispensed in a quantity that is the lowest of: (1) the number of dosage units contained in
19.32 the manufacturer's original package; (2) the number of dosage units required to complete
19.33 the patient's course of therapy; or (3) if applicable, the number of dosage units dispensed~~

20.1 ~~from a system using retrospective billing, as provided under subdivision 13e, paragraph~~
20.2 ~~(b).~~

20.3 (e) Effective January 1, 2006, medical assistance shall not cover drugs that are coverable
20.4 under Medicare Part D as defined in the Medicare Prescription Drug, Improvement, and
20.5 Modernization Act of 2003, Public Law 108-173, section 1860D-2(e), for individuals eligible
20.6 for drug coverage as defined in the Medicare Prescription Drug, Improvement, and
20.7 Modernization Act of 2003, Public Law 108-173, section 1860D-1(a)(3)(A). For these
20.8 individuals, medical assistance may cover drugs from the drug classes listed in United States
20.9 Code, title 42, section 1396r-8(d)(2), subject to this subdivision and subdivisions 13a to
20.10 13g, except that drugs listed in United States Code, title 42, section 1396r-8(d)(2)(E), shall
20.11 not be covered.

20.12 (f) Medical assistance covers drugs acquired through the federal 340B Drug Pricing
20.13 Program and dispensed by 340B covered entities and ambulatory pharmacies under common
20.14 ownership of the 340B covered entity. Medical assistance does not cover drugs acquired
20.15 through the federal 340B Drug Pricing Program and dispensed by 340B contract pharmacies.

20.16 Sec. 16. Minnesota Statutes 2016, section 256B.0625, subdivision 13e, is amended to
20.17 read:

20.18 Subd. 13e. **Payment rates.** (a) Effective April 1, 2017, or upon federal approval,
20.19 whichever is later, the basis for determining the amount of payment shall be the lower of
20.20 the actual acquisition costs ingredient cost of the drugs ~~or the maximum allowable cost by~~
20.21 ~~the commissioner~~ plus the fixed professional dispensing fee; or the usual and customary
20.22 price charged to the public. The usual and customary price is defined as the lowest price
20.23 charged by the provider to a patient who pays for the prescription by cash, check, or charge
20.24 account and includes those prices the pharmacy charges to customers enrolled in a
20.25 prescription savings club or prescription discount club administered by the pharmacy or
20.26 pharmacy chain. The amount of payment basis must be reduced to reflect all discount
20.27 amounts applied to the charge by any third-party provider/insurer agreement or contract for
20.28 submitted charges to medical assistance programs. The net submitted charge may not be
20.29 greater than the patient liability for the service. The ~~pharmacy~~ professional dispensing fee
20.30 shall be ~~\$3.65~~ \$11.35 for ~~legend prescription drugs~~ prescriptions filled with legend drugs
20.31 meeting the definition of "covered outpatient drugs" according to United States Code, title
20.32 42, section 1396r-8(k)(2), except that the dispensing fee for intravenous solutions which
20.33 must be compounded by the pharmacist shall be ~~\$8~~ \$11.35 per bag, ~~\$14 per bag for cancer~~
20.34 ~~chemotherapy products, and \$30 per bag for total parenteral nutritional products dispensed~~

21.1 ~~in one liter quantities, or \$44 per bag for total parenteral nutritional products dispensed in~~
21.2 ~~quantities greater than one liter. The professional dispensing fee for prescriptions filled with~~
21.3 ~~over-the-counter drugs meeting the definition of covered outpatient drugs shall be \$11.35~~
21.4 ~~for dispensed quantities equal to or greater than the number of units contained in the~~
21.5 ~~manufacturer's original package. The professional dispensing fee shall be prorated based~~
21.6 ~~on the percentage of the package dispensed when the pharmacy dispenses a quantity less~~
21.7 ~~than the number of units contained in the manufacturer's original package. The pharmacy~~
21.8 ~~dispensing fee for prescribed over-the-counter drugs not meeting the definition of covered~~
21.9 ~~outpatient drugs shall be \$3.65, except that the fee shall be \$1.31 for retrospectively billing~~
21.10 ~~pharmacies when billing for quantities less than the number of units contained in the~~
21.11 ~~manufacturer's original package. Actual acquisition cost includes quantity and other special~~
21.12 ~~discounts except time and cash discounts. The actual acquisition for quantities equal to or~~
21.13 ~~greater than the number of units contained in the manufacturer's original package and shall~~
21.14 ~~be prorated based on the percentage of the package dispensed when the pharmacy dispenses~~
21.15 ~~a quantity less than the number of units contained in the manufacturer's original package.~~
21.16 The National Average Drug Acquisition Cost (NADAC) shall be used to determine the
21.17 ingredient cost of a drug shall be estimated by the commissioner at wholesale acquisition
21.18 cost plus four percent for independently owned pharmacies located in a designated rural
21.19 area within Minnesota, and at wholesale acquisition cost plus two percent for all other
21.20 pharmacies. A pharmacy is "independently owned" if it is one of four or fewer pharmacies
21.21 under the same ownership nationally. A "designated rural area" means an area defined as
21.22 a small rural area or isolated rural area according to the four-category classification of the
21.23 Rural Urban Commuting Area system developed for the United States Health Resources
21.24 and Services Administration. Effective January 1, 2014, the actual acquisition. For drugs
21.25 for which a NADAC is not reported, the commissioner shall estimate the ingredient cost at
21.26 wholesale acquisition cost minus two percent. The commissioner shall establish the ingredient
21.27 cost of a drug acquired through the federal 340B Drug Pricing Program shall be estimated
21.28 by the commissioner at wholesale acquisition cost minus 40 percent at a 340B Drug Pricing
21.29 Program maximum allowable cost. The 340B Drug Pricing Program maximum allowable
21.30 cost shall be comparable to, but no higher than, the 340B Drug Pricing Program ceiling
21.31 price established by the Health Resources and Services Administration. Wholesale acquisition
21.32 cost is defined as the manufacturer's list price for a drug or biological to wholesalers or
21.33 direct purchasers in the United States, not including prompt pay or other discounts, rebates,
21.34 or reductions in price, for the most recent month for which information is available, as
21.35 reported in wholesale price guides or other publications of drug or biological pricing data.
21.36 The maximum allowable cost of a multisource drug may be set by the commissioner and it

22.1 shall be comparable to, ~~but~~ the actual acquisition cost of the drug product and no higher
22.2 than, the maximum amount paid by other third-party payors in this state who have maximum
22.3 allowable cost programs and no higher than the NADAC of the generic product.

22.4 Establishment of the amount of payment for drugs shall not be subject to the requirements
22.5 of the Administrative Procedure Act.

22.6 (b) Pharmacies dispensing prescriptions to residents of long-term care facilities using
22.7 an automated drug distribution system meeting the requirements of section 151.58, or a
22.8 packaging system meeting the packaging standards set forth in Minnesota Rules, part
22.9 6800.2700, that govern the return of unused drugs to the pharmacy for reuse, may employ
22.10 retrospective billing for prescription drugs dispensed to long-term care facility residents. A
22.11 retrospectively billing pharmacy must submit a claim only for the quantity of medication
22.12 used by the enrolled recipient during the defined billing period. A retrospectively billing
22.13 pharmacy must use a billing period not less than one calendar month or 30 days.

22.14 (c) ~~An additional dispensing fee of \$.30 may be added to the dispensing fee paid to~~
22.15 ~~pharmacists for legend drug prescriptions dispensed to residents of long-term care facilities~~
22.16 ~~when a unit dose blister card system, approved by the department, is used. Under this type~~
22.17 ~~of dispensing system, the pharmacist must dispense a 30-day supply of drug. The National~~
22.18 ~~Drug Code (NDC) from the drug container used to fill the blister card must be identified~~
22.19 ~~on the claim to the department. The unit dose blister card containing the drug must meet~~
22.20 ~~the packaging standards set forth in Minnesota Rules, part 6800.2700, that govern the return~~
22.21 ~~of unused drugs to the pharmacy for reuse.~~ A pharmacy provider using packaging that meets
22.22 the standards set forth in Minnesota Rules, part 6800.2700, is required to credit the
22.23 department for the actual acquisition cost of all unused drugs that are eligible for reuse,
22.24 unless the pharmacy is using retrospective billing. The commissioner may permit the drug
22.25 clozapine to be dispensed in a quantity that is less than a 30-day supply.

22.26 (d) ~~Whenever a maximum allowable cost has been set for~~ If a pharmacy dispenses a
22.27 multisource drug, payment shall be the lower of the usual and customary price charged to
22.28 the public or the ingredient cost shall be the NADAC of the generic product or the maximum
22.29 allowable cost established by the commissioner unless prior authorization for the brand
22.30 name product has been granted according to the criteria established by the Drug Formulary
22.31 Committee as required by subdivision 13f, paragraph (a), and the prescriber has indicated
22.32 "dispense as written" on the prescription in a manner consistent with section 151.21,
22.33 subdivision 2.

22.34 (e) The basis for determining the amount of payment for drugs administered in an
22.35 outpatient setting shall be the lower of the usual and customary cost submitted by the

23.1 provider, 106 percent of the average sales price as determined by the United States
23.2 Department of Health and Human Services pursuant to title XVIII, section 1847a of the
23.3 federal Social Security Act, the specialty pharmacy rate, or the maximum allowable cost
23.4 set by the commissioner. If average sales price is unavailable, the amount of payment must
23.5 be lower of the usual and customary cost submitted by the provider, the wholesale acquisition
23.6 cost, the specialty pharmacy rate, or the maximum allowable cost set by the commissioner.
23.7 Effective January 1, 2014, the commissioner shall discount the payment rate for drugs
23.8 obtained through the federal 340B Drug Pricing Program by 20 percent. The payment for
23.9 drugs administered in an outpatient setting shall be made to the administering facility or
23.10 practitioner. A retail or specialty pharmacy dispensing a drug for administration in an
23.11 outpatient setting is not eligible for direct reimbursement.

23.12 (f) The commissioner may ~~negotiate lower reimbursement rates~~ establish maximum
23.13 allowable cost rates for specialty pharmacy products ~~than the rates that are lower than the~~
23.14 ingredient cost formulas specified in paragraph (a). The commissioner may require
23.15 individuals enrolled in the health care programs administered by the department to obtain
23.16 specialty pharmacy products from providers ~~with whom the commissioner has negotiated~~
23.17 lower reimbursement rates able to provide enhanced clinical services and willing to accept
23.18 the specialty pharmacy reimbursement. Specialty pharmacy products are defined as those
23.19 used by a small number of recipients or recipients with complex and chronic diseases that
23.20 require expensive and challenging drug regimens. Examples of these conditions include,
23.21 but are not limited to: multiple sclerosis, HIV/AIDS, transplantation, hepatitis C, growth
23.22 hormone deficiency, Crohn's Disease, rheumatoid arthritis, and certain forms of cancer.
23.23 Specialty pharmaceutical products include injectable and infusion therapies, biotechnology
23.24 drugs, antihemophilic factor products, high-cost therapies, and therapies that require complex
23.25 care. The commissioner shall consult with the formulary committee to develop a list of
23.26 specialty pharmacy products subject to ~~this paragraph~~ maximum allowable cost
23.27 reimbursement. In consulting with the formulary committee in developing this list, the
23.28 commissioner shall take into consideration the population served by specialty pharmacy
23.29 products, the current delivery system and standard of care in the state, and access to care
23.30 issues. The commissioner shall have the discretion to adjust the ~~reimbursement rate~~ maximum
23.31 allowable cost to prevent access to care issues.

23.32 (g) Home infusion therapy services provided by home infusion therapy pharmacies must
23.33 be paid at rates according to subdivision 8d.

23.34 (h) Effective for prescriptions filled on or after April 1, 2017, or upon federal approval,
23.35 whichever is later, the commissioner shall increase the ingredient cost reimbursement

24.1 calculated in paragraphs (a) and (f) by two percent for prescription and nonprescription
24.2 drugs subject to the wholesale drug distributor tax under section 295.52.

24.3 **EFFECTIVE DATE.** This section is effective retroactively from April 1, 2017, or from
24.4 the effective date of federal approval, whichever is later. The commissioner of human
24.5 services shall notify the revisor of statutes when federal approval is obtained.

24.6 Sec. 17. Minnesota Statutes 2016, section 256B.0625, subdivision 17, is amended to read:

24.7 Subd. 17. **Transportation costs.** (a) "Nonemergency medical transportation service"
24.8 means motor vehicle transportation provided by a public or private person that serves
24.9 Minnesota health care program beneficiaries who do not require emergency ambulance
24.10 service, as defined in section 144E.001, subdivision 3, to obtain covered medical services.

24.11 (b) Medical assistance covers medical transportation costs incurred solely for obtaining
24.12 emergency medical care or transportation costs incurred by eligible persons in obtaining
24.13 emergency or nonemergency medical care when paid directly to an ambulance company,
24.14 ~~common carrier~~ nonemergency medical transportation company, or other recognized
24.15 providers of transportation services. Medical transportation must be provided by:

24.16 (1) nonemergency medical transportation providers who meet the requirements of this
24.17 subdivision;

24.18 (2) ambulances, as defined in section 144E.001, subdivision 2;

24.19 (3) taxicabs that meet the requirements of this subdivision;

24.20 (4) public transit, as defined in section 174.22, subdivision 7; or

24.21 (5) not-for-hire vehicles, including volunteer drivers.

24.22 (c) Medical assistance covers nonemergency medical transportation provided by
24.23 nonemergency medical transportation providers enrolled in the Minnesota health care
24.24 programs. All nonemergency medical transportation providers must comply with the
24.25 operating standards for special transportation service as defined in sections 174.29 to 174.30
24.26 and Minnesota Rules, chapter 8840, and in consultation with the Minnesota Department of
24.27 Transportation. All nonemergency medical transportation providers shall bill for
24.28 nonemergency medical transportation services in accordance with Minnesota health care
24.29 programs criteria. Publicly operated transit systems, volunteers, and not-for-hire vehicles
24.30 are exempt from the requirements outlined in this paragraph.

24.31 (d) An organization may be terminated, denied, or suspended from enrollment if:

25.1 (1) the provider has not initiated background studies on the individuals specified in
25.2 section 174.30, subdivision 10, paragraph (a), clauses (1) to (3); or

25.3 (2) the provider has initiated background studies on the individuals specified in section
25.4 174.30, subdivision 10, paragraph (a), clauses (1) to (3), and:

25.5 (i) the commissioner has sent the provider a notice that the individual has been
25.6 disqualified under section 245C.14; and

25.7 (ii) the individual has not received a disqualification set-aside specific to the special
25.8 transportation services provider under sections 245C.22 and 245C.23.

25.9 (e) The administrative agency of nonemergency medical transportation must:

25.10 (1) adhere to the policies defined by the commissioner in consultation with the
25.11 Nonemergency Medical Transportation Advisory Committee;

25.12 (2) pay nonemergency medical transportation providers for services provided to
25.13 Minnesota health care programs beneficiaries to obtain covered medical services;

25.14 (3) provide data monthly to the commissioner on appeals, complaints, no-shows, canceled
25.15 trips, and number of trips by mode; and

25.16 (4) by July 1, 2016, in accordance with subdivision 18e, utilize a Web-based single
25.17 administrative structure assessment tool that meets the technical requirements established
25.18 by the commissioner, reconciles trip information with claims being submitted by providers,
25.19 and ensures prompt payment for nonemergency medical transportation services.

25.20 (f) Until the commissioner implements the single administrative structure and delivery
25.21 system under subdivision 18e, clients shall obtain their level-of-service certificate from the
25.22 commissioner or an entity approved by the commissioner that does not dispatch rides for
25.23 clients using modes of transportation under paragraph (i), clauses (4), (5), (6), and (7).

25.24 (g) The commissioner may use an order by the recipient's attending physician or a medical
25.25 or mental health professional to certify that the recipient requires nonemergency medical
25.26 transportation services. Nonemergency medical transportation providers shall perform
25.27 driver-assisted services for eligible individuals, when appropriate. Driver-assisted service
25.28 includes passenger pickup at and return to the individual's residence or place of business,
25.29 assistance with admittance of the individual to the medical facility, and assistance in
25.30 passenger securement or in securing of wheelchairs, child seats, or stretchers in the vehicle.

25.31 Nonemergency medical transportation providers must take clients to the health care
25.32 provider using the most direct route, and must not exceed 30 miles for a trip to a primary

26.1 care provider or 60 miles for a trip to a specialty care provider, unless the client receives
26.2 authorization from the local agency.

26.3 Nonemergency medical transportation providers may not bill for separate base rates for
26.4 the continuation of a trip beyond the original destination. Nonemergency medical
26.5 transportation providers must maintain trip logs, which include pickup and drop-off times,
26.6 signed by the medical provider or client, whichever is deemed most appropriate, attesting
26.7 to mileage traveled to obtain covered medical services. Clients requesting client mileage
26.8 reimbursement must sign the trip log attesting mileage traveled to obtain covered medical
26.9 services.

26.10 (h) The administrative agency shall use the level of service process established by the
26.11 commissioner in consultation with the Nonemergency Medical Transportation Advisory
26.12 Committee to determine the client's most appropriate mode of transportation. If public transit
26.13 or a certified transportation provider is not available to provide the appropriate service mode
26.14 for the client, the client may receive a onetime service upgrade.

26.15 (i) The covered modes of transportation, ~~which may not be implemented without a new~~
26.16 ~~rate structure,~~ are:

26.17 (1) client reimbursement, which includes client mileage reimbursement provided to
26.18 clients who have their own transportation, or to family or an acquaintance who provides
26.19 transportation to the client;

26.20 (2) volunteer transport, which includes transportation by volunteers using their own
26.21 vehicle;

26.22 (3) unassisted transport, which includes transportation provided to a client by a taxicab
26.23 or public transit. If a taxicab or public transit is not available, the client can receive
26.24 transportation from another nonemergency medical transportation provider;

26.25 (4) assisted transport, which includes transport provided to clients who require assistance
26.26 by a nonemergency medical transportation provider;

26.27 (5) lift-equipped/ramp transport, which includes transport provided to a client who is
26.28 dependent on a device and requires a nonemergency medical transportation provider with
26.29 a vehicle containing a lift or ramp;

26.30 (6) protected transport, which includes transport provided to a client who has received
26.31 a prescreening that has deemed other forms of transportation inappropriate and who requires
26.32 a provider: (i) with a protected vehicle that is not an ambulance or police car and has safety

27.1 locks, a video recorder, and a transparent thermoplastic partition between the passenger and
27.2 the vehicle driver; and (ii) who is certified as a protected transport provider; and

27.3 (7) stretcher transport, which includes transport for a client in a prone or supine position
27.4 and requires a nonemergency medical transportation provider with a vehicle that can transport
27.5 a client in a prone or supine position.

27.6 (j) The local agency shall be the single administrative agency and shall administer and
27.7 reimburse for modes defined in paragraph (i) according to paragraphs (m) and (n) when the
27.8 commissioner has developed, made available, and funded the Web-based single
27.9 administrative structure, assessment tool, and level of need assessment under subdivision
27.10 18e. The local agency's financial obligation is limited to funds provided by the state or
27.11 federal government.

27.12 (k) The commissioner shall:

27.13 (1) in consultation with the Nonemergency Medical Transportation Advisory Committee,
27.14 verify that the mode and use of nonemergency medical transportation is appropriate;

27.15 (2) verify that the client is going to an approved medical appointment; and

27.16 (3) investigate all complaints and appeals.

27.17 (l) The administrative agency shall pay for the services provided in this subdivision and
27.18 seek reimbursement from the commissioner, if appropriate. As vendors of medical care,
27.19 local agencies are subject to the provisions in section 256B.041, the sanctions and monetary
27.20 recovery actions in section 256B.064, and Minnesota Rules, parts 9505.2160 to 9505.2245.

27.21 (m) Payments for nonemergency medical transportation must be paid based on the client's
27.22 assessed mode under paragraph (h), not the type of vehicle used to provide the service. The
27.23 medical assistance reimbursement rates for nonemergency medical transportation services
27.24 that are payable by or on behalf of the commissioner for nonemergency medical
27.25 transportation services are:

27.26 (1) \$0.22 per mile for client reimbursement;

27.27 (2) up to 100 percent of the Internal Revenue Service business deduction rate for volunteer
27.28 transport;

27.29 (3) equivalent to the standard fare for unassisted transport when provided by public
27.30 transit, and \$11 for the base rate and \$1.30 per mile when provided by a nonemergency
27.31 medical transportation provider;

27.32 (4) \$13 for the base rate and \$1.30 per mile for assisted transport;

28.1 (5) \$18 for the base rate and \$1.55 per mile for lift-equipped/ramp transport;

28.2 (6) \$75 for the base rate and \$2.40 per mile for protected transport; and

28.3 (7) \$60 for the base rate and \$2.40 per mile for stretcher transport, and \$9 per trip for
28.4 an additional attendant if deemed medically necessary.

28.5 (n) The base rate for nonemergency medical transportation services in areas defined
28.6 under RUCA to be super rural is equal to 111.3 percent of the respective base rate in
28.7 paragraph (m), clauses (1) to (7). The mileage rate for nonemergency medical transportation
28.8 services in areas defined under RUCA to be rural or super rural areas is:

28.9 (1) for a trip equal to 17 miles or less, equal to 125 percent of the respective mileage
28.10 rate in paragraph (m), clauses (1) to (7); and

28.11 (2) for a trip between 18 and 50 miles, equal to 112.5 percent of the respective mileage
28.12 rate in paragraph (m), clauses (1) to (7).

28.13 (o) For purposes of reimbursement rates for nonemergency medical transportation
28.14 services under paragraphs (m) and (n), the zip code of the recipient's place of residence
28.15 shall determine whether the urban, rural, or super rural reimbursement rate applies.

28.16 (p) For purposes of this subdivision, "rural urban commuting area" or "RUCA" means
28.17 a census-tract based classification system under which a geographical area is determined
28.18 to be urban, rural, or super rural.

28.19 (q) The commissioner, when determining reimbursement rates for nonemergency medical
28.20 transportation under paragraphs (m) and (n), shall exempt all modes of transportation listed
28.21 under paragraph (i) from Minnesota Rules, part 9505.0445, item R, subitem (2).

28.22 Sec. 18. Minnesota Statutes 2016, section 256B.0625, subdivision 17b, is amended to
28.23 read:

28.24 Subd. 17b. **Documentation required.** (a) As a condition for payment, nonemergency
28.25 medical transportation providers must document each occurrence of a service provided to
28.26 a recipient according to this subdivision. Providers must maintain odometer and other records
28.27 sufficient to distinguish individual trips with specific vehicles and drivers. The documentation
28.28 may be collected and maintained using electronic systems or software or in paper form but
28.29 must be made available and produced upon request. Program funds paid for transportation
28.30 that is not documented according to this subdivision shall be recovered by the department.

28.31 (b) A nonemergency medical transportation provider must compile transportation records
28.32 that meet the following requirements:

- 29.1 (1) the record must be in English and must be legible according to the standard of a
29.2 reasonable person;
- 29.3 (2) the recipient's name must be on each page of the record; and
- 29.4 (3) each entry in the record must document:
- 29.5 (i) the date on which the entry is made;
- 29.6 (ii) the date or dates the service is provided;
- 29.7 (iii) the printed last name, first name, and middle initial of the driver;
- 29.8 (iv) the signature of the driver attesting to the following: "I certify that I have accurately
29.9 reported in this record the trip miles I actually drove and the dates and times I actually drove
29.10 them. I understand that misreporting the miles driven and hours worked is fraud for which
29.11 I could face criminal prosecution or civil proceedings.";
- 29.12 (v) the signature of the recipient or authorized party attesting to the following: "I certify
29.13 that I received the reported transportation service.", or the signature of the provider of
29.14 medical services certifying that the recipient was delivered to the provider;
- 29.15 (vi) the address, or the description if the address is not available, of both the origin and
29.16 destination, and the mileage for the most direct route from the origin to the destination;
- 29.17 (vii) the mode of transportation in which the service is provided;
- 29.18 (viii) the license plate number of the vehicle used to transport the recipient;
- 29.19 (ix) whether the service was ambulatory or nonambulatory ~~until the modes under~~
29.20 ~~subdivision 17 are implemented;~~
- 29.21 (x) the time of the pickup and the time of the drop-off with "a.m." and "p.m."
29.22 designations;
- 29.23 (xi) the name of the extra attendant when an extra attendant is used to provide special
29.24 transportation service; and
- 29.25 (xii) the electronic source documentation used to calculate driving directions and mileage.

29.26 Sec. 19. Minnesota Statutes 2016, section 256B.0625, is amended by adding a subdivision
29.27 to read:

29.28 Subd. 17c. Nursing facility transports. A Minnesota health care program enrollee
29.29 residing in, or being discharged from, a licensed nursing facility is exempt from a level of
29.30 need determination and is eligible for nonemergency medical transportation services until

30.1 the enrollee no longer resides in a licensed nursing facility, as provided in section 256B.04,
30.2 subdivision 14a.

30.3 Sec. 20. Minnesota Statutes 2016, section 256B.0625, subdivision 18h, is amended to
30.4 read:

30.5 Subd. 18h. **Managed care.** (a) The following subdivisions ~~do not~~ apply to managed
30.6 care plans and county-based purchasing plans:

30.7 (1) subdivision 17, paragraphs ~~(d) to (k)~~ (a), (b), (i), and (n);

30.8 (2) subdivision ~~18e~~ 18; and

30.9 (3) subdivision ~~18g~~ 18a.

30.10 (b) A nonemergency medical transportation provider must comply with the operating
30.11 standards for special transportation service specified in sections 174.29 to 174.30 and
30.12 Minnesota Rules, chapter 8840. Publicly operated transit systems, volunteers, and not-for-hire
30.13 vehicles are exempt from the requirements in this paragraph.

30.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.

30.15 Sec. 21. Minnesota Statutes 2016, section 256B.0625, subdivision 30, is amended to read:

30.16 Subd. 30. **Other clinic services.** (a) Medical assistance covers rural health clinic services,
30.17 federally qualified health center services, nonprofit community health clinic services, and
30.18 public health clinic services. Rural health clinic services and federally qualified health center
30.19 services mean services defined in United States Code, title 42, section 1396d(a)(2)(B) and
30.20 (C). Payment for rural health clinic and federally qualified health center services shall be
30.21 made according to applicable federal law and regulation.

30.22 (b) A federally qualified health center (FQHC) that is beginning initial operation shall
30.23 submit an estimate of budgeted costs and visits for the initial reporting period in the form
30.24 and detail required by the commissioner. ~~A federally qualified health center~~ An FQHC that
30.25 is already in operation shall submit an initial report using actual costs and visits for the
30.26 initial reporting period. Within 90 days of the end of its reporting period, a federally qualified
30.27 health center an FQHC shall submit, in the form and detail required by the commissioner,
30.28 a report of its operations, including allowable costs actually incurred for the period and the
30.29 actual number of visits for services furnished during the period, and other information
30.30 required by the commissioner. ~~Federally qualified health centers~~ FQHCs that file Medicare
30.31 cost reports shall provide the commissioner with a copy of the most recent Medicare cost

31.1 report filed with the Medicare program intermediary for the reporting year which support
31.2 the costs claimed on their cost report to the state.

31.3 (c) In order to continue cost-based payment under the medical assistance program
31.4 according to paragraphs (a) and (b), ~~a federally qualified health center~~ an FQHC or rural
31.5 health clinic must apply for designation as an essential community provider within six
31.6 months of final adoption of rules by the Department of Health according to section 62Q.19,
31.7 subdivision 7. For those ~~federally qualified health centers~~ FQHCs and rural health clinics
31.8 that have applied for essential community provider status within the six-month time
31.9 prescribed, medical assistance payments will continue to be made according to paragraphs
31.10 (a) and (b) for the first three years after application. For ~~federally qualified health centers~~
31.11 FQHCs and rural health clinics that either do not apply within the time specified above or
31.12 who have had essential community provider status for three years, medical assistance
31.13 payments for health services provided by these entities shall be according to the same rates
31.14 and conditions applicable to the same service provided by health care providers that are not
31.15 ~~federally qualified health centers~~ FQHCs or rural health clinics.

31.16 (d) Effective July 1, 1999, the provisions of paragraph (c) requiring ~~a federally qualified~~
31.17 ~~health center~~ an FQHC or a rural health clinic to make application for an essential community
31.18 provider designation in order to have cost-based payments made according to paragraphs
31.19 (a) and (b) no longer apply.

31.20 (e) Effective January 1, 2000, payments made according to paragraphs (a) and (b) shall
31.21 be limited to the cost phase-out schedule of the Balanced Budget Act of 1997.

31.22 (f) Effective January 1, 2001, through December 31, 2018, each ~~federally qualified~~
31.23 ~~health center~~ FQHC and rural health clinic may elect to be paid either under the prospective
31.24 payment system established in United States Code, title 42, section 1396a(aa), or under an
31.25 alternative payment methodology consistent with the requirements of United States Code,
31.26 title 42, section 1396a(aa), and approved by the Centers for Medicare and Medicaid Services.
31.27 The alternative payment methodology shall be 100 percent of cost as determined according
31.28 to Medicare cost principles.

31.29 (g) Effective for services provided on or after January 1, 2019, all claims for payment
31.30 of clinic services provided by FQHCs and rural health clinics shall be paid by the
31.31 commissioner, according to an annual election by the FQHC or rural health clinic, under
31.32 the current prospective payment system described in paragraph (f), the alternative payment
31.33 methodology described in paragraph (f), or the alternative payment methodology described
31.34 in paragraph (l).

32.1 ~~(g)~~ (h) For purposes of this section, "nonprofit community clinic" is a clinic that:

32.2 (1) has nonprofit status as specified in chapter 317A;

32.3 (2) has tax exempt status as provided in Internal Revenue Code, section 501(c)(3);

32.4 (3) is established to provide health services to low-income population groups, uninsured,
32.5 high-risk and special needs populations, underserved and other special needs populations;

32.6 (4) employs professional staff at least one-half of which are familiar with the cultural
32.7 background of their clients;

32.8 (5) charges for services on a sliding fee scale designed to provide assistance to
32.9 low-income clients based on current poverty income guidelines and family size; and

32.10 (6) does not restrict access or services because of a client's financial limitations or public
32.11 assistance status and provides no-cost care as needed.

32.12 ~~(h)~~ (i) Effective for services provided on or after January 1, 2015, all claims for payment
32.13 of clinic services provided by ~~federally qualified health centers~~ FQHCs and rural health
32.14 clinics shall be paid by the commissioner. Effective for services provided on or after January
32.15 1, 2015, through July 1, 2017, the commissioner shall determine the most feasible method
32.16 for paying claims from the following options:

32.17 (1) ~~federally qualified health centers~~ FQHCs and rural health clinics submit claims
32.18 directly to the commissioner for payment, and the commissioner provides claims information
32.19 for recipients enrolled in a managed care or county-based purchasing plan to the plan, on
32.20 a regular basis; or

32.21 (2) ~~federally qualified health centers~~ FQHCs and rural health clinics submit claims for
32.22 recipients enrolled in a managed care or county-based purchasing plan to the plan, and those
32.23 claims are submitted by the plan to the commissioner for payment to the clinic.

32.24 Effective for services provided on or after January 1, 2019, FQHCs and rural health clinics
32.25 shall submit claims directly to the commissioner for payment and the commissioner shall
32.26 provide claims information for recipients enrolled in a managed care plan or county-based
32.27 purchasing plan to the plan on a regular basis to be determined by the commissioner.

32.28 ~~(i)~~ (j) For clinic services provided prior to January 1, 2015, the commissioner shall
32.29 calculate and pay monthly the proposed managed care supplemental payments to clinics,
32.30 and clinics shall conduct a timely review of the payment calculation data in order to finalize
32.31 all supplemental payments in accordance with federal law. Any issues arising from a clinic's
32.32 review must be reported to the commissioner by January 1, 2017. Upon final agreement

33.1 between the commissioner and a clinic on issues identified under this subdivision, and in
33.2 accordance with United States Code, title 42, section 1396a(bb), no supplemental payments
33.3 for managed care plan or county-based purchasing plan claims for services provided prior
33.4 to January 1, 2015, shall be made after June 30, 2017. If the commissioner and clinics are
33.5 unable to resolve issues under this subdivision, the parties shall submit the dispute to the
33.6 arbitration process under section 14.57.

33.7 ~~(j)~~ (k) The commissioner shall seek a federal waiver, authorized under section 1115 of
33.8 the Social Security Act, to obtain federal financial participation at the 100 percent federal
33.9 matching percentage available to facilities of the Indian Health Service or tribal organization
33.10 in accordance with section 1905(b) of the Social Security Act for expenditures made to
33.11 organizations dually certified under Title V of the Indian Health Care Improvement Act,
33.12 Public Law 94-437, and as a ~~federally qualified health center~~ FQHC under paragraph (a)
33.13 that provides services to American Indian and Alaskan Native individuals eligible for
33.14 services under this subdivision.

33.15 (l) Effective for services provided on or after January 1, 2019, all claims for payment
33.16 of clinic services provided by FQHCs and rural health clinics shall be paid by the
33.17 commissioner according to the current prospective payment system described in paragraph
33.18 (f), or an alternative payment methodology with the following requirements:

33.19 (1) each FQHC and rural health clinic must receive a single medical and a single dental
33.20 organization rate;

33.21 (2) the commissioner shall reimburse FQHCs and rural health clinics for allowable costs,
33.22 including direct patient care costs and patient-related support services, based upon Medicare
33.23 cost principles that apply at the time the alternative payment methodology is calculated;

33.24 (3) the 2019 payment rates for FQHCs and rural health clinics:

33.25 (i) must be determined using each FQHC's and rural health clinic's Medicare cost reports
33.26 from 2015 and 2016. A provider must submit the required cost reports to the commissioner
33.27 within six months of the second base year calendar or fiscal year end. Cost reports must be
33.28 submitted six months before the quarter in which the base rate will take effect;

33.29 (ii) must be according to current Medicare cost principles applicable to FQHCs and rural
33.30 health clinics at the time of the alternative payment rate calculation without the application
33.31 of productivity screens and upper payment limits or the Medicare prospective payment
33.32 system FQHC aggregate mean upper payment limit; and

33.33 (iii) must provide for a 60-day appeals process;

34.1 (4) the commissioner shall inflate the base year payment rate for FQHCs and rural health
34.2 clinics to the effective date by using the Bureau of Economic Analysis's personal consumption
34.3 expenditures medical care inflator;

34.4 (5) the commissioner shall establish a statewide trend inflator using 2015-2020 costs
34.5 replacing the use of the personal consumption expenditures medical care inflator with the
34.6 2023 rate calculation forward;

34.7 (6) FQHC and rural health clinic payment rates shall be rebased by the commissioner
34.8 every two years using the methodology described in clause (3), using the provider's Medicare
34.9 cost reports from the previous third and fourth years. In nonrebasement years, the commissioner
34.10 shall adjust using the Medicare economic index until 2023 when the statewide trend inflator
34.11 is available;

34.12 (7) the commissioner shall increase payments by two percent according to Laws 2003,
34.13 First Special Session chapter 14, article 13C, section 2, subdivision 6. This is an add-on to
34.14 the rate and must not be included in the base rate calculation;

34.15 (8) for FQHCs and rural health clinics seeking a change of scope of services:

34.16 (i) the commissioner shall require FQHCs and rural health clinics to submit requests to
34.17 the commissioner, if the change of scope would result in the medical or dental payment rate
34.18 currently received by the FQHC or rural health clinic increasing or decreasing by at least
34.19 2-1/2 percent;

34.20 (ii) FQHCs and rural health clinics shall submit the request to the commissioner within
34.21 seven business days of submission of the scope change to the federal Health Resources
34.22 Services Administration;

34.23 (iii) the effective date of the payment change is the date the Health Resources Services
34.24 Administration approves the FQHC's or rural health clinic's change of scope request;

34.25 (iv) for change of scope requests that do not require Health Resources Services
34.26 Administration approval, FQHCs and rural health clinics shall submit the request to the
34.27 commissioner before implementing the change, and the effective date of the change is the
34.28 date the commissioner receives the request from the FQHC or rural health clinic; and

34.29 (v) the commissioner shall provide a response to the FQHC's or rural health clinic's
34.30 change of scope request within 45 days of submission and provide a final decision regarding
34.31 approval or disapproval within 120 days of submission. If more information is needed to
34.32 evaluate the request, this timeline may be waived by mutual agreement of the commissioner
34.33 and the FQHC or rural health clinic; and

35.1 (9) the commissioner shall establish a payment rate for new FQHC and rural health
35.2 clinic organizations, considering the following factors:

35.3 (i) a comparison of patient caseload of FQHCs and rural health clinics within a 60-mile
35.4 radius for organizations established outside the seven-county metropolitan area and within
35.5 a 30-mile radius for organizations within the seven-county metropolitan area; and

35.6 (ii) if a comparison is not feasible under item (i), the commissioner may use Medicare
35.7 cost reports or audited financial statements to establish the base rate.

35.8 Sec. 22. Minnesota Statutes 2016, section 256B.0625, subdivision 45a, is amended to
35.9 read:

35.10 Subd. 45a. **Psychiatric residential treatment facility services for persons under 21**
35.11 **years of age.** (a) Medical assistance covers psychiatric residential treatment facility services,
35.12 according to section 256B.0941, for persons ~~under~~ younger than 21 years of age. Individuals
35.13 who reach age 21 at the time they are receiving services are eligible to continue receiving
35.14 services until they no longer require services or until they reach age 22, whichever occurs
35.15 first.

35.16 (b) For purposes of this subdivision, "psychiatric residential treatment facility" means
35.17 a facility other than a hospital that provides psychiatric services, as described in Code of
35.18 Federal Regulations, title 42, sections 441.151 to 441.182, to individuals under age 21 in
35.19 an inpatient setting.

35.20 ~~(c) The commissioner shall develop admissions and discharge procedures and establish~~
35.21 ~~rates consistent with guidelines from the federal Centers for Medicare and Medicaid Services.~~

35.22 ~~(d)~~ The commissioner shall enroll up to 150 certified psychiatric residential treatment
35.23 facility services beds at up to six sites. The commissioner shall select psychiatric residential
35.24 treatment facility services providers through a request for proposals process. Providers of
35.25 state-operated services may respond to the request for proposals.

35.26 Sec. 23. Minnesota Statutes 2016, section 256B.0625, subdivision 60a, is amended to
35.27 read:

35.28 Subd. 60a. **Community medical response emergency medical technician services.**
35.29 (a) Medical assistance covers services provided by a community medical response emergency
35.30 medical technician (CEMT) who is certified under section 144E.275, subdivision 7, when
35.31 the services are provided in accordance with this subdivision.

36.1 (b) A CEMT may provide a ~~posthospital-discharge~~ postdischarge visit, after discharge
36.2 from a hospital or skilled nursing facility, when ordered by a treating physician. The
36.3 ~~posthospital-discharge~~ postdischarge visit includes:

36.4 (1) verbal or visual reminders of discharge orders;

36.5 (2) recording and reporting of vital signs to the patient's primary care provider;

36.6 (3) medication access confirmation;

36.7 (4) food access confirmation; and

36.8 (5) identification of home hazards.

36.9 (c) An individual who has repeat ambulance calls due to falls, ~~has been discharged from~~
36.10 ~~a nursing home~~, or has been identified by the individual's primary care provider as at risk
36.11 for nursing home placement, may receive a safety evaluation visit from a CEMT when
36.12 ordered by a primary care provider in accordance with the individual's care plan. A safety
36.13 evaluation visit includes:

36.14 (1) medication access confirmation;

36.15 (2) food access confirmation; and

36.16 (3) identification of home hazards.

36.17 (d) A CEMT shall be paid at \$9.75 per 15-minute increment. A safety evaluation visit
36.18 may not be billed for the same day as a ~~posthospital-discharge~~ postdischarge visit for the
36.19 same individual.

36.20 Sec. 24. Minnesota Statutes 2016, section 256B.0625, subdivision 64, is amended to read:

36.21 Subd. 64. **Investigational drugs, biological products, and devices.** Medical assistance
36.22 and the early periodic screening, diagnosis, and treatment (EPSDT) program do not cover
36.23 costs incidental to, associated with, or resulting from the use of investigational drugs,
36.24 biological products, or devices as defined in section 151.375-, except that stiripentol may
36.25 be covered by the EPSDT program, only if all of the following conditions are met:

36.26 (1) the use of stiripentol is determined to be medically necessary;

36.27 (2) stiripentol is covered only for eligible enrollees with a documented diagnosis of
36.28 Dravet syndrome, regardless of whether an SCN1A genetic mutation is found, or children
36.29 with Malignant Migrating Partial Epilepsy in Infancy due to an SCN2A genetic mutation;

36.30 (3) all other available covered prescription medications that are medically necessary for
36.31 the patient have been tried without successful outcomes; and

37.1 (4) the United States Food and Drug Administration has approved the treating physician's
37.2 individual patient investigational new drug application (IND) for the use of stiripentol for
37.3 treatment.

37.4 This provision related to coverage of stiripentol does not apply to MinnesotaCare
37.5 coverage under chapter 256L.

37.6 Sec. 25. Minnesota Statutes 2016, section 256B.0644, is amended to read:

37.7 **256B.0644 REIMBURSEMENT UNDER OTHER STATE HEALTH CARE**
37.8 **PROGRAMS.**

37.9 (a) A vendor of medical care, as defined in section 256B.02, subdivision 7, and a health
37.10 maintenance organization, as defined in chapter 62D, must participate as a provider or
37.11 contractor in the medical assistance program and MinnesotaCare as a condition of
37.12 participating as a provider in health insurance plans and programs or contractor for state
37.13 employees established under section 43A.18, the public employees insurance program under
37.14 section 43A.316, for health insurance plans offered to local statutory or home rule charter
37.15 city, county, and school district employees, the workers' compensation system under section
37.16 176.135, and insurance plans provided through the Minnesota Comprehensive Health
37.17 Association under sections 62E.01 to 62E.19. The limitations on insurance plans offered to
37.18 local government employees shall not be applicable in geographic areas where provider
37.19 participation is limited by managed care contracts with the Department of Human Services.
37.20 This section does not apply to dental service providers providing dental services outside
37.21 the seven-county metropolitan area.

37.22 (b) For providers other than health maintenance organizations, participation in the medical
37.23 assistance program means that:

37.24 (1) the provider accepts new medical assistance and MinnesotaCare patients;

37.25 (2) for providers other than dental service providers, at least 20 percent of the provider's
37.26 patients are covered by medical assistance and MinnesotaCare as their primary source of
37.27 coverage; or

37.28 (3) for dental service providers providing dental services in the seven-county metropolitan
37.29 area, at least ten percent of the provider's patients are covered by medical assistance and
37.30 MinnesotaCare as their primary source of coverage, or the provider accepts new medical
37.31 assistance and MinnesotaCare patients who are children with special health care needs. For
37.32 purposes of this section, "children with special health care needs" means children up to age
37.33 18 who: (i) require health and related services beyond that required by children generally;

38.1 and (ii) have or are at risk for a chronic physical, developmental, behavioral, or emotional
38.2 condition, including: bleeding and coagulation disorders; immunodeficiency disorders;
38.3 cancer; endocrinopathy; developmental disabilities; epilepsy, cerebral palsy, and other
38.4 neurological diseases; visual impairment or deafness; Down syndrome and other genetic
38.5 disorders; autism; fetal alcohol syndrome; and other conditions designated by the
38.6 commissioner after consultation with representatives of pediatric dental providers and
38.7 consumers.

38.8 (c) Patients seen on a volunteer basis by the provider at a location other than the provider's
38.9 usual place of practice may be considered in meeting the participation requirement in this
38.10 section. The commissioner shall establish participation requirements for health maintenance
38.11 organizations. The commissioner shall provide lists of participating medical assistance
38.12 providers on a quarterly basis to the commissioner of management and budget, the
38.13 commissioner of labor and industry, and the commissioner of commerce. Each of the
38.14 commissioners shall develop and implement procedures to exclude as participating providers
38.15 in the program or programs under their jurisdiction those providers who do not participate
38.16 in the medical assistance program. The commissioner of management and budget shall
38.17 implement this section through contracts with participating health and dental carriers.

38.18 (d) A volunteer dentist who has signed a volunteer agreement under section 256B.0625,
38.19 subdivision 9a, shall not be considered to be participating in medical assistance or
38.20 MinnesotaCare for the purpose of this section.

38.21 **EFFECTIVE DATE.** This section is effective upon receipt of any necessary federal
38.22 waiver or approval. The commissioner of human services shall notify the revisor of statutes
38.23 if a federal waiver or approval is sought and, if sought, when a federal waiver or approval
38.24 is obtained.

38.25 Sec. 26. Minnesota Statutes 2016, section 256B.0755, is amended to read:

38.26 **256B.0755 HEALTH CARE DELIVERY SYSTEMS INTEGRATED HEALTH**
38.27 **PARTNERSHIP DEMONSTRATION PROJECT.**

38.28 Subdivision 1. **Implementation.** (a) The commissioner shall develop and authorize a
38.29 demonstration project to test alternative and innovative ~~health care delivery systems~~
38.30 integrated health partnerships, including accountable care organizations that provide services
38.31 to a specified patient population for an agreed-upon total cost of care or risk/gain sharing
38.32 payment arrangement. The commissioner shall develop a request for proposals for
38.33 participation in the demonstration project in consultation with hospitals, primary care
38.34 providers, health plans, and other key stakeholders.

39.1 (b) In developing the request for proposals, the commissioner shall:

39.2 (1) establish uniform statewide methods of forecasting utilization and cost of care for
39.3 the appropriate Minnesota public program populations, to be used by the commissioner for
39.4 ~~the health care delivery system~~ integrated health partnership projects;

39.5 (2) identify key indicators of quality, access, patient satisfaction, and other performance
39.6 indicators that will be measured, in addition to indicators for measuring cost savings;

39.7 (3) allow maximum flexibility to encourage innovation and variation so that a variety
39.8 of provider collaborations are able to become ~~health care delivery systems~~ integrated health
39.9 partnerships and they can be customized for the special needs and barriers of patient
39.10 populations experiencing health disparities due to social, economic, racial, or ethnic factors;

39.11 (4) encourage and authorize different levels and types of financial risk;

39.12 (5) encourage and authorize projects representing a wide variety of geographic locations,
39.13 patient populations, provider relationships, and care coordination models;

39.14 (6) encourage projects that involve close partnerships between the ~~health care delivery~~
39.15 ~~system~~ integrated health partnerships and counties and nonprofit agencies that provide
39.16 services to patients enrolled with the ~~health care delivery system~~ integrated health
39.17 partnerships, including social services, public health, mental health, community-based
39.18 services, and continuing care;

39.19 (7) encourage projects established by community hospitals, clinics, and other providers
39.20 in rural communities;

39.21 (8) identify required covered services for a total cost of care model or services considered
39.22 in whole or partially in an analysis of utilization for a risk/gain sharing model;

39.23 (9) establish a mechanism to monitor enrollment;

39.24 (10) establish quality standards for the ~~delivery system~~ integrated health partnership
39.25 demonstrations that are appropriate for the particular patient population to be served; and

39.26 (11) encourage participation of privately insured population so as to create sufficient
39.27 alignment in ~~demonstration systems~~ integrated health partnerships.

39.28 (c) To be eligible to participate in the demonstration project, a ~~health care delivery system~~
39.29 an integrated health partnership must:

39.30 (1) provide required covered services and care coordination to recipients enrolled in the
39.31 ~~health care delivery system~~ integrated health partnership;

40.1 (2) establish a process to monitor enrollment and ensure the quality of care provided;

40.2 (3) in cooperation with counties and community social service agencies, coordinate the
40.3 delivery of health care services with existing social services programs;

40.4 (4) provide a system for advocacy and consumer protection; and

40.5 (5) adopt innovative and cost-effective methods of care delivery and coordination, which
40.6 may include the use of allied health professionals, telemedicine, patient educators, care
40.7 coordinators, and community health workers.

40.8 (d) ~~A health care delivery system~~ An integrated health partnership demonstration may
40.9 be formed by the following groups of providers of services and suppliers if they have
40.10 established a mechanism for shared governance:

40.11 (1) professionals in group practice arrangements;

40.12 (2) networks of individual practices of professionals;

40.13 (3) partnerships or joint venture arrangements between hospitals and health care
40.14 professionals;

40.15 (4) hospitals employing professionals; and

40.16 (5) other groups of providers of services and suppliers as the commissioner determines
40.17 appropriate.

40.18 A managed care plan or county-based purchasing plan may participate in this
40.19 demonstration in collaboration with one or more of the entities listed in clauses (1) to (5).

40.20 ~~A health care delivery system~~ An integrated health partnership may contract with a
40.21 managed care plan or a county-based purchasing plan to provide administrative services,
40.22 including the administration of a payment system using the payment methods established
40.23 by the commissioner for health care delivery systems.

40.24 (e) The commissioner may require ~~a health care delivery system~~ an integrated health
40.25 partnership to enter into additional third-party contractual relationships for the assessment
40.26 of risk and purchase of stop loss insurance or another form of insurance risk management
40.27 related to the delivery of care described in paragraph (c).

40.28 Subd. 2. **Enrollment.** (a) Individuals eligible for medical assistance or MinnesotaCare
40.29 shall be eligible for enrollment in ~~a health care delivery system~~ an integrated health
40.30 partnership.

41.1 (b) Eligible applicants and recipients may enroll in ~~a health care delivery system~~ an
41.2 integrated health partnership if ~~a system~~ an integrated health partnership serves the county
41.3 in which the applicant or recipient resides. If more than one ~~health care delivery system~~
41.4 integrated health partnership serves a county, the applicant or recipient shall be allowed to
41.5 choose among the ~~delivery systems~~ integrated health partnerships.

41.6 (c) The commissioner may assign an applicant or recipient to ~~a health care delivery~~
41.7 system an integrated health partnership if ~~a health care delivery system~~ an integrated health
41.8 partnership is available and no choice has been made by the applicant or recipient.

41.9 Subd. 3. **Accountability.** (a) ~~Health care delivery systems~~ Integrated health partnerships
41.10 must accept responsibility for the quality of care based on standards established under
41.11 subdivision 1, paragraph (b), clause (10), and the cost of care or utilization of services
41.12 provided to its enrollees under subdivision 1, paragraph (b), clause (1). Accountability
41.13 standards must be appropriate to the particular population served.

41.14 (b) ~~A health care delivery system~~ An integrated health partnership may contract and
41.15 coordinate with providers and clinics for the delivery of services and shall contract with
41.16 community health clinics, federally qualified health centers, community mental health
41.17 centers or programs, county agencies, and rural clinics to the extent practicable.

41.18 (c) ~~A health care delivery system~~ An integrated health partnership must indicate how it
41.19 will coordinate with other services affecting its patients' health, quality of care, and cost of
41.20 care that are provided by other providers, county agencies, and other organizations in the
41.21 local service area. The ~~health care delivery system~~ integrated health partnership must indicate
41.22 how it will engage other providers, counties, and organizations, including county-based
41.23 purchasing plans, that provide services to patients of the ~~health care delivery system~~
41.24 integrated health partnership on issues related to local population health, including applicable
41.25 local needs, priorities, and public health goals. The ~~health care delivery system~~ integrated
41.26 health partnership must describe how local providers, counties, organizations, including
41.27 county-based purchasing plans, and other relevant purchasers were consulted in developing
41.28 the application to participate in the demonstration project.

41.29 Subd. 4. **Payment system.** (a) In developing a payment system for ~~health care delivery~~
41.30 systems integrated health partnerships, the commissioner shall establish a total cost of care
41.31 benchmark or a risk/gain sharing payment model to be paid for services provided to the
41.32 recipients enrolled in ~~a health care delivery system~~ an integrated health partnership.

42.1 (b) The payment system may include incentive payments to ~~health care delivery systems~~
42.2 integrated health partnerships that meet or exceed annual quality and performance targets
42.3 realized through the coordination of care.

42.4 (c) An amount equal to the savings realized to the general fund as a result of the
42.5 demonstration project shall be transferred each fiscal year to the health care access fund.

42.6 (d) The payment system shall include a population-based payment that supports care
42.7 coordination services for all enrollees served by the integrated health partnerships, and is
42.8 risk-adjusted to reflect varying levels of care coordination intensiveness for enrollees with
42.9 chronic conditions or limited English skills, or who are homeless or experience health
42.10 disparities or other barriers to health care. The population-based payment shall be a
42.11 per-member per-month payment paid at least on a quarterly basis. Integrated health
42.12 partnerships receiving this payment must continue to meet cost and quality metrics under
42.13 the program to maintain eligibility for the population-based payment. An integrated health
42.14 partnership is eligible to receive a payment under this paragraph even if the partnership is
42.15 not participating in a risk-based or gain-sharing payment model and regardless of the size
42.16 of the patient population served by the integrated health partnership. Any integrated health
42.17 partnership participant certified as a health care home under section 256B.0751 that agrees
42.18 to a payment method that includes population-based payments for care coordination is not
42.19 eligible to receive health care home payment or care coordination fee authorized under
42.20 section 62U.23 or 256B.0753, subdivision 1, or in-reach care coordination under section
42.21 256B.0625, subdivision 56, for any medical assistance or MinnesotaCare recipients enrolled
42.22 or attributed to the integrated health partnership under this demonstration.

42.23 Subd. 5. **Outpatient prescription drug coverage.** Outpatient prescription drug coverage
42.24 may be provided through accountable care organizations only if the delivery method qualifies
42.25 for federal prescription drug rebates.

42.26 Subd. 6. **Federal approval.** The commissioner shall apply for any federal waivers or
42.27 other federal approval required to implement this section. The commissioner shall also apply
42.28 for any applicable grant or demonstration under the Patient Protection and Affordable Health
42.29 Care Act, Public Law 111-148, or the Health Care and Education Reconciliation Act of
42.30 2010, Public Law 111-152, that would further the purposes of or assist in the establishment
42.31 of accountable care organizations.

42.32 Subd. 7. **Expansion.** The commissioner shall expand the demonstration project to include
42.33 additional medical assistance and MinnesotaCare enrollees, and shall seek participation of
42.34 Medicare in demonstration projects. The commissioner shall seek to include participation

43.1 of privately insured persons and Medicare recipients in the health care delivery
43.2 demonstration. As part of the demonstration expansion, the commissioner may procure the
43.3 services of the health care delivery systems authorized under this section by geographic
43.4 area, to supplement or replace the services provided by managed care plans operating under
43.5 section 256B.69.

43.6 Sec. 27. **[256B.0759] HEALTH CARE DELIVERY SYSTEMS DEMONSTRATION**
43.7 **PROJECT.**

43.8 Subdivision 1. **Implementation.** (a) The commissioner shall develop and implement a
43.9 demonstration project to test alternative and innovative health care delivery system payment
43.10 and care models that provide services to medical assistance and MinnesotaCare enrollees
43.11 for an agreed-upon, prospective per capita or total cost of care payment. The commissioner
43.12 shall implement this demonstration project in coordination with, and as an expansion of,
43.13 the demonstration project authorized under section 256B.0755.

43.14 (b) In developing the demonstration project, the commissioner shall:

43.15 (1) establish uniform statewide methods of forecasting utilization and cost of care for
43.16 the medical assistance and MinnesotaCare populations to be served under the health care
43.17 delivery system project;

43.18 (2) identify key indicators of quality, access, and patient satisfaction, and identify methods
43.19 to measure cost savings;

43.20 (3) allow maximum flexibility to encourage innovation and variation so that a variety
43.21 of provider collaborations are able to participate as health care delivery systems, and health
43.22 care delivery systems can be customized to address the special needs and barriers of patient
43.23 populations;

43.24 (4) authorize participation by health care delivery systems representing a variety of
43.25 geographic locations, patient populations, provider relationships, and care coordination
43.26 models;

43.27 (5) recognize the close partnerships between health care delivery systems and the counties
43.28 and nonprofit agencies that also provide services to patients enrolled in the health care
43.29 delivery system, including social services, public health, mental health, community-based
43.30 services, and continuing care;

43.31 (6) identify services to be included under a prospective per capita payment model, and
43.32 project utilization and cost of these services under a total cost of care risk/gain sharing
43.33 model;

44.1 (7) establish a mechanism to monitor enrollment in each health care delivery system;

44.2 and

44.3 (8) establish quality standards for delivery systems that are appropriate for the specific

44.4 patient populations served.

44.5 Subd. 2. **Requirements for health care delivery systems.** (a) To be eligible to participate
44.6 in the demonstration project, a health care delivery system must:

44.7 (1) provide required services and care coordination to individuals enrolled in the health
44.8 care delivery system;

44.9 (2) establish a process to monitor enrollment and ensure the quality of care provided;

44.10 (3) in cooperation with counties and community social service agencies, coordinate the
44.11 delivery of health care services with existing social services programs;

44.12 (4) provide a system for advocacy and consumer protection; and

44.13 (5) adopt innovative and cost-effective methods of care delivery and coordination, which
44.14 may include the use of allied health professionals, telemedicine and patient educators, care
44.15 coordinators, community paramedics, and community health workers.

44.16 (b) A health care delivery system may be formed by the following types of health care
44.17 providers, if they have established, as applicable, a mechanism for shared governance:

44.18 (1) health care providers in group practice arrangements;

44.19 (2) networks of health care providers in individual practice;

44.20 (3) partnerships or joint venture arrangements between hospitals and health care providers;

44.21 (4) hospitals employing or contracting with the necessary range of health care providers;

44.22 and

44.23 (5) other entities, as the commissioner determines appropriate.

44.24 (c) A health care delivery system must contract with a third-party administrator to provide
44.25 administrative services, including the administration of the payment system established
44.26 under the demonstration project. The third-party administrator must conduct an assessment
44.27 of risk, and must purchase stop-loss insurance or another form of insurance risk management
44.28 related to the delivery of care. The commissioner may waive the requirement for contracting
44.29 with a third-party administrator if the health care delivery system can demonstrate to the
44.30 commissioner that it can satisfactorily perform all of the duties assigned to the third-party
44.31 administrator.

45.1 Subd. 3. **Enrollment.** (a) Individuals eligible for medical assistance or MinnesotaCare
45.2 shall be eligible for enrollment in a health care delivery system. Individuals required to
45.3 enroll in the prepaid medical assistance program or prepaid MinnesotaCare may opt out of
45.4 receiving care from a managed care or county-based purchasing plan, and elect to receive
45.5 care through a health care delivery system established under this section.

45.6 (b) Eligible applicants and recipients may enroll in a health care delivery system if the
45.7 system serves the county in which the applicant or recipient resides. If more than one health
45.8 care delivery system serves a county, the applicant or recipient may choose among the
45.9 delivery systems. Enrollment in a specific health care delivery system shall be for a 12-month
45.10 period, except that enrollees who do not maintain eligibility for medical assistance or
45.11 MinnesotaCare shall be disenrolled, and enrollees experiencing a qualifying life event, as
45.12 specified by the commissioner, may change health care delivery systems, or opt out of
45.13 receiving coverage through a health care delivery system, within 60 days of the date of the
45.14 qualifying life event.

45.15 (c) The commissioner shall assign an applicant or recipient to a health care delivery
45.16 system if:

45.17 (1) the applicant or recipient is currently or has recently been attributed to the health
45.18 care delivery system as part of an integrated health partnership under section 256B.0755;
45.19 or

45.20 (2) no choice has been made by the applicant or recipient. In this case, the commissioner
45.21 shall enroll an applicant or recipient based on geographic criteria or based on the health
45.22 care providers from whom the applicant or recipient has received prior care.

45.23 Subd. 4. **Accountability.** (a) Health care delivery systems are responsible for the quality
45.24 of care based on standards established by the commissioner, and for enrollee cost of care
45.25 and utilization of services. The commissioner shall adjust accountability standards including
45.26 the quality, cost, and utilization of care to take into account the social, economic, or cultural
45.27 barriers experienced by the health care delivery system's patient population.

45.28 (b) A health care delivery system must contract with community health clinics, federally
45.29 qualified health centers, community mental health centers or programs, county agencies,
45.30 and rural health clinics to the extent practicable.

45.31 (c) A health care delivery system must indicate to the commissioner how it will coordinate
45.32 its services with those delivered by other providers, county agencies, and other organizations
45.33 in the local service area. The health care delivery system must indicate how it will engage
45.34 other providers, counties, and organizations that provide services to patients of the health

46.1 care delivery system on issues related to local population health, including applicable local
46.2 needs, priorities, and public health goals. The health care delivery system must describe
46.3 how local providers, counties, and organizations were consulted in developing the application
46.4 submitted to the commissioner requiring participation in the demonstration project.

46.5 Subd. 5. **Payment system.** The commissioner shall develop a payment system for the
46.6 health care delivery system project that includes prospective per capita payments, total cost
46.7 of care benchmarks, and risk/gain sharing payment options. The payment system may
46.8 include incentive payments to health care delivery systems that meet or exceed annual
46.9 quality and performance targets through the coordination of care.

46.10 Subd. 6. **Federal waiver or approval.** The commissioner shall seek all federal waivers
46.11 or approval necessary to implement the health care delivery system demonstration project.
46.12 The commissioner shall notify the chairs and ranking minority members of the legislative
46.13 committees with jurisdiction over health and human services policy and finance of any
46.14 federal action related to the request for waivers and approval.

46.15 **EFFECTIVE DATE.** This section is effective January 1, 2018, or upon receipt of
46.16 federal waivers or approval, whichever is later. The commissioner of human services shall
46.17 notify the revisor of statutes when federal approval is obtained.

46.18 Sec. 28. **[256B.0941] PSYCHIATRIC RESIDENTIAL TREATMENT FACILITY**
46.19 **FOR PERSONS YOUNGER THAN 21 YEARS OF AGE.**

46.20 Subdivision 1. **Eligibility.** (a) An individual who is eligible for mental health treatment
46.21 services in a psychiatric residential treatment facility must meet all of the following criteria:

46.22 (1) before admission, services are determined to be medically necessary by the state's
46.23 medical review agent according to Code of Federal Regulations, title 42, section 441.152;

46.24 (2) is younger than 21 years of age at the time of admission. Services may continue until
46.25 the individual meets criteria for discharge or reaches 22 years of age, whichever occurs
46.26 first;

46.27 (3) has a mental health diagnosis as defined in the most recent edition of the Diagnostic
46.28 and Statistical Manual for Mental Disorders, as well as clinical evidence of severe aggression,
46.29 or a finding that the individual is a risk to self or others;

46.30 (4) has functional impairment and a history of difficulty in functioning safely and
46.31 successfully in the community, school, home, or job; an inability to adequately care for
46.32 one's physical needs; or caregivers, guardians, or family members are unable to safely fulfill
46.33 the individual's needs;

47.1 (5) requires psychiatric residential treatment under the direction of a physician to improve
47.2 the individual's condition or prevent further regression so that services will no longer be
47.3 needed;

47.4 (6) utilized and exhausted other community-based mental health services, or clinical
47.5 evidence indicates that such services cannot provide the level of care needed; and

47.6 (7) was referred for treatment in a psychiatric residential treatment facility by a qualified
47.7 mental health professional licensed as defined in section 245.4871, subdivision 27, clauses
47.8 (1) to (6).

47.9 (b) A mental health professional making a referral shall submit documentation to the
47.10 state's medical review agent containing all information necessary to determine medical
47.11 necessity, including a standard diagnostic assessment completed within 180 days of the
47.12 individual's admission. Documentation shall include evidence of family participation in the
47.13 individual's treatment planning and signed consent for services.

47.14 Subd. 2. Services. Psychiatric residential treatment facility service providers must offer
47.15 and have the capacity to provide the following services:

47.16 (1) development of the individual plan of care, review of the individual plan of care
47.17 every 30 days, and discharge planning by required members of the treatment team according
47.18 to Code of Federal Regulations, title 42, sections 441.155 to 441.156;

47.19 (2) any services provided by a psychiatrist or physician for development of an individual
47.20 plan of care, conducting a review of the individual plan of care every 30 days, and discharge
47.21 planning by required members of the treatment team according to Code of Federal
47.22 Regulations, title 42, sections 441.155 to 441.156;

47.23 (3) active treatment seven days per week that may include individual, family, or group
47.24 therapy as determined by the individual care plan;

47.25 (4) individual therapy, provided a minimum of twice per week;

47.26 (5) family engagement activities, provided a minimum of once per week;

47.27 (6) consultation with other professionals, including case managers, primary care
47.28 professionals, community-based mental health providers, school staff, or other support
47.29 planners;

47.30 (7) coordination of educational services between local and resident school districts and
47.31 the facility;

47.32 (8) 24-hour nursing; and

48.1 (9) direct care and supervision, supportive services for daily living and safety, and
48.2 positive behavior management.

48.3 Subd. 3. **Per diem rate.** (a) The commissioner shall establish a statewide per diem rate
48.4 for psychiatric residential treatment facility services for individuals 21 years of age or
48.5 younger. The rate for a provider must not exceed the rate charged by that provider for the
48.6 same service to other payers. Payment must not be made to more than one entity for each
48.7 individual for services provided under this section on a given day. The commissioner shall
48.8 set rates prospectively for the annual rate period. The commissioner shall require providers
48.9 to submit annual cost reports on a uniform cost reporting form and shall use submitted cost
48.10 reports to inform the rate-setting process. The cost reporting shall be done according to
48.11 federal requirements for Medicare cost reports.

48.12 (b) The following are included in the rate:

48.13 (1) costs necessary for licensure and accreditation, meeting all staffing standards for
48.14 participation, meeting all service standards for participation, meeting all requirements for
48.15 active treatment, maintaining medical records, conducting utilization review, meeting
48.16 inspection of care, and discharge planning. The direct services costs must be determined
48.17 using the actual cost of salaries, benefits, payroll taxes, and training of direct services staff
48.18 and service-related transportation; and

48.19 (2) payment for room and board provided by facilities meeting all accreditation and
48.20 licensing requirements for participation.

48.21 (c) A facility may submit a claim for payment outside of the per diem for professional
48.22 services arranged by and provided at the facility by an appropriately licensed professional
48.23 who is enrolled as a provider with Minnesota health care programs. Arranged services must
48.24 be billed by the facility on a separate claim, and the facility shall be responsible for payment
48.25 to the provider. These services must be included in the individual plan of care and are subject
48.26 to prior authorization by the state's medical review agent.

48.27 (d) Medicaid shall reimburse for concurrent services as approved by the commissioner
48.28 to support continuity of care and successful discharge from the facility. "Concurrent services"
48.29 means services provided by another entity or provider while the individual is admitted to a
48.30 psychiatric residential treatment facility. Payment for concurrent services may be limited
48.31 and these services are subject to prior authorization by the state's medical review agent.
48.32 Concurrent services may include targeted case management, assertive community treatment,
48.33 clinical care consultation, team consultation, and treatment planning.

49.1 (e) Payment rates under this subdivision shall not include the costs of providing the
 49.2 following services:

49.3 (1) educational services;

49.4 (2) acute medical care or specialty services for other medical conditions;

49.5 (3) dental services; and

49.6 (4) pharmacy drug costs.

49.7 (f) For purposes of this section, "actual cost" means costs that are allowable, allocable,
 49.8 reasonable, and consistent with federal reimbursement requirements in Code of Federal
 49.9 Regulations, title 48, chapter 1, part 31, relating to for-profit entities, and the Office of
 49.10 Management and Budget Circular Number A-122, relating to nonprofit entities.

49.11 Subd. 4. **Leave days.** (a) Medical assistance covers therapeutic and hospital leave days,
 49.12 provided the recipient was not discharged from the psychiatric residential treatment facility
 49.13 and is expected to return to the psychiatric residential treatment facility. A reserved bed
 49.14 must be held for a recipient on hospital leave or therapeutic leave.

49.15 (b) A therapeutic leave day to home shall be used to prepare for discharge and
 49.16 reintegration and shall be included in the individual plan of care. The state shall reimburse
 49.17 75 percent of the per diem rate for a reserve bed day while the recipient is on therapeutic
 49.18 leave. A therapeutic leave visit may not exceed three days without prior authorization.

49.19 (c) A hospital leave day shall be a day for which a recipient has been admitted to a
 49.20 hospital for medical or acute psychiatric care and is temporarily absent from the psychiatric
 49.21 residential treatment facility. The state shall reimburse 50 percent of the per diem rate for
 49.22 a reserve bed day while the recipient is receiving medical or psychiatric care in a hospital.

49.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.

49.24 Sec. 29. Minnesota Statutes 2016, section 256B.0943, subdivision 13, is amended to read:

49.25 Subd. 13. **Exception to excluded services.** Notwithstanding subdivision 12, up to 15
 49.26 hours of children's therapeutic services and supports provided within a six-month period to
 49.27 a child with severe emotional disturbance who is residing in a hospital; ~~a group home as~~
 49.28 ~~defined in Minnesota Rules, parts 2960.0130 to 2960.0220;~~ a residential treatment facility
 49.29 licensed under Minnesota Rules, parts 2960.0580 to 2960.0690; a psychiatric residential
 49.30 treatment facility under section 256B.0625, subdivision 45a; a regional treatment center;
 49.31 or other institutional group setting or who is participating in a program of partial
 49.32 hospitalization are eligible for medical assistance payment if part of the discharge plan.

50.1 Sec. 30. Minnesota Statutes 2016, section 256B.0945, subdivision 2, is amended to read:

50.2 Subd. 2. **Covered services.** All services must be included in a child's individualized
50.3 treatment or multiagency plan of care as defined in chapter 245.

50.4 For facilities that are not institutions for mental diseases according to federal statute and
50.5 regulation, medical assistance covers mental health-related services that are required to be
50.6 provided by a residential facility under section 245.4882 and administrative rules promulgated
50.7 thereunder, except for room and board. For residential facilities determined by the federal
50.8 Centers for Medicare and Medicaid Services to be an institution for mental diseases, medical
50.9 assistance covers medically necessary mental health services provided by the facility
50.10 according to section 256B.055, subdivision 13, except for room and board.

50.11 Sec. 31. Minnesota Statutes 2016, section 256B.0945, subdivision 4, is amended to read:

50.12 Subd. 4. **Payment rates.** (a) Notwithstanding sections 256B.19 and 256B.041, payments
50.13 to counties for residential services provided under this section by a residential facility shall:

50.14 (1) for services provided by a residential facility that is not an institution for mental
50.15 diseases, only be made of federal earnings for services provided ~~under this section~~, and the
50.16 nonfederal share of costs for services provided under this section shall be paid by the county
50.17 from sources other than federal funds or funds used to match other federal funds. Payment
50.18 to counties for services provided according to this section shall be a proportion of the per
50.19 day contract rate that relates to rehabilitative mental health services and shall not include
50.20 payment for costs or services that are billed to the IV-E program as room and board; and

50.21 (2) for services provided by a residential facility that is determined to be an institution
50.22 for mental diseases, be equivalent to the federal share of the payment that would have been
50.23 made if the residential facility were not an institution for mental diseases. The portion of
50.24 the payment representing what would be the nonfederal shares shall be paid by the county.
50.25 Payment to counties for services provided according to this section shall be a proportion of
50.26 the per day contract rate that relates to rehabilitative mental health services and shall not
50.27 include payment for costs or services that are billed to the IV-E program as room and board.

50.28 (b) Per diem rates paid to providers under this section by prepaid plans shall be the
50.29 proportion of the per-day contract rate that relates to rehabilitative mental health services
50.30 and shall not include payment for group foster care costs or services that are billed to the
50.31 county of financial responsibility. Services provided in facilities located in bordering states
50.32 are eligible for reimbursement on a fee-for-service basis only as described in paragraph (a)
50.33 and are not covered under prepaid health plans.

51.1 (c) Payment for mental health rehabilitative services provided under this section by or
51.2 under contract with an American Indian tribe or tribal organization or by agencies operated
51.3 by or under contract with an American Indian tribe or tribal organization must be made
51.4 according to section 256B.0625, subdivision 34, or other relevant federally approved
51.5 rate-setting methodology.

51.6 (d) The commissioner shall set aside a portion not to exceed five percent of the federal
51.7 funds earned for county expenditures under this section to cover the state costs of
51.8 administering this section. Any unexpended funds from the set-aside shall be distributed to
51.9 the counties in proportion to their earnings under this section.

51.10 Sec. 32. Minnesota Statutes 2016, section 256B.15, subdivision 1, is amended to read:

51.11 Subdivision 1. **Policy and applicability.** (a) It is the policy of this state that individuals
51.12 or couples, either or both of whom participate in the medical assistance program, use their
51.13 own assets to pay their share of the cost of their care during or after their enrollment in the
51.14 program according to applicable federal law and the laws of this state. The following
51.15 provisions apply:

51.16 (1) subdivisions 1c to 1k shall not apply to claims arising under this section which are
51.17 presented under section 525.313;

51.18 (2) the provisions of subdivisions 1c to 1k expanding the interests included in an estate
51.19 for purposes of recovery under this section give effect to the provisions of United States
51.20 Code, title 42, section 1396p, governing recoveries, but do not give rise to any express or
51.21 implied liens in favor of any other parties not named in these provisions;

51.22 (3) the continuation of a recipient's life estate or joint tenancy interest in real property
51.23 after the recipient's death for the purpose of recovering medical assistance under this section
51.24 modifies common law principles holding that these interests terminate on the death of the
51.25 holder;

51.26 (4) all laws, rules, and regulations governing or involved with a recovery of medical
51.27 assistance shall be liberally construed to accomplish their intended purposes;

51.28 (5) a deceased recipient's life estate and joint tenancy interests continued under this
51.29 section shall be owned by the remainderpersons or surviving joint tenants as their interests
51.30 may appear on the date of the recipient's death. They shall not be merged into the remainder
51.31 interest or the interests of the surviving joint tenants by reason of ownership. They shall be
51.32 subject to the provisions of this section. Any conveyance, transfer, sale, assignment, or
51.33 encumbrance by a remainderperson, a surviving joint tenant, or their heirs, successors, and

52.1 assigns shall be deemed to include all of their interest in the deceased recipient's life estate
52.2 or joint tenancy interest continued under this section; and

52.3 (6) the provisions of subdivisions 1c to 1k continuing a recipient's joint tenancy interests
52.4 in real property after the recipient's death do not apply to a homestead owned of record, on
52.5 the date the recipient dies, by the recipient and the recipient's spouse as joint tenants with
52.6 a right of survivorship. Homestead means the real property occupied by the surviving joint
52.7 tenant spouse as their sole residence on the date the recipient dies and classified and taxed
52.8 to the recipient and surviving joint tenant spouse as homestead property for property tax
52.9 purposes in the calendar year in which the recipient dies. For purposes of this exemption,
52.10 real property the recipient and their surviving joint tenant spouse purchase solely with the
52.11 proceeds from the sale of their prior homestead, own of record as joint tenants, and qualify
52.12 as homestead property under section 273.124 in the calendar year in which the recipient
52.13 dies and prior to the recipient's death shall be deemed to be real property classified and
52.14 taxed to the recipient and their surviving joint tenant spouse as homestead property in the
52.15 calendar year in which the recipient dies. The surviving spouse, or any person with personal
52.16 knowledge of the facts, may provide an affidavit describing the homestead property affected
52.17 by this clause and stating facts showing compliance with this clause. The affidavit shall be
52.18 prima facie evidence of the facts it states.

52.19 (b) For purposes of this section, "medical assistance" includes the medical assistance
52.20 program under this chapter, the general assistance medical care program formerly codified
52.21 under chapter 256D, and alternative care for nonmedical assistance recipients under section
52.22 256B.0913.

52.23 (c) For purposes of this section, ~~beginning January 1, 2010,~~ "medical assistance" does
52.24 not include Medicare cost-sharing benefits in accordance with United States Code, title 42,
52.25 section 1396p.

52.26 (d) All provisions in this subdivision, and subdivisions 1d, 1f, 1g, 1h, 1i, and 1j, related
52.27 to the continuation of a recipient's life estate or joint tenancy interests in real property after
52.28 the recipient's death for the purpose of recovering medical assistance, are effective only for
52.29 life estates and joint tenancy interests established on or after August 1, 2003. For purposes
52.30 of this paragraph, medical assistance does not include alternative care.

52.31 **EFFECTIVE DATE.** This section is effective the day following final enactment and
52.32 applies retroactively to estate claims pending on or after July 1, 2016, and to the estates of
52.33 people who died on or after July 1, 2016.

53.1 Sec. 33. Minnesota Statutes 2016, section 256B.15, subdivision 1a, is amended to read:

53.2 Subd. 1a. **Estates subject to claims.** (a) If a person receives medical assistance hereunder,
53.3 on the person's death, if single, or on the death of the survivor of a married couple, either
53.4 or both of whom received medical assistance, or as otherwise provided for in this section,
53.5 the amount paid for medical assistance as limited under subdivision 2 for the person and
53.6 spouse shall be filed as a claim against the estate of the person or the estate of the surviving
53.7 spouse in the court having jurisdiction to probate the estate or to issue a decree of descent
53.8 according to sections 525.31 to 525.313.

53.9 (b) For the purposes of this section, the person's estate must consist of:

53.10 (1) the person's probate estate;

53.11 (2) all of the person's interests or proceeds of those interests in real property the person
53.12 owned as a life tenant or as a joint tenant with a right of survivorship at the time of the
53.13 person's death;

53.14 (3) all of the person's interests or proceeds of those interests in securities the person
53.15 owned in beneficiary form as provided under sections 524.6-301 to 524.6-311 at the time
53.16 of the person's death, to the extent the interests or proceeds of those interests become part
53.17 of the probate estate under section 524.6-307;

53.18 (4) all of the person's interests in joint accounts, multiple-party accounts, and pay-on-death
53.19 accounts, brokerage accounts, investment accounts, or the proceeds of those accounts, as
53.20 provided under sections 524.6-201 to 524.6-214 at the time of the person's death to the
53.21 extent the interests become part of the probate estate under section 524.6-207; and

53.22 (5) assets conveyed to a survivor, heir, or assign of the person through survivorship,
53.23 living trust, or other arrangements.

53.24 (c) For the purpose of this section and recovery in a surviving spouse's estate for medical
53.25 assistance paid for a predeceased spouse, the estate must consist of all of the legal title and
53.26 interests the deceased individual's predeceased spouse had in jointly owned or marital
53.27 property at the time of the spouse's death, as defined in subdivision 2b, and the proceeds of
53.28 those interests, that passed to the deceased individual or another individual, a survivor, an
53.29 heir, or an assign of the predeceased spouse through a joint tenancy, tenancy in common,
53.30 survivorship, life estate, living trust, or other arrangement. A deceased recipient who, at
53.31 death, owned the property jointly with the surviving spouse shall have an interest in the
53.32 entire property.

54.1 (d) For the purpose of recovery in a single person's estate or the estate of a survivor of
54.2 a married couple, "other arrangement" includes any other means by which title to all or any
54.3 part of the jointly owned or marital property or interest passed from the predeceased spouse
54.4 to another including, but not limited to, transfers between spouses which are permitted,
54.5 prohibited, or penalized for purposes of medical assistance.

54.6 (e) A claim shall be filed if medical assistance was rendered for either or both persons
54.7 under one of the following circumstances:

54.8 ~~(1) the person was over 55 years of age, and received services under this chapter prior~~
54.9 ~~to January 1, 2014;~~

54.10 ~~(2)~~ (1) the person resided in a medical institution for six months or longer, received
54.11 services under this chapter, and, at the time of institutionalization or application for medical
54.12 assistance, whichever is later, the person could not have reasonably been expected to be
54.13 discharged and returned home, as certified in writing by the person's treating physician. For
54.14 purposes of this section only, a "medical institution" means a skilled nursing facility,
54.15 intermediate care facility, intermediate care facility for persons with developmental
54.16 disabilities, nursing facility, or inpatient hospital;

54.17 ~~(3)~~ (2) the person received general assistance medical care services under the program
54.18 formerly codified under chapter 256D; or

54.19 ~~(4)~~ (3) the person was 55 years of age or older and received medical assistance services
54.20 ~~on or after January 1, 2014,~~ that consisted of nursing facility services, home and
54.21 community-based services, or related hospital and prescription drug benefits.

54.22 (f) The claim shall be considered an expense of the last illness of the decedent for the
54.23 purpose of section 524.3-805. Notwithstanding any law or rule to the contrary, a state or
54.24 county agency with a claim under this section must be a creditor under section 524.6-307.
54.25 Any statute of limitations that purports to limit any county agency or the state agency, or
54.26 both, to recover for medical assistance granted hereunder shall not apply to any claim made
54.27 hereunder for reimbursement for any medical assistance granted hereunder. Notice of the
54.28 claim shall be given to all heirs and devisees of the decedent, and to other persons with an
54.29 ownership interest in the real property owned by the decedent at the time of the decedent's
54.30 death, whose identity can be ascertained with reasonable diligence. The notice must include
54.31 procedures and instructions for making an application for a hardship waiver under subdivision
54.32 5; time frames for submitting an application and determination; and information regarding
54.33 appeal rights and procedures. Counties are entitled to one-half of the nonfederal share of
54.34 medical assistance collections from estates that are directly attributable to county effort.

55.1 Counties are entitled to ten percent of the collections for alternative care directly attributable
55.2 to county effort.

55.3 **EFFECTIVE DATE.** This section is effective the day following final enactment and
55.4 applies retroactively to estate claims pending on or after July 1, 2016, and to the estates of
55.5 people who died on or after July 1, 2016.

55.6 Sec. 34. Minnesota Statutes 2016, section 256B.15, subdivision 2, is amended to read:

55.7 Subd. 2. **Limitations on claims.** ~~(a) For services rendered prior to January 1, 2014, the~~
55.8 ~~claim shall include only the total amount of medical assistance rendered after age 55 or~~
55.9 ~~during a period of institutionalization described in subdivision 1a, paragraph (e), and the~~
55.10 ~~total amount of general assistance medical care rendered under the program formerly codified~~
55.11 ~~under chapter 256D, and shall not include interest.~~

55.12 ~~(b) For services rendered on or after January 1, 2014,~~ (a) The claim shall include only:

55.13 (1) the amount of medical assistance rendered to recipients 55 years of age or older ~~and~~
55.14 that consisted of nursing facility services, home and community-based services, and related
55.15 hospital and prescription drug services; ~~and~~

55.16 (2) the total amount of medical assistance rendered during a period of institutionalization
55.17 described in subdivision 1a, paragraph (e), clause ~~(2)~~; (1); and

55.18 (3) the total amount of general assistance medical care rendered under the program
55.19 formerly codified under chapter 256D.

55.20 The claim shall not include interest. For the purposes of this section, "home and
55.21 community-based services" has the same meaning it has when used in United States Code,
55.22 title 42, section 1396p(b)(1)(B)(i), and includes the alternative care program under section
55.23 256B.0913, even for periods when alternative care services receive only state funding.

55.24 ~~(e)~~ (b) Claims that have been allowed but not paid shall bear interest according to section
55.25 524.3-806, paragraph (d). A claim against the estate of a surviving spouse who did not
55.26 receive medical assistance, for medical assistance rendered for the predeceased spouse,
55.27 shall be payable from the full value of all of the predeceased spouse's assets and interests
55.28 which are part of the surviving spouse's estate under subdivisions 1a and 2b. Recovery of
55.29 medical assistance expenses in the nonrecipient surviving spouse's estate is limited to the
55.30 value of the assets of the estate that were marital property or jointly owned property at any
55.31 time during the marriage. The claim is not payable from the value of assets or proceeds of
55.32 assets in the estate attributable to a predeceased spouse whom the individual married after
55.33 the death of the predeceased recipient spouse for whom the claim is filed or from assets and

56.1 the proceeds of assets in the estate which the nonrecipient decedent spouse acquired with
56.2 assets which were not marital property or jointly owned property after the death of the
56.3 predeceased recipient spouse. Claims for alternative care shall be net of all premiums paid
56.4 under section 256B.0913, subdivision 12, on or after July 1, 2003, and shall be limited to
56.5 services provided on or after July 1, 2003. Claims against marital property shall be limited
56.6 to claims against recipients who died on or after July 1, 2009.

56.7 **EFFECTIVE DATE.** This section is effective the day following final enactment and
56.8 applies retroactively to estate claims pending on or after July 1, 2016, and to the estates of
56.9 people who died on or after July 1, 2016.

56.10 Sec. 35. Minnesota Statutes 2016, section 256B.196, subdivision 2, is amended to read:

56.11 Subd. 2. **Commissioner's duties.** (a) For the purposes of this subdivision and subdivision
56.12 3, the commissioner shall determine the fee-for-service outpatient hospital services upper
56.13 payment limit for nonstate government hospitals. The commissioner shall then determine
56.14 the amount of a supplemental payment to Hennepin County Medical Center and Regions
56.15 Hospital for these services that would increase medical assistance spending in this category
56.16 to the aggregate upper payment limit for all nonstate government hospitals in Minnesota.
56.17 In making this determination, the commissioner shall allot the available increases between
56.18 Hennepin County Medical Center and Regions Hospital based on the ratio of medical
56.19 assistance fee-for-service outpatient hospital payments to the two facilities. The commissioner
56.20 shall adjust this allotment as necessary based on federal approvals, the amount of
56.21 intergovernmental transfers received from Hennepin and Ramsey Counties, and other factors,
56.22 in order to maximize the additional total payments. The commissioner shall inform Hennepin
56.23 County and Ramsey County of the periodic intergovernmental transfers necessary to match
56.24 federal Medicaid payments available under this subdivision in order to make supplementary
56.25 medical assistance payments to Hennepin County Medical Center and Regions Hospital
56.26 equal to an amount that when combined with existing medical assistance payments to
56.27 nonstate governmental hospitals would increase total payments to hospitals in this category
56.28 for outpatient services to the aggregate upper payment limit for all hospitals in this category
56.29 in Minnesota. Upon receipt of these periodic transfers, the commissioner shall make
56.30 supplementary payments to Hennepin County Medical Center and Regions Hospital.

56.31 (b) For the purposes of this subdivision and subdivision 3, the commissioner shall
56.32 determine an upper payment limit for physicians and other billing professionals affiliated
56.33 with Hennepin County Medical Center and with Regions Hospital. The upper payment limit
56.34 shall be based on the average commercial rate or be determined using another method

57.1 acceptable to the Centers for Medicare and Medicaid Services. The commissioner shall
57.2 inform Hennepin County and Ramsey County of the periodic intergovernmental transfers
57.3 necessary to match the federal Medicaid payments available under this subdivision in order
57.4 to make supplementary payments to physicians and other billing professionals affiliated
57.5 with Hennepin County Medical Center and to make supplementary payments to physicians
57.6 and other billing professionals affiliated with Regions Hospital through HealthPartners
57.7 Medical Group equal to the difference between the established medical assistance payment
57.8 for physician and other billing professional services and the upper payment limit. Upon
57.9 receipt of these periodic transfers, the commissioner shall make supplementary payments
57.10 to physicians and other billing professionals affiliated with Hennepin County Medical Center
57.11 and shall make supplementary payments to physicians and other billing professionals
57.12 affiliated with Regions Hospital through HealthPartners Medical Group.

57.13 (c) Beginning January 1, 2010, Hennepin County and Ramsey County may make monthly
57.14 voluntary intergovernmental transfers to the commissioner in amounts not to exceed
57.15 \$12,000,000 per year from Hennepin County and \$6,000,000 per year from Ramsey County.
57.16 The commissioner shall increase the medical assistance capitation payments to any licensed
57.17 health plan under contract with the medical assistance program that agrees to make enhanced
57.18 payments to Hennepin County Medical Center or Regions Hospital. The increase shall be
57.19 in an amount equal to the annual value of the monthly transfers plus federal financial
57.20 participation, with each health plan receiving its pro rata share of the increase based on the
57.21 pro rata share of medical assistance admissions to Hennepin County Medical Center and
57.22 Regions Hospital by those plans. Upon the request of the commissioner, health plans shall
57.23 submit individual-level cost data for verification purposes. The commissioner may ratably
57.24 reduce these payments on a pro rata basis in order to satisfy federal requirements for actuarial
57.25 soundness. If payments are reduced, transfers shall be reduced accordingly. Any licensed
57.26 health plan that receives increased medical assistance capitation payments under the
57.27 intergovernmental transfer described in this paragraph shall increase its medical assistance
57.28 payments to Hennepin County Medical Center and Regions Hospital by the same amount
57.29 as the increased payments received in the capitation payment described in this paragraph.

57.30 (d) For the purposes of this subdivision and subdivision 3, the commissioner shall
57.31 determine an upper payment limit for ambulance services affiliated with Hennepin County
57.32 Medical Center and the city of St. Paul, and ambulance services owned and operated by
57.33 another governmental entity that chooses to participate by requesting the commissioner to
57.34 determine an upper payment limit. The upper payment limit shall be based on the average
57.35 commercial rate or be determined using another method acceptable to the Centers for

58.1 Medicare and Medicaid Services. The commissioner shall inform Hennepin County ~~and,~~
58.2 the city of St. Paul, and other participating governmental entities of the periodic
58.3 intergovernmental transfers necessary to match the federal Medicaid payments available
58.4 under this subdivision in order to make supplementary payments to Hennepin County
58.5 Medical Center ~~and,~~ the city of St. Paul, and other participating governmental entities equal
58.6 to the difference between the established medical assistance payment for ambulance services
58.7 and the upper payment limit. Upon receipt of these periodic transfers, the commissioner
58.8 shall make supplementary payments to Hennepin County Medical Center ~~and,~~ the city of
58.9 St. Paul, and other participating governmental entities. A tribal government that owns and
58.10 operates an ambulance service is not eligible to participate under this subdivision.

58.11 (e) For the purposes of this subdivision and subdivision 3, the commissioner shall
58.12 determine an upper payment limit for physicians, dentists, and other billing professionals
58.13 affiliated with the University of Minnesota and University of Minnesota Physicians. The
58.14 upper payment limit shall be based on the average commercial rate or be determined using
58.15 another method acceptable to the Centers for Medicare and Medicaid Services. The
58.16 commissioner shall inform the University of Minnesota Medical School and University of
58.17 Minnesota School of Dentistry of the periodic intergovernmental transfers necessary to
58.18 match the federal Medicaid payments available under this subdivision in order to make
58.19 supplementary payments to physicians, dentists, and other billing professionals affiliated
58.20 with the University of Minnesota and the University of Minnesota Physicians equal to the
58.21 difference between the established medical assistance payment for physician, dentist, and
58.22 other billing professional services and the upper payment limit. Upon receipt of these periodic
58.23 transfers, the commissioner shall make supplementary payments to physicians, dentists,
58.24 and other billing professionals affiliated with the University of Minnesota and the University
58.25 of Minnesota Physicians.

58.26 (f) Beginning January 1, 2018, the University of Minnesota Medical School and the
58.27 University of Minnesota School of Dentistry may make monthly voluntary intergovernmental
58.28 transfers to the commissioner in amounts not to exceed \$20,000,000 per year from the
58.29 University of Minnesota Medical School and \$6,000,000 per year from the University of
58.30 Minnesota School of Dentistry. The commissioner shall increase the medical assistance
58.31 capitation payments to any licensed health plan under contract with the medical assistance
58.32 program that agrees to make enhanced payments to the University of Minnesota and the
58.33 University of Minnesota Physicians. The increase shall be in an amount equal to the annual
58.34 value of the monthly transfers plus federal financial participation, with each health plan
58.35 receiving its pro rata share of the increase based on the pro rata share of medical assistance

59.1 services by physicians, dentists, and other billing professionals affiliated with the University
59.2 of Minnesota and the University of Minnesota Physicians. Upon the request of the
59.3 commissioner, health plans shall submit individual-level cost data for verification purposes.
59.4 The commissioner may ratably reduce these payments on a pro rata basis in order to satisfy
59.5 federal requirements for actuarial soundness. If payments are reduced, transfers shall be
59.6 reduced accordingly. Any licensed health plan that receives increased medical assistance
59.7 capitation payments under the intergovernmental transfer described in this paragraph shall
59.8 increase its medical assistance payments to the University of Minnesota and the University
59.9 of Minnesota Physicians by the same amount as the increased payments received in the
59.10 capitation payment described in this paragraph.

59.11 (g) The commissioner shall inform the transferring governmental entities on an ongoing
59.12 basis of the need for any changes needed in the intergovernmental transfers in order to
59.13 continue the payments under paragraphs (a) to ~~(f)~~ (f), at their maximum level, including
59.14 increases in upper payment limits, changes in the federal Medicaid match, and other factors.

59.15 ~~(f)~~ (h) The payments in paragraphs (a) to ~~(f)~~ (f) shall be implemented independently of
59.16 each other, subject to federal approval and to the receipt of transfers under subdivision 3.

59.17 (i) All of the data and funding transactions related to the payments in paragraphs (a) to
59.18 (f) shall be between the commissioner and the governmental entities.

59.19 **EFFECTIVE DATE.** Paragraph (d) is effective July 1, 2017, or upon federal approval,
59.20 whichever is later. The commissioner of human services shall notify the revisor of statutes
59.21 when federal approval is received.

59.22 Sec. 36. Minnesota Statutes 2016, section 256B.196, subdivision 3, is amended to read:

59.23 Subd. 3. **Intergovernmental transfers.** Based on the determination by the commissioner
59.24 under subdivision 2, Hennepin County and Ramsey County shall make periodic
59.25 intergovernmental transfers to the commissioner for the purposes of subdivision 2, paragraphs
59.26 (a) and (b). All of the intergovernmental transfers made by Hennepin County shall be used
59.27 to match federal payments to Hennepin County Medical Center under subdivision 2,
59.28 paragraph (a), and to physicians and other billing professionals affiliated with Hennepin
59.29 County Medical Center under subdivision 2, paragraph (b). All of the intergovernmental
59.30 transfers made by Ramsey County shall be used to match federal payments to Regions
59.31 Hospital under subdivision 2, paragraph (a), and to physicians and other billing professionals
59.32 affiliated with Regions Hospital through HealthPartners Medical Group under subdivision
59.33 2, paragraph (b). All of the intergovernmental transfer payments made by the University of
59.34 Minnesota Medical School and the University of Minnesota School of Dentistry shall be

60.1 used to match federal payments to the University of Minnesota and the University of
60.2 Minnesota Physicians under subdivision 2, paragraphs (e) and (f).

60.3 Sec. 37. Minnesota Statutes 2016, section 256B.196, subdivision 4, is amended to read:

60.4 Subd. 4. **Adjustments permitted.** (a) The commissioner may adjust the
60.5 intergovernmental transfers under subdivision 3 and the payments under subdivision 2,
60.6 based on the commissioner's determination of Medicare upper payment limits,
60.7 hospital-specific charge limits, hospital-specific limitations on disproportionate share
60.8 payments, medical inflation, actuarial certification, average commercial rates for physician
60.9 and other professional services, and cost-effectiveness for purposes of federal waivers. Any
60.10 adjustments must be made on a proportional basis. The commissioner may make adjustments
60.11 under this subdivision only after consultation with the affected counties, university schools,
60.12 and hospitals. All payments under subdivision 2 and all intergovernmental transfers under
60.13 subdivision 3 are limited to amounts available after all other base rates, adjustments, and
60.14 supplemental payments in chapter 256B are calculated.

60.15 (b) The ratio of medical assistance payments specified in subdivision 2 to the voluntary
60.16 intergovernmental transfers specified in subdivision 3 shall not be reduced except as provided
60.17 under paragraph (a).

60.18 Sec. 38. Minnesota Statutes 2016, section 256B.69, subdivision 5a, is amended to read:

60.19 Subd. 5a. **Managed care contracts.** (a) Managed care contracts under this section and
60.20 section 256L.12 shall be entered into or renewed on a calendar year basis. The commissioner
60.21 may issue separate contracts with requirements specific to services to medical assistance
60.22 recipients age 65 and older.

60.23 (b) A prepaid health plan providing covered health services for eligible persons pursuant
60.24 to chapters 256B and 256L is responsible for complying with the terms of its contract with
60.25 the commissioner. Requirements applicable to managed care programs under chapters 256B
60.26 and 256L established after the effective date of a contract with the commissioner take effect
60.27 when the contract is next issued or renewed.

60.28 (c) The commissioner shall withhold five percent of managed care plan payments under
60.29 this section and county-based purchasing plan payments under section 256B.692 for the
60.30 prepaid medical assistance program pending completion of performance targets. Each
60.31 performance target must be quantifiable, objective, measurable, and reasonably attainable,
60.32 except in the case of a performance target based on a federal or state law or rule. Criteria
60.33 for assessment of each performance target must be outlined in writing prior to the contract

61.1 effective date. Clinical or utilization performance targets and their related criteria must
61.2 consider evidence-based research and reasonable interventions when available or applicable
61.3 to the populations served, and must be developed with input from external clinical experts
61.4 and stakeholders, including managed care plans, county-based purchasing plans, and
61.5 providers. The managed care or county-based purchasing plan must demonstrate, to the
61.6 commissioner's satisfaction, that the data submitted regarding attainment of the performance
61.7 target is accurate. The commissioner shall periodically change the administrative measures
61.8 used as performance targets in order to improve plan performance across a broader range
61.9 of administrative services. The performance targets must include measurement of plan
61.10 efforts to contain spending on health care services and administrative activities. The
61.11 commissioner may adopt plan-specific performance targets that take into account factors
61.12 affecting only one plan, including characteristics of the plan's enrollee population. The
61.13 withheld funds must be returned no sooner than July of the following year if performance
61.14 targets in the contract are achieved. The commissioner may exclude special demonstration
61.15 projects under subdivision 23.

61.16 (d) The commissioner shall require that managed care plans use the assessment and
61.17 authorization processes, forms, timelines, standards, documentation, and data reporting
61.18 requirements, protocols, billing processes, and policies consistent with medical assistance
61.19 fee-for-service or the Department of Human Services contract requirements consistent with
61.20 medical assistance fee-for-service or the Department of Human Services contract
61.21 requirements for all personal care assistance services under section 256B.0659.

61.22 (e) Effective for services rendered on or after January 1, 2012, the commissioner shall
61.23 include as part of the performance targets described in paragraph (c) a reduction in the health
61.24 plan's emergency department utilization rate for medical assistance and MinnesotaCare
61.25 enrollees, as determined by the commissioner. For 2012, the reduction shall be based on
61.26 the health plan's utilization in 2009. To earn the return of the withhold each subsequent
61.27 year, the managed care plan or county-based purchasing plan must achieve a qualifying
61.28 reduction of no less than ten percent of the plan's emergency department utilization rate for
61.29 medical assistance and MinnesotaCare enrollees, excluding enrollees in programs described
61.30 in subdivisions 23 and 28, compared to the previous measurement year until the final
61.31 performance target is reached. When measuring performance, the commissioner must
61.32 consider the difference in health risk in a managed care or county-based purchasing plan's
61.33 membership in the baseline year compared to the measurement year, and work with the
61.34 managed care or county-based purchasing plan to account for differences that they agree
61.35 are significant.

62.1 The withheld funds must be returned no sooner than July 1 and no later than July 31 of
62.2 the following calendar year if the managed care plan or county-based purchasing plan
62.3 demonstrates to the satisfaction of the commissioner that a reduction in the utilization rate
62.4 was achieved. The commissioner shall structure the withhold so that the commissioner
62.5 returns a portion of the withheld funds in amounts commensurate with achieved reductions
62.6 in utilization less than the targeted amount.

62.7 The withhold described in this paragraph shall continue for each consecutive contract
62.8 period until the plan's emergency room utilization rate for state health care program enrollees
62.9 is reduced by 25 percent of the plan's emergency room utilization rate for medical assistance
62.10 and MinnesotaCare enrollees for calendar year 2009. Hospitals shall cooperate with the
62.11 health plans in meeting this performance target and shall accept payment withholds that
62.12 may be returned to the hospitals if the performance target is achieved.

62.13 (f) Effective for services rendered on or after January 1, 2012, the commissioner shall
62.14 include as part of the performance targets described in paragraph (c) a reduction in the plan's
62.15 hospitalization admission rate for medical assistance and MinnesotaCare enrollees, as
62.16 determined by the commissioner. To earn the return of the withhold each year, the managed
62.17 care plan or county-based purchasing plan must achieve a qualifying reduction of no less
62.18 than five percent of the plan's hospital admission rate for medical assistance and
62.19 MinnesotaCare enrollees, excluding enrollees in programs described in subdivisions 23 and
62.20 28, compared to the previous calendar year until the final performance target is reached.
62.21 When measuring performance, the commissioner must consider the difference in health risk
62.22 in a managed care or county-based purchasing plan's membership in the baseline year
62.23 compared to the measurement year, and work with the managed care or county-based
62.24 purchasing plan to account for differences that they agree are significant.

62.25 The withheld funds must be returned no sooner than July 1 and no later than July 31 of
62.26 the following calendar year if the managed care plan or county-based purchasing plan
62.27 demonstrates to the satisfaction of the commissioner that this reduction in the hospitalization
62.28 rate was achieved. The commissioner shall structure the withhold so that the commissioner
62.29 returns a portion of the withheld funds in amounts commensurate with achieved reductions
62.30 in utilization less than the targeted amount.

62.31 The withhold described in this paragraph shall continue until there is a 25 percent
62.32 reduction in the hospital admission rate compared to the hospital admission rates in calendar
62.33 year 2011, as determined by the commissioner. The hospital admissions in this performance
62.34 target do not include the admissions applicable to the subsequent hospital admission
62.35 performance target under paragraph (g). Hospitals shall cooperate with the plans in meeting

63.1 this performance target and shall accept payment withholds that may be returned to the
63.2 hospitals if the performance target is achieved.

63.3 (g) Effective for services rendered on or after January 1, 2012, the commissioner shall
63.4 include as part of the performance targets described in paragraph (c) a reduction in the plan's
63.5 hospitalization admission rates for subsequent hospitalizations within 30 days of a previous
63.6 hospitalization of a patient regardless of the reason, for medical assistance and MinnesotaCare
63.7 enrollees, as determined by the commissioner. To earn the return of the withhold each year,
63.8 the managed care plan or county-based purchasing plan must achieve a qualifying reduction
63.9 of the subsequent hospitalization rate for medical assistance and MinnesotaCare enrollees,
63.10 excluding enrollees in programs described in subdivisions 23 and 28, of no less than five
63.11 percent compared to the previous calendar year until the final performance target is reached.

63.12 The withheld funds must be returned no sooner than July 1 and no later than July 31 of
63.13 the following calendar year if the managed care plan or county-based purchasing plan
63.14 demonstrates to the satisfaction of the commissioner that a qualifying reduction in the
63.15 subsequent hospitalization rate was achieved. The commissioner shall structure the withhold
63.16 so that the commissioner returns a portion of the withheld funds in amounts commensurate
63.17 with achieved reductions in utilization less than the targeted amount.

63.18 The withhold described in this paragraph must continue for each consecutive contract
63.19 period until the plan's subsequent hospitalization rate for medical assistance and
63.20 MinnesotaCare enrollees, excluding enrollees in programs described in subdivisions 23 and
63.21 28, is reduced by 25 percent of the plan's subsequent hospitalization rate for calendar year
63.22 2011. Hospitals shall cooperate with the plans in meeting this performance target and shall
63.23 accept payment withholds that must be returned to the hospitals if the performance target
63.24 is achieved.

63.25 (h) Effective for services rendered on or after January 1, 2013, through December 31,
63.26 2013, the commissioner shall withhold 4.5 percent of managed care plan payments under
63.27 this section and county-based purchasing plan payments under section 256B.692 for the
63.28 prepaid medical assistance program. The withheld funds must be returned no sooner than
63.29 July 1 and no later than July 31 of the following year. The commissioner may exclude
63.30 special demonstration projects under subdivision 23.

63.31 (i) Effective for services rendered on or after January 1, 2014, the commissioner shall
63.32 withhold three percent of managed care plan payments under this section and county-based
63.33 purchasing plan payments under section 256B.692 for the prepaid medical assistance
63.34 program. The withheld funds must be returned no sooner than July 1 and no later than July

64.1 31 of the following year. The commissioner may exclude special demonstration projects
64.2 under subdivision 23.

64.3 (j) A managed care plan or a county-based purchasing plan under section 256B.692 may
64.4 include as admitted assets under section 62D.044 any amount withheld under this section
64.5 that is reasonably expected to be returned.

64.6 (k) Contracts between the commissioner and a prepaid health plan are exempt from the
64.7 set-aside and preference provisions of section 16C.16, subdivisions 6, paragraph (a), and
64.8 7.

64.9 (l) The return of the withhold under paragraphs (h) and (i) is not subject to the
64.10 requirements of paragraph (c).

64.11 (m) Managed care plans and county-based purchasing plans shall maintain current and
64.12 fully executed agreements for all subcontractors, including bargaining groups, for
64.13 administrative services that are expensed to the state's public health care programs.
64.14 Subcontractor agreements determined to be material, as defined by the commissioner after
64.15 taking into account state contracting and relevant statutory requirements, must be in the
64.16 form of a written instrument or electronic document containing the elements of offer,
64.17 acceptance, consideration, payment terms, scope, duration of the contract, and how the
64.18 subcontractor services relate to state public health care programs. Upon request, the
64.19 commissioner shall have access to all subcontractor documentation under this paragraph.
64.20 Nothing in this paragraph shall allow release of information that is nonpublic data pursuant
64.21 to section 13.02.

64.22 (n) Effective for services provided on or after January 1, 2018, through December 31,
64.23 2018, the commissioner shall withhold two percent of the capitation payment provided to
64.24 managed care plans under this section, and county-based purchasing plans under section
64.25 256B.692, for each medical assistance enrollee. The withheld funds must be returned no
64.26 sooner than July 1 and no later than July 31 of the following year, for capitation payments
64.27 for enrollees for whom the plan has submitted to the commissioner a verification of coverage
64.28 form completed and signed by the enrollee. The verification of coverage form must be
64.29 developed by the commissioner and made available to managed care and county-based
64.30 purchasing plans. The form must require the enrollee to provide the enrollee's name, street
64.31 address, and the name of the managed care or county-based purchasing plan selected by or
64.32 assigned to the enrollee, and must include a signature block that allows the enrollee to attest
64.33 that the information provided is accurate. A plan shall request that all enrollees complete
64.34 the verification of coverage form, and shall submit all completed forms to the commissioner

65.1 by February 28, 2018. If a completed form for an enrollee is not received by the commissioner
65.2 by that date:

65.3 (1) the commissioner shall not return to the plan funds withheld for that enrollee;

65.4 (2) the commissioner shall cease making capitation payments to the plan for that enrollee,
65.5 effective with the April 2018 coverage month; and

65.6 (3) the commissioner shall disenroll the enrollee from medical assistance, subject to any
65.7 enrollee appeal.

65.8 Sec. 39. Minnesota Statutes 2016, section 256B.69, is amended by adding a subdivision
65.9 to read:

65.10 Subd. 36. **Competitive bidding and procurement.** (a) For managed care organization
65.11 contracts effective on or after January 1, 2019, the commissioner shall utilize a competitive
65.12 price and technical bidding program on a regional basis for nonelderly adults and children
65.13 who are not eligible on the basis of a disability and are enrolled in medical assistance and
65.14 MinnesotaCare. If the commissioner utilizes a competitive price bidding program, the
65.15 commissioner shall establish geographic regions for the purposes of competitive price
65.16 bidding. The commissioner shall not implement a competitive price bidding program for
65.17 more than 40 percent of the regions during each procurement. The commissioner shall
65.18 ensure that there is an adequate choice of managed care organizations based on the potential
65.19 enrollment, in a manner that is consistent with the requirements of section 256B.694. The
65.20 commissioner shall operate the competitive bidding program by region, but shall award
65.21 contracts by county and shall allow managed care organizations with a service area consisting
65.22 of only a portion of a region to bid on those counties within their service area only. For
65.23 purposes of this subdivision, "managed care organization" means a demonstration provider
65.24 as defined in subdivision 2, paragraph (b).

65.25 (b) The commissioner shall provide the scoring weight of selection criteria to be assigned
65.26 in the procurement process and include the scoring weight in the request for proposals.
65.27 Substantial weight shall be given to county board resolutions and priority areas identified
65.28 by counties.

65.29 (c) If a best and final offer is requested, each responding managed care organization
65.30 must be offered the opportunity to submit a best and final offer.

65.31 (d) The commissioner, when evaluating proposals, shall consider network adequacy for
65.32 dental and other services.

66.1 (e) Notwithstanding sections 13.591 and 13.599, after the managed care organizations
66.2 are notified about the award determination, but before contracts are signed, the commissioner
66.3 shall provide each managed care organization with its own scoring sheet and supporting
66.4 information. The scoring sheet shall not be made available to other managed care
66.5 organizations until final contracts are signed.

66.6 (f) A managed care organization that is aggrieved by the commissioner's decision related
66.7 to the selection of managed care organizations to deliver services in a county or counties
66.8 may appeal the commissioner's decision using the process outlined in section 256B.69,
66.9 subdivision 3a, paragraph (d), except that the recommendation of the three-person mediation
66.10 panel shall be binding on the commissioner.

66.11 (g) The commissioner shall contract for an independent evaluation of the competitive
66.12 price bidding process. The contractor must solicit recommendations from all parties
66.13 participating in the competitive price bidding process for service delivery in calendar year
66.14 2019 on how the competitive price bidding process may be improved for service delivery
66.15 in calendar year 2020 and annually thereafter. The commissioner shall make evaluation
66.16 results available to the public on the department's Web site.

66.17 Sec. 40. Minnesota Statutes 2016, section 256B.75, is amended to read:

66.18 **256B.75 HOSPITAL OUTPATIENT REIMBURSEMENT.**

66.19 (a) For outpatient hospital facility fee payments for services rendered on or after October
66.20 1, 1992, the commissioner of human services shall pay the lower of (1) submitted charge,
66.21 or (2) 32 percent above the rate in effect on June 30, 1992, except for those services for
66.22 which there is a federal maximum allowable payment. Effective for services rendered on
66.23 or after January 1, 2000, payment rates for nonsurgical outpatient hospital facility fees and
66.24 emergency room facility fees shall be increased by eight percent over the rates in effect on
66.25 December 31, 1999, except for those services for which there is a federal maximum allowable
66.26 payment. Services for which there is a federal maximum allowable payment shall be paid
66.27 at the lower of (1) submitted charge, or (2) the federal maximum allowable payment. Total
66.28 aggregate payment for outpatient hospital facility fee services shall not exceed the Medicare
66.29 upper limit. If it is determined that a provision of this section conflicts with existing or
66.30 future requirements of the United States government with respect to federal financial
66.31 participation in medical assistance, the federal requirements prevail. The commissioner
66.32 may, in the aggregate, prospectively reduce payment rates to avoid reduced federal financial
66.33 participation resulting from rates that are in excess of the Medicare upper limitations.

67.1 (b) Notwithstanding paragraph (a), payment for outpatient, emergency, and ambulatory
67.2 surgery hospital facility fee services for critical access hospitals designated under section
67.3 144.1483, clause (9), shall be paid on a cost-based payment system that is based on the
67.4 cost-finding methods and allowable costs of the Medicare program. Effective for services
67.5 provided on or after July 1, 2015, rates established for critical access hospitals under this
67.6 paragraph for the applicable payment year shall be the final payment and shall not be settled
67.7 to actual costs. Effective for services delivered on or after the first day of the hospital's fiscal
67.8 year ending in 2016, the rate for outpatient hospital services shall be computed using
67.9 information from each hospital's Medicare cost report as filed with Medicare for the year
67.10 that is two years before the year that the rate is being computed. Rates shall be computed
67.11 using information from Worksheet C series until the department finalizes the medical
67.12 assistance cost reporting process for critical access hospitals. After the cost reporting process
67.13 is finalized, rates shall be computed using information from Title XIX Worksheet D series.
67.14 The outpatient rate shall be equal to ancillary cost plus outpatient cost, excluding costs
67.15 related to rural health clinics and federally qualified health clinics, divided by ancillary
67.16 charges plus outpatient charges, excluding charges related to rural health clinics and federally
67.17 qualified health clinics.

67.18 (c) Effective for services provided on or after July 1, 2003, rates that are based on the
67.19 Medicare outpatient prospective payment system shall be replaced by a budget neutral
67.20 prospective payment system that is derived using medical assistance data. The commissioner
67.21 shall provide a proposal to the 2003 legislature to define and implement this provision.

67.22 (d) For fee-for-service services provided on or after July 1, 2002, the total payment,
67.23 before third-party liability and spenddown, made to hospitals for outpatient hospital facility
67.24 services is reduced by .5 percent from the current statutory rate.

67.25 (e) In addition to the reduction in paragraph (d), the total payment for fee-for-service
67.26 services provided on or after July 1, 2003, made to hospitals for outpatient hospital facility
67.27 services before third-party liability and spenddown, is reduced five percent from the current
67.28 statutory rates. Facilities defined under section 256.969, subdivision 16, are excluded from
67.29 this paragraph.

67.30 (f) In addition to the reductions in paragraphs (d) and (e), the total payment for
67.31 fee-for-service services provided on or after July 1, 2008, made to hospitals for outpatient
67.32 hospital facility services before third-party liability and spenddown, is reduced three percent
67.33 from the current statutory rates. Mental health services and facilities defined under section
67.34 256.969, subdivision 16, are excluded from this paragraph.

68.1 **EFFECTIVE DATE.** This section is effective July 1, 2017.

68.2 Sec. 41. **[256B.7635] REIMBURSEMENT FOR EVIDENCE-BASED PUBLIC**
68.3 **HEALTH NURSE HOME VISITS.**

68.4 Effective for services provided on or after January 1, 2018, prenatal and postpartum
68.5 follow-up home visits provided by public health nurses or registered nurses supervised by
68.6 a public health nurse using evidence-based models shall be paid a minimum of \$140 per
68.7 visit. Evidence-based postpartum follow-up home visits must be administered by home
68.8 visiting programs that meet the United States Department of Health and Human Services
68.9 criteria for evidence-based models and are identified by the commissioner of health as
68.10 eligible to be implemented under the Maternal, Infant, and Early Childhood Home Visiting
68.11 program. Home visits must target mothers and their children beginning with prenatal visits
68.12 through age three for the child.

68.13 Sec. 42. Minnesota Statutes 2016, section 256B.766, is amended to read:

68.14 **256B.766 REIMBURSEMENT FOR BASIC CARE SERVICES.**

68.15 (a) Effective for services provided on or after July 1, 2009, total payments for basic care
68.16 services, shall be reduced by three percent, except that for the period July 1, 2009, through
68.17 June 30, 2011, total payments shall be reduced by 4.5 percent for the medical assistance
68.18 and general assistance medical care programs, prior to third-party liability and spenddown
68.19 calculation. Effective July 1, 2010, the commissioner shall classify physical therapy services,
68.20 occupational therapy services, and speech-language pathology and related services as basic
68.21 care services. The reduction in this paragraph shall apply to physical therapy services,
68.22 occupational therapy services, and speech-language pathology and related services provided
68.23 on or after July 1, 2010.

68.24 (b) Payments made to managed care plans and county-based purchasing plans shall be
68.25 reduced for services provided on or after October 1, 2009, to reflect the reduction effective
68.26 July 1, 2009, and payments made to the plans shall be reduced effective October 1, 2010,
68.27 to reflect the reduction effective July 1, 2010.

68.28 (c) Effective for services provided on or after September 1, 2011, through June 30, 2013,
68.29 total payments for outpatient hospital facility fees shall be reduced by five percent from the
68.30 rates in effect on August 31, 2011.

68.31 (d) Effective for services provided on or after September 1, 2011, through June 30, 2013,
68.32 total payments for ambulatory surgery centers facility fees, medical supplies and durable

69.1 medical equipment not subject to a volume purchase contract, prosthetics and orthotics,
69.2 renal dialysis services, laboratory services, public health nursing services, physical therapy
69.3 services, occupational therapy services, speech therapy services, eyeglasses not subject to
69.4 a volume purchase contract, hearing aids not subject to a volume purchase contract, and
69.5 anesthesia services shall be reduced by three percent from the rates in effect on August 31,
69.6 2011.

69.7 (e) Effective for services provided on or after September 1, 2014, payments for
69.8 ambulatory surgery centers facility fees, hospice services, renal dialysis services, laboratory
69.9 services, public health nursing services, eyeglasses not subject to a volume purchase contract,
69.10 and hearing aids not subject to a volume purchase contract shall be increased by three percent
69.11 and payments for outpatient hospital facility fees shall be increased by three percent.
69.12 Payments made to managed care plans and county-based purchasing plans shall not be
69.13 adjusted to reflect payments under this paragraph.

69.14 (f) Payments for medical supplies and durable medical equipment not subject to a volume
69.15 purchase contract, and prosthetics and orthotics, provided on or after July 1, 2014, through
69.16 June 30, 2015, shall be decreased by .33 percent. Payments for medical supplies and durable
69.17 medical equipment not subject to a volume purchase contract, and prosthetics and orthotics,
69.18 provided on or after July 1, 2015, shall be increased by three percent from the rates as
69.19 determined under paragraphs (i) and (j).

69.20 (g) Effective for services provided on or after July 1, 2015, payments for outpatient
69.21 hospital facility fees, medical supplies and durable medical equipment not subject to a
69.22 volume purchase contract, prosthetics and orthotics, and laboratory services to a hospital
69.23 meeting the criteria specified in section 62Q.19, subdivision 1, paragraph (a), clause (4),
69.24 shall be increased by 90 percent from the rates in effect on June 30, 2015. Payments made
69.25 to managed care plans and county-based purchasing plans shall not be adjusted to reflect
69.26 payments under this paragraph.

69.27 (h) This section does not apply to physician and professional services, inpatient hospital
69.28 services, family planning services, mental health services, dental services, prescription
69.29 drugs, medical transportation, federally qualified health centers, rural health centers, Indian
69.30 health services, and Medicare cost-sharing.

69.31 (i) Effective for services provided on or after July 1, 2015, the following categories of
69.32 medical supplies and durable medical equipment shall be individually priced items: enteral
69.33 nutrition and supplies, customized and other specialized tracheostomy tubes and supplies,
69.34 electric patient lifts, and durable medical equipment repair and service. This paragraph does

70.1 not apply to medical supplies and durable medical equipment subject to a volume purchase
70.2 contract, products subject to the preferred diabetic testing supply program, and items provided
70.3 to dually eligible recipients when Medicare is the primary payer for the item. The
70.4 commissioner shall not apply any medical assistance rate reductions to durable medical
70.5 equipment as a result of Medicare competitive bidding.

70.6 (j) Effective for services provided on or after July 1, 2015, medical assistance payment
70.7 rates for durable medical equipment, prosthetics, orthotics, or supplies shall be increased
70.8 as follows:

70.9 (1) payment rates for durable medical equipment, prosthetics, orthotics, or supplies that
70.10 were subject to the Medicare competitive bid that took effect in January of 2009 shall be
70.11 increased by 9.5 percent; and

70.12 (2) payment rates for durable medical equipment, prosthetics, orthotics, or supplies on
70.13 the medical assistance fee schedule, whether or not subject to the Medicare competitive bid
70.14 that took effect in January of 2009, shall be increased by 2.94 percent, with this increase
70.15 being applied after calculation of any increased payment rate under clause (1).

70.16 This paragraph does not apply to medical supplies and durable medical equipment subject
70.17 to a volume purchase contract, products subject to the preferred diabetic testing supply
70.18 program, items provided to dually eligible recipients when Medicare is the primary payer
70.19 for the item, and individually priced items identified in paragraph (i). Payments made to
70.20 managed care plans and county-based purchasing plans shall not be adjusted to reflect the
70.21 rate increases in this paragraph.

70.22 (k) Effective for nonpressure support ventilators provided on or after January 1, 2016,
70.23 the rate shall be the lower of the submitted charge or the Medicare fee schedule rate. Effective
70.24 for pressure support ventilators provided on or after January 1, 2016, the rate shall be the
70.25 lower of the submitted charge or 47 percent above the Medicare fee schedule rate.

70.26 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2016.

70.27 Sec. 43. **[256B.90] DEFINITIONS.**

70.28 Subdivision 1. **Generally.** For the purposes of sections 256B.90 to 256B.92, the following
70.29 terms have the meanings given.

70.30 Subd. 2. **Commissioner.** "Commissioner" means the commissioner of human services.

70.31 Subd. 3. **Department.** "Department" means the Department of Human Services.

71.1 Subd. 4. **Hospital.** "Hospital" means a public or private institution licensed as a hospital
71.2 under section 144.50 that participates in medical assistance.

71.3 Subd. 5. **Medical assistance.** "Medical assistance" means the state's Medicaid program
71.4 under title XIX of the Social Security Act and administered according to this chapter.

71.5 Subd. 6. **Potentially avoidable complication.** "Potentially avoidable complication"
71.6 means a harmful event or negative outcome with respect to an individual, including an
71.7 infection or surgical complication, that: (1) occurs during the individual's transportation to
71.8 a hospital or long-term care facility or after the individual's admission to a hospital or
71.9 long-term care facility; and (2) may have resulted from the care caused by insufficient
71.10 staffing due to nurses' union strikes in the hospital or long-term care facility by licensed
71.11 practical nurses or registered nurses, lack of care, or treatment provided during the hospital
71.12 or long-term care facility stay or during the individual's transportation to the hospital or
71.13 long-term care facility rather than from a natural progression of an underlying disease.

71.14 Subd. 7. **Potentially avoidable event.** "Potentially avoidable event" means a potentially
71.15 avoidable complication, potentially avoidable readmission, or a combination of those events.

71.16 Subd. 8. **Potentially avoidable readmission.** "Potentially avoidable readmission" means
71.17 a return hospitalization of an individual within a period specified by the commissioner that
71.18 may have resulted from deficiencies in the care or treatment provided to the individual
71.19 during a previous hospital stay or from deficiencies in posthospital discharge follow-up.
71.20 Potentially avoidable readmission does not include a hospital readmission necessitated by
71.21 the occurrence of unrelated events after the discharge. Potentially avoidable readmission
71.22 includes the readmission of an individual to a hospital for: (1) the same condition or
71.23 procedure for which the individual was previously admitted; (2) an infection or other
71.24 complication resulting from care previously provided; or (3) a condition or procedure that
71.25 indicates that a surgical intervention performed during a previous admission was unsuccessful
71.26 in achieving the anticipated outcome.

71.27 Sec. 44. **[256B.91] MEDICAL ASSISTANCE OUTCOMES-BASED PAYMENT**
71.28 **PROGRAM.**

71.29 Subdivision 1. **Generally.** The commissioner must establish and implement a medical
71.30 assistance outcomes-based payment program as a hospital outcomes program under section
71.31 256B.92 to provide hospitals with information and incentives to reduce potentially avoidable
71.32 events.

72.1 Subd. 2. **Potentially avoidable event methodology.** (a) The commissioner shall issue
72.2 a request for proposals to select a methodology for identifying potentially avoidable events
72.3 and for the costs associated with these events, and for measuring hospital performance with
72.4 respect to these events.

72.5 (b) The commissioner shall develop definitions for each potentially avoidable event
72.6 according to the selected methodology.

72.7 (c) To the extent possible, the methodology shall be one that has been used by other title
72.8 XIX programs under the Social Security Act or by commercial payers in health care outcomes
72.9 performance measurement and in outcome-based payment programs. The methodology
72.10 shall be open, transparent, and available for review by the public.

72.11 Subd. 3. **Medical assistance system waste.** (a) The commissioner must conduct a
72.12 comprehensive analysis of relevant state databases to identify waste in the medical assistance
72.13 system.

72.14 (b) The analysis must identify instances of potentially avoidable events in medical
72.15 assistance, and the costs associated with these events. The overall estimate of waste must
72.16 be broken down into actionable categories including but not limited to regions, hospitals,
72.17 MCOs, physicians, licensed practical nurses and registered nurses, other unlicensed health
72.18 care personnel, service lines, diagnosis-related groups, medical conditions and procedures,
72.19 patient characteristics, provider characteristics, and medical assistance program type.

72.20 (c) Information collected from this analysis must be utilized in hospital outcomes
72.21 programs described in this section.

72.22 **Sec. 45. [256B.92] HOSPITAL OUTCOMES PROGRAM.**

72.23 Subdivision 1. **Generally.** The hospital outcomes program shall:

72.24 (1) target reduction of potentially avoidable readmissions and complications;

72.25 (2) apply to all state acute care hospitals participating in medical assistance. Program
72.26 adjustments may be made for certain types of hospitals; and

72.27 (3) be implemented in two phases: performance reporting and outcomes-based financial
72.28 incentives.

72.29 Subd. 2. **Phase 1; performance reporting.** (a) The commissioner shall develop and
72.30 maintain a reporting system to provide each hospital in Minnesota with regular confidential
72.31 reports regarding the hospital's performance for potentially avoidable readmissions and
72.32 potentially avoidable complications.

73.1 (b) The commissioner shall:

73.2 (1) conduct ongoing analyses of relevant state claims databases to identify instances of
73.3 potentially avoidable readmissions and potentially avoidable complications, and the
73.4 expenditures associated with these events;

73.5 (2) create or locate state readmission and complications norms;

73.6 (3) measure actual-to-expected hospital performance compared to state norms;

73.7 (4) compare hospitals with peers using risk adjustment procedures that account for the
73.8 severity of illness of each hospital's patients;

73.9 (5) distribute reports to hospitals to provide actionable information to create policies,
73.10 contracts, or programs designed to improve target outcomes; and

73.11 (6) foster collaboration among hospitals to share best practices.

73.12 (c) A hospital may share the information contained in the outcome performance reports
73.13 with physicians and other health care providers providing services at the hospital to foster
73.14 coordination and cooperation in the hospital's outcome improvement and waste reduction
73.15 initiatives.

73.16 Subd. 3. **Phase 2; outcomes-based financial incentives.** Twelve months after
73.17 implementation of performance reporting under subdivision 2, the commissioner must
73.18 establish financial incentives for a hospital to reduce potentially avoidable readmissions
73.19 and potentially avoidable complications.

73.20 Subd. 4. **Rate adjustment methodology.** (a) The commissioner must adjust the
73.21 reimbursement that a hospital receives under the All Patients Refined Diagnosis-Related
73.22 Group inpatient prospective payment system based on the hospital's performance exceeding,
73.23 or failing to achieve, outcome results based on the rates of potentially avoidable readmissions
73.24 and potentially avoidable complications.

73.25 (b) The rate adjustment methodology must:

73.26 (1) apply to each hospital discharge;

73.27 (2) determine a hospital-specific potentially avoidable outcome adjustment factor based
73.28 on the hospital's actual versus expected risk-adjusted performance compared to the state
73.29 norm;

73.30 (3) be based on a retrospective analysis of performance prospectively applied;

73.31 (4) include both rewards and penalties; and

74.1 (5) be communicated to a hospital in a clear and transparent manner.

74.2 Subd. 5. **Amendment of contracts.** The commissioner must amend contracts with
 74.3 participating hospitals as necessary to incorporate the financial incentives established under
 74.4 this section.

74.5 Subd. 6. **Budget neutrality.** The hospital outcomes program shall be implemented in a
 74.6 budget-neutral manner with respect to aggregate Medicaid hospital expenditures.

74.7 Sec. 46. Minnesota Statutes 2016, section 256L.15, subdivision 2, is amended to read:

74.8 **Subd. 2. Sliding fee scale; monthly individual or family income.** (a) The commissioner
 74.9 shall establish a sliding fee scale to determine the percentage of monthly individual or family
 74.10 income that households at different income levels must pay to obtain coverage through the
 74.11 MinnesotaCare program. The sliding fee scale must be based on the enrollee's monthly
 74.12 individual or family income.

74.13 (b) ~~Beginning January 1, 2014~~ Beginning October 1, 2017, MinnesotaCare enrollees shall pay
 74.14 premiums according to the premium scale specified in paragraph (d).

74.15 (c) Paragraph (b) does not apply to:

74.16 (1) children 20 years of age or younger; and

74.17 (2) individuals with household incomes below 35 percent of the federal poverty
 74.18 guidelines.

74.19 (d) The following premium scale is established for each individual in the household who
 74.20 is 21 years of age or older and enrolled in MinnesotaCare:

74.21	Federal Poverty Guideline	Less than	Individual Premium
74.22	Greater than or Equal to		Amount
74.23			<u>\$4</u>
74.24	35%	55%	<u>\$5</u>
74.25			<u>\$6</u>
74.26	55%	80%	<u>\$7</u>
74.27			<u>\$8</u>
74.28	80%	90%	<u>\$11</u>
74.29			<u>\$10</u>
74.30	90%	100%	<u>\$12</u>
74.31			<u>\$12</u>
74.32	100%	110%	<u>\$13</u>
74.33			<u>\$14</u>
74.34	110%	120%	<u>\$15</u>
74.35			<u>\$15</u>
74.36	120%	130%	<u>\$16</u>

75.1			<u>\$16</u>
75.2	130%	140%	<u>\$18</u>
75.3			<u>\$25</u>
75.4	140%	150%	<u>\$32</u>
75.5			<u>\$29</u>
75.6	150%	160%	<u>\$40</u>
75.7			<u>\$33</u>
75.8	160%	170%	<u>\$48</u>
75.9			<u>\$38</u>
75.10	170%	180%	<u>\$56</u>
75.11			<u>\$43</u>
75.12	180%	190%	<u>\$65</u>
75.13			<u>\$50</u>
75.14	190%		<u>\$75</u>
75.15	<u>200%</u>		<u>\$85</u>

75.16 Sec. 47. Laws 1988, chapter 645, section 3, as amended by Laws 1999, chapter 243, article
75.17 6, section 9, Laws 2000, chapter 490, article 6, section 15, Laws 2008, chapter 154, article
75.18 2, section 30, and Laws 2013, chapter 143, article 4, section 33, is amended to read:

75.19 **Sec. 3. TAX; PAYMENT OF EXPENSES.**

75.20 (a) The tax levied by the hospital district under Minnesota Statutes, section 447.34, must
75.21 not be levied at a rate that exceeds the amount authorized to be levied under that section.
75.22 The proceeds of the tax may be used for all purposes of the hospital district, except as
75.23 provided in paragraph (b).

75.24 (b) 0.015 percent of taxable market value of the tax in paragraph (a) may be used by the
75.25 Cook ambulance service and the Orr ambulance service for the purpose of:

75.26 (1) ambulance acquisitions for the Cook ambulance service and the Orr ambulance
75.27 service;

75.28 (2) attached and portable equipment for use in and for the ambulances; and

75.29 (3) parts and replacement parts for maintenance and repair of the ambulances, and
75.30 administrative, operation, or salary expenses for the Cook ambulance service and the Orr
75.31 ambulance service.

75.32 ~~The money may not be used for administrative, operation, or salary expenses.~~

75.33 (c) The part of the levy referred to in paragraph (b) must be administered by the Cook
75.34 Hospital and passed on in equal amounts directly to the Cook area ambulance service board
75.35 and the city of Orr to be used for the purposes in paragraph (b).

76.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

76.2 Sec. 48. **CAPITATION PAYMENT DELAY.**

76.3 (a) The commissioner of human services shall delay \$135,000,000 of the medical
76.4 assistance and MinnesotaCare capitation payment to managed care plans and county-based
76.5 purchasing plans due in May 2019 and the payment due in April 2019 for special needs
76.6 basic care until July 1, 2019. The payment shall be made no earlier than July 1, 2019, and
76.7 no later than July 31, 2019.

76.8 (b) The commissioner of human services shall delay \$135,000,000 of the medical
76.9 assistance and MinnesotaCare capitation payment to managed care plans and county-based
76.10 purchasing plans due in the second quarter of calendar year 2021 and the April 2021 payment
76.11 for special needs basic care until July 1, 2021. The payment shall be made no earlier than
76.12 July 1, 2021, and no later than July 31, 2021.

76.13 Sec. 49. **CHILDREN'S MENTAL HEALTH REPORT AND RECOMMENDATIONS.**

76.14 The commissioner of human services shall conduct a comprehensive analysis of
76.15 Minnesota's continuum of intensive mental health services and shall develop
76.16 recommendations for a sustainable and community-driven continuum of care for children
76.17 with serious mental health needs, including children currently being served in residential
76.18 treatment. The commissioner's analysis shall include, but not be limited to:

76.19 (1) data related to access, utilization, efficacy, and outcomes for Minnesota's current
76.20 system of residential mental health treatment for a child with a severe emotional disturbance;

76.21 (2) potential expansion of the state's psychiatric residential treatment facility (PRTF)
76.22 capacity, including increasing the number of PRTF beds and conversion of existing children's
76.23 mental health residential treatment programs into PRTFs;

76.24 (3) the capacity need for PRTF and other group settings within the state if adequate
76.25 community-based alternatives are accessible, equitable, and effective statewide;

76.26 (4) recommendations for expanding alternative community-based service models to
76.27 meet the needs of a child with a serious mental health disorder who would otherwise require
76.28 residential treatment and potential service models that could be utilized, including data
76.29 related to access, utilization, efficacy, and outcomes;

76.30 (5) models of care used in other states; and

77.1 (6) analysis and specific recommendations for the design and implementation of new
77.2 service models, including analysis to inform rate setting as necessary.

77.3 The analysis shall be supported and informed by extensive stakeholder engagement.
77.4 Stakeholders include individuals who receive services, family members of individuals who
77.5 receive services, providers, counties, health plans, advocates, and others. Stakeholder
77.6 engagement shall include interviews with key stakeholders, intentional outreach to individuals
77.7 who receive services and the individual's family members, and regional listening sessions.

77.8 The commissioner shall provide a report with specific recommendations and timelines
77.9 for implementation to the legislative committees with jurisdiction over children's mental
77.10 health policy and finance by November 15, 2018.

77.11 **Sec. 50. ENCOUNTER REPORTING OF 340B ELIGIBLE DRUGS.**

77.12 (a) The commissioner of human services, in consultation with federally qualified health
77.13 centers, managed care organizations, and contract pharmacies shall develop a report on the
77.14 feasibility of a process to identify and report at point of sale the 340B drugs that are dispensed
77.15 to enrollees of managed care organizations who are patients of a federally qualified health
77.16 center to exclude these claims from the Medicaid drug rebate program and ensure that
77.17 duplicate discounts for drugs do not occur.

77.18 (b) By January 1, 2018, the commissioner shall present the report to the chairs and
77.19 ranking minority members of the house of representatives and senate committees with
77.20 jurisdiction over medical assistance.

77.21 **Sec. 51. RATE-SETTING ANALYSIS REPORT.**

77.22 The commissioner of human services shall conduct a comprehensive analysis report of
77.23 the current rate-setting methodology for outpatient, professional, and physician services
77.24 that do not have a cost-based, federally mandated, or contracted rate. The report shall include
77.25 recommendations for changes to the existing fee schedule that utilizes the Resource-Based
77.26 Relative Value System (RBRVS), and alternate payment methodologies for services that
77.27 do not have relative values, to simplify the fee for service medical assistance rate structure
77.28 and to improve consistency and transparency. In developing the report, the commissioner
77.29 shall consult with outside experts in Medicaid financing. The commissioner shall provide
77.30 a report on the analysis to the chairs and ranking minority members of the legislative
77.31 committees with jurisdiction over health and human services finance by November 1, 2019.

79.1 status assessments, or on the day that the assessment was due for all other assessments and
79.2 continues in effect until the first day of the month following the date of submission and
79.3 acceptance of the resident's assessment.

79.4 (b) If loss of revenue due to penalties incurred by a facility for any period of 92 days
79.5 are equal to or greater than ~~1.0~~ 0.1 percent of the total operating costs on the facility's most
79.6 recent annual statistical and cost report, a facility may apply to the commissioner of human
79.7 services for a reduction in the total penalty amount. The commissioner of human services,
79.8 in consultation with the commissioner of health, may, at the sole discretion of the
79.9 commissioner of human services, limit the penalty for residents covered by medical assistance
79.10 to ~~15~~ ten days.

79.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.

79.12 Sec. 2. Minnesota Statutes 2016, section 144.562, subdivision 2, is amended to read:

79.13 Subd. 2. **Eligibility for license condition.** (a) A hospital is not eligible to receive a
79.14 license condition for swing beds unless (1) it either has a licensed bed capacity of less than
79.15 50 beds defined in the federal Medicare regulations, Code of Federal Regulations, title 42,
79.16 section 482.66, or it has a licensed bed capacity of 50 beds or more and has swing beds that
79.17 were approved for Medicare reimbursement before May 1, 1985, or it has a licensed bed
79.18 capacity of less than 65 beds and the available nursing homes within 50 miles have had, in
79.19 the aggregate, an average occupancy rate of 96 percent or higher in the most recent two
79.20 years as documented on the statistical reports to the Department of Health; and (2) it is
79.21 located in a rural area as defined in the federal Medicare regulations, Code of Federal
79.22 Regulations, title 42, section 482.66.

79.23 (b) Except for those critical access hospitals established under section 144.1483, clause
79.24 (9), and section 1820 of the federal Social Security Act, United States Code, title 42, section
79.25 1395i-4, that have an attached nursing home or that owned a nursing home located in the
79.26 same municipality as of May 1, 2005, eligible hospitals are allowed a total of 2,000 days
79.27 of swing bed use per year. Critical access hospitals that have an attached nursing home or
79.28 that owned a nursing home located in the same municipality as of May 1, 2005, are allowed
79.29 swing bed use as provided in federal law.

79.30 (c) Except for critical access hospitals that have an attached nursing home or that owned
79.31 a nursing home located in the same municipality as of May 1, 2005, the commissioner of
79.32 health may approve swing bed use beyond 2,000 days as long as there are no Medicare
79.33 certified skilled nursing facility beds available within 25 miles of that hospital that are
79.34 willing to admit the patient and the patient agrees to the referral being sent to the skilled

80.1 nursing facility. Critical access hospitals exceeding 2,000 swing bed days must maintain
80.2 documentation that they have contacted skilled nursing facilities within 25 miles to determine
80.3 if any skilled nursing facility beds are available that are willing to admit the patient and the
80.4 patient agrees to the referral being sent to the skilled nursing facility.

80.5 (d) After reaching 2,000 days of swing bed use in a year, an eligible hospital to which
80.6 this limit applies may admit six additional patients to swing beds each year without seeking
80.7 approval from the commissioner or being in violation of this subdivision. These six swing
80.8 bed admissions are exempt from the limit of 2,000 annual swing bed days for hospitals
80.9 subject to this limit.

80.10 (e) A health care system that is in full compliance with this subdivision may allocate its
80.11 total limit of swing bed days among the hospitals within the system, provided that no hospital
80.12 in the system without an attached nursing home may exceed 2,000 swing bed days per year.

80.13 Sec. 3. Minnesota Statutes 2016, section 144A.74, is amended to read:

80.14 **144A.74 MAXIMUM CHARGES.**

80.15 A supplemental nursing services agency must not bill or receive payments from a nursing
80.16 home licensed under this chapter at a rate higher than 150 percent of the sum of the weighted
80.17 average wage rate, plus a factor determined by the commissioner to incorporate payroll
80.18 taxes as defined in ~~Minnesota Rules, part 9549.0020, subpart 33~~ section 256R.02, subdivision
80.19 37, for the applicable employee classification for the geographic group to which the nursing
80.20 home is assigned under Minnesota Rules, part 9549.0052. The weighted average wage rates
80.21 must be determined by the commissioner of human services and reported to the commissioner
80.22 of health on an annual basis. Wages are defined as hourly rate of pay and shift differential,
80.23 including weekend shift differential and overtime. Facilities shall provide information
80.24 necessary to determine weighted average wage rates to the commissioner of human services
80.25 in a format requested by the commissioner. The maximum rate must include all charges for
80.26 administrative fees, contract fees, or other special charges in addition to the hourly rates for
80.27 the temporary nursing pool personnel supplied to a nursing home. A nursing home that pays
80.28 for the actual travel and housing costs for supplemental nursing services agency staff working
80.29 at the facility and that pays these costs to the employee, the agency, or another vendor, is
80.30 not violating the limitation on charges described in this section.

80.31 **EFFECTIVE DATE.** This section is effective the day following final enactment.

81.1 Sec. 4. Minnesota Statutes 2016, section 245D.03, subdivision 1, is amended to read:

81.2 Subdivision 1. **Applicability.** (a) The commissioner shall regulate the provision of home
81.3 and community-based services to persons with disabilities and persons age 65 and older
81.4 pursuant to this chapter. The licensing standards in this chapter govern the provision of
81.5 basic support services and intensive support services.

81.6 (b) Basic support services provide the level of assistance, supervision, and care that is
81.7 necessary to ensure the health and welfare of the person and do not include services that
81.8 are specifically directed toward the training, treatment, habilitation, or rehabilitation of the
81.9 person. Basic support services include:

81.10 (1) in-home and out-of-home respite care services as defined in section 245A.02,
81.11 subdivision 15, and under the brain injury, community alternative care, community access
81.12 for disability inclusion, developmental disability, and elderly waiver plans, excluding
81.13 out-of-home respite care provided to children in a family child foster care home licensed
81.14 under Minnesota Rules, parts 2960.3000 to 2960.3100, when the child foster care license
81.15 holder complies with the requirements under section 245D.06, subdivisions 5, 6, 7, and 8,
81.16 or successor provisions; and section 245D.061 or successor provisions, which must be
81.17 stipulated in the statement of intended use required under Minnesota Rules, part 2960.3000,
81.18 subpart 4;

81.19 (2) adult companion services as defined under the brain injury, community access for
81.20 disability inclusion, and elderly waiver plans, excluding adult companion services provided
81.21 under the Corporation for National and Community Services Senior Companion Program
81.22 established under the Domestic Volunteer Service Act of 1973, Public Law 98-288;

81.23 (3) personal support as defined under the developmental disability waiver plan;

81.24 (4) 24-hour emergency assistance, personal emergency response as defined under the
81.25 community access for disability inclusion and developmental disability waiver plans;

81.26 (5) night supervision services as defined under the brain injury waiver plan; and

81.27 (6) homemaker services as defined under the community access for disability inclusion,
81.28 brain injury, community alternative care, developmental disability, and elderly waiver plans,
81.29 excluding providers licensed by the Department of Health under chapter 144A and those
81.30 providers providing cleaning services only.

81.31 (c) Intensive support services provide assistance, supervision, and care that is necessary
81.32 to ensure the health and welfare of the person and services specifically directed toward the
81.33 training, habilitation, or rehabilitation of the person. Intensive support services include:

- 82.1 (1) intervention services, including:
- 82.2 (i) behavioral support services as defined under the brain injury and community access
82.3 for disability inclusion waiver plans;
- 82.4 (ii) in-home or out-of-home crisis respite services as defined under the developmental
82.5 disability waiver plan; and
- 82.6 (iii) specialist services as defined under the current developmental disability waiver
82.7 plan;
- 82.8 (2) in-home support services, including:
- 82.9 (i) in-home family support and supported living services as defined under the
82.10 developmental disability waiver plan;
- 82.11 (ii) independent living services training as defined under the brain injury and community
82.12 access for disability inclusion waiver plans; and
- 82.13 (iii) semi-independent living services;
- 82.14 (3) residential supports and services, including:
- 82.15 (i) supported living services as defined under the developmental disability waiver plan
82.16 provided in a family or corporate child foster care residence, a family adult foster care
82.17 residence, a community residential setting, or a supervised living facility;
- 82.18 (ii) foster care services as defined in the brain injury, community alternative care, and
82.19 community access for disability inclusion waiver plans provided in a family or corporate
82.20 child foster care residence, a family adult foster care residence, or a community residential
82.21 setting; and
- 82.22 (iii) residential services provided to more than four persons with developmental
82.23 disabilities in a supervised living facility, including ICFs/DD;
- 82.24 (4) day services, including:
- 82.25 (i) structured day services as defined under the brain injury waiver plan;
- 82.26 (ii) day training and habilitation services under sections 252.41 to 252.46, and as defined
82.27 under the developmental disability waiver plan; and
- 82.28 (iii) prevocational services as defined under the brain injury and community access for
82.29 disability inclusion waiver plans; and
- 82.30 (5) ~~supported employment as defined under the brain injury, developmental disability,~~
82.31 ~~and community access for disability inclusion waiver plans.~~ employment exploration services

83.1 as defined under the brain injury, community alternative care, community access for disability
83.2 inclusion, and developmental disability waiver plans;

83.3 (6) employment development services as defined under the brain injury, community
83.4 alternative care, community access for disability inclusion, and developmental disability
83.5 waiver plans; and

83.6 (7) employment support services as defined under the brain injury, community alternative
83.7 care, community access for disability inclusion, and developmental disability waiver plans.

83.8 **EFFECTIVE DATE.** This section is effective upon federal approval. The commissioner
83.9 of human services shall notify the revisor of statutes when federal approval is obtained.

83.10 Sec. 5. Minnesota Statutes 2016, section 252.27, subdivision 2a, is amended to read:

83.11 Subd. 2a. **Contribution amount.** (a) The natural or adoptive parents of a minor child,
83.12 including a child determined eligible for medical assistance without consideration of parental
83.13 income, must contribute to the cost of services used by making monthly payments on a
83.14 sliding scale based on income, unless the child is married or has been married, parental
83.15 rights have been terminated, or the child's adoption is subsidized according to chapter 259A
83.16 or through title IV-E of the Social Security Act. The parental contribution is a partial or full
83.17 payment for medical services provided for diagnostic, therapeutic, curing, treating, mitigating,
83.18 rehabilitation, maintenance, and personal care services as defined in United States Code,
83.19 title 26, section 213, needed by the child with a chronic illness or disability.

83.20 (b) For households with adjusted gross income equal to or greater than 275 percent of
83.21 federal poverty guidelines, the parental contribution shall be computed by applying the
83.22 following schedule of rates to the adjusted gross income of the natural or adoptive parents:

83.23 (1) if the adjusted gross income is equal to or greater than 275 percent of federal poverty
83.24 guidelines and less than or equal to 545 percent of federal poverty guidelines, the parental
83.25 contribution shall be determined using a sliding fee scale established by the commissioner
83.26 of human services which begins at ~~2.23~~ 1.6725 percent of adjusted gross income at 275
83.27 percent of federal poverty guidelines and increases to ~~6.08~~ 4.56 percent of adjusted gross
83.28 income for those with adjusted gross income up to 545 percent of federal poverty guidelines;

83.29 (2) if the adjusted gross income is greater than 545 percent of federal poverty guidelines
83.30 and less than 675 percent of federal poverty guidelines, the parental contribution shall be
83.31 ~~6.08~~ 4.56 percent of adjusted gross income;

83.32 (3) if the adjusted gross income is equal to or greater than 675 percent of federal poverty
83.33 guidelines and less than 975 percent of federal poverty guidelines, the parental contribution

84.1 shall be determined using a sliding fee scale established by the commissioner of human
84.2 services which begins at ~~6.08~~ 4.56 percent of adjusted gross income at 675 percent of federal
84.3 poverty guidelines and increases to ~~8.1~~ 6.075 percent of adjusted gross income for those
84.4 with adjusted gross income up to 975 percent of federal poverty guidelines; and

84.5 (4) if the adjusted gross income is equal to or greater than 975 percent of federal poverty
84.6 guidelines, the parental contribution shall be ~~10.13~~ 7.5975 percent of adjusted gross income.

84.7 If the child lives with the parent, the annual adjusted gross income is reduced by \$2,400
84.8 prior to calculating the parental contribution. If the child resides in an institution specified
84.9 in section 256B.35, the parent is responsible for the personal needs allowance specified
84.10 under that section in addition to the parental contribution determined under this section.
84.11 The parental contribution is reduced by any amount required to be paid directly to the child
84.12 pursuant to a court order, but only if actually paid.

84.13 (c) The household size to be used in determining the amount of contribution under
84.14 paragraph (b) includes natural and adoptive parents and their dependents, including the
84.15 child receiving services. Adjustments in the contribution amount due to annual changes in
84.16 the federal poverty guidelines shall be implemented on the first day of July following
84.17 publication of the changes.

84.18 (d) For purposes of paragraph (b), "income" means the adjusted gross income of the
84.19 natural or adoptive parents determined according to the previous year's federal tax form,
84.20 except, effective retroactive to July 1, 2003, taxable capital gains to the extent the funds
84.21 have been used to purchase a home shall not be counted as income.

84.22 (e) The contribution shall be explained in writing to the parents at the time eligibility
84.23 for services is being determined. The contribution shall be made on a monthly basis effective
84.24 with the first month in which the child receives services. Annually upon redetermination
84.25 or at termination of eligibility, if the contribution exceeded the cost of services provided,
84.26 the local agency or the state shall reimburse that excess amount to the parents, either by
84.27 direct reimbursement if the parent is no longer required to pay a contribution, or by a
84.28 reduction in or waiver of parental fees until the excess amount is exhausted. All
84.29 reimbursements must include a notice that the amount reimbursed may be taxable income
84.30 if the parent paid for the parent's fees through an employer's health care flexible spending
84.31 account under the Internal Revenue Code, section 125, and that the parent is responsible
84.32 for paying the taxes owed on the amount reimbursed.

84.33 (f) The monthly contribution amount must be reviewed at least every 12 months; when
84.34 there is a change in household size; and when there is a loss of or gain in income from one

85.1 month to another in excess of ten percent. The local agency shall mail a written notice 30
85.2 days in advance of the effective date of a change in the contribution amount. A decrease in
85.3 the contribution amount is effective in the month that the parent verifies a reduction in
85.4 income or change in household size.

85.5 (g) Parents of a minor child who do not live with each other shall each pay the
85.6 contribution required under paragraph (a). An amount equal to the annual court-ordered
85.7 child support payment actually paid on behalf of the child receiving services shall be deducted
85.8 from the adjusted gross income of the parent making the payment prior to calculating the
85.9 parental contribution under paragraph (b).

85.10 (h) The contribution under paragraph (b) shall be increased by an additional five percent
85.11 if the local agency determines that insurance coverage is available but not obtained for the
85.12 child. For purposes of this section, "available" means the insurance is a benefit of employment
85.13 for a family member at an annual cost of no more than five percent of the family's annual
85.14 income. For purposes of this section, "insurance" means health and accident insurance
85.15 coverage, enrollment in a nonprofit health service plan, health maintenance organization,
85.16 self-insured plan, or preferred provider organization.

85.17 Parents who have more than one child receiving services shall not be required to pay
85.18 more than the amount for the child with the highest expenditures. There shall be no resource
85.19 contribution from the parents. The parent shall not be required to pay a contribution in
85.20 excess of the cost of the services provided to the child, not counting payments made to
85.21 school districts for education-related services. Notice of an increase in fee payment must
85.22 be given at least 30 days before the increased fee is due.

85.23 (i) The contribution under paragraph (b) shall be reduced by \$300 per fiscal year if, in
85.24 the 12 months prior to July 1:

85.25 (1) the parent applied for insurance for the child;

85.26 (2) the insurer denied insurance;

85.27 (3) the parents submitted a complaint or appeal, in writing to the insurer, submitted a
85.28 complaint or appeal, in writing, to the commissioner of health or the commissioner of
85.29 commerce, or litigated the complaint or appeal; and

85.30 (4) as a result of the dispute, the insurer reversed its decision and granted insurance.

85.31 For purposes of this section, "insurance" has the meaning given in paragraph (h).

85.32 A parent who has requested a reduction in the contribution amount under this paragraph
85.33 shall submit proof in the form and manner prescribed by the commissioner or county agency,

86.1 including, but not limited to, the insurer's denial of insurance, the written letter or complaint
86.2 of the parents, court documents, and the written response of the insurer approving insurance.
86.3 The determinations of the commissioner or county agency under this paragraph are not rules
86.4 subject to chapter 14.

86.5 Sec. 6. Minnesota Statutes 2016, section 252.41, subdivision 3, is amended to read:

86.6 Subd. 3. **Day training and habilitation services for adults with developmental**
86.7 **disabilities.** (a) "Day training and habilitation services for adults with developmental
86.8 disabilities" means services that:

86.9 (1) include supervision, training, assistance, ~~and supported employment,~~ center-based
86.10 work-related activities, or other community-integrated activities designed and implemented
86.11 in accordance with the individual service and individual habilitation plans required under
86.12 Minnesota Rules, parts 9525.0004 to 9525.0036, to help an adult reach and maintain the
86.13 highest possible level of independence, productivity, and integration into the community;
86.14 and

86.15 (2) are provided by a vendor licensed under sections 245A.01 to 245A.16 and 252.28,
86.16 subdivision 2, to provide day training and habilitation services.

86.17 (b) Day training and habilitation services reimbursable under this section do not include
86.18 special education and related services as defined in the Education of the Individuals with
86.19 Disabilities Act, United States Code, title 20, chapter 33, section 1401, clauses (6) and (17),
86.20 or vocational services funded under section 110 of the Rehabilitation Act of 1973, United
86.21 States Code, title 29, section 720, as amended.

86.22 (c) Day training and habilitation services do not include employment exploration,
86.23 employment development, or employment supports services as defined in the home and
86.24 community-based services waivers for people with disabilities authorized under sections
86.25 256B.092 and 256B.49.

86.26 **EFFECTIVE DATE.** This section is effective upon federal approval. The commissioner
86.27 of human services shall notify the revisor of statutes when federal approval is obtained.

86.28 Sec. 7. **[256.9755] CAREGIVER SUPPORT PROGRAMS.**

86.29 **Subdivision 1. Program goals.** It is the goal of all area agencies on aging and caregiver
86.30 support programs to support family caregivers of persons with Alzheimer's disease or other
86.31 related dementias who are living in the community by:

87.1 (1) promoting caregiver support programs that serve Minnesotans in their homes and
87.2 communities; and

87.3 (2) providing, within the limits of available funds, the caregiver support services that
87.4 will enable the family caregiver to access caregiver support programs in the most
87.5 cost-effective and efficient manner.

87.6 Subd. 2. **Authority.** The Minnesota Board on Aging shall allocate to area agencies on
87.7 aging the state and federal funds which are received for the caregiver support program in a
87.8 manner consistent with federal requirements.

87.9 Subd. 3. **Caregiver support services.** Funds allocated to an area agency on aging for
87.10 caregiver support services must be used in a manner consistent with the National Family
87.11 Caregiver Support Program to reach family caregivers of persons with Alzheimer's disease
87.12 or related dementias. The funds must be used to provide social, nonmedical,
87.13 community-based services and activities that provide respite for caregivers and social
87.14 interaction for participants.

87.15 Sec. 8. Minnesota Statutes 2016, section 256B.0625, subdivision 6a, is amended to read:

87.16 Subd. 6a. **Home health services.** Home health services are those services specified in
87.17 Minnesota Rules, part 9505.0295 and sections 256B.0651 and 256B.0653. Medical assistance
87.18 covers home health services at a recipient's home residence or in the community where
87.19 normal life activities take the recipient. Medical assistance does not cover home health
87.20 services for residents of a hospital, nursing facility, or intermediate care facility, unless the
87.21 commissioner of human services has authorized skilled nurse visits for less than 90 days
87.22 for a resident at an intermediate care facility for persons with developmental disabilities,
87.23 to prevent an admission to a hospital or nursing facility or unless a resident who is otherwise
87.24 eligible is on leave from the facility and the facility either pays for the home health services
87.25 or forgoes the facility per diem for the leave days that home health services are used. Home
87.26 health services must be provided by a Medicare certified home health agency. All nursing
87.27 and home health aide services must be provided according to sections 256B.0651 to
87.28 256B.0653.

87.29 Sec. 9. Minnesota Statutes 2016, section 256B.0653, subdivision 2, is amended to read:

87.30 Subd. 2. **Definitions.** For the purposes of this section, the following terms have the
87.31 meanings given.

88.1 (a) "Assessment" means an evaluation of the recipient's medical need for home health
88.2 agency services by a registered nurse or appropriate therapist that is conducted within 30
88.3 days of a request.

88.4 (b) "Home care therapies" means occupational, physical, and respiratory therapy and
88.5 speech-language pathology services provided in the home by a Medicare certified home
88.6 health agency.

88.7 (c) "Home health agency services" means services delivered ~~in the recipient's home~~
88.8 ~~residence, except as specified in section 256B.0625,~~ by a home health agency to a recipient
88.9 with medical needs due to illness, disability, or physical conditions in settings permitted
88.10 under section 256B.0625, subdivision 6a.

88.11 (d) "Home health aide" means an employee of a home health agency who completes
88.12 medically oriented tasks written in the plan of care for a recipient.

88.13 (e) "Home health agency" means a home care provider agency that is Medicare-certified.

88.14 (f) "Occupational therapy services" mean the services defined in Minnesota Rules, part
88.15 9505.0390.

88.16 (g) "Physical therapy services" mean the services defined in Minnesota Rules, part
88.17 9505.0390.

88.18 (h) "Respiratory therapy services" mean the services defined in chapter 147C.

88.19 (i) "Speech-language pathology services" mean the services defined in Minnesota Rules,
88.20 part 9505.0390.

88.21 (j) "Skilled nurse visit" means a professional nursing visit to complete nursing tasks
88.22 required due to a recipient's medical condition that can only be safely provided by a
88.23 professional nurse to restore and maintain optimal health.

88.24 (k) "Store-and-forward technology" means telehomecare services that do not occur in
88.25 real time via synchronous transmissions such as diabetic and vital sign monitoring.

88.26 (l) "Telehomecare" means the use of telecommunications technology via live, two-way
88.27 interactive audiovisual technology which may be augmented by store-and-forward
88.28 technology.

88.29 (m) "Telehomecare skilled nurse visit" means a visit by a professional nurse to deliver
88.30 a skilled nurse visit to a recipient located at a site other than the site where the nurse is
88.31 located and is used in combination with face-to-face skilled nurse visits to adequately meet
88.32 the recipient's needs.

89.1 Sec. 10. Minnesota Statutes 2016, section 256B.0653, subdivision 3, is amended to read:

89.2 Subd. 3. **Home health aide visits.** (a) Home health aide visits must be provided by a
89.3 certified home health aide using a written plan of care that is updated in compliance with
89.4 Medicare regulations. A home health aide shall provide hands-on personal care, perform
89.5 simple procedures as an extension of therapy or nursing services, and assist in instrumental
89.6 activities of daily living as defined in section 256B.0659, including assuring that the person
89.7 gets to medical appointments if identified in the written plan of care. Home health aide
89.8 visits ~~must~~ may be provided in the recipient's home or in the community where normal life
89.9 activities take the recipient.

89.10 (b) All home health aide visits must have authorization under section 256B.0652. The
89.11 commissioner shall limit home health aide visits to no more than one visit per day per
89.12 recipient.

89.13 (c) Home health aides must be supervised by a registered nurse or an appropriate therapist
89.14 when providing services that are an extension of therapy.

89.15 Sec. 11. Minnesota Statutes 2016, section 256B.0653, subdivision 4, is amended to read:

89.16 Subd. 4. **Skilled nurse visit services.** (a) Skilled nurse visit services must be provided
89.17 by a registered nurse or a licensed practical nurse under the supervision of a registered nurse,
89.18 according to the written plan of care and accepted standards of medical and nursing practice
89.19 according to chapter 148. Skilled nurse visit services must be ordered by a physician and
89.20 documented in a plan of care that is reviewed and approved by the ordering physician at
89.21 least once every 60 days. All skilled nurse visits must be medically necessary and provided
89.22 in the recipient's home residence or in the community where normal life activities take the
89.23 recipient, except as allowed under section 256B.0625, subdivision 6a.

89.24 (b) Skilled nurse visits include face-to-face and telehomecare visits with a limit of up
89.25 to two visits per day per recipient. All visits must be based on assessed needs.

89.26 (c) Telehomecare skilled nurse visits are allowed when the recipient's health status can
89.27 be accurately measured and assessed without a need for a face-to-face, hands-on encounter.
89.28 All telehomecare skilled nurse visits must have authorization and are paid at the same
89.29 allowable rates as face-to-face skilled nurse visits.

89.30 (d) The provision of telehomecare must be made via live, two-way interactive audiovisual
89.31 technology and may be augmented by utilizing store-and-forward technologies. Individually
89.32 identifiable patient data obtained through real-time or store-and-forward technology must
89.33 be maintained as health records according to sections 144.291 to 144.298. If the video is

90.1 used for research, training, or other purposes unrelated to the care of the patient, the identity
90.2 of the patient must be concealed.

90.3 (e) Authorization for skilled nurse visits must be completed under section 256B.0652.
90.4 A total of nine face-to-face skilled nurse visits per calendar year do not require authorization.
90.5 All telehomecare skilled nurse visits require authorization.

90.6 Sec. 12. Minnesota Statutes 2016, section 256B.0653, subdivision 5, is amended to read:

90.7 Subd. 5. **Home care therapies.** (a) Home care therapies include the following: physical
90.8 therapy, occupational therapy, respiratory therapy, and speech and language pathology
90.9 therapy services.

90.10 (b) Home care therapies must be:

90.11 (1) provided in the recipient's residence or in the community where normal life activities
90.12 take the recipient after it has been determined the recipient is unable to access outpatient
90.13 therapy;

90.14 (2) prescribed, ordered, or referred by a physician and documented in a plan of care and
90.15 reviewed, according to Minnesota Rules, part 9505.0390;

90.16 (3) assessed by an appropriate therapist; and

90.17 (4) provided by a Medicare-certified home health agency enrolled as a Medicaid provider
90.18 agency.

90.19 (c) Restorative and specialized maintenance therapies must be provided according to
90.20 Minnesota Rules, part 9505.0390. Physical and occupational therapy assistants may be used
90.21 as allowed under Minnesota Rules, part 9505.0390, subpart 1, item B.

90.22 (d) For both physical and occupational therapies, the therapist and the therapist's assistant
90.23 may not both bill for services provided to a recipient on the same day.

90.24 Sec. 13. Minnesota Statutes 2016, section 256B.0653, subdivision 6, is amended to read:

90.25 Subd. 6. **Noncovered home health agency services.** The following are not eligible for
90.26 payment under medical assistance as a home health agency service:

90.27 (1) telehomecare skilled nurses services that is communication between the home care
90.28 nurse and recipient that consists solely of a telephone conversation, facsimile, electronic
90.29 mail, or a consultation between two health care practitioners;

90.30 (2) the following skilled nurse visits:

91.1 (i) for the purpose of monitoring medication compliance with an established medication
91.2 program for a recipient;

91.3 (ii) administering or assisting with medication administration, including injections,
91.4 prefilling syringes for injections, or oral medication setup of an adult recipient, when, as
91.5 determined and documented by the registered nurse, the need can be met by an available
91.6 pharmacy or the recipient or a family member is physically and mentally able to
91.7 self-administer or prefill a medication;

91.8 (iii) services done for the sole purpose of supervision of the home health aide or personal
91.9 care assistant;

91.10 (iv) services done for the sole purpose to train other home health agency workers;

91.11 (v) services done for the sole purpose of blood samples or lab draw when the recipient
91.12 is able to access these services outside the home; and

91.13 (vi) Medicare evaluation or administrative nursing visits required by Medicare;

91.14 (3) home health aide visits when the following activities are the sole purpose for the
91.15 visit: companionship, socialization, household tasks, transportation, and education; ~~and~~

91.16 (4) home care therapies provided in other settings such as a clinic, ~~day program~~, or as
91.17 an inpatient or when the recipient can access therapy outside of the recipient's residence;
91.18 and

91.19 (5) home health agency services without qualifying documentation of a face-to-face
91.20 encounter as specified in subdivision 7.

91.21 Sec. 14. Minnesota Statutes 2016, section 256B.0653, is amended by adding a subdivision
91.22 to read:

91.23 Subd. 7. **Face-to-face encounter.** (a) A face-to-face encounter by a qualifying provider
91.24 must be completed for all home health services regardless of the need for prior authorization,
91.25 except when providing a onetime perinatal visit by skilled nursing. The face-to-face encounter
91.26 may occur through telemedicine as defined in section 256B.0625, subdivision 3b. The
91.27 encounter must be related to the primary reason the recipient requires home health services
91.28 and must occur within the 90 days before or the 30 days after the start of services. The
91.29 face-to-face encounter may be conducted by one of the following practitioners, licensed in
91.30 Minnesota:

91.31 (1) a physician;

91.32 (2) a nurse practitioner or clinical nurse specialist;

92.1 (3) a certified nurse midwife; or

92.2 (4) a physician assistant.

92.3 (b) The allowed nonphysician practitioner, as described in this subdivision, performing
92.4 the face-to-face encounter must communicate the clinical findings of that face-to-face
92.5 encounter to the ordering physician. Those clinical findings must be incorporated into a
92.6 written or electronic document included in the recipient's medical record. To assure clinical
92.7 correlation between the face-to-face encounter and the associated home health services, the
92.8 physician responsible for ordering the services must:

92.9 (1) document that the face-to-face encounter, which is related to the primary reason the
92.10 recipient requires home health services, occurred within the required time period; and

92.11 (2) indicate the practitioner who conducted the encounter and the date of the encounter.

92.12 (c) For home health services requiring authorization, including prior authorization, home
92.13 health agencies must retain the qualifying documentation of a face-to-face encounter as part
92.14 of the recipient health service record, and submit the qualifying documentation to the
92.15 commissioner or the commissioner's designee upon request.

92.16 Sec. 15. Minnesota Statutes 2016, section 256B.431, subdivision 30, is amended to read:

92.17 Subd. 30. **Bed layaway and delicensure.** (a) For rate years beginning on or after July
92.18 1, 2000, a nursing facility reimbursed under this section which has placed beds on layaway
92.19 shall, for purposes of application of the downsizing incentive in subdivision 3a, paragraph
92.20 (c), and calculation of the rental per diem, have those beds given the same effect as if the
92.21 beds had been delicensed so long as the beds remain on layaway. At the time of a layaway,
92.22 a facility may change its single bed election for use in calculating capacity days under
92.23 Minnesota Rules, part 9549.0060, subpart 11. The property payment rate increase shall be
92.24 effective the first day of the month of January or July, whichever occurs first following the
92.25 ~~month~~ date in which the layaway of the beds becomes effective under section 144A.071,
92.26 subdivision 4b.

92.27 (b) For rate years beginning on or after July 1, 2000, notwithstanding any provision to
92.28 the contrary under section 256B.434, a nursing facility reimbursed under that section which
92.29 has placed beds on layaway shall, for so long as the beds remain on layaway, be allowed
92.30 to:

92.31 (1) aggregate the applicable investment per bed limits based on the number of beds
92.32 licensed immediately prior to entering the alternative payment system;

93.1 (2) retain or change the facility's single bed election for use in calculating capacity days
93.2 under Minnesota Rules, part 9549.0060, subpart 11; and

93.3 (3) establish capacity days based on the number of beds immediately prior to the layaway
93.4 and the number of beds after the layaway.

93.5 The commissioner shall increase the facility's property payment rate by the incremental
93.6 increase in the rental per diem resulting from the recalculation of the facility's rental per
93.7 diem applying only the changes resulting from the layaway of beds and clauses (1), (2), and
93.8 (3). If a facility reimbursed under section 256B.434 completes a moratorium exception
93.9 project after its base year, the base year property rate shall be the moratorium project property
93.10 rate. The base year rate shall be inflated by the factors in section 256B.434, subdivision 4,
93.11 paragraph (c). The property payment rate increase shall be effective the first day of the
93.12 month of January or July, whichever occurs first following the ~~month~~ date in which the
93.13 layaway of the beds becomes effective.

93.14 (c) If a nursing facility removes a bed from layaway status in accordance with section
93.15 144A.071, subdivision 4b, the commissioner shall establish capacity days based on the
93.16 number of licensed and certified beds in the facility not on layaway and shall reduce the
93.17 nursing facility's property payment rate in accordance with paragraph (b).

93.18 (d) For the rate years beginning on or after July 1, 2000, notwithstanding any provision
93.19 to the contrary under section 256B.434, a nursing facility reimbursed under that section,
93.20 which has delicensed beds after July 1, 2000, by giving notice of the delicensure to the
93.21 commissioner of health according to the notice requirements in section 144A.071, subdivision
93.22 4b, shall be allowed to:

93.23 (1) aggregate the applicable investment per bed limits based on the number of beds
93.24 licensed immediately prior to entering the alternative payment system;

93.25 (2) retain or change the facility's single bed election for use in calculating capacity days
93.26 under Minnesota Rules, part 9549.0060, subpart 11; and

93.27 (3) establish capacity days based on the number of beds immediately prior to the
93.28 delicensure and the number of beds after the delicensure.

93.29 The commissioner shall increase the facility's property payment rate by the incremental
93.30 increase in the rental per diem resulting from the recalculation of the facility's rental per
93.31 diem applying only the changes resulting from the delicensure of beds and clauses (1), (2),
93.32 and (3). If a facility reimbursed under section 256B.434 completes a moratorium exception
93.33 project after its base year, the base year property rate shall be the moratorium project property

94.1 rate. The base year rate shall be inflated by the factors in section 256B.434, subdivision 4,
 94.2 paragraph (c). The property payment rate increase shall be effective the first day of the
 94.3 month of January or July, whichever occurs first following the ~~month~~ date in which the
 94.4 delicensure of the beds becomes effective.

94.5 (e) For nursing facilities reimbursed under this section or section 256B.434, any beds
 94.6 placed on layaway shall not be included in calculating facility occupancy as it pertains to
 94.7 leave days defined in Minnesota Rules, part 9505.0415.

94.8 (f) For nursing facilities reimbursed under this section or section 256B.434, the rental
 94.9 rate calculated after placing beds on layaway may not be less than the rental rate prior to
 94.10 placing beds on layaway.

94.11 (g) A nursing facility receiving a rate adjustment as a result of this section shall comply
 94.12 with section ~~256B.47~~ 256R.06, subdivision ~~2~~ 5.

94.13 (h) A facility that does not utilize the space made available as a result of bed layaway
 94.14 or delicensure under this subdivision to reduce the number of beds per room or provide
 94.15 more common space for nursing facility uses or perform other activities related to the
 94.16 operation of the nursing facility shall have its property rate increase calculated under this
 94.17 subdivision reduced by the ratio of the square footage made available that is not used for
 94.18 these purposes to the total square footage made available as a result of bed layaway or
 94.19 delicensure.

94.20 Sec. 16. Minnesota Statutes 2016, section 256B.434, subdivision 4, is amended to read:

94.21 Subd. 4. **Alternate rates for nursing facilities.** Effective for the rate years beginning
 94.22 on and after January 1, 2018, a nursing facility's ~~base~~ property payment rates ~~rate~~ rate for
 94.23 the second and subsequent years of a facility's contract under this section are the previous
 94.24 rate year's ~~contract~~ property payment rates ~~rate~~ rate plus an inflation adjustment ~~and, for facilities~~
 94.25 ~~reimbursed under this section or section 256B.431, an adjustment to include the cost of any~~
 94.26 ~~increase in Health Department licensing fees for the facility taking effect on or after July~~
 94.27 ~~1, 2001~~. The index for the inflation adjustment must be based on the change in the Consumer
 94.28 Price Index-All Items (United States City average) (CPI-U) forecasted by the ~~commissioner~~
 94.29 ~~of management and budget's national economic consultant~~ Reports and Forecasts Division
 94.30 of the Department of Human Services, as forecasted in the fourth quarter of the calendar
 94.31 year preceding the rate year. The inflation adjustment must be based on the 12-month period
 94.32 from the midpoint of the previous rate year to the midpoint of the rate year for which the
 94.33 rate is being determined. ~~For the rate years beginning on July 1, 1999, July 1, 2000, July 1,~~
 94.34 ~~2001, July 1, 2002, July 1, 2003, July 1, 2004, July 1, 2005, July 1, 2006, July 1, 2007, July~~

95.1 ~~1, 2008, October 1, 2009, and October 1, 2010, this paragraph shall apply only to the~~
95.2 ~~property-related payment rate. For the rate years beginning on October 1, 2011, October 1,~~
95.3 ~~2012, October 1, 2013, October 1, 2014, October 1, 2015, January 1, 2016, and January 1,~~
95.4 ~~2017, the rate adjustment under this paragraph shall be suspended. Beginning in 2005,~~
95.5 ~~adjustment to the property payment rate under this section and section 256B.431 shall be~~
95.6 ~~effective on October 1. In determining the amount of the property-related payment rate~~
95.7 ~~adjustment under this paragraph, the commissioner shall determine the proportion of the~~
95.8 ~~facility's rates that are property-related based on the facility's most recent cost report.~~

95.9 **EFFECTIVE DATE.** This section is effective the day following final enactment.

95.10 Sec. 17. Minnesota Statutes 2016, section 256B.4913, subdivision 4a, is amended to read:

95.11 Subd. 4a. **Rate stabilization adjustment.** (a) For purposes of this subdivision,
95.12 "implementation period" means the period beginning January 1, 2014, and ending on the
95.13 last day of the month in which the rate management system is populated with the data
95.14 necessary to calculate rates for substantially all individuals receiving home and
95.15 community-based waiver services under sections 256B.092 and 256B.49. "Banding period"
95.16 means the time period beginning on January 1, 2014, and ending upon the expiration of the
95.17 12-month period defined in paragraph (c), clause (5).

95.18 (b) For purposes of this subdivision, the historical rate for all service recipients means
95.19 the individual reimbursement rate for a recipient in effect on December 1, 2013, except
95.20 that:

95.21 (1) for a day service recipient who was not authorized to receive these waiver services
95.22 prior to January 1, 2014; added a new service or services on or after January 1, 2014; or
95.23 changed providers on or after January 1, 2014, the historical rate must be the weighted
95.24 average authorized rate for the provider number in the county of service, effective December
95.25 1, 2013; or

95.26 (2) for a unit-based service with programming or a unit-based service without
95.27 programming recipient who was not authorized to receive these waiver services prior to
95.28 January 1, 2014; added a new service or services on or after January 1, 2014; or changed
95.29 providers on or after January 1, 2014, the historical rate must be the weighted average
95.30 authorized rate for each provider number in the county of service, effective December 1,
95.31 2013; or

95.32 (3) for residential service recipients who change providers on or after January 1, 2014,
95.33 the historical rate must be set by each lead agency within their county aggregate budget

96.1 using their respective methodology for residential services effective December 1, 2013, for
96.2 determining the provider rate for a similarly situated recipient being served by that provider.

96.3 (c) The commissioner shall adjust individual reimbursement rates determined under this
96.4 section so that the unit rate is no higher or lower than:

96.5 (1) 0.5 percent from the historical rate for the implementation period;

96.6 (2) 0.5 percent from the rate in effect in clause (1), for the 12-month period immediately
96.7 following the time period of clause (1);

96.8 (3) 0.5 percent from the rate in effect in clause (2), for the 12-month period immediately
96.9 following the time period of clause (2);

96.10 (4) 1.0 percent from the rate in effect in clause (3), for the 12-month period immediately
96.11 following the time period of clause (3);

96.12 (5) 1.0 percent from the rate in effect in clause (4), for the 12-month period immediately
96.13 following the time period of clause (4); and

96.14 (6) no adjustment to the rate in effect in clause (5) for the 12-month period immediately
96.15 following the time period of clause (5). During this banding rate period, the commissioner
96.16 shall not enforce any rate decrease or increase that would otherwise result from the end of
96.17 the banding period. The commissioner shall, upon enactment, seek federal approval for the
96.18 addition of this banding period.

96.19 (d) The commissioner shall review all changes to rates that were in effect on December
96.20 1, 2013, to verify that the rates in effect produce the equivalent level of spending and service
96.21 unit utilization on an annual basis as those in effect on October 31, 2013.

96.22 (e) By December 31, 2014, the commissioner shall complete the review in paragraph
96.23 (d), adjust rates to provide equivalent annual spending, and make appropriate adjustments.

96.24 (f) During the banding period, the Medicaid Management Information System (MMIS)
96.25 service agreement rate must be adjusted to account for change in an individual's need. The
96.26 commissioner shall adjust the Medicaid Management Information System (MMIS) service
96.27 agreement rate by:

96.28 (1) calculating a service rate under section 256B.4914, subdivision 6, 7, 8, or 9, for the
96.29 individual with variables reflecting the level of service in effect on December 1, 2013;

96.30 (2) calculating a service rate under section 256B.4914, subdivision 6, 7, 8, or 9, for the
96.31 individual with variables reflecting the updated level of service at the time of application;
96.32 and

97.1 (3) adding to or subtracting from the Medicaid Management Information System (MMIS)
97.2 service agreement rate, the difference between the values in clauses (1) and (2).

97.3 (g) This subdivision must not apply to rates for recipients served by providers new to a
97.4 given county after January 1, 2014. Providers of personal supports services who also acted
97.5 as fiscal support entities must be treated as new providers as of January 1, 2014.

97.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.

97.7 Sec. 18. Minnesota Statutes 2016, section 256B.4913, is amended by adding a subdivision
97.8 to read:

97.9 **Subd. 7. New services.** (a) A service added to section 256B.4914 after January 1, 2014,
97.10 is not subject to rate stabilization adjustment in this section.

97.11 (b) Employment support services authorized after January 1, 2018, under the new
97.12 employment support services definition according to the home and community-based services
97.13 waivers for people with disabilities under sections 256B.092 and 256B.49 are not subject
97.14 to rate stabilization adjustment in this section.

97.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.

97.16 Sec. 19. Minnesota Statutes 2016, section 256B.4914, subdivision 2, is amended to read:

97.17 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
97.18 meanings given them, unless the context clearly indicates otherwise.

97.19 (b) "Commissioner" means the commissioner of human services.

97.20 (c) "Component value" means underlying factors that are part of the cost of providing
97.21 services that are built into the waiver rates methodology to calculate service rates.

97.22 (d) "Customized living tool" means a methodology for setting service rates that delineates
97.23 and documents the amount of each component service included in a recipient's customized
97.24 living service plan.

97.25 (e) "Disability waiver rates system" means a statewide system that establishes rates that
97.26 are based on uniform processes and captures the individualized nature of waiver services
97.27 and recipient needs.

97.28 (f) "Individual staffing" means the time spent as a one-to-one interaction specific to an
97.29 individual recipient by staff to provide direct support and assistance with activities of daily
97.30 living, instrumental activities of daily living, and training to participants, and is based on
97.31 the requirements in each individual's coordinated service and support plan under section

98.1 245D.02, subdivision 4b; any coordinated service and support plan addendum under section
98.2 245D.02, subdivision 4c; and an assessment tool. Provider observation of an individual's
98.3 needs must also be considered.

98.4 (g) "Lead agency" means a county, partnership of counties, or tribal agency charged
98.5 with administering waived services under sections 256B.092 and 256B.49.

98.6 (h) "Median" means the amount that divides distribution into two equal groups, one-half
98.7 above the median and one-half below the median.

98.8 (i) "Payment or rate" means reimbursement to an eligible provider for services provided
98.9 to a qualified individual based on an approved service authorization.

98.10 (j) "Rates management system" means a Web-based software application that uses a
98.11 framework and component values, as determined by the commissioner, to establish service
98.12 rates.

98.13 (k) "Recipient" means a person receiving home and community-based services funded
98.14 under any of the disability waivers.

98.15 (l) "Shared staffing" means time spent by employees, not defined under paragraph (f),
98.16 providing or available to provide more than one individual with direct support and assistance
98.17 with activities of daily living as defined under section 256B.0659, subdivision 1, paragraph
98.18 (b); instrumental activities of daily living as defined under section 256B.0659, subdivision
98.19 1, paragraph (i); ancillary activities needed to support individual services; and training to
98.20 participants, and is based on the requirements in each individual's coordinated service and
98.21 support plan under section 245D.02, subdivision 4b; any coordinated service and support
98.22 plan addendum under section 245D.02, subdivision 4c; an assessment tool; and provider
98.23 observation of an individual's service need. Total shared staffing hours are divided
98.24 proportionally by the number of individuals who receive the shared service provisions.

98.25 (m) "Staffing ratio" means the number of recipients a service provider employee supports
98.26 during a unit of service based on a uniform assessment tool, provider observation, case
98.27 history, and the recipient's services of choice, and not based on the staffing ratios under
98.28 section 245D.31.

98.29 (n) "Unit of service" means the following:

98.30 (1) for residential support services under subdivision 6, a unit of service is a day. Any
98.31 portion of any calendar day, within allowable Medicaid rules, where an individual spends
98.32 time in a residential setting is billable as a day;

98.33 (2) for day services under subdivision 7:

99.1 (i) for day training and habilitation services, a unit of service is either:

99.2 (A) a day unit of service is defined as six or more hours of time spent providing direct
99.3 services and transportation; or

99.4 (B) a partial day unit of service is defined as fewer than six hours of time spent providing
99.5 direct services and transportation; and

99.6 (C) for new day service recipients after January 1, 2014, 15 minute units of service must
99.7 be used for fewer than six hours of time spent providing direct services and transportation;

99.8 (ii) for adult day and structured day services, a unit of service is a day or 15 minutes. A
99.9 day unit of service is six or more hours of time spent providing direct services;

99.10 (iii) for prevocational services, a unit of service is a day or an hour. A day unit of service
99.11 is six or more hours of time spent providing direct service;

99.12 (3) for unit-based services with programming under subdivision 8:

99.13 (i) for supported living services, a unit of service is a day or 15 minutes. When a day
99.14 rate is authorized, any portion of a calendar day where an individual receives services is
99.15 billable as a day; and

99.16 (ii) for all other services, a unit of service is 15 minutes; and

99.17 (4) for unit-based services without programming under subdivision 9:

99.18 ~~(i) for respite services, a unit of service is a day or 15 minutes. When a day rate is~~
99.19 ~~authorized, any portion of a calendar day when an individual receives services is billable~~
99.20 ~~as a day; and~~

99.21 ~~(ii) for all other services, a unit of service is 15 minutes.~~

99.22 **EFFECTIVE DATE.** This section is effective upon federal approval. The commissioner
99.23 of human services shall notify the revisor of statutes when federal approval is obtained.

99.24 Sec. 20. Minnesota Statutes 2016, section 256B.4914, subdivision 3, is amended to read:

99.25 Subd. 3. **Applicable services.** Applicable services are those authorized under the state's
99.26 home and community-based services waivers under sections 256B.092 and 256B.49,
99.27 including the following, as defined in the federally approved home and community-based
99.28 services plan:

99.29 (1) 24-hour customized living;

99.30 (2) adult day care;

- 100.1 (3) adult day care bath;
- 100.2 (4) behavioral programming;
- 100.3 (5) companion services;
- 100.4 (6) customized living;
- 100.5 (7) day training and habilitation;
- 100.6 (8) housing access coordination;
- 100.7 (9) independent living skills;
- 100.8 (10) in-home family support;
- 100.9 (11) night supervision;
- 100.10 (12) personal support;
- 100.11 (13) prevocational services;
- 100.12 (14) residential care services;
- 100.13 (15) residential support services;
- 100.14 (16) respite services;
- 100.15 (17) structured day services;
- 100.16 ~~(18) supported employment services;~~
- 100.17 ~~(19)~~ (18) supported living services;
- 100.18 ~~(20)~~ (19) transportation services; ~~and~~
- 100.19 (20) independent living skills specialist services;
- 100.20 (21) employment exploration services;
- 100.21 (22) employment development services;
- 100.22 (23) employment support services; and
- 100.23 ~~(24)~~ (24) other services as approved by the federal government in the state home and
- 100.24 community-based services plan.

100.25 **EFFECTIVE DATE.** This section is effective upon federal approval, except clause

100.26 (20) is effective January 1, 2020. The commissioner of human services shall notify the

100.27 revisor of statutes when federal approval is obtained.

101.1 Sec. 21. Minnesota Statutes 2016, section 256B.4914, subdivision 5, is amended to read:

101.2 Subd. 5. **Base wage index and standard component values.** (a) The base wage index
101.3 is established to determine staffing costs associated with providing services to individuals
101.4 receiving home and community-based services. For purposes of developing and calculating
101.5 the proposed base wage, Minnesota-specific wages taken from job descriptions and standard
101.6 occupational classification (SOC) codes from the Bureau of Labor Statistics as defined in
101.7 the most recent edition of the Occupational Handbook must be used. The base wage index
101.8 must be calculated as follows:

101.9 (1) for residential direct care staff, the sum of:

101.10 (i) 15 percent of the subtotal of 50 percent of the median wage for personal and home
101.11 health aide (SOC code 39-9021); 30 percent of the median wage for nursing ~~aide~~ assistant
101.12 (SOC code ~~31-1012~~ 31-1014); and 20 percent of the median wage for social and human
101.13 services aide (SOC code 21-1093); and

101.14 (ii) 85 percent of the subtotal of 20 percent of the median wage for home health aide
101.15 (SOC code 31-1011); 20 percent of the median wage for personal and home health aide
101.16 (SOC code 39-9021); 20 percent of the median wage for nursing ~~aide~~ assistant (SOC code
101.17 ~~31-1012~~ 31-1014); 20 percent of the median wage for psychiatric technician (SOC code
101.18 29-2053); and 20 percent of the median wage for social and human services aide (SOC code
101.19 21-1093);

101.20 (2) for day services, 20 percent of the median wage for nursing ~~aide~~ assistant (SOC code
101.21 ~~31-1012~~ 31-1014); 20 percent of the median wage for psychiatric technician (SOC code
101.22 29-2053); and 60 percent of the median wage for social and human services aide (SOC code
101.23 21-1093);

101.24 (3) for residential asleep-overnight staff, the wage ~~will be \$7.66 per hour~~ is the minimum
101.25 wage in Minnesota for large employers, except in a family foster care setting, the wage is
101.26 ~~\$2.80 per hour~~ 36 percent of the minimum wage in Minnesota for large employers;

101.27 (4) for behavior program analyst staff, 100 percent of the median wage for mental health
101.28 counselors (SOC code 21-1014);

101.29 (5) for behavior program professional staff, 100 percent of the median wage for clinical
101.30 counseling and school psychologist (SOC code 19-3031);

101.31 (6) for behavior program specialist staff, 100 percent of the median wage for psychiatric
101.32 technicians (SOC code 29-2053);

102.1 (7) for supportive living services staff, 20 percent of the median wage for nursing aide
 102.2 assistant (SOC code ~~31-1012~~ 31-1014); 20 percent of the median wage for psychiatric
 102.3 technician (SOC code 29-2053); and 60 percent of the median wage for social and human
 102.4 services aide (SOC code 21-1093);

102.5 (8) for housing access coordination staff, ~~50~~ 100 percent of the median wage for
 102.6 community and social services specialist (SOC code 21-1099); ~~and 50 percent of the median~~
 102.7 ~~wage for social and human services aide (SOC code 21-1093);~~

102.8 (9) for in-home family support staff, 20 percent of the median wage for nursing aide
 102.9 (SOC code 31-1012); 30 percent of the median wage for community social service specialist
 102.10 (SOC code 21-1099); 40 percent of the median wage for social and human services aide
 102.11 (SOC code 21-1093); and ten percent of the median wage for psychiatric technician (SOC
 102.12 code 29-2053);

102.13 (10) for independent living skills staff, 40 percent of the median wage for community
 102.14 social service specialist (SOC code 21-1099); 50 percent of the median wage for social and
 102.15 human services aide (SOC code 21-1093); and ten percent of the median wage for psychiatric
 102.16 technician (SOC code 29-2053);

102.17 (11) for independent living skills specialist staff, 100 percent of mental health and
 102.18 substance abuse social worker (SOC code 21-1023);

102.19 ~~(11)~~ (12) for supported employment supports services staff, 20 ~~50~~ percent of the median
 102.20 wage for ~~nursing aide~~ rehabilitation counselor (SOC code ~~31-1012~~ 21-1015); ~~20 percent of~~
 102.21 ~~the median wage for psychiatric technician (SOC code 29-2053); and 60~~ 50 percent of the
 102.22 median wage for community and social and human services aide specialist (SOC code
 102.23 ~~21-1093~~ 21-1099);

102.24 (13) for employment exploration services staff, 50 percent of the median wage for
 102.25 rehabilitation counselor (SOC code 21-1015); and 50 percent of the median wage for
 102.26 community and social services specialist (SOC code 21-1099);

102.27 (14) for employment development services staff, 50 percent of the median wage for
 102.28 education, guidance, school, and vocational counselors (SOC code 21-1012); and 50 percent
 102.29 of the median wage for community and social services specialist (SOC code 21-1099);

102.30 ~~(12)~~ (15) for adult companion staff, 50 percent of the median wage for personal and
 102.31 home care aide (SOC code 39-9021); and 50 percent of the median wage for nursing aides,
 102.32 orderlies, and attendants assistant (SOC code ~~31-1012~~ 31-1014);

103.1 ~~(13)~~ (16) for night supervision staff, 20 percent of the median wage for home health
 103.2 aide (SOC code 31-1011); 20 percent of the median wage for personal and home health
 103.3 aide (SOC code 39-9021); 20 percent of the median wage for nursing ~~aide~~ assistant (SOC
 103.4 code ~~31-1012~~ 31-1014); 20 percent of the median wage for psychiatric technician (SOC
 103.5 code 29-2053); and 20 percent of the median wage for social and human services aide (SOC
 103.6 code 21-1093);

103.7 ~~(14)~~ (17) for respite staff, 50 percent of the median wage for personal and home care
 103.8 aide (SOC code 39-9021); and 50 percent of the median wage for nursing ~~aides, orderlies,~~
 103.9 ~~and attendants~~ assistant (SOC code ~~31-1012~~ 31-1014);

103.10 ~~(15)~~ (18) for personal support staff, 50 percent of the median wage for personal and
 103.11 home care aide (SOC code 39-9021); and 50 percent of the median wage for nursing ~~aides,~~
 103.12 ~~orderlies, and attendants~~ assistant (SOC code ~~31-1012~~ 31-1014);

103.13 ~~(16)~~ (19) for supervisory staff, the basic wage is \$17.43 per hour with exception of the
 103.14 supervisor of behavior analyst and behavior specialists, which must be \$30.75 per hour;

103.15 ~~(17)~~ (20) for registered nurse, the basic wage is \$30.82 per hour; and

103.16 ~~(18)~~ (21) for licensed practical nurse staff, ~~the basic wage is \$18.64 per hour~~ 100 percent
 103.17 of the median wage for licensed practical nurses (SOC code 29-2061).

103.18 (b) Component values for residential support services are:

103.19 (1) supervisory span of control ratio: 11 percent;

103.20 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;

103.21 (3) employee-related cost ratio: 23.6 percent;

103.22 (4) general administrative support ratio: 13.25 percent;

103.23 (5) program-related expense ratio: 1.3 percent; and

103.24 (6) absence and utilization factor ratio: 3.9 percent.

103.25 (c) Component values for family foster care are:

103.26 (1) supervisory span of control ratio: 11 percent;

103.27 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;

103.28 (3) employee-related cost ratio: 23.6 percent;

103.29 (4) general administrative support ratio: 3.3 percent;

103.30 (5) program-related expense ratio: 1.3 percent; and

- 104.1 (6) absence factor: 1.7 percent.
- 104.2 (d) Component values for day services for all services are:
- 104.3 (1) supervisory span of control ratio: 11 percent;
- 104.4 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 104.5 (3) employee-related cost ratio: 23.6 percent;
- 104.6 (4) program plan support ratio: 5.6 percent;
- 104.7 (5) client programming and support ratio: ten percent;
- 104.8 (6) general administrative support ratio: 13.25 percent;
- 104.9 (7) program-related expense ratio: 1.8 percent; and
- 104.10 (8) absence and utilization factor ratio: ~~3.9~~ 5.9 percent.
- 104.11 (e) Component values for unit-based services with programming are:
- 104.12 (1) supervisory span of control ratio: 11 percent;
- 104.13 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 104.14 (3) employee-related cost ratio: 23.6 percent;
- 104.15 (4) program plan supports ratio: ~~3.1~~ 15.5 percent;
- 104.16 (5) client programming and supports ratio: ~~8.6~~ 4.7 percent;
- 104.17 (6) general administrative support ratio: 13.25 percent;
- 104.18 (7) program-related expense ratio: 6.1 percent; and
- 104.19 (8) absence and utilization factor ratio: 3.9 percent.
- 104.20 (f) Component values for unit-based services without programming except respite are:
- 104.21 (1) supervisory span of control ratio: 11 percent;
- 104.22 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 104.23 (3) employee-related cost ratio: 23.6 percent;
- 104.24 (4) program plan support ratio: ~~3.1~~ 7.0 percent;
- 104.25 (5) client programming and support ratio: ~~8.6~~ 2.3 percent;
- 104.26 (6) general administrative support ratio: 13.25 percent;
- 104.27 (7) program-related expense ratio: ~~6.1~~ 2.9 percent; and

105.1 (8) absence and utilization factor ratio: 3.9 percent.

105.2 (g) Component values for unit-based services without programming for respite are:

105.3 (1) supervisory span of control ratio: 11 percent;

105.4 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;

105.5 (3) employee-related cost ratio: 23.6 percent;

105.6 (4) general administrative support ratio: 13.25 percent;

105.7 (5) program-related expense ratio: ~~6.1~~ 2.9 percent; and

105.8 (6) absence and utilization factor ratio: 3.9 percent.

105.9 (h) On July 1, 2017, the commissioner shall update the base wage index in paragraph

105.10 (a) based on the wage data by standard occupational code (SOC) from the Bureau of Labor

105.11 Statistics available on December 31, 2016. The commissioner shall publish these updated

105.12 values and load them into the rate management system. ~~This adjustment occurs every five~~

105.13 ~~years. For adjustments in 2021 and beyond, the commissioner shall use the data available~~

105.14 ~~on December 31 of the calendar year five years prior.~~ On January 1, 2022, and every two

105.15 years thereafter, the commissioner shall update the base wage index in paragraph (a) based

105.16 on the most recently available wage data by standard occupational code (SOC) from the

105.17 Bureau of Labor Statistics. The commissioner shall publish these updated values and load

105.18 them into the rate management system.

105.19 (i) On July 1, 2017, the commissioner shall update the framework components in

105.20 ~~paragraphs (b) to (g)~~ paragraph (d), clause (5); paragraph (e), clause (5); and paragraph (f),

105.21 clause (5); subdivision 6, clauses (8) and (9); and subdivision 7, clauses (10), (16), and (17),

105.22 for changes in the Consumer Price Index. The commissioner will adjust these values higher

105.23 or lower by the percentage change in the Consumer Price Index-All Items, United States

105.24 city average (CPI-U) from January 1, 2014, to January 1, 2017. The commissioner shall

105.25 publish these updated values and load them into the rate management system. ~~This adjustment~~

105.26 ~~occurs every five years. For adjustments in 2021 and beyond, the commissioner shall use~~

105.27 ~~the data available on January 1 of the calendar year four years prior and January 1 of the~~

105.28 ~~current calendar year.~~ On January 1, 2022, and every two years thereafter, the commissioner

105.29 shall update the framework components in paragraph (d), clause (5); paragraph (e), clause

105.30 (5); and paragraph (f), clause (5); subdivision 6, clauses (8) and (9); and subdivision 7,

105.31 clauses (10), (16), and (17), for changes in the Consumer Price Index. The commissioner

105.32 shall adjust these values higher or lower by the percentage change in the Consumer Price

105.33 Index-All Items, United States city average (CPI-U) from the date of the previous update

106.1 to the date of the data most recently available prior to the scheduled update. The
106.2 commissioner shall publish these updated values and load them into the rate management
106.3 system.

106.4 (j) In this subdivision, if Bureau of Labor Statistics occupational codes or Consumer
106.5 Price Index items are unavailable in the future, the commissioner shall recommend to the
106.6 legislature codes or items to update and replace missing component values.

106.7 (k) The commissioner must ensure that wage values and component values in subdivisions
106.8 5 to 9 reflect the cost to provide the service. As determined by the commissioner, in
106.9 consultation with stakeholders identified in section 256B.4913, subdivision 5, a provider
106.10 enrolled to provide services with rates determined under this section must submit business
106.11 cost data to the commissioner to support research on the cost of providing services that have
106.12 rates determined by the disability waiver rates system. Required business cost data includes,
106.13 but is not limited to:

106.14 (1) worker wage costs;

106.15 (2) benefits paid;

106.16 (3) supervisor wage costs;

106.17 (4) executive wage costs;

106.18 (5) vacation, sick, and training time paid;

106.19 (6) taxes, workers' compensation, and unemployment insurance costs paid;

106.20 (7) administrative costs paid;

106.21 (8) program costs paid;

106.22 (9) transportation costs paid;

106.23 (10) vacancy rates; and

106.24 (11) other data relating to costs required to provide services requested by the
106.25 commissioner.

106.26 (l) A provider must submit cost component data at least once in any five-year period,
106.27 on a schedule determined by the commissioner, in consultation with stakeholders identified
106.28 in section 256B.4913, subdivision 5. If a provider fails to submit required reporting data,
106.29 the commissioner shall provide notice to providers that have not provided required data 30
106.30 days after the required submission date, and a second notice for providers who have not
106.31 provided required data 60 days after the required submission date. The commissioner shall

107.1 temporarily suspend payments to the provider if cost component data is not received 90
107.2 days after the required submission date. Withheld payments shall be made once data is
107.3 received by the commissioner.

107.4 (m) The commissioner shall conduct a random audit of data submitted under paragraph
107.5 (k) to ensure data accuracy. The commissioner shall analyze cost documentation in paragraph
107.6 (k) and provide recommendations for adjustments to cost components.

107.7 (n) The commissioner shall analyze cost documentation in paragraph (k) and, in
107.8 consultation with stakeholders identified in section 256B.4913, subdivision 5, may submit
107.9 recommendations on component values and inflationary factor adjustments to the chairs
107.10 and ranking minority members of the legislative committees with jurisdiction over human
107.11 services every four years beginning January 1, 2020. The commissioner shall make
107.12 recommendations in conjunction with reports submitted to the legislature according to
107.13 subdivision 10, paragraph (e). The commissioner shall release business cost data in an
107.14 aggregate form, and business cost data from individual providers shall not be released except
107.15 as provided for in current law.

107.16 (o) The commissioner, in consultation with stakeholders identified in section 256B.4913,
107.17 subdivision 5, shall develop and implement a process for providing training and technical
107.18 assistance necessary to support provider submission of cost documentation required under
107.19 paragraph (k).

107.20 **EFFECTIVE DATE.** (a) The amendments to paragraphs (a) to (g) are effective January
107.21 1, 2018, except paragraph (d), clause (8), is effective January 1, 2019.

107.22 (b) The amendments to paragraphs (h) to (o) are effective the day following final
107.23 enactment.

107.24 Sec. 22. Minnesota Statutes 2016, section 256B.4914, subdivision 6, is amended to read:

107.25 **Subd. 6. Payments for residential support services.** (a) Payments for residential support
107.26 services, as defined in sections 256B.092, subdivision 11, and 256B.49, subdivision 22,
107.27 must be calculated as follows:

107.28 (1) determine the number of shared staffing and individual direct staff hours to meet a
107.29 recipient's needs provided on site or through monitoring technology;

107.30 (2) personnel hourly wage rate must be based on the 2009 Bureau of Labor Statistics
107.31 Minnesota-specific rates or rates derived by the commissioner as provided in subdivision
107.32 5. This is defined as the direct-care rate;

108.1 (3) for a recipient requiring customization for deaf and hard-of-hearing language
108.2 accessibility under subdivision 12, add the customization rate provided in subdivision 12
108.3 to the result of clause (2). This is defined as the customized direct-care rate;

108.4 (4) multiply the number of shared and individual direct staff hours provided on site or
108.5 through monitoring technology and nursing hours by the appropriate staff wages in
108.6 subdivision 5, paragraph (a), or the customized direct-care rate;

108.7 (5) multiply the number of shared and individual direct staff hours provided on site or
108.8 through monitoring technology and nursing hours by the product of the supervision span
108.9 of control ratio in subdivision 5, paragraph (b), clause (1), and the appropriate supervision
108.10 wage in subdivision 5, paragraph (a), clause ~~(16)~~ (19);

108.11 (6) combine the results of clauses (4) and (5), excluding any shared and individual direct
108.12 staff hours provided through monitoring technology, and multiply the result by one plus
108.13 the employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (b),
108.14 clause (2). This is defined as the direct staffing cost;

108.15 (7) for employee-related expenses, multiply the direct staffing cost, excluding any shared
108.16 and individual direct staff hours provided through monitoring technology, by one plus the
108.17 employee-related cost ratio in subdivision 5, paragraph (b), clause (3);

108.18 (8) for client programming and supports, the commissioner shall add \$2,179; and

108.19 (9) for transportation, if provided, the commissioner shall add \$1,680, or \$3,000 if
108.20 customized for adapted transport, based on the resident with the highest assessed need.

108.21 (b) The total rate must be calculated using the following steps:

108.22 (1) subtotal paragraph (a), clauses (7) to (9), and the direct staffing cost of any shared
108.23 and individual direct staff hours provided through monitoring technology that was excluded
108.24 in clause (7);

108.25 (2) sum the standard general and administrative rate, the program-related expense ratio,
108.26 and the absence and utilization ratio;

108.27 (3) divide the result of clause (1) by one minus the result of clause (2). This is the total
108.28 payment amount; and

108.29 (4) adjust the result of clause (3) by a factor to be determined by the commissioner to
108.30 adjust for regional differences in the cost of providing services.

108.31 (c) The payment methodology for customized living, 24-hour customized living, and
108.32 residential care services must be the customized living tool. Revisions to the customized

109.1 living tool must be made to reflect the services and activities unique to disability-related
109.2 recipient needs.

109.3 (d) For individuals enrolled prior to January 1, 2014, the days of service authorized must
109.4 meet or exceed the days of service used to convert service agreements in effect on December
109.5 1, 2013, and must not result in a reduction in spending or service utilization due to conversion
109.6 during the implementation period under section 256B.4913, subdivision 4a. If during the
109.7 implementation period, an individual's historical rate, including adjustments required under
109.8 section 256B.4913, subdivision 4a, paragraph (c), is equal to or greater than the rate
109.9 determined in this subdivision, the number of days authorized for the individual is 365.

109.10 (e) The number of days authorized for all individuals enrolling after January 1, 2014,
109.11 in residential services must include every day that services start and end.

109.12 Sec. 23. Minnesota Statutes 2016, section 256B.4914, subdivision 7, is amended to read:

109.13 Subd. 7. **Payments for day programs.** Payments for services with day programs
109.14 including adult day care, day treatment and habilitation, prevocational services, and structured
109.15 day services must be calculated as follows:

109.16 (1) determine the number of units of service and staffing ratio to meet a recipient's needs:

109.17 (i) the staffing ratios for the units of service provided to a recipient in a typical week
109.18 must be averaged to determine an individual's staffing ratio; and

109.19 (ii) the commissioner, in consultation with service providers, shall develop a uniform
109.20 staffing ratio worksheet to be used to determine staffing ratios under this subdivision;

109.21 (2) personnel hourly wage rates must be based on the 2009 Bureau of Labor Statistics
109.22 Minnesota-specific rates or rates derived by the commissioner as provided in subdivision
109.23 5;

109.24 (3) for a recipient requiring customization for deaf and hard-of-hearing language
109.25 accessibility under subdivision 12, add the customization rate provided in subdivision 12
109.26 to the result of clause (2). This is defined as the customized direct-care rate;

109.27 (4) multiply the number of day program direct staff hours and nursing hours by the
109.28 appropriate staff wage in subdivision 5, paragraph (a), or the customized direct-care rate;

109.29 (5) multiply the number of day direct staff hours by the product of the supervision span
109.30 of control ratio in subdivision 5, paragraph (d), clause (1), and the appropriate supervision
109.31 wage in subdivision 5, paragraph (a), clause ~~(16)~~ (19);

110.1 (6) combine the results of clauses (4) and (5), and multiply the result by one plus the
110.2 employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (d), clause
110.3 (2). This is defined as the direct staffing rate;

110.4 (7) for program plan support, multiply the result of clause (6) by one plus the program
110.5 plan support ratio in subdivision 5, paragraph (d), clause (4);

110.6 (8) for employee-related expenses, multiply the result of clause (7) by one plus the
110.7 employee-related cost ratio in subdivision 5, paragraph (d), clause (3);

110.8 (9) for client programming and supports, multiply the result of clause (8) by one plus
110.9 the client programming and support ratio in subdivision 5, paragraph (d), clause (5);

110.10 (10) for program facility costs, add \$19.30 per week with consideration of staffing ratios
110.11 to meet individual needs;

110.12 (11) for adult day bath services, add \$7.01 per 15 minute unit;

110.13 (12) this is the subtotal rate;

110.14 (13) sum the standard general and administrative rate, the program-related expense ratio,
110.15 and the absence and utilization factor ratio;

110.16 (14) divide the result of clause (12) by one minus the result of clause (13). This is the
110.17 total payment amount;

110.18 (15) adjust the result of clause (14) by a factor to be determined by the commissioner
110.19 to adjust for regional differences in the cost of providing services;

110.20 (16) for transportation provided as part of day training and habilitation for an individual
110.21 who does not require a lift, add:

110.22 (i) \$10.50 for a trip between zero and ten miles for a nonshared ride in a vehicle without
110.23 a lift, \$8.83 for a shared ride in a vehicle without a lift, and \$9.25 for a shared ride in a
110.24 vehicle with a lift;

110.25 (ii) \$15.75 for a trip between 11 and 20 miles for a nonshared ride in a vehicle without
110.26 a lift, \$10.58 for a shared ride in a vehicle without a lift, and \$11.88 for a shared ride in a
110.27 vehicle with a lift;

110.28 (iii) \$25.75 for a trip between 21 and 50 miles for a nonshared ride in a vehicle without
110.29 a lift, \$13.92 for a shared ride in a vehicle without a lift, and \$16.88 for a shared ride in a
110.30 vehicle with a lift; or

111.1 (iv) \$33.50 for a trip of 51 miles or more for a nonshared ride in a vehicle without a lift,
111.2 \$16.50 for a shared ride in a vehicle without a lift, and \$20.75 for a shared ride in a vehicle
111.3 with a lift;

111.4 (17) for transportation provided as part of day training and habilitation for an individual
111.5 who does require a lift, add:

111.6 (i) \$19.05 for a trip between zero and ten miles for a nonshared ride in a vehicle with a
111.7 lift, and \$15.05 for a shared ride in a vehicle with a lift;

111.8 (ii) \$32.16 for a trip between 11 and 20 miles for a nonshared ride in a vehicle with a
111.9 lift, and \$28.16 for a shared ride in a vehicle with a lift;

111.10 (iii) \$58.76 for a trip between 21 and 50 miles for a nonshared ride in a vehicle with a
111.11 lift, and \$58.76 for a shared ride in a vehicle with a lift; or

111.12 (iv) \$80.93 for a trip of 51 miles or more for a nonshared ride in a vehicle with a lift,
111.13 and \$80.93 for a shared ride in a vehicle with a lift.

111.14 Sec. 24. Minnesota Statutes 2016, section 256B.4914, subdivision 8, is amended to read:

111.15 Subd. 8. **Payments for unit-based services with programming.** Payments for unit-based
111.16 services with programming, including behavior programming, housing access coordination,
111.17 in-home family support, independent living skills training, independent living skills specialist
111.18 services, hourly supported living services, employment exploration services, employment
111.19 development services, and ~~supported~~ employment support services provided to an individual
111.20 outside of any day or residential service plan must be calculated as follows, unless the
111.21 services are authorized separately under subdivision 6 or 7:

111.22 (1) determine the number of units of service to meet a recipient's needs;

111.23 (2) personnel hourly wage rate must be based on the 2009 Bureau of Labor Statistics
111.24 Minnesota-specific rates or rates derived by the commissioner as provided in subdivision
111.25 5;

111.26 (3) for a recipient requiring customization for deaf and hard-of-hearing language
111.27 accessibility under subdivision 12, add the customization rate provided in subdivision 12
111.28 to the result of clause (2). This is defined as the customized direct-care rate;

111.29 (4) multiply the number of direct staff hours by the appropriate staff wage in subdivision
111.30 5, paragraph (a), or the customized direct-care rate;

112.1 (5) multiply the number of direct staff hours by the product of the supervision span of
112.2 control ratio in subdivision 5, paragraph (e), clause (1), and the appropriate supervision
112.3 wage in subdivision 5, paragraph (a), clause ~~(16)~~ (19);

112.4 (6) combine the results of clauses (4) and (5), and multiply the result by one plus the
112.5 employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (e), clause
112.6 (2). This is defined as the direct staffing rate;

112.7 (7) for program plan support, multiply the result of clause (6) by one plus the program
112.8 plan supports ratio in subdivision 5, paragraph (e), clause (4);

112.9 (8) for employee-related expenses, multiply the result of clause (7) by one plus the
112.10 employee-related cost ratio in subdivision 5, paragraph (e), clause (3);

112.11 (9) for client programming and supports, multiply the result of clause (8) by one plus
112.12 the client programming and supports ratio in subdivision 5, paragraph (e), clause (5);

112.13 (10) this is the subtotal rate;

112.14 (11) sum the standard general and administrative rate, the program-related expense ratio,
112.15 and the absence and utilization factor ratio;

112.16 (12) divide the result of clause (10) by one minus the result of clause (11). This is the
112.17 total payment amount;

112.18 (13) for ~~supported~~ employment support services provided in a shared manner, divide
112.19 the total payment amount in clause (12) by the number of service recipients, not to exceed
112.20 ~~three~~ six. For independent living skills training provided in a shared manner, divide the total
112.21 payment amount in clause (12) by the number of service recipients, not to exceed two; and

112.22 (14) adjust the result of clause (13) by a factor to be determined by the commissioner
112.23 to adjust for regional differences in the cost of providing services.

112.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.

112.25 Sec. 25. Minnesota Statutes 2016, section 256B.4914, subdivision 9, is amended to read:

112.26 Subd. 9. **Payments for unit-based services without programming.** Payments for
112.27 unit-based services without programming, including night supervision, personal support,
112.28 respite, and companion care provided to an individual outside of any day or residential
112.29 service plan must be calculated as follows unless the services are authorized separately
112.30 under subdivision 6 or 7:

113.1 (1) for all services except respite, determine the number of units of service to meet a
113.2 recipient's needs;

113.3 (2) personnel hourly wage rates must be based on the 2009 Bureau of Labor Statistics
113.4 Minnesota-specific rate or rates derived by the commissioner as provided in subdivision 5;

113.5 (3) for a recipient requiring customization for deaf and hard-of-hearing language
113.6 accessibility under subdivision 12, add the customization rate provided in subdivision 12
113.7 to the result of clause (2). This is defined as the customized direct care rate;

113.8 (4) multiply the number of direct staff hours by the appropriate staff wage in subdivision
113.9 5 or the customized direct care rate;

113.10 (5) multiply the number of direct staff hours by the product of the supervision span of
113.11 control ratio in subdivision 5, paragraph (f), clause (1), and the appropriate supervision
113.12 wage in subdivision 5, paragraph (a), clause ~~(16)~~ (19);

113.13 (6) combine the results of clauses (4) and (5), and multiply the result by one plus the
113.14 employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (f), clause
113.15 (2). This is defined as the direct staffing rate;

113.16 (7) for program plan support, multiply the result of clause (6) by one plus the program
113.17 plan support ratio in subdivision 5, paragraph (f), clause (4);

113.18 (8) for employee-related expenses, multiply the result of clause (7) by one plus the
113.19 employee-related cost ratio in subdivision 5, paragraph (f), clause (3);

113.20 (9) for client programming and supports, multiply the result of clause (8) by one plus
113.21 the client programming and support ratio in subdivision 5, paragraph (f), clause (5);

113.22 (10) this is the subtotal rate;

113.23 (11) sum the standard general and administrative rate, the program-related expense ratio,
113.24 and the absence and utilization factor ratio;

113.25 (12) divide the result of clause (10) by one minus the result of clause (11). This is the
113.26 total payment amount;

113.27 (13) for respite services, determine the number of day units of service to meet an
113.28 individual's needs;

113.29 (14) personnel hourly wage rates must be based on the 2009 Bureau of Labor Statistics
113.30 Minnesota-specific rate or rates derived by the commissioner as provided in subdivision 5;

114.1 (15) for a recipient requiring deaf and hard-of-hearing customization under subdivision
114.2 12, add the customization rate provided in subdivision 12 to the result of clause (14). This
114.3 is defined as the customized direct care rate;

114.4 (16) multiply the number of direct staff hours by the appropriate staff wage in subdivision
114.5 5, paragraph (a);

114.6 (17) multiply the number of direct staff hours by the product of the supervisory span of
114.7 control ratio in subdivision 5, paragraph (g), clause (1), and the appropriate supervision
114.8 wage in subdivision 5, paragraph (a), clause ~~(16)~~ (19);

114.9 (18) combine the results of clauses (16) and (17), and multiply the result by one plus
114.10 the employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (g),
114.11 clause (2). This is defined as the direct staffing rate;

114.12 (19) for employee-related expenses, multiply the result of clause (18) by one plus the
114.13 employee-related cost ratio in subdivision 5, paragraph (g), clause (3);

114.14 (20) this is the subtotal rate;

114.15 (21) sum the standard general and administrative rate, the program-related expense ratio,
114.16 and the absence and utilization factor ratio;

114.17 (22) divide the result of clause (20) by one minus the result of clause (21). This is the
114.18 total payment amount; and

114.19 (23) adjust the result of clauses (12) and (22) by a factor to be determined by the
114.20 commissioner to adjust for regional differences in the cost of providing services.

114.21 Sec. 26. Minnesota Statutes 2016, section 256B.4914, subdivision 10, is amended to read:

114.22 Subd. 10. **Updating payment values and additional information.** (a) From January
114.23 1, 2014, through December 31, 2017, the commissioner shall develop and implement uniform
114.24 procedures to refine terms and adjust values used to calculate payment rates in this section.

114.25 (b) No later than July 1, 2014, the commissioner shall, within available resources, begin
114.26 to conduct research and gather data and information from existing state systems or other
114.27 outside sources on the following items:

114.28 (1) differences in the underlying cost to provide services and care across the state; and

114.29 (2) mileage, vehicle type, lift requirements, incidents of individual and shared rides, and
114.30 units of transportation for all day services, which must be collected from providers using
114.31 the rate management worksheet and entered into the rates management system; and

115.1 (3) the distinct underlying costs for services provided by a license holder under sections
 115.2 245D.05, 245D.06, 245D.07, 245D.071, 245D.081, and 245D.09, and for services provided
 115.3 by a license holder certified under section 245D.33.

115.4 (c) Beginning January 1, 2014, through December 31, 2018, using a statistically valid
 115.5 set of rates management system data, the commissioner, in consultation with stakeholders,
 115.6 shall analyze for each service the average difference in the rate on December 31, 2013, and
 115.7 the framework rate at the individual, provider, lead agency, and state levels. The
 115.8 commissioner shall issue semiannual reports to the stakeholders on the difference in rates
 115.9 by service and by county during the banding period under section 256B.4913, subdivision
 115.10 4a. The commissioner shall issue the first report by October 1, 2014, and the final report
 115.11 shall be issued by December 31, 2018.

115.12 (d) No later than July 1, 2014, the commissioner, in consultation with stakeholders, shall
 115.13 begin the review and evaluation of the following values already in subdivisions 6 to 9, or
 115.14 issues that impact all services, including, but not limited to:

115.15 (1) values for transportation rates ~~for day services;~~

115.16 ~~(2) values for transportation rates in residential services;~~

115.17 ~~(3)~~ (2) values for services where monitoring technology replaces staff time;

115.18 ~~(4)~~ (3) values for indirect services;

115.19 ~~(5)~~ (4) values for nursing;

115.20 ~~(6) component values for independent living skills;~~

115.21 ~~(7) component values for family foster care that reflect licensing requirements;~~

115.22 ~~(8) adjustments to other components to replace the budget neutrality factor;~~

115.23 ~~(9) remote monitoring technology for nonresidential services;~~

115.24 ~~(10) values for basic and intensive services in residential services;~~

115.25 ~~(11)~~ (5) values for the facility use rate in day services, and the weightings used in the
 115.26 day service ratios and adjustments to those weightings;

115.27 ~~(12)~~ (6) values for workers' compensation as part of employee-related expenses;

115.28 ~~(13)~~ (7) values for unemployment insurance as part of employee-related expenses;

115.29 ~~(14) a component value to reflect costs for individuals with rates previously adjusted~~
 115.30 ~~for the inclusion of group residential housing rate 3 costs, only for any individual enrolled~~
 115.31 ~~as of December 31, 2013; and~~

116.1 ~~(15)~~ (8) any changes in state or federal law with ~~an~~ a direct impact on the underlying
116.2 cost of providing home and community-based services; and

116.3 (9) outcome measures, determined by the commissioner, for home and community-based
116.4 services rates determined under this section.

116.5 (e) The commissioner shall report to the chairs and the ranking minority members of
116.6 the legislative committees and divisions with jurisdiction over health and human services
116.7 policy and finance with the information and data gathered under paragraphs (b) to (d) on
116.8 the following dates:

116.9 (1) January 15, 2015, with preliminary results and data;

116.10 (2) January 15, 2016, with a status implementation update, and additional data and
116.11 summary information;

116.12 (3) January 15, 2017, with the full report; and

116.13 (4) January 15, ~~2019~~ 2020, with another full report, and a full report once every four
116.14 years thereafter.

116.15 ~~(f) Based on the commissioner's evaluation of the information and data collected in~~
116.16 ~~paragraphs (b) to (d), the commissioner shall make recommendations to the legislature by~~
116.17 ~~January 15, 2015, to address any issues identified during the first year of implementation.~~
116.18 ~~After January 15, 2015, the commissioner may make recommendations to the legislature~~
116.19 ~~to address potential issues.~~

116.20 ~~(g)~~ (f) The commissioner shall implement a regional adjustment factor to all rate
116.21 calculations in subdivisions 6 to 9, effective no later than January 1, 2015. Beginning July
116.22 1, 2017, the commissioner shall renew analysis and implement changes to the regional
116.23 adjustment factors when adjustments required under subdivision 5, paragraph (h), occur.
116.24 Prior to implementation, the commissioner shall consult with stakeholders on the
116.25 methodology to calculate the adjustment.

116.26 ~~(h)~~ (g) The commissioner shall provide a public notice via LISTSERV in October of
116.27 each year beginning October 1, 2014, containing information detailing legislatively approved
116.28 changes in:

116.29 (1) calculation values including derived wage rates and related employee and
116.30 administrative factors;

116.31 (2) service utilization;

116.32 (3) county and tribal allocation changes; and

117.1 (4) information on adjustments made to calculation values and the timing of those
117.2 adjustments.

117.3 The information in this notice must be effective January 1 of the following year.

117.4 ~~(i) No later than July 1, 2016, the commissioner shall develop and implement, in~~
117.5 ~~consultation with stakeholders, a methodology sufficient to determine the shared staffing~~
117.6 ~~levels necessary to meet, at a minimum, health and welfare needs of individuals who will~~
117.7 ~~be living together in shared residential settings, and the required shared staffing activities~~
117.8 ~~described in subdivision 2, paragraph (1). This determination methodology must ensure~~
117.9 ~~staffing levels are adaptable to meet the needs and desired outcomes for current and~~
117.10 ~~prospective residents in shared residential settings.~~

117.11 ~~(i)~~ (h) When the available shared staffing hours in a residential setting are insufficient
117.12 to meet the needs of an individual who enrolled in residential services after January 1, 2014,
117.13 or insufficient to meet the needs of an individual with a service agreement adjustment
117.14 described in section 256B.4913, subdivision 4a, paragraph (f), then individual staffing hours
117.15 shall be used.

117.16 (i) The commissioner shall study the underlying cost of absence and utilization for day
117.17 services. Based on the commissioner's evaluation of the data collected under this paragraph,
117.18 the commissioner shall make recommendations to the legislature by January 15, 2018, for
117.19 changes, if any, to the absence and utilization factor ratio component value for day services.

117.20 (j) Beginning July 1, 2017, the commissioner shall collect transportation and trip
117.21 information for all day services through the rates management system.

117.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

117.23 Sec. 27. Minnesota Statutes 2016, section 256B.50, subdivision 1b, is amended to read:

117.24 Subd. 1b. **Filing an appeal.** To appeal, the provider shall file with the commissioner a
117.25 written notice of appeal; the appeal must be postmarked or received by the commissioner
117.26 within 60 days of the publication date ~~the determination of the payment rate was mailed or~~
117.27 ~~personally received by a provider, whichever is earlier~~ printed on the rate notice. The notice
117.28 of appeal must specify each disputed item; the reason for the dispute; the total dollar amount
117.29 in dispute for each separate disallowance, allocation, or adjustment of each cost item or part
117.30 of a cost item; the computation that the provider believes is correct; the authority in statute
117.31 or rule upon which the provider relies for each disputed item; the name and address of the
117.32 person or firm with whom contacts may be made regarding the appeal; and other information
117.33 required by the commissioner.

118.1 Sec. 28. Minnesota Statutes 2016, section 256B.5012, is amended by adding a subdivision
118.2 to read:

118.3 Subd. 3a. **Therapeutic leave days.** Notwithstanding Minnesota Rules, part 9505.0415,
118.4 subpart 7, a vacant bed in an intermediate care facility for persons with developmental
118.5 disabilities shall be counted as a reserved bed when determining occupancy rates and
118.6 eligibility for payment of a therapeutic leave day.

118.7 Sec. 29. Minnesota Statutes 2016, section 256B.5012, is amended by adding a subdivision
118.8 to read:

118.9 Subd. 17. **ICF/DD rate increase effective July 1, 2017; Murray County.** Effective
118.10 July 1, 2017, the daily rate for an intermediate care facility for persons with developmental
118.11 disabilities located in Murray County that is classified as a class B facility and licensed for
118.12 14 beds is \$400. This increase is in addition to any other increase that is effective on July
118.13 1, 2017.

118.14 Sec. 30. Minnesota Statutes 2016, section 256C.23, is amended by adding a subdivision
118.15 to read:

118.16 Subd. 1a. **Culturally affirmative.** "Culturally affirmative" describes services that are
118.17 designed and delivered within the context of the culture, language, and life experiences of
118.18 a person who is deaf, a person who is deafblind, and a person who is hard-of-hearing.

118.19 Sec. 31. Minnesota Statutes 2016, section 256C.23, subdivision 2, is amended to read:

118.20 Subd. 2. **Deaf.** "Deaf" means a hearing loss of such severity that the individual must
118.21 depend primarily on visual communication such as American Sign Language or other signed
118.22 language, visual and manual means of communication such as signing systems in English
118.23 or Cued Speech, writing, lip speech reading, ~~manual communication~~, and gestures.

118.24 Sec. 32. Minnesota Statutes 2016, section 256C.23, is amended by adding a subdivision
118.25 to read:

118.26 Subd. 2c. **Interpreting services.** "Interpreting services" means services that include:

118.27 (1) interpreting between a spoken language, such as English, and a visual language, such
118.28 as American Sign Language;

118.29 (2) interpreting between a spoken language and a visual representation of a spoken
118.30 language, such as Cued Speech and signing systems in English;

119.1 (3) interpreting within one language where the interpreter uses natural gestures and
119.2 silently repeats the spoken message, replacing some words or phrases to give higher visibility
119.3 on the lips;

119.4 (4) interpreting using low vision or tactile methods for persons who have a combined
119.5 hearing and vision loss or are deafblind; and

119.6 (5) interpreting from one communication mode or language into another communication
119.7 mode or language that is linguistically and culturally appropriate for the participants in the
119.8 communication exchange.

119.9 Sec. 33. Minnesota Statutes 2016, section 256C.23, is amended by adding a subdivision
119.10 to read:

119.11 Subd. 6. **Real-time captioning.** "Real-time captioning" means a method of captioning
119.12 in which a caption is simultaneously prepared and displayed or transmitted at the time of
119.13 origination by specially trained real-time captioners.

119.14 Sec. 34. Minnesota Statutes 2016, section 256C.233, subdivision 1, is amended to read:

119.15 Subdivision 1. **Deaf and Hard-of-Hearing Services Division.** The commissioners of
119.16 ~~human services, education, employment and economic development, and health shall create~~
119.17 ~~a distinct and separate organizational unit to be known as~~ advise the commissioner of human
119.18 services on the activities of the Deaf and Hard-of-Hearing Services Division to address.
119.19 This division addresses the developmental, social, educational, and occupational and
119.20 social-emotional needs of persons who are deaf, persons who are deafblind, and persons
119.21 who are hard-of-hearing persons through a statewide network of collaborative services and
119.22 by coordinating the promulgation of public policies, regulations, legislation, and programs
119.23 affecting advocates on behalf of and provides information and training about how to best
119.24 serve persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing
119.25 persons. An interdepartmental management team shall advise the activities of the Deaf and
119.26 ~~Hard-of-Hearing Services Division.~~ The commissioner of human services shall coordinate
119.27 the work of the interagency ~~management team~~ advisers and receive legislative appropriations
119.28 for the division.

119.29 Sec. 35. Minnesota Statutes 2016, section 256C.233, subdivision 2, is amended to read:

119.30 Subd. 2. **Responsibilities.** The Deaf and Hard-of-Hearing Services Division shall:

120.1 (1) establish and maintain a statewide network of regional ~~service centers~~ culturally
120.2 affirmative services for Minnesotans who are deaf, Minnesotans who are deafblind, and
120.3 Minnesotans who are hard-of-hearing Minnesotans;

120.4 (2) ~~assist work across divisions within the Departments~~ Department of Human Services,
120.5 Education, and Employment and Economic Development to coordinate the promulgation
120.6 and implementation of public policies, regulations, legislation, programs, and services
120.7 affecting as well as with other agencies and counties, to ensure that there is an understanding
120.8 of:

120.9 (i) the communication challenges faced by persons who are deaf, persons who are
120.10 deafblind, and persons who are hard-of-hearing persons;

120.11 (ii) the best practices for accommodating and mitigating communication challenges;
120.12 and

120.13 (iii) the legal requirements for providing access to and effective communication with
120.14 persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing; and

120.15 (3) ~~provide a coordinated system of~~ assess the supply and demand statewide interpreting
120.16 ~~or~~ for interpreter referral services; and real-time captioning services, implement strategies
120.17 to provide greater access to these services in areas without sufficient supply, and build the
120.18 base of service providers across the state;

120.19 (4) maintain a statewide information resource that includes contact information and
120.20 professional certification credentials of interpreting service providers and real-time captioning
120.21 service providers;

120.22 (5) provide culturally affirmative mental health services to persons who are deaf, persons
120.23 who are deafblind, and persons who are hard-of-hearing who:

120.24 (i) use a visual language such as American Sign Language or a tactile form of a language;
120.25 or

120.26 (ii) otherwise need culturally affirmative therapeutic services;

120.27 (6) research and develop best practices and recommendations for emerging issues;

120.28 (7) provide as much information as practicable on the division's stand-alone Web site
120.29 in American Sign Language; and

120.30 (8) report to the chairs and ranking minority members of the legislative committees with
120.31 jurisdiction over human services biennially, beginning on January 1, 2019, on the following:

121.1 (i) the number of regional service center staff, the location of the office of each staff
 121.2 person, other service providers with which they are colocated, the number of people served
 121.3 by each staff person and a breakdown of whether each person was served on-site or off-site,
 121.4 and for those served off-site, a list of locations where services were delivered and the number
 121.5 who were served in-person and the number who were served via technology;

121.6 (ii) the amount and percentage of the division budget spent on reasonable
 121.7 accommodations for staff;

121.8 (iii) the number of people who use demonstration equipment and consumer evaluations
 121.9 of the experience;

121.10 (iv) the number of training sessions provided by division staff, the topics covered, the
 121.11 number of participants, and consumer evaluations, including a breakdown by delivery
 121.12 method such as in-person or via technology;

121.13 (v) the number of training sessions hosted at a division location provided by another
 121.14 service provider, the topics covered, the number of participants, and consumer evaluations,
 121.15 including a breakdown by delivery method such as in-person or via technology;

121.16 (vi) for each grant awarded, the amount awarded to the grantee and a summary of the
 121.17 grantee's results, including consumer evaluations of the services or products provided;

121.18 (vii) the number of people on waiting lists for any services provided by division staff
 121.19 or for services or equipment funded through grants awarded by the division;

121.20 (viii) the amount of time staff spent driving to appointments to deliver direct one-to-one
 121.21 client services in locations outside of the regional service centers;

121.22 (ix) the amount spent on mileage reimbursement and the number of clients who received
 121.23 mileage reimbursement for traveling to the regional service centers for services; and

121.24 (x) the regional needs and feedback on addressing service gaps identified by the advisory
 121.25 committees.

121.26 Sec. 36. Minnesota Statutes 2016, section 256C.24, subdivision 1, is amended to read:

121.27 Subdivision 1. **Location.** The Deaf and Hard-of-Hearing Services Division shall establish
 121.28 ~~up to eight~~ at least six regional service centers for persons who are deaf and persons who
 121.29 are hard-of-hearing persons. The centers shall be distributed regionally to provide access
 121.30 for persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing
 121.31 persons in all parts of the state.

122.1 Sec. 37. Minnesota Statutes 2016, section 256C.24, subdivision 2, is amended to read:

122.2 Subd. 2. **Responsibilities.** (a) Each regional service center shall:

122.3 (1) serve as a central entry point for establish connections and collaborations and explore
122.4 co-locating with other public and private entities providing services to persons who are
122.5 deaf, persons who are deafblind, and persons who are hard-of-hearing persons in need of
122.6 services and make referrals to the services needed in the region;

122.7 (2) for those in need of services, assist in coordinating services between service providers
122.8 and persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing,
122.9 and the persons' families, and make referrals to the services needed;

122.10 ~~(2)~~ (3) employ staff trained to work with persons who are deaf, persons who are deafblind,
122.11 and persons who are hard-of-hearing persons;

122.12 ~~(3)~~ (4) if adequate services are not available from another public or private service
122.13 provider in the region, provide to all individual assistance to persons who are deaf, persons
122.14 who are deafblind, and persons who are hard-of-hearing persons access to interpreter services
122.15 which are necessary to help them obtain services, and the persons' families. Individually
122.16 culturally affirmative assistance may be provided using technology only in areas of the state
122.17 where a person has access to sufficient quality telecommunications or broadband services
122.18 to allow effective communication. When a person who is deaf, a person who is deafblind,
122.19 or a person who is hard-of-hearing does not have access to sufficient telecommunications
122.20 or broadband service, individual assistance shall be available in person;

122.21 (5) identify regional training needs, work with deaf and hard-of-hearing services training
122.22 staff, and collaborate with others to deliver training for persons who are deaf, persons who
122.23 are deafblind, and persons who are hard-of-hearing, and the persons' families, and other
122.24 service providers about subjects including the persons' rights under the law, American Sign
122.25 Language, and the impact of hearing loss and options for accommodating it;

122.26 ~~(4)~~ implement a plan to provide loaned equipment and resource materials to deaf,
122.27 deafblind, and hard-of-hearing (6) have a mobile or permanent lab where persons who are
122.28 deaf, persons who are deafblind, and persons who are hard-of-hearing can try a selection
122.29 of modern assistive technology and equipment to determine what would best meet the
122.30 persons' needs;

122.31 ~~(5)~~ cooperate with responsible departments and administrative authorities to provide
122.32 access for deaf, deafblind, and hard-of-hearing persons to services provided by state, county,
122.33 and regional agencies;

123.1 ~~(6)~~ (7) collaborate with the Resource Center for the Deaf and Hard-of-Hearing Persons,
123.2 other divisions of the Department of Education; and local school districts to develop and
123.3 deliver programs and services for families with children who are deaf, children who are
123.4 deafblind, or children who are hard-of-hearing children and to support school personnel
123.5 serving these children;

123.6 ~~(7) when possible,~~ (8) provide training to the social service or income maintenance staff
123.7 employed by counties or by organizations with whom counties contract for services to
123.8 ensure that communication barriers which prevent persons who are deaf, persons who are
123.9 deafblind, and persons who are hard-of-hearing persons from using services are removed;

123.10 ~~(8) when possible,~~ (9) provide training to ~~state and regional~~ human service agencies in
123.11 the region regarding program access for persons who are deaf, persons who are deafblind,
123.12 and persons who are hard-of-hearing persons; and

123.13 ~~(9)~~ (10) assess the ongoing need and supply of services for persons who are deaf, persons
123.14 who are deafblind, and persons who are hard-of-hearing persons in all parts of the state,
123.15 annually consult with the division's advisory committees to identify regional needs and
123.16 solicit feedback on addressing service gaps, and cooperate with public and private service
123.17 providers to develop these services;

123.18 (11) provide culturally affirmative mental health services to persons who are deaf,
123.19 persons who are deafblind, and persons who are hard-of-hearing who:

123.20 (i) use a visual language such as American Sign Language or a tactile form of a language;

123.21 or

123.22 (ii) otherwise need culturally affirmative therapeutic services; and

123.23 (12) establish partnerships with state and regional entities statewide that have the
123.24 technological capacity to provide Minnesotans with virtual access to the division's services
123.25 and division-sponsored training via technology.

123.26 (b) Persons who are deaf, persons who are deafblind, and persons who are
123.27 hard-of-hearing, and the persons' family members who travel more than 50 miles round-trip
123.28 from the persons' home or work location to receive services at the regional service center
123.29 may be reimbursed for mileage at the reimbursement rate established by the Internal Revenue
123.30 Service.

123.31 Sec. 38. Minnesota Statutes 2016, section 256C.261, is amended to read:

123.32 **256C.261 SERVICES FOR PERSONS WHO ARE DEAFBLIND PERSONS.**

124.1 (a) The commissioner of human services shall ~~combine the existing biennial base level~~
 124.2 ~~funding for deafblind services into a single grant program. At least 35 percent of the total~~
 124.3 ~~funding is awarded for services and other supports to deafblind children and their families~~
 124.4 ~~and at least 25 percent is awarded for services and other supports to deafblind adults. use~~
 124.5 at least 35 percent of the deafblind services biennial base level grant funding for services
 124.6 and other supports for a child who is deafblind and the child's family. The commissioner
 124.7 shall use at least 25 percent of the deafblind services biennial base level grant funding for
 124.8 services and other supports for an adult who is deafblind.

124.9 The commissioner shall award grants for the purposes of:

124.10 (1) providing services and supports to ~~individuals~~ persons who are deafblind; and

124.11 (2) developing and providing training to counties and the network of senior citizen
 124.12 service providers. The purpose of the training grants is to teach counties how to use existing
 124.13 programs that capture federal financial participation to meet the needs of eligible persons
 124.14 who are deafblind persons and to build capacity of senior service programs to meet the
 124.15 needs of seniors with a dual sensory hearing and vision loss.

124.16 (b) The commissioner may make grants:

124.17 (1) for services and training provided by organizations; and

124.18 (2) to develop and administer consumer-directed services.

124.19 (c) Consumer-directed services shall be provided in whole by grant-funded providers.

124.20 The deaf and hard-of-hearing regional service centers shall not provide any aspect of a
 124.21 grant-funded consumer-directed services program.

124.22 ~~(e)~~ (d) Any entity that is able to satisfy the grant criteria is eligible to receive a grant
 124.23 under paragraph (a).

124.24 ~~(d)~~ (e) Deafblind service providers may, but are not required to, provide intervenor
 124.25 services as part of the service package provided with grant funds under this section.

124.26 Sec. 39. Minnesota Statutes 2016, section 256R.02, subdivision 4, is amended to read:

124.27 Subd. 4. **Administrative costs.** "Administrative costs" means the identifiable costs for
 124.28 administering the overall activities of the nursing home. These costs include salaries and
 124.29 wages of the administrator, assistant administrator, business office employees, security
 124.30 guards, and associated fringe benefits and payroll taxes, fees, contracts, or purchases related
 124.31 to business office functions, licenses, and permits except as provided in the external fixed
 124.32 costs category, employee recognition, travel including meals and lodging, all training except

125.1 as specified in subdivision 17, voice and data communication or transmission, office supplies,
125.2 property and liability insurance and other forms of insurance not ~~designated to other areas~~
125.3 including insurance that is an employee benefit, personnel recruitment, legal services,
125.4 accounting services, management or business consultants, data processing, information
125.5 technology, Web site, central or home office costs, business meetings and seminars, postage,
125.6 fees for professional organizations, subscriptions, security services, advertising, board of
125.7 directors fees, working capital interest expense, ~~and~~ bad debts and bad debt collection fees,
125.8 and costs incurred for travel and housing for persons employed by a supplemental nursing
125.9 services agency as defined in section 144A.70, subdivision 6.

125.10 **EFFECTIVE DATE.** This section is effective October 1, 2017.

125.11 Sec. 40. Minnesota Statutes 2016, section 256R.02, subdivision 17, is amended to read:

125.12 Subd. 17. **Direct care costs.** "Direct care costs" means costs for the wages of nursing
125.13 administration, direct care registered nurses, licensed practical nurses, certified nursing
125.14 assistants, trained medication aides, employees conducting training in resident care topics
125.15 and associated fringe benefits and payroll taxes; services from a supplemental nursing
125.16 services agency; supplies that are stocked at nursing stations or on the floor and distributed
125.17 or used individually, including, but not limited to: alcohol, applicators, cotton balls,
125.18 incontinence pads, disposable ice bags, dressings, bandages, water pitchers, tongue
125.19 depressors, disposable gloves, enemas, enema equipment, soap, medication cups, diapers,
125.20 plastic waste bags, sanitary products, thermometers, hypodermic needles and syringes,
125.21 clinical reagents or similar diagnostic agents, drugs that are not paid on a separate fee
125.22 schedule by the medical assistance program or any other payer, and technology related to
125.23 the provision of nursing care to residents, such as electronic charting systems; costs of
125.24 materials used for resident care training, and training courses outside of the facility attended
125.25 by direct care staff on resident care topics; and costs for nurse consultants, pharmacy
125.26 consultants, and medical directors. Salaries and payroll taxes for nurse consultants who
125.27 work out of a central office must be allocated proportionately by total resident days or by
125.28 direct identification to the nursing facilities served by those consultants.

125.29 Sec. 41. Minnesota Statutes 2016, section 256R.02, subdivision 18, is amended to read:

125.30 Subd. 18. **Employer health insurance costs.** "Employer health insurance costs" means
125.31 premium expenses for group coverage ~~and reinsurance~~, actual expenses incurred for
125.32 self-insured plans including reinsurance and administrative costs, and employer contributions
125.33 to employee health reimbursement and health savings accounts. Premium and expense costs

126.1 and contributions are allowable for (1) all employees and (2) the spouse and dependents of
126.2 those employees who meet the definition of full-time employees under the federal Affordable
126.3 Care Act, Public Law 111-148 are employed on average at least 30 hours of service per
126.4 week, or 130 hours of service per month.

126.5 Sec. 42. Minnesota Statutes 2016, section 256R.02, subdivision 19, is amended to read:

126.6 Subd. 19. **External fixed costs.** "External fixed costs" means costs related to the nursing
126.7 home surcharge under section 256.9657, subdivision 1; licensure fees under section 144.122;
126.8 family advisory council fee under section 144A.33; scholarships under section 256R.37;
126.9 planned closure rate adjustments under section 256R.40; consolidation rate adjustments
126.10 under section 144A.071, subdivisions 4c, paragraph (a), clauses (5) and (6), and 4d;
126.11 single-bed room incentives under section 256R.41; property taxes, assessments, and payments
126.12 in lieu of taxes; employer health insurance costs; quality improvement incentive payment
126.13 rate adjustments under section 256R.39; performance-based incentive payments under
126.14 section 256R.38; special dietary needs under section 256R.51; rate adjustments for
126.15 compensation-related costs for minimum wage changes under section 256R.49 provided
126.16 on or after January 1, 2018; and Public Employees Retirement Association employer costs.

126.17 Sec. 43. Minnesota Statutes 2016, section 256R.02, subdivision 22, is amended to read:

126.18 Subd. 22. **Fringe benefit costs.** "Fringe benefit costs" means the costs for group life,
126.19 dental, workers' compensation, ~~and other employee insurances and short- and long-term~~
126.20 disability, long-term care insurance, accident insurance, supplemental insurance, legal
126.21 assistance insurance, profit sharing, health insurance costs not covered under subdivision
126.22 18, including costs associated with part-time employee family members or retirees, and
126.23 pension and retirement plan contributions, except for the Public Employees Retirement
126.24 Association ~~and employer health insurance costs; profit sharing; and retirement plans for~~
126.25 ~~which the employer pays all or a portion of the costs.~~

126.26 Sec. 44. Minnesota Statutes 2016, section 256R.02, subdivision 42, is amended to read:

126.27 Subd. 42. **Raw food costs.** "Raw food costs" means the cost of food provided to nursing
126.28 facility residents and the allocation of dietary credits. Also included are special dietary
126.29 supplements used for tube feeding or oral feeding, such as elemental high nitrogen diet.

127.1 Sec. 45. Minnesota Statutes 2016, section 256R.02, is amended by adding a subdivision
127.2 to read:

127.3 Subd. 42a. **Real estate taxes.** "Real estate taxes" means the real estate tax liability shown
127.4 on the annual property tax statement of the nursing facility for the reporting period. The
127.5 term does not include personnel costs or fees for late payment.

127.6 Sec. 46. Minnesota Statutes 2016, section 256R.02, is amended by adding a subdivision
127.7 to read:

127.8 Subd. 48a. **Special assessments.** "Special assessments" means the actual special
127.9 assessments and related interest paid during the reporting period. The term does not include
127.10 personnel costs or fees for late payment.

127.11 Sec. 47. Minnesota Statutes 2016, section 256R.02, subdivision 52, is amended to read:

127.12 Subd. 52. **Therapy costs.** "Therapy costs" means any costs related to ~~medical assistance~~
127.13 therapy services provided to residents that are not billed separately billable from the daily
127.14 operating rate.

127.15 Sec. 48. Minnesota Statutes 2016, section 256R.06, subdivision 5, is amended to read:

127.16 Subd. 5. **Notice to residents.** (a) No increase in nursing facility rates for private paying
127.17 residents shall be effective unless the nursing facility notifies the resident or person
127.18 responsible for payment of the increase in writing 30 days before the increase takes effect.
127.19 The notice must include the amount of the rate increase, the new payment rate, and the date
127.20 the rate increase takes effect.

127.21 A nursing facility may adjust its rates without giving the notice required by this
127.22 subdivision when the purpose of the rate adjustment is to reflect a change in the case mix
127.23 classification of the resident. The nursing facility shall notify private pay residents of any
127.24 rate increase related to a change in case mix classifications in a timely manner after
127.25 confirmation of the case mix classification change is received from the Department of
127.26 Health.

127.27 If the state fails to set rates as required by section 256R.09, subdivision 1, the time
127.28 required for giving notice is decreased by the number of days by which the state was late
127.29 in setting the rates.

127.30 (b) If the state does not set rates by the date required in section 256R.09, subdivision 1,
127.31 or otherwise provides nursing facilities with retroactive notification of the amount of a rate

128.1 increase, nursing facilities shall meet the requirement for advance notice by informing the
128.2 resident or person responsible for payments, on or before the effective date of the increase,
128.3 that a rate increase will be effective on that date. The requirements of paragraph (a) do not
128.4 apply to situations described in this paragraph.

128.5 If the exact amount has not yet been determined, the nursing facility may raise the rates
128.6 by the amount anticipated to be allowed. Any amounts collected from private pay residents
128.7 in excess of the allowable rate must be repaid to private pay residents with interest at the
128.8 rate used by the commissioner of revenue for the late payment of taxes and in effect on the
128.9 date the rate increase is effective.

128.10 Sec. 49. Minnesota Statutes 2016, section 256R.07, subdivision 1, is amended to read:

128.11 Subdivision 1. **Criteria.** A nursing facility shall keep adequate documentation. In order
128.12 to be adequate, documentation must:

128.13 (1) be maintained in orderly, well-organized files;

128.14 (2) not include documentation of more than one nursing facility in one set of files unless
128.15 transactions may be traced by the commissioner to the nursing facility's annual cost report;

128.16 (3) include a paid invoice or copy of a paid invoice with date of purchase, vendor name
128.17 and address, purchaser name and delivery destination address, listing of items or services
128.18 purchased, cost of items purchased, account number to which the cost is posted, and a
128.19 breakdown of any allocation of costs between accounts or nursing facilities. If any of the
128.20 information is not available, the nursing facility shall document its good faith attempt to
128.21 obtain the information;

128.22 (4) include contracts, agreements, amortization schedules, mortgages, other debt
128.23 instruments, and all other documents necessary to explain the nursing facility's costs or
128.24 revenues; and

128.25 (5) be retained by the nursing facility to support the five most recent annual cost reports.
128.26 The commissioner may extend the period of retention if the field audit was postponed
128.27 because of inadequate record keeping or accounting practices as in section 256R.13,
128.28 subdivisions 2 and 4, the records are necessary to resolve a pending appeal, or the records
128.29 are required for the enforcement of sections 256R.04; 256R.05, subdivision 2; 256R.06,
128.30 subdivisions 2; and 6, ~~and 7~~; 256R.08, subdivisions 1 to 3; and 256R.09, subdivisions 3 and
128.31 4.

129.1 Sec. 50. Minnesota Statutes 2016, section 256R.07, is amended by adding a subdivision
129.2 to read:

129.3 Subd. 6. **Electronic signature.** For documentation requiring a signature under this
129.4 chapter or section 256B.431 or 256B.434, use of an electronic signature as defined under
129.5 section 325L.02, paragraph (h), is allowed.

129.6 Sec. 51. Minnesota Statutes 2016, section 256R.13, subdivision 4, is amended to read:

129.7 Subd. 4. **Extended record retention requirements.** The commissioner shall extend the
129.8 period for retention of records under section 256R.09, subdivision 3, for purposes of
129.9 performing field audits as necessary to enforce sections 256R.04; 256R.05, subdivision 2;
129.10 256R.06, subdivisions 2; and 6, and 7; 256R.08, subdivisions 1 to 3; and 256R.09,
129.11 subdivisions 3 and 4, with written notice to the facility postmarked no later than 90 days
129.12 prior to the expiration of the record retention requirement.

129.13 Sec. 52. **[256R.18] BIENNIAL REPORT.**

129.14 The commissioner shall provide to the legislative committees with jurisdiction over
129.15 nursing facility payment rates a biennial report including:

129.16 (1) the impact of using cost report data to set rates without updating the cost report data
129.17 by the change in the Consumer Price Index for all urban consumers from the mid-point of
129.18 the cost report to the mid-point of the rate year;

129.19 (2) the impact of the quality adjusted care limits;

129.20 (3) the ability of nursing facilities to retain employees, including whether rate increases
129.21 are passed through to employees;

129.22 (4) the efficacy of the critical access nursing facility program under section 256R.47;

129.23 and

129.24 (5) the impact of payment rate limit reduction under section 256R.23, subdivision 6.

129.25 **EFFECTIVE DATE.** This section is effective January 1, 2019.

129.26 Sec. 53. Minnesota Statutes 2016, section 256R.37, is amended to read:

129.27 **256R.37 SCHOLARSHIPS.**

129.28 (a) For the 27-month period beginning October 1, 2015, through December 31, 2017,
129.29 the commissioner shall allow a scholarship per diem of up to 25 cents for each nursing

130.1 facility with no scholarship per diem that is requesting a scholarship per diem to be added
130.2 to the external fixed payment rate to be used:

130.3 (1) for employee scholarships that satisfy the following requirements:

130.4 (i) scholarships are available to all employees who work an average of at least ten hours
130.5 per week at the facility except the administrator, and to reimburse student loan expenses
130.6 for ~~newly hired and recently graduated~~ registered nurses and licensed practical nurses, and
130.7 training expenses for nursing assistants as specified in section 144A.611, subdivisions 2
130.8 and 4, ~~who are newly hired and have graduated within the last 12 months~~; and

130.9 (ii) the course of study is expected to lead to career advancement with the facility or in
130.10 long-term care, including medical care interpreter services and social work; and

130.11 (2) to provide job-related training in English as a second language.

130.12 (b) All facilities may annually request a rate adjustment under this section by submitting
130.13 information to the commissioner on a schedule and in a form supplied by the commissioner.
130.14 The commissioner shall allow a scholarship payment rate equal to the reported and allowable
130.15 costs divided by resident days.

130.16 (c) In calculating the per diem under paragraph (b), the commissioner shall allow costs
130.17 related to tuition, direct educational expenses, and reasonable costs as defined by the
130.18 commissioner for child care costs and transportation expenses related to direct educational
130.19 expenses.

130.20 (d) The rate increase under this section is an optional rate add-on that the facility must
130.21 request from the commissioner in a manner prescribed by the commissioner. The rate
130.22 increase must be used for scholarships as specified in this section.

130.23 (e) For instances in which a rate adjustment will be 15 cents or greater, nursing facilities
130.24 that close beds during a rate year may request to have their scholarship adjustment under
130.25 paragraph (b) recalculated by the commissioner for the remainder of the rate year to reflect
130.26 the reduction in resident days compared to the cost report year.

130.27 Sec. 54. Minnesota Statutes 2016, section 256R.40, subdivision 1, is amended to read:

130.28 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

130.29 (b) "Closure" means the cessation of operations of a nursing facility and delicensure and
130.30 decertification of all beds within the facility.

130.31 (c) "Closure plan" means a plan to close a nursing facility and reallocate a portion of
130.32 the resulting savings to provide planned closure rate adjustments at other facilities.

131.1 (d) "Commencement of closure" means the date on which residents and designated
131.2 representatives are notified of a planned closure as provided in section 144A.161, subdivision
131.3 5a, as part of an approved closure plan.

131.4 (e) "Completion of closure" means the date on which the final resident of the nursing
131.5 facility designated for closure in an approved closure plan is discharged from the facility
131.6 or the date that beds from a partial closure are delicensed and decertified.

131.7 (f) "Partial closure" means the delicensure and decertification of a portion of the beds
131.8 within the facility.

131.9 (g) "Planned closure rate adjustment" means an increase in a nursing facility's operating
131.10 rates resulting from a planned closure or a planned partial closure of another facility.

131.11 Sec. 55. Minnesota Statutes 2016, section 256R.40, subdivision 5, is amended to read:

131.12 Subd. 5. **Planned closure rate adjustment.** (a) The commissioner shall calculate the
131.13 amount of the planned closure rate adjustment available under subdivision 6 according to
131.14 clauses (1) to (4):

131.15 (1) the amount available is the net reduction of nursing facility beds multiplied by \$2,080;

131.16 (2) the total number of beds in the nursing facility or facilities receiving the planned
131.17 closure rate adjustment must be identified;

131.18 (3) capacity days are determined by multiplying the number determined under clause
131.19 (2) by 365; and

131.20 (4) the planned closure rate adjustment is the amount available in clause (1), divided by
131.21 capacity days determined under clause (3).

131.22 (b) A planned closure rate adjustment under this section is effective on the first day of
131.23 the month of January or July, whichever occurs first following completion of closure of the
131.24 facility designated for closure in the application and becomes part of the nursing facility's
131.25 external fixed payment rate.

131.26 (c) Upon the request of a closing facility, the commissioner must allow the facility a
131.27 closure rate adjustment as provided under section 144A.161, subdivision 10.

131.28 (d) A facility that has received a planned closure rate adjustment may reassign it to
131.29 another facility that is under the same ownership at any time within three years of its effective
131.30 date. The amount of the adjustment is computed according to paragraph (a).

132.1 (e) If the per bed dollar amount specified in paragraph (a), clause (1), is increased, the
132.2 commissioner shall recalculate planned closure rate adjustments for facilities that delicense
132.3 beds under this section on or after July 1, 2001, to reflect the increase in the per bed dollar
132.4 amount. The recalculated planned closure rate adjustment is effective from the date the per
132.5 bed dollar amount is increased.

132.6 (f) For a nursing facility that is ceasing operations through delicensure and decertification
132.7 of all beds within the facility, the planned closure rate adjustment under this section is
132.8 effective on the first day of the month following completion of closure of the facility
132.9 designated for closure in the application and becomes part of any assigned nursing facility's
132.10 external fixed payment rate.

132.11 Sec. 56. Minnesota Statutes 2016, section 256R.41, is amended to read:

132.12 **256R.41 SINGLE-BED ROOM INCENTIVE.**

132.13 (a) Beginning July 1, 2005, the operating payment rate for nursing facilities reimbursed
132.14 under this chapter shall be increased by 20 percent multiplied by the ratio of the number of
132.15 new single-bed rooms created divided by the number of active beds on July 1, 2005, for
132.16 each bed closure that results in the creation of a single-bed room after July 1, 2005. The
132.17 commissioner may implement rate adjustments for up to 3,000 new single-bed rooms each
132.18 year. For eligible bed closures for which the commissioner receives a notice from a facility
132.19 ~~during a calendar quarter~~ that a bed has been delicensed and a new single-bed room has
132.20 been established, the rate adjustment in this paragraph shall be effective on either the first
132.21 day of the ~~second~~ month of January or July, whichever occurs first following that calendar
132.22 ~~quarter~~ the date of the bed delicensure.

132.23 (b) A nursing facility is prohibited from discharging residents for purposes of establishing
132.24 single-bed rooms. A nursing facility must submit documentation to the commissioner in a
132.25 form prescribed by the commissioner, certifying the occupancy status of beds closed to
132.26 create single-bed rooms. In the event that the commissioner determines that a facility has
132.27 discharged a resident for purposes of establishing a single-bed room, the commissioner shall
132.28 not provide a rate adjustment under paragraph (a).

132.29 Sec. 57. Minnesota Statutes 2016, section 256R.47, is amended to read:

132.30 **256R.47 RATE ADJUSTMENT FOR CRITICAL ACCESS NURSING**
132.31 **FACILITIES.**

133.1 (a) The commissioner, in consultation with the commissioner of health, may designate
133.2 certain nursing facilities as critical access nursing facilities. The designation shall be granted
133.3 on a competitive basis, within the limits of funds appropriated for this purpose.

133.4 (b) The commissioner shall request proposals from nursing facilities every two years.
133.5 Proposals must be submitted in the form and according to the timelines established by the
133.6 commissioner. In selecting applicants to designate, the commissioner, in consultation with
133.7 the commissioner of health, and with input from stakeholders, shall develop criteria designed
133.8 to preserve access to nursing facility services in isolated areas, rebalance long-term care,
133.9 and improve quality. To the extent practicable, the commissioner shall ensure an even
133.10 distribution of designations across the state.

133.11 (c) The commissioner shall allow the benefits in clauses (1) to (5) for nursing facilities
133.12 designated as critical access nursing facilities:

133.13 (1) partial rebasing, with the commissioner allowing a designated facility operating
133.14 payment rates being the sum of up to 60 percent of the operating payment rate determined
133.15 in accordance with section 256R.21, subdivision 3, and at least 40 percent, with the sum of
133.16 the two portions being equal to 100 percent, of the operating payment rate that would have
133.17 been allowed had the facility not been designated. The commissioner may adjust these
133.18 percentages by up to 20 percent and may approve a request for less than the amount allowed;

133.19 (2) enhanced payments for leave days. Notwithstanding section 256R.43, upon
133.20 designation as a critical access nursing facility, the commissioner shall limit payment for
133.21 leave days to 60 percent of that nursing facility's total payment rate for the involved resident,
133.22 and shall allow this payment only when the occupancy of the nursing facility, inclusive of
133.23 bed hold days, is equal to or greater than 90 percent;

133.24 (3) two designated critical access nursing facilities, with up to 100 beds in active service,
133.25 may jointly apply to the commissioner of health for a waiver of Minnesota Rules, part
133.26 4658.0500, subpart 2, in order to jointly employ a director of nursing. The commissioner
133.27 of health shall consider each waiver request independently based on the criteria under
133.28 Minnesota Rules, part 4658.0040;

133.29 (4) the minimum threshold under section 256B.431, subdivision 15, paragraph (e), shall
133.30 be 40 percent of the amount that would otherwise apply; and

133.31 (5) the quality-based rate limits under section 256R.23, subdivisions 5 to 7, apply to
133.32 designated critical access nursing facilities.

134.1 (d) Designation of a critical access nursing facility is for a period of two years, after
 134.2 which the benefits allowed under paragraph (c) shall be removed. Designated facilities may
 134.3 apply for continued designation.

134.4 (e) This section is suspended and no state or federal funding shall be appropriated or
 134.5 allocated for the purposes of this section from January 1, 2016, to December 31, ~~2017~~ 2019.

134.6 Sec. 58. Minnesota Statutes 2016, section 256R.49, is amended to read:

134.7 **256R.49 RATE ADJUSTMENTS FOR COMPENSATION-RELATED COSTS**
 134.8 **FOR MINIMUM WAGE CHANGES.**

134.9 Subdivision 1. **Rate adjustments for compensation-related costs.** (a) ~~Operating~~
 134.10 Payment rates of all nursing facilities that are reimbursed under this chapter shall be increased
 134.11 effective for rate years beginning on and after October 1, 2014, to address changes in
 134.12 compensation costs for nursing facility employees ~~paid less than \$14 per hour~~ in accordance
 134.13 with this section. Rate increases provided under this section before October 1, 2016, expire
 134.14 effective January 1, 2018. Rate increases provided on or after October 1, 2016, expire two
 134.15 years after the effective date of the rate increases.

134.16 (b) Nursing facilities that receive approval of the applications in subdivision 2 must
 134.17 receive rate adjustments according to subdivision 4. ~~The rate adjustments must be used to~~
 134.18 ~~pay compensation costs for nursing facility employees paid less than \$14 per hour.~~

134.19 Subd. 2. **Application process.** To receive a rate adjustment, nursing facilities must
 134.20 submit applications to the commissioner in a form and manner determined by the
 134.21 commissioner. The applications for the rate adjustments shall include specified data, and
 134.22 spending plans that describe how the funds from the rate adjustments will be allocated for
 134.23 compensation to employees ~~paid less than \$14 per hour~~. The applications must be submitted
 134.24 within three months of the effective date of any ~~operating~~ payment rate adjustment under
 134.25 this section. The commissioner may request any additional information needed to determine
 134.26 the rate adjustment within three weeks of receiving a complete application. The nursing
 134.27 facility must provide any additional information requested by the commissioner within six
 134.28 months of the effective date of any ~~operating~~ payment rate adjustment under this section.
 134.29 The commissioner may waive the deadlines in this section under extraordinary circumstances.

134.30 Subd. 3. **Additional application requirements for facilities with employees**
 134.31 **represented by an exclusive bargaining representative.** For nursing facilities in which
 134.32 employees are represented by an exclusive bargaining representative, the commissioner
 134.33 shall approve the applications submitted under subdivision 2 only upon receipt of a letter

135.1 or letters of acceptance of the spending plans in regard to members of the bargaining unit,
 135.2 signed by the exclusive bargaining agent and dated after May 31, 2014. Upon receipt of the
 135.3 letter or letters of acceptance, the commissioner shall deem all requirements of this section
 135.4 as having been met in regard to the members of the bargaining unit.

135.5 **Subd. 4. Determination of the rate adjustments for compensation-related costs.**

135.6 Based on the application in subdivision 2, the commissioner shall calculate the allowable
 135.7 annualized compensation costs by adding the totals of clauses (1), and (2), and (3). The
 135.8 result must be divided by the ~~standardized or~~ sum of the facility's resident days from the
 135.9 most recently available cost report to determine per day amounts, which must be included
 135.10 in the ~~operating portion~~ external fixed costs payment rate of the total payment rate ~~and~~
 135.11 ~~allocated to direct care or other operating as determined by the commissioner:~~

135.12 (1) the sum of the difference between \$9.50 and any hourly wage rate less than \$9.50
 135.13 for October 1, 2016; and between the indexed value of the minimum wage, as defined in
 135.14 section 177.24, subdivision 1, paragraph (f), or any other minimum wage implemented in
 135.15 statute or by any local ordinance, and any hourly wage less than that indexed value for rate
 135.16 years beginning on and after ~~October 1, 2017~~ January 1, 2018; multiplied by the number
 135.17 of compensated hours at that wage rate; and

135.18 ~~(2) using wages and hours in effect during the first three months of calendar year 2014,~~
 135.19 ~~beginning with the first pay period beginning on or after January 1, 2014; 22.2 percent of~~
 135.20 ~~the sum of items (i) to (viii) for October 1, 2016;~~

135.21 ~~(i) for all compensated hours from \$8 to \$8.49 per hour, the number of compensated~~
 135.22 ~~hours is multiplied by \$0.13;~~

135.23 ~~(ii) for all compensated hours from \$8.50 to \$8.99 per hour, the number of compensated~~
 135.24 ~~hours is multiplied by \$0.25;~~

135.25 ~~(iii) for all compensated hours from \$9 to \$9.49 per hour, the number of compensated~~
 135.26 ~~hours is multiplied by \$0.38;~~

135.27 ~~(iv) for all compensated hours from \$9.50 to \$10.49 per hour, the number of compensated~~
 135.28 ~~hours is multiplied by \$0.50;~~

135.29 ~~(v) for all compensated hours from \$10.50 to \$10.99 per hour, the number of compensated~~
 135.30 ~~hours is multiplied by \$0.40;~~

135.31 ~~(vi) for all compensated hours from \$11 to \$11.49 per hour, the number of compensated~~
 135.32 ~~hours is multiplied by \$0.30;~~

136.1 ~~(vii) for all compensated hours from \$11.50 to \$11.99 per hour, the number of~~
 136.2 ~~compensated hours is multiplied by \$0.20; and~~

136.3 ~~(viii) for all compensated hours from \$12 to \$13 per hour, the number of compensated~~
 136.4 ~~hours is multiplied by \$0.10; and~~

136.5 ~~(3) (2)~~ the sum of the employer's share of FICA taxes, Medicare taxes, state and federal
 136.6 unemployment taxes, workers' compensation, pensions, and contributions to employee
 136.7 retirement accounts attributable to the amounts in ~~clauses~~ clause (1) ~~and (2)~~.

136.8 Sec. 59. Minnesota Statutes 2016, section 256R.53, subdivision 2, is amended to read:

136.9 Subd. 2. **Nursing facility facilities in Breckenridge border cities.** The operating
 136.10 payment rate of a nonprofit nursing facility that exists on January 1, 2015, is located within
 136.11 the boundaries of the ~~city~~ cities of Breckenridge or Moorhead, and is reimbursed under this
 136.12 chapter, is equal to the greater of:

136.13 (1) the operating payment rate determined under section 256R.21, subdivision 3; or

136.14 (2) the median case mix adjusted rates, including comparable rate components as
 136.15 determined by the median case mix adjusted rates, including comparable rate components
 136.16 as determined by the commissioner, for the equivalent case mix indices of the nonprofit
 136.17 nursing facility or facilities located in an adjacent city in another state and in cities contiguous
 136.18 to the adjacent city. The commissioner shall make the comparison required in this subdivision
 136.19 on November 1 of each year and shall apply it to the rates to be effective on the following
 136.20 January 1. The Minnesota facility's operating payment rate with a case mix index of 1.0 is
 136.21 computed by dividing the adjacent city's nursing facility or facilities' median operating
 136.22 payment rate with an index of 1.02 by 1.02. If the adjustments under this subdivision result
 136.23 in a rate that exceeds the limits in section 256R.23, subdivision 5, and whose costs exceed
 136.24 the rate in section 256R.24, subdivision 3, in a given rate year, the facility's rate shall not
 136.25 be subject to the limits in section 256R.23, subdivision 5, and shall not be limited to the
 136.26 rate established in section 256R.24, subdivision 3, for that rate year.

136.27 **EFFECTIVE DATE.** The rate increases for a facility located in Moorhead are effective
 136.28 for the rate year beginning January 1, 2020, and annually thereafter.

136.29 Sec. 60. Laws 2015, chapter 71, article 7, section 54, is amended to read:

136.30 Sec. 54. **EXPANSION OF CONSUMER-DIRECTED COMMUNITY SUPPORTS**
 136.31 **BUDGET METHODOLOGY EXCEPTION.**

137.1 (a) No later than September 30, ~~2015~~ 2017, if necessary, the commissioner of human
137.2 services shall submit an amendment to the Centers for Medicare and Medicaid Services for
137.3 the home and community-based services waivers authorized under Minnesota Statutes,
137.4 sections 256B.092 and 256B.49, to ~~establish an~~ expand the 2015 exception to the
137.5 consumer-directed community supports budget methodology to provide up to ~~20~~ 30 percent
137.6 more funds for both:

137.7 (1) consumer-directed community supports participants who ~~have graduated from high~~
137.8 ~~school and~~ have a coordinated service and support plan which identifies the need for ~~more~~
137.9 ~~services under consumer-directed community supports, either prior to graduation or in order~~
137.10 ~~to increase the amount of time a person works or to improve their employment opportunities,~~
137.11 an increased amount of services or supports under consumer-directed community supports
137.12 than the amount they are eligible to receive currently receiving under the ~~current~~
137.13 consumer-directed community supports budget methodology; ~~and~~:

137.14 (i) to increase the amount of time a person works or otherwise improves employment
137.15 opportunities;

137.16 (ii) to plan a transition to, move to, or live in a setting as described in Minnesota Statutes,
137.17 section 256D.44, subdivision 5, paragraph (f), clause (1), item (ii), or (g); or

137.18 (iii) to develop and implement a positive behavior support plan;

137.19 (2) home and community-based waiver participants who are currently using licensed
137.20 ~~services providers~~ for employment supports or services during the day or residential services,
137.21 either of which cost more annually than the person would spend under a consumer-directed
137.22 community supports plan for individualized employment supports or services during the
137.23 day any or all of the supports needed to meet the goals identified in paragraph (a), clause
137.24 (1).

137.25 (b) The exception under paragraph (a) is limited to those persons who can demonstrate
137.26 either that they will have to ~~leave~~ discontinue using consumer-directed community supports
137.27 ~~and use~~ accept other non-self-directed waiver services because their ~~need for day or~~
137.28 ~~employment supports~~ needed for the goals described in paragraph (a), clause (1), cannot be
137.29 met within the consumer-directed community supports budget limits ~~or they will move to~~
137.30 ~~consumer-directed community supports and their services will cost less than services~~
137.31 ~~currently being used.~~

137.32 (c) The exception under paragraph (a), clause (2), is limited to those persons who can
137.33 demonstrate that, upon choosing to become a consumer-directed community support

138.1 participant, the total cost of services, including the exception, will be less than the cost of
138.2 current waiver services.

138.3 **EFFECTIVE DATE.** The exception under this section is effective October 1, 2017, or
138.4 upon federal approval, whichever is later. The commissioner of human services shall notify
138.5 the revisor of statutes when federal approval is obtained.

138.6 Sec. 61. **ALZHEIMER'S DISEASE WORKING GROUP.**

138.7 Subdivision 1. **Members.** (a) The Minnesota Board on Aging must appoint 16 members
138.8 to an Alzheimer's disease working group, as follows:

138.9 (1) a caregiver of a person who has been diagnosed with Alzheimer's disease;

138.10 (2) a person who has been diagnosed with Alzheimer's disease;

138.11 (3) two representatives from the nursing facility or senior housing profession;

138.12 (4) a representative of the home care or adult day services profession;

138.13 (5) two geriatricians, one of whom serves a diverse or underserved community;

138.14 (6) a psychologist who specializes in dementia care;

138.15 (7) an Alzheimer's researcher;

138.16 (8) a representative of the Alzheimer's Association;

138.17 (9) two members from community-based organizations serving one or more diverse or
138.18 underserved communities;

138.19 (10) the commissioner of human services or a designee;

138.20 (11) the commissioner of health or a designee;

138.21 (12) the ombudsman for long-term care or a designee; and

138.22 (13) one member of the Minnesota Board on Aging, selected by the board.

138.23 (b) The executive director of the Minnesota Board on Aging serves on the working group
138.24 as a nonvoting member.

138.25 (c) The appointing authorities under this subdivision must complete their appointments
138.26 no later than December 15, 2017.

138.27 (d) To the extent practicable, the membership of the working group must reflect the
138.28 diversity in Minnesota, and must include representatives from rural and metropolitan areas
138.29 and representatives of different ethnicities, races, genders, ages, cultural groups, and abilities.

139.1 Subd. 2. **Duties; recommendations.** The Alzheimer's disease working group must
139.2 review and revise the 2011 report, Preparing Minnesota for Alzheimer's: the Budgetary,
139.3 Social and Personal Impacts. The working group shall consider and make recommendations
139.4 and findings on the following issues as related to Alzheimer's disease or other dementias:

139.5 (1) analysis and assessment of public health and health care data to accurately determine
139.6 trends and disparities in cognitive decline;

139.7 (2) public awareness, knowledge, and attitudes, including knowledge gaps, stigma,
139.8 availability of information, and supportive community environments;

139.9 (3) risk reduction, including health education and health promotion on risk factors,
139.10 safety, and potentially avoidable hospitalizations;

139.11 (4) diagnosis and treatment, including early detection, access to diagnosis, quality of
139.12 dementia care, and cost of treatment;

139.13 (5) professional education and training, including geriatric education for licensed health
139.14 care professionals and dementia-specific training for direct care workers, first responders,
139.15 and other professionals in communities;

139.16 (6) residential services, including cost to families as well as regulation and licensing
139.17 gaps; and

139.18 (7) cultural competence and responsiveness to reduce health disparities and improve
139.19 access to high-quality dementia care.

139.20 Subd. 3. **Meetings.** The Board on Aging must convene the first meeting of the working
139.21 group no later than January 15, 2018. Before the first meeting, the Board on Aging must
139.22 designate one member to serve as chair. Meetings of the working group must be open to
139.23 the public, and to the extent practicable, technological means, such as Web casts, shall be
139.24 used to reach the greatest number of people throughout the state. The working group may
139.25 not meet more than five times.

139.26 Subd. 4. **Compensation.** Members of the working group serve without compensation,
139.27 but may be reimbursed for allowed actual and necessary expenses incurred in the performance
139.28 of the member's duties for the working group in the same manner and amount as authorized
139.29 by the commissioner's plan adopted under Minnesota Statutes, section 43A.18, subdivision
139.30 2.

139.31 Subd. 5. **Administrative support.** The Minnesota Board on Aging shall provide
139.32 administrative support and arrange meeting space for the working group.

140.1 Subd. 6. Report. The Board on Aging must submit a report providing the findings and
140.2 recommendations of the working group, including any draft legislation necessary to
140.3 implement the recommendations, to the governor and chairs and ranking minority members
140.4 of the legislative committees with jurisdiction over health care by January 15, 2019.

140.5 Subd. 7. Expiration. The working group expires June 30, 2019, or the day after the
140.6 working group submits the report required in subdivision 6, whichever is earlier.

140.7 **Sec. 62. CONSUMER-DIRECTED COMMUNITY SUPPORTS REVISED BUDGET**
140.8 **METHODOLOGY REPORT.**

140.9 (a) The commissioner of human services, in consultation with stakeholders and others
140.10 including representatives of lead agencies, home and community-based services waiver
140.11 participants using consumer-directed community supports, advocacy groups, state agencies,
140.12 the Institute on Community Integration at the University of Minnesota, and service and
140.13 financial management providers, shall develop a revised consumer-directed community
140.14 supports budget methodology. The new methodology shall be based on (1) the costs of
140.15 providing services as reflected by the wage and other relevant components incorporated in
140.16 the disability waiver rate formulas under chapter 256B, and (2) state-to-county
140.17 waiver-funding methodologies. The new methodology should develop individual
140.18 consumer-directed community supports budgets comparable to those provided for similar
140.19 needs individuals if paying for non-consumer-directed community supports waiver services.

140.20 (b) By December 15, 2018, the commissioner shall report a revised consumer-directed
140.21 community supports budget methodology, including proposed legislation and funding
140.22 necessary to implement the new methodology, to the chairs and ranking minority members
140.23 of the house of representatives and senate committees with jurisdiction over health and
140.24 human services.

140.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

140.26 **Sec. 63. DIRECTION TO COMMISSIONER; TELECOMMUNICATION**
140.27 **EQUIPMENT PROGRAM.**

140.28 The commissioner of human services shall work in consultation with the Commission
140.29 of Deaf, Deafblind, and Hard-of-Hearing Minnesotans to provide recommendations by
140.30 January 15, 2018, to the chairs and ranking minority members of the house of representatives
140.31 and senate committees with jurisdiction over human services to modernize the
140.32 telecommunication equipment program. The recommendations must address:

141.1 (1) types of equipment and supports the program should provide to ensure people with
141.2 communication difficulties have equitable access to telecommunications services;

141.3 (2) additional services the program should provide, such as education about technology
141.4 options that can improve a person's access to telecommunications services; and

141.5 (3) how the current program's service delivery structure might be improved to better
141.6 meet the needs of people with communication disabilities.

141.7 The commissioner shall also provide draft legislative language to accomplish the
141.8 recommendations. Final recommendations, the final report, and draft legislative language
141.9 must be approved by both the commissioner and the chair of the Commission of Deaf,
141.10 Deafblind, and Hard-of-Hearing Minnesotans.

141.11 Sec. 64. **DIRECTION TO COMMISSIONER; BILLING FOR MENTAL HEALTH**
141.12 **SERVICES.**

141.13 By January 1, 2018, the commissioner of human services shall report to the chairs and
141.14 ranking minority members of the house of representatives and senate committees with
141.15 jurisdiction over deaf and hard-of-hearing services on the potential costs and benefits of the
141.16 Deaf and Hard-of-Hearing Services Division billing for the cost of providing mental health
141.17 services.

141.18 Sec. 65. **ELECTRONIC SERVICE DELIVERY DOCUMENTATION SYSTEM.**

141.19 Subdivision 1. **Documentation; establishment.** The commissioner of human services
141.20 shall establish implementation requirements and standards for an electronic service delivery
141.21 documentation system to comply with the 21st Century Cures Act, Public Law 114-255.

141.22 Subd. 2. **Definitions.** (a) For purposes of this section, the terms in this subdivision have
141.23 the meanings given them.

141.24 (b) "Electronic service delivery documentation" means the electronic documentation of
141.25 the:

141.26 (1) type of service performed;

141.27 (2) individual receiving the service;

141.28 (3) date of the service;

141.29 (4) location of the service delivery;

141.30 (5) individual providing the service; and

142.1 (6) time the service begins and ends.

142.2 (c) "Electronic service delivery documentation system" means a system that provides
142.3 electronic service delivery documentation that complies with the 21st Century Cures Act,
142.4 Public Law 114-255, and the requirements of subdivision 3.

142.5 (d) "Service" means one of the following:

142.6 (1) personal care assistance services as defined in Minnesota Statutes, section 256B.0625,
142.7 subdivision 19a, and provided according to Minnesota Statutes, section 256B.0659; or

142.8 (2) community first services and supports under Minnesota Statutes, section 256B.85.

142.9 Subd. 3. **Requirements.** (a) In developing implementation requirements for an electronic
142.10 service delivery documentation system, the commissioner shall consider electronic visit
142.11 verification systems and other electronic service delivery documentation methods. The
142.12 commissioner shall convene stakeholders that will be impacted by an electronic service
142.13 delivery system, including service providers and their representatives, service recipients
142.14 and their representatives, and, as appropriate, those with expertise in the development and
142.15 operation of an electronic service delivery documentation system, to ensure that the
142.16 requirements:

142.17 (1) are minimally administratively and financially burdensome to a provider;

142.18 (2) are minimally burdensome to the service recipient and the least disruptive to the
142.19 service recipient in receiving and maintaining allowed services;

142.20 (3) consider existing best practices and use of electronic service delivery documentation;

142.21 (4) are conducted according to all state and federal laws;

142.22 (5) are effective methods for preventing fraud when balanced against the requirements
142.23 of clauses (1) and (2); and

142.24 (6) are consistent with the Department of Human Services' policies related to covered
142.25 services, flexibility of service use, and quality assurance.

142.26 (b) The commissioner shall make training available to providers on the electronic service
142.27 delivery documentation system requirements.

142.28 (c) The commissioner shall establish baseline measurements related to preventing fraud
142.29 and establish measures to determine the effect of electronic service delivery documentation
142.30 requirements on program integrity.

143.1 Subd. 4. **Legislative report.** (a) The commissioner shall submit a report by January 15,
143.2 2018, to the chairs and ranking minority members of the legislative committees with
143.3 jurisdiction over human services with recommendations, based on the requirements of
143.4 subdivision 3, to establish electronic service delivery documentation system requirements
143.5 and standards. The report shall identify:

143.6 (1) the essential elements necessary to operationalize a base-level electronic service
143.7 delivery documentation system to be implemented by January 1, 2019; and

143.8 (2) enhancements to the base-level electronic service delivery documentation system to
143.9 be implemented by January 1, 2019, or after, with projected operational costs and the costs
143.10 and benefits for system enhancements.

143.11 (b) The report must also identify current regulations on service providers that are either
143.12 inefficient, minimally effective, or will be unnecessary with the implementation of an
143.13 electronic service delivery documentation system.

143.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.

143.15 Sec. 66. **TRANSPORTATION STUDY.**

143.16 The commissioner of human services, with cooperation from lead agencies and in
143.17 consultation with stakeholders, shall conduct a study to identify opportunities to increase
143.18 access to transportation services for an individual who receives home and community-based
143.19 services. The commissioner shall submit a report with recommendations to the chairs and
143.20 ranking minority members of the legislative committees with jurisdiction over human
143.21 services by January 15, 2019. The report shall:

143.22 (1) study all aspects of the current transportation service network, including the fleet
143.23 available, the different rate-setting methods currently used, methods that an individual uses
143.24 to access transportation, and the diversity of available provider agencies;

143.25 (2) identify current barriers for an individual accessing transportation and for a provider
143.26 providing waiver services transportation in the marketplace;

143.27 (3) identify efficiencies and collaboration opportunities to increase available
143.28 transportation, including transportation funded by medical assistance, and available regional
143.29 transportation and transit options;

143.30 (4) study transportation solutions in other states for delivering home and community-based
143.31 services;

143.32 (5) study provider costs required to administer transportation services;

144.1 (6) make recommendations for coordinating and increasing transportation accessibility
144.2 across the state; and

144.3 (7) make recommendations for the rate setting of waived transportation.

144.4 **EFFECTIVE DATE.** This section is effective the day following final enactment.

144.5 Sec. 67. **DIRECTION TO COMMISSIONER; ICF/DD PAYMENT RATE STUDY.**

144.6 Within available appropriations, the commissioner of human services shall study the
144.7 intermediate care facility for persons with developmental disabilities payment rates under
144.8 Minnesota Statutes, sections 256B.5011 to 256B.5013, and make recommendations on the
144.9 rate structure to the chairs and ranking minority members of the legislative committees with
144.10 jurisdiction over human services policy and finance by January 15, 2018.

144.11 Sec. 68. **FEDERAL WAIVER AMENDMENTS.**

144.12 The commissioner of human services shall submit necessary waiver amendments to the
144.13 Centers for Medicare and Medicaid Services to add employment exploration services,
144.14 employment development services, and employment support services to the home and
144.15 community-based services waivers authorized under Minnesota Statutes, sections 256B.092
144.16 and 256B.49. The commissioner shall also submit necessary waiver amendments to remove
144.17 community-based employment services from day training and habilitation and prevocational
144.18 services. The commissioner shall submit all necessary waiver amendments by October 1,
144.19 2017.

144.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

144.21 Sec. 69. **EXCEPTION TO THE BUDGET METHODOLOGY FOR PERSONS**
144.22 **LEAVING INSTITUTIONS AND CRISIS RESIDENTIAL SETTINGS.**

144.23 (a) By September 30, 2017, the commissioner shall establish an institutional and crisis
144.24 bed consumer-directed community supports budget exception process as described in the
144.25 home and community-based services waivers under sections 256B.092 and 256B.49. This
144.26 budget exception process shall be available for any individual who:

144.27 (1) is not offered available and appropriate services within 60 days since approval for
144.28 discharge from the individual's current institutional setting; or

144.29 (2) requires services that are more expensive than appropriate less-restrictive services
144.30 using the consumer-directed community supports option.

145.1 (b) Institutional settings for purposes of this exception include intermediate care facilities
145.2 for persons with developmental disabilities, nursing facilities, acute care hospitals, Anoka
145.3 Metro Regional Treatment Center, Minnesota Security Hospital, and crisis beds. The budget
145.4 exception shall be limited to no more than the amount of appropriate less-restrictive available
145.5 services determined by the lead agency managing the individual's home and community-based
145.6 services waiver. The lead agency shall notify the Department of Human Services of the
145.7 budget exception.

145.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.

145.9 Sec. 70. **REPEALER.**

145.10 (a) Minnesota Statutes 2016, sections 256C.23, subdivision 3; 256C.233, subdivision
145.11 4; and 256C.25, subdivisions 1 and 2, are repealed.

145.12 (b) Minnesota Statutes 2016, section 256B.4914, subdivision 16, is repealed effective
145.13 January 1, 2018.

145.14 **ARTICLE 3**

145.15 **HEALTH DEPARTMENT AND PUBLIC HEALTH**

145.16 Section 1. **[144.059] PALLIATIVE CARE ADVISORY COUNCIL.**

145.17 Subdivision 1. **Establishment.** The Palliative Care Advisory Council is established to
145.18 advise and assist the commissioner of health regarding improving the quality and delivery
145.19 of patient-centered and family-focused palliative care.

145.20 Subd. 2. **Membership.** (a) The council shall consist of 18 public members and four
145.21 members of the legislature.

145.22 (b) The commissioner shall appoint 18 public members, including at least the following:

145.23 (1) two physicians, of which one is certified by the American Board of Hospice and
145.24 Palliative Medicine;

145.25 (2) two registered nurses or advanced practice registered nurses, of which one is certified
145.26 by the National Board for Certification of Hospice and Palliative Nurses;

145.27 (3) one care coordinator experienced in working with people with serious or chronic
145.28 illness and their families;

145.29 (4) one spiritual counselor experienced in working with people with serious or chronic
145.30 illness and their families;

146.1 (5) three licensed health professionals, such as complementary and alternative health
146.2 care practitioners, dietitians or nutritionists, pharmacists, or physical therapists, who are
146.3 neither physicians nor nurses, but who have experience as members of a palliative care
146.4 interdisciplinary team working with people with serious or chronic illness and their families;

146.5 (6) one licensed social worker experienced in working with people with serious or chronic
146.6 illness and their families;

146.7 (7) four patients or personal caregivers experienced with serious or chronic illness;

146.8 (8) one representative of a health plan company; and

146.9 (9) one physician assistant that is a member of the American Academy of Hospice and
146.10 Palliative Medicine.

146.11 (c) The Subcommittee on Committees of the Committee on Rules and Administration
146.12 shall appoint one member of the senate, the minority leader in the senate shall appoint one
146.13 member of the senate, the speaker of the house shall appoint one member of the house of
146.14 representatives, and the minority leader in the house of representatives shall appoint one
146.15 member of the house of representatives.

146.16 (d) Council membership must include, where possible, representation that is racially,
146.17 culturally, linguistically, geographically, and economically diverse.

146.18 (e) The council must include at least six members who reside outside Anoka, Carver,
146.19 Chisago, Dakota, Hennepin, Isanti, Mille Lacs, Ramsey, Scott, Sherburne, Sibley, Stearns,
146.20 Washington, or Wright Counties.

146.21 (f) Council membership must include health professionals who have palliative care work
146.22 experience or expertise in palliative care delivery models in a variety of inpatient, outpatient,
146.23 and community settings, including acute care, long-term care, or hospice, with a variety of
146.24 populations, including pediatric, youth, and adult patients.

146.25 (g) To the extent possible, council membership must include persons who have experience
146.26 in palliative care research, palliative care instruction in a medical or nursing school setting,
146.27 palliative care services for veterans as a provider or recipient, or pediatric care.

146.28 Subd. 3. **Term.** Members of the council shall serve for a term of three years and may
146.29 be reappointed. Members shall serve until their successors have been appointed.

146.30 Subd. 4. **Administration.** The commissioner or the commissioner's designee shall
146.31 provide meeting space and administrative services for the council.

147.1 Subd. 5. **Initial appointments and first meeting.** The appointing authorities shall
147.2 appoint the first members of the council by July 1, 2017. The commissioner shall convene
147.3 the first meeting by September 15, 2017, and the commissioner or the commissioner's
147.4 designee shall act as chair until the council elects a chair at its first meeting.

147.5 Subd. 6. **Chairs.** At the council's first meeting, and biannually thereafter, the members
147.6 shall elect a chair and a vice-chair whose duties shall be established by the council.

147.7 Subd. 7. **Meeting.** The council chair shall fix a time and place for regular meetings of
147.8 the council, which shall meet at least twice yearly.

147.9 Subd. 8. **No compensation.** Public members of the council serve without compensation,
147.10 except for reimbursement from the commissioner for allowed actual and necessary expenses
147.11 incurred in the performance of the public member's council duties.

147.12 Subd. 9. **Duties.** (a) The council shall consult with and advise the commissioner on
147.13 matters related to the establishment, maintenance, operation, and outcomes evaluation of
147.14 palliative care initiatives in the state.

147.15 (b) By February 15 of each year, the council shall prepare and submit to the chairs and
147.16 ranking minority members of the committees of the senate and the house of representatives
147.17 with primary jurisdiction over health care a report containing a description of:

147.18 (1) the advisory committee's assessment of the availability of palliative care in the state;

147.19 (2) the advisory committee's analysis of barriers to greater access to palliative care; and

147.20 (3) recommendations for legislative action.

147.21 (c) The Department of Health shall publish the report each year on the department's Web
147.22 site.

147.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.

147.24 Sec. 2. **[144.1215] AUTHORIZATION TO USE HANDHELD DENTAL X-RAY**
147.25 **EQUIPMENT.**

147.26 Subdivision 1. **Definition; handheld dental x-ray equipment.** For purposes of this
147.27 section, "handheld dental x-ray equipment" means x-ray equipment that is used to take
147.28 dental radiographs, is designed to be handheld during operation, and is operated by an
147.29 individual authorized to take dental radiographs under chapter 150A.

147.30 Subd. 2. **Use authorized.** (a) Handheld dental x-ray equipment may be used if the
147.31 equipment:

148.1 (1) has been approved for human use by the United States Food and Drug Administration
148.2 and is being used in a manner consistent with that approval; and

148.3 (2) utilizes a backscatter shield that:

148.4 (i) is composed of a leaded polymer or a substance with a substantially equivalent
148.5 protective capacity;

148.6 (ii) has at least 0.25 millimeters of lead or lead-shielding equivalent; and

148.7 (iii) is permanently affixed to the handheld dental x-ray equipment.

148.8 (b) The use of handheld dental x-ray equipment is prohibited if the equipment's
148.9 backscatter shield is broken or not permanently affixed to the system.

148.10 (c) The use of handheld dental x-ray equipment shall not be limited to situations in which
148.11 it is impractical to transfer the patient to a stationary x-ray system.

148.12 (d) Handheld dental x-ray equipment must be stored when not in use, by being secured
148.13 in a restricted, locked area of the facility.

148.14 (e) Handheld dental x-ray equipment must be calibrated initially and at intervals that
148.15 must not exceed 24 months. Calibration must include the test specified in Minnesota Rules,
148.16 part 4732.1100, subpart 11.

148.17 (f) Notwithstanding Minnesota Rules, part 4732.0880, subpart 2, item C, the tube housing
148.18 and the position-indicating device of handheld dental x-ray equipment may be handheld
148.19 during an exposure.

148.20 **Subd. 3. Exemptions from certain shielding requirements.** Handheld dental x-ray
148.21 equipment used according to this section and according to manufacturer instructions is
148.22 exempt from the following requirements for the equipment:

148.23 (1) shielding requirements in Minnesota Rules, part 4732.0365, item B; and

148.24 (2) requirements for the location of the x-ray control console or utilization of a protective
148.25 barrier in Minnesota Rules, part 4732.0800, subpart 2, item B, subitems (2) and (3), provided
148.26 the equipment utilizes a backscatter shield that satisfies the requirements in subdivision 2,
148.27 paragraph (a), clause (2).

148.28 **Subd. 4. Compliance with rules.** A registrant using handheld dental x-ray equipment
148.29 shall otherwise comply with Minnesota Rules, chapter 4732.

149.1 Sec. 3. Minnesota Statutes 2016, section 144.1501, subdivision 2, is amended to read:

149.2 Subd. 2. **Creation of account.** (a) A health professional education loan forgiveness
149.3 program account is established. The commissioner of health shall use money from the
149.4 account to establish a loan forgiveness program:

149.5 (1) for medical residents and mental health professionals agreeing to practice in designated
149.6 rural areas or underserved urban communities or specializing in the area of pediatric
149.7 psychiatry;

149.8 (2) for midlevel practitioners agreeing to practice in designated rural areas or to teach
149.9 at least 12 credit hours, or 720 hours per year in the nursing field in a postsecondary program
149.10 at the undergraduate level or the equivalent at the graduate level;

149.11 (3) for nurses who agree to practice in a Minnesota nursing home; an intermediate care
149.12 facility for persons with developmental disability; ~~or~~ a hospital if the hospital owns and
149.13 operates a Minnesota nursing home and a minimum of 50 percent of the hours worked by
149.14 the nurse is in the nursing home; a housing with services establishment as defined in section
149.15 144D.01, subdivision 4; or a home care provider as defined in section 144A.43, subdivision
149.16 4; or agree to teach at least 12 credit hours, or 720 hours per year in the nursing field in a
149.17 postsecondary program at the undergraduate level or the equivalent at the graduate level;

149.18 (4) for other health care technicians agreeing to teach at least 12 credit hours, or 720
149.19 hours per year in their designated field in a postsecondary program at the undergraduate
149.20 level or the equivalent at the graduate level. The commissioner, in consultation with the
149.21 Healthcare Education-Industry Partnership, shall determine the health care fields where the
149.22 need is the greatest, including, but not limited to, respiratory therapy, clinical laboratory
149.23 technology, radiologic technology, and surgical technology;

149.24 (5) for pharmacists, advanced dental therapists, dental therapists, and public health nurses
149.25 who agree to practice in designated rural areas; and

149.26 (6) for dentists agreeing to deliver at least 25 percent of the dentist's yearly patient
149.27 encounters to state public program enrollees or patients receiving sliding fee schedule
149.28 discounts through a formal sliding fee schedule meeting the standards established by the
149.29 United States Department of Health and Human Services under Code of Federal Regulations,
149.30 title 42, section 51, chapter 303.

149.31 (b) Appropriations made to the account do not cancel and are available until expended,
149.32 except that at the end of each biennium, any remaining balance in the account that is not

150.1 committed by contract and not needed to fulfill existing commitments shall cancel to the
150.2 fund.

150.3 **Sec. 4. [144.1504] SENIOR CARE WORKFORCE INNOVATION GRANT**
150.4 **PROGRAM.**

150.5 Subdivision 1. **Establishment.** The senior care workforce innovation grant program is
150.6 established to assist eligible applicants to fund pilot programs or expand existing programs
150.7 that increase the pool of caregivers working in the field of senior care services.

150.8 Subd. 2. **Competitive grants.** The commissioner shall make competitive grants available
150.9 to eligible applicants to expand the workforce for senior care services.

150.10 Subd. 3. **Eligibility.** (a) Eligible applicants must recruit and train individuals to work
150.11 with individuals who are primarily 65 years of age or older and receiving services through:

150.12 (1) a home and community-based setting, including housing with services establishments
150.13 as defined in section 144D.01, subdivision 4;

150.14 (2) adult day care as defined in section 245A.02, subdivision 2a;

150.15 (3) home care services as defined in section 144A.43, subdivision 3; or

150.16 (4) a nursing home as defined in section 144A.01, subdivision 5.

150.17 (b) Applicants must apply for a senior care workforce innovation grant as specified in
150.18 subdivision 4.

150.19 Subd. 4. **Application.** (a) Eligible applicants must apply for a grant on the forms and
150.20 according to the timelines established by the commissioner.

150.21 (b) Each applicant must propose a project or initiative to expand the number of workers
150.22 in the field of senior care services. At a minimum, a proposal must include:

150.23 (1) a description of the senior care workforce innovation project or initiative being
150.24 proposed, including the process by which the applicant will expand the senior care workforce;

150.25 (2) whether the applicant is proposing to target the proposed project or initiative to any
150.26 of the groups described in paragraph (c);

150.27 (3) information describing the applicant's current senior care workforce project or
150.28 initiative, if applicable;

150.29 (4) the amount of funding the applicant is seeking through the grant program;

150.30 (5) any other sources of funding the applicant has for the project or initiative;

151.1 (6) a proposed budget detailing how the grant funds will be spent; and

151.2 (7) outcomes established by the applicant to measure the success of the project or
151.3 initiative.

151.4 **Subd. 5. Commissioner's duties; requests for proposals; grantee selections.** (a) By
151.5 September 1, 2017, and annually thereafter, the commissioner shall publish a request for
151.6 proposals in the State Register specifying applicant eligibility requirements, qualifying
151.7 senior care workforce innovation program criteria, applicant selection criteria, documentation
151.8 required for program participation, maximum award amount, and methods of evaluation.

151.9 (b) Priority must be given to proposals that target employment of individuals who have
151.10 multiple barriers to employment, individuals who have been unemployed long-term, and
151.11 veterans.

151.12 (c) The commissioner shall determine the maximum award for grants and make grant
151.13 selections based on the information provided in the grant application, including the targeted
151.14 employment population, the applicant's proposed budget, the proposed measurable outcomes,
151.15 and other criteria as determined by the commissioner.

151.16 **Subd. 6. Grant funding.** Notwithstanding any law or rule to the contrary, funds awarded
151.17 to grantees in a grant agreement under this section do not lapse until the grant agreement
151.18 expires.

151.19 **Subd. 7. Reporting requirements.** (a) Grant recipients shall report to the commissioner
151.20 on the forms and according to the timelines established by the commissioner.

151.21 (b) The commissioner shall report to the chairs and ranking minority members of the
151.22 house of representatives and senate committees with jurisdiction over health by January 15,
151.23 2019, and annually thereafter, on the grant program. The report must include:

151.24 (1) information on each grant recipient;

151.25 (2) a summary of all projects or initiatives undertaken with each grant;

151.26 (3) the measurable outcomes established by each grantee, an explanation of the evaluation
151.27 process used to determine whether the outcomes were met, and the results of the evaluation;
151.28 and

151.29 (4) an accounting of how the grant funds were spent.

151.30 (c) During the grant period, the commissioner may require and collect from grant
151.31 recipients additional information necessary to evaluate the grant program.

152.1 Sec. 5. [144.1505] PRIMARY CARE AND MENTAL HEALTH PROFESSIONS
152.2 CLINICAL TRAINING EXPANSION GRANT PROGRAM.

152.3 Subdivision 1. Definitions. For purposes of this section, the following definitions apply:

152.4 (1) "eligible advanced practice registered nurse program" means a program that is located
152.5 in Minnesota and is currently accredited as a master's, doctoral, or postgraduate level
152.6 advanced practice registered nurse program by the Commission on Collegiate Nursing
152.7 Education or by the Accreditation Commission for Education in Nursing, or is a candidate
152.8 for accreditation;

152.9 (2) "eligible dental therapy program" means a dental therapy education program or
152.10 advanced dental therapy education program that is located in Minnesota and is either:

152.11 (i) approved by the Board of Dentistry; or

152.12 (ii) currently accredited by the Commission on Dental Accreditation;

152.13 (3) "eligible mental health professional program" means a program that is located in
152.14 Minnesota and is listed as a mental health professional training program by the appropriate
152.15 accrediting body for clinical social work, psychology, marriage and family therapy, or
152.16 licensed professional clinical counseling, or is a candidate for accreditation;

152.17 (4) "eligible physician assistant program" means a program that is located in Minnesota
152.18 and is currently accredited as a physician assistant program by the Accreditation Review
152.19 Commission on Education for the Physician Assistant, or is a candidate for accreditation;

152.20 (5) "eligible pharmacy program" means a program that is located in Minnesota and is
152.21 currently accredited as a doctor of pharmacy program by the Accreditation Council on
152.22 Pharmacy Education;

152.23 (6) "mental health professional" means an individual providing clinical services in the
152.24 treatment of mental illness who meets one of the definitions in section 245.462, subdivision
152.25 18; and

152.26 (7) "project" means a project to establish or expand clinical training for physician
152.27 assistants, advanced practice registered nurses, pharmacists, dental therapists, advanced
152.28 dental therapists, or mental health professionals in Minnesota.

152.29 Subd. 2. Program. (a) The commissioner of health shall award health professional
152.30 training site grants to eligible physician assistant, advanced practice registered nurse,
152.31 pharmacy, dental therapy, and mental health professional programs to plan and implement
152.32 expanded clinical training. A planning grant shall not exceed \$75,000, and a training grant

153.1 shall not exceed \$150,000 for the first year, \$100,000 for the second year, and \$50,000 for
153.2 the third year per program.

153.3 (b) Funds may be used for:

153.4 (1) establishing or expanding clinical training for physician assistants, advanced practice
153.5 registered nurses, pharmacists, dental therapists, advanced dental therapists, and mental
153.6 health professionals in Minnesota;

153.7 (2) recruitment, training, and retention of students and faculty;

153.8 (3) connecting students with appropriate clinical training sites, internships, practicums,
153.9 or externship activities;

153.10 (4) travel and lodging for students;

153.11 (5) faculty, student, and preceptor salaries, incentives, or other financial support;

153.12 (6) development and implementation of cultural competency training;

153.13 (7) evaluations;

153.14 (8) training site improvements, fees, equipment, and supplies required to establish,
153.15 maintain, or expand a physician assistant, advanced practice registered nurse, pharmacy,
153.16 dental therapy, or mental health professional training program; and

153.17 (9) supporting clinical education in which trainees are part of a primary care team model.

153.18 Subd. 3. **Applications.** Eligible physician assistant, advanced practice registered nurse,
153.19 pharmacy, dental therapy, and mental health professional programs seeking a grant shall
153.20 apply to the commissioner. Applications must include a description of the number of
153.21 additional students who will be trained using grant funds; attestation that funding will be
153.22 used to support an increase in the number of clinical training slots; a description of the
153.23 problem that the proposed project will address; a description of the project, including all
153.24 costs associated with the project, sources of funds for the project, detailed uses of all funds
153.25 for the project, and the results expected; and a plan to maintain or operate any component
153.26 included in the project after the grant period. The applicant must describe achievable
153.27 objectives, a timetable, and roles and capabilities of responsible individuals in the
153.28 organization.

153.29 Subd. 4. **Consideration of applications.** The commissioner shall review each application
153.30 to determine whether or not the application is complete and whether the program and the
153.31 project are eligible for a grant. In evaluating applications, the commissioner shall score each
153.32 application based on factors including, but not limited to, the applicant's clarity and

154.1 thoroughness in describing the project and the problems to be addressed, the extent to which
 154.2 the applicant has demonstrated that the applicant has made adequate provisions to ensure
 154.3 proper and efficient operation of the training program once the grant project is completed,
 154.4 the extent to which the proposed project is consistent with the goal of increasing access to
 154.5 primary care and mental health services for rural and underserved urban communities, the
 154.6 extent to which the proposed project incorporates team-based primary care, and project
 154.7 costs and use of funds.

154.8 Subd. 5. **Program oversight.** The commissioner shall determine the amount of a grant
 154.9 to be given to an eligible program based on the relative score of each eligible program's
 154.10 application, other relevant factors discussed during the review, and the funds available to
 154.11 the commissioner. Appropriations made to the program do not cancel and are available until
 154.12 expended. During the grant period, the commissioner may require and collect from programs
 154.13 receiving grants any information necessary to evaluate the program.

154.14 Sec. 6. Minnesota Statutes 2016, section 144.1506, is amended to read:

154.15 **144.1506 ~~PRIMARY CARE~~ PHYSICIAN RESIDENCY EXPANSION GRANT**
 154.16 **PROGRAM.**

154.17 Subdivision 1. **Definitions.** For purposes of this section, the following definitions apply:

154.18 (1) "eligible ~~primary care~~ physician residency program" means a program that meets
 154.19 the following criteria:

154.20 (i) is located in Minnesota;

154.21 (ii) trains medical residents in the specialties of family medicine, general internal
 154.22 medicine, general pediatrics, psychiatry, geriatrics, ~~or~~ general surgery, obstetrics and
 154.23 gynecology, or other physician specialties with training programs that incorporate rural
 154.24 training components; and

154.25 (iii) is accredited by the Accreditation Council for Graduate Medical Education or
 154.26 presents a credible plan to obtain accreditation;

154.27 (2) "eligible project" means a project to establish a new eligible ~~primary care~~ physician
 154.28 residency program or create at least one new residency slot in an existing eligible ~~primary~~
 154.29 ~~care~~ physician residency program; and

154.30 (3) "new residency slot" means the creation of a new residency position and the execution
 154.31 of a contract with a new resident in a residency program.

155.1 Subd. 2. **Expansion grant program.** (a) The commissioner of health shall award ~~primary~~
155.2 ~~care~~ physician residency expansion grants to eligible ~~primary-care~~ physician residency
155.3 programs to plan and implement new residency slots. A planning grant shall not exceed
155.4 \$75,000, and a training grant shall not exceed \$150,000 per new residency slot for the first
155.5 year, \$100,000 for the second year, and \$50,000 for the third year of the new residency slot.

155.6 (b) Funds may be spent to cover the costs of:

155.7 (1) planning related to establishing an accredited ~~primary-care~~ physician residency
155.8 program;

155.9 (2) obtaining accreditation by the Accreditation Council for Graduate Medical Education
155.10 or another national body that accredits residency programs;

155.11 (3) establishing new residency programs or new resident training slots;

155.12 (4) recruitment, training, and retention of new residents and faculty;

155.13 (5) travel and lodging for new residents;

155.14 (6) faculty, new resident, and preceptor salaries related to new residency slots;

155.15 (7) training site improvements, fees, equipment, and supplies required for new ~~primary~~
155.16 ~~care~~ physician resident training slots; and

155.17 (8) supporting clinical education in which trainees are part of a primary care team model.

155.18 Subd. 3. **Applications for expansion grants.** Eligible ~~primary-care~~ physician residency
155.19 programs seeking a grant shall apply to the commissioner. Applications must include the
155.20 number of new ~~primary-care~~ physician residency slots planned or under contract; attestation
155.21 that funding will be used to support an increase in the number of available residency slots;
155.22 a description of the training to be received by the new residents, including the location of
155.23 training; a description of the project, including all costs associated with the project; all
155.24 sources of funds for the project; detailed uses of all funds for the project; the results expected;
155.25 and a plan to maintain the new residency slot after the grant period. The applicant must
155.26 describe achievable objectives, a timetable, and roles and capabilities of responsible
155.27 individuals in the organization.

155.28 Subd. 4. **Consideration of expansion grant applications.** The commissioner shall
155.29 review each application to determine whether or not the residency program application is
155.30 complete and whether the proposed new residency program and any new residency slots
155.31 are eligible for a grant. The commissioner shall award grants to support up to six family
155.32 medicine, general internal medicine, or general pediatrics residents; four psychiatry residents;

156.1 two geriatrics residents; ~~and two~~ four general surgery residents; two obstetrics and
156.2 gynecology residents; and four specialty physician residents participating in training programs
156.3 that incorporate rural training components. If insufficient applications are received from
156.4 any eligible specialty, funds may be redistributed to applications from other eligible
156.5 specialties.

156.6 Subd. 5. **Program oversight.** During the grant period, the commissioner may require
156.7 and collect from grantees any information necessary to evaluate the program. Appropriations
156.8 made to the program do not cancel and are available until expended.

156.9 Sec. 7. [144.397] STATEWIDE TOBACCO QUITLINE SERVICES.

156.10 (a) The commissioner of health shall administer, or contract for the administration of,
156.11 a statewide tobacco quitline service to assist Minnesotans who are seeking advice or services
156.12 to help them quit using tobacco products. The commissioner shall establish statewide public
156.13 awareness activities to inform the public of the availability of the service and encourage
156.14 the public to utilize the services because of the dangers and harm of tobacco use and
156.15 dependence.

156.16 (b) Services to be provided include, but are not limited to:

156.17 (1) telephone-based coaching and counseling;

156.18 (2) referrals;

156.19 (3) written materials mailed upon request;

156.20 (4) Web-based texting or e-mail services; and

156.21 (5) free Food and Drug Administration-approved tobacco cessation medications.

156.22 (c) Services provided must be consistent with evidence-based best practices in tobacco
156.23 cessation services. Services provided must be coordinated with employer, health plan
156.24 company, and private sector tobacco prevention and cessation services that may be available
156.25 to individuals depending on their employment or health coverage.

156.26 Sec. 8. Minnesota Statutes 2016, section 144.551, subdivision 1, is amended to read:

156.27 Subdivision 1. **Restricted construction or modification.** (a) The following construction
156.28 or modification may not be commenced:

156.29 (1) any erection, building, alteration, reconstruction, modernization, improvement,
156.30 extension, lease, or other acquisition by or on behalf of a hospital that increases the bed
156.31 capacity of a hospital, relocates hospital beds from one physical facility, complex, or site

157.1 to another, or otherwise results in an increase or redistribution of hospital beds within the
157.2 state; and

157.3 (2) the establishment of a new hospital.

157.4 (b) This section does not apply to:

157.5 (1) construction or relocation within a county by a hospital, clinic, or other health care
157.6 facility that is a national referral center engaged in substantial programs of patient care,
157.7 medical research, and medical education meeting state and national needs that receives more
157.8 than 40 percent of its patients from outside the state of Minnesota;

157.9 (2) a project for construction or modification for which a health care facility held an
157.10 approved certificate of need on May 1, 1984, regardless of the date of expiration of the
157.11 certificate;

157.12 (3) a project for which a certificate of need was denied before July 1, 1990, if a timely
157.13 appeal results in an order reversing the denial;

157.14 (4) a project exempted from certificate of need requirements by Laws 1981, chapter 200,
157.15 section 2;

157.16 (5) a project involving consolidation of pediatric specialty hospital services within the
157.17 Minneapolis-St. Paul metropolitan area that would not result in a net increase in the number
157.18 of pediatric specialty hospital beds among the hospitals being consolidated;

157.19 (6) a project involving the temporary relocation of pediatric-orthopedic hospital beds to
157.20 an existing licensed hospital that will allow for the reconstruction of a new philanthropic,
157.21 pediatric-orthopedic hospital on an existing site and that will not result in a net increase in
157.22 the number of hospital beds. Upon completion of the reconstruction, the licenses of both
157.23 hospitals must be reinstated at the capacity that existed on each site before the relocation;

157.24 (7) the relocation or redistribution of hospital beds within a hospital building or
157.25 identifiable complex of buildings provided the relocation or redistribution does not result
157.26 in: (i) an increase in the overall bed capacity at that site; (ii) relocation of hospital beds from
157.27 one physical site or complex to another; or (iii) redistribution of hospital beds within the
157.28 state or a region of the state;

157.29 (8) relocation or redistribution of hospital beds within a hospital corporate system that
157.30 involves the transfer of beds from a closed facility site or complex to an existing site or
157.31 complex provided that: (i) no more than 50 percent of the capacity of the closed facility is
157.32 transferred; (ii) the capacity of the site or complex to which the beds are transferred does
157.33 not increase by more than 50 percent; (iii) the beds are not transferred outside of a federal

158.1 health systems agency boundary in place on July 1, 1983; and (iv) the relocation or
158.2 redistribution does not involve the construction of a new hospital building;

158.3 (9) a construction project involving up to 35 new beds in a psychiatric hospital in Rice
158.4 County that primarily serves adolescents and that receives more than 70 percent of its
158.5 patients from outside the state of Minnesota;

158.6 (10) a project to replace a hospital or hospitals with a combined licensed capacity of
158.7 130 beds or less if: (i) the new hospital site is located within five miles of the current site;
158.8 and (ii) the total licensed capacity of the replacement hospital, either at the time of
158.9 construction of the initial building or as the result of future expansion, will not exceed 70
158.10 licensed hospital beds, or the combined licensed capacity of the hospitals, whichever is less;

158.11 (11) the relocation of licensed hospital beds from an existing state facility operated by
158.12 the commissioner of human services to a new or existing facility, building, or complex
158.13 operated by the commissioner of human services; from one regional treatment center site
158.14 to another; or from one building or site to a new or existing building or site on the same
158.15 campus;

158.16 (12) the construction or relocation of hospital beds operated by a hospital having a
158.17 statutory obligation to provide hospital and medical services for the indigent that does not
158.18 result in a net increase in the number of hospital beds, notwithstanding section 144.552, 27
158.19 beds, of which 12 serve mental health needs, may be transferred from Hennepin County
158.20 Medical Center to Regions Hospital under this clause;

158.21 (13) a construction project involving the addition of up to 31 new beds in an existing
158.22 nonfederal hospital in Beltrami County;

158.23 (14) a construction project involving the addition of up to eight new beds in an existing
158.24 nonfederal hospital in Otter Tail County with 100 licensed acute care beds;

158.25 (15) a construction project involving the addition of 20 new hospital beds used for
158.26 rehabilitation services in an existing hospital in Carver County serving the southwest
158.27 suburban metropolitan area. Beds constructed under this clause shall not be eligible for
158.28 reimbursement under medical assistance or MinnesotaCare;

158.29 (16) a project for the construction or relocation of up to 20 hospital beds for the operation
158.30 of up to two psychiatric facilities or units for children provided that the operation of the
158.31 facilities or units have received the approval of the commissioner of human services;

158.32 (17) a project involving the addition of 14 new hospital beds to be used for rehabilitation
158.33 services in an existing hospital in Itasca County;

159.1 (18) a project to add 20 licensed beds in existing space at a hospital in Hennepin County
159.2 that closed 20 rehabilitation beds in 2002, provided that the beds are used only for
159.3 rehabilitation in the hospital's current rehabilitation building. If the beds are used for another
159.4 purpose or moved to another location, the hospital's licensed capacity is reduced by 20 beds;

159.5 (19) a critical access hospital established under section 144.1483, clause (9), and section
159.6 1820 of the federal Social Security Act, United States Code, title 42, section 1395i-4, that
159.7 delicensed beds since enactment of the Balanced Budget Act of 1997, Public Law 105-33,
159.8 to the extent that the critical access hospital does not seek to exceed the maximum number
159.9 of beds permitted such hospital under federal law;

159.10 (20) notwithstanding section 144.552, a project for the construction of a new hospital
159.11 in the city of Maple Grove with a licensed capacity of up to 300 beds provided that:

159.12 (i) the project, including each hospital or health system that will own or control the entity
159.13 that will hold the new hospital license, is approved by a resolution of the Maple Grove City
159.14 Council as of March 1, 2006;

159.15 (ii) the entity that will hold the new hospital license will be owned or controlled by one
159.16 or more not-for-profit hospitals or health systems that have previously submitted a plan or
159.17 plans for a project in Maple Grove as required under section 144.552, and the plan or plans
159.18 have been found to be in the public interest by the commissioner of health as of April 1,
159.19 2005;

159.20 (iii) the new hospital's initial inpatient services must include, but are not limited to,
159.21 medical and surgical services, obstetrical and gynecological services, intensive care services,
159.22 orthopedic services, pediatric services, noninvasive cardiac diagnostics, behavioral health
159.23 services, and emergency room services;

159.24 (iv) the new hospital:

159.25 (A) will have the ability to provide and staff sufficient new beds to meet the growing
159.26 needs of the Maple Grove service area and the surrounding communities currently being
159.27 served by the hospital or health system that will own or control the entity that will hold the
159.28 new hospital license;

159.29 (B) will provide uncompensated care;

159.30 (C) will provide mental health services, including inpatient beds;

159.31 (D) will be a site for workforce development for a broad spectrum of health-care-related
159.32 occupations and have a commitment to providing clinical training programs for physicians
159.33 and other health care providers;

- 160.1 (E) will demonstrate a commitment to quality care and patient safety;
- 160.2 (F) will have an electronic medical records system, including physician order entry;
- 160.3 (G) will provide a broad range of senior services;
- 160.4 (H) will provide emergency medical services that will coordinate care with regional
160.5 providers of trauma services and licensed emergency ambulance services in order to enhance
160.6 the continuity of care for emergency medical patients; and
- 160.7 (I) will be completed by December 31, 2009, unless delayed by circumstances beyond
160.8 the control of the entity holding the new hospital license; and
- 160.9 (v) as of 30 days following submission of a written plan, the commissioner of health
160.10 has not determined that the hospitals or health systems that will own or control the entity
160.11 that will hold the new hospital license are unable to meet the criteria of this clause;
- 160.12 (21) a project approved under section 144.553;
- 160.13 (22) a project for the construction of a hospital with up to 25 beds in Cass County within
160.14 a 20-mile radius of the state Ah-Gwah-Ching facility, provided the hospital's license holder
160.15 is approved by the Cass County Board;
- 160.16 (23) a project for an acute care hospital in Fergus Falls that will increase the bed capacity
160.17 from 108 to 110 beds by increasing the rehabilitation bed capacity from 14 to 16 and closing
160.18 a separately licensed 13-bed skilled nursing facility;
- 160.19 (24) notwithstanding section 144.552, a project for the construction and expansion of a
160.20 specialty psychiatric hospital in Hennepin County for up to 50 beds, exclusively for patients
160.21 who are under 21 years of age on the date of admission. The commissioner conducted a
160.22 public interest review of the mental health needs of Minnesota and the Twin Cities
160.23 metropolitan area in 2008. No further public interest review shall be conducted for the
160.24 construction or expansion project under this clause;
- 160.25 (25) a project for a 16-bed psychiatric hospital in the city of Thief River Falls, if the
160.26 commissioner finds the project is in the public interest after the public interest review
160.27 conducted under section 144.552 is complete; ~~or~~
- 160.28 (26)(i) a project for a 20-bed psychiatric hospital, within an existing facility in the city
160.29 of Maple Grove, exclusively for patients who are under 21 years of age on the date of
160.30 admission, if the commissioner finds the project is in the public interest after the public
160.31 interest review conducted under section 144.552 is complete;

161.1 (ii) this project shall serve patients in the continuing care benefit program under section
161.2 256.9693. The project may also serve patients not in the continuing care benefit program;
161.3 and

161.4 (iii) if the project ceases to participate in the continuing care benefit program, the
161.5 commissioner must complete a subsequent public interest review under section 144.552. If
161.6 the project is found not to be in the public interest, the license must be terminated six months
161.7 from the date of that finding. If the commissioner of human services terminates the contract
161.8 without cause or reduces per diem payment rates for patients under the continuing care
161.9 benefit program below the rates in effect for services provided on December 31, 2015, the
161.10 project may cease to participate in the continuing care benefit program and continue to
161.11 operate without a subsequent public interest review; or

161.12 (27) a project involving the addition of 21 new beds in an existing psychiatric hospital
161.13 in Hennepin County that is exclusively for patients who are under 21 years of age on the
161.14 date of admission.

161.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.

161.16 Sec. 9. **[144.88] MINNESOTA BIOMEDICINE AND BIOETHICS INNOVATION**
161.17 **GRANTS.**

161.18 Subdivision 1. **Grants.** (a) The commissioner of health, in consultation with interested
161.19 parties with relevant knowledge and expertise as specified in subdivision 2, shall award
161.20 grants to entities that apply for a grant under this subdivision to fund innovations and research
161.21 in biomedicine and bioethics. Grant funds must be used to fund biomedical and bioethical
161.22 research, and related clinical translation and commercialization activities in this state. Entities
161.23 applying for a grant must do so in a form and manner specified by the commissioner. The
161.24 commissioner and interested parties shall use the following criteria to award grants under
161.25 this subdivision:

161.26 (1) the likelihood that the research will lead to a new discovery;

161.27 (2) the prospects for commercialization of the research;

161.28 (3) the likelihood that the research will strengthen Minnesota's economy through the
161.29 creation of new businesses, increased public or private funding for research in Minnesota,
161.30 or attracting additional clinicians and researchers to Minnesota; and

161.31 (4) whether the proposed research includes a bioethics research plan to ensure the research
161.32 is conducted using ethical research practices.

162.1 (b) Projects that include the acquisition or use of human fetal tissue are not eligible for
162.2 grants under this subdivision. For purposes of this paragraph, "human fetal tissue" has the
162.3 meaning given in United States Code, title 42, section 289g-1(f).

162.4 Subd. 2. **Consultation.** In awarding grants under subdivision 1, the commissioner must
162.5 consult with interested parties who are able to provide the commissioner with technical
162.6 information, advice, and recommendations on grant projects and awards. Interested parties
162.7 with whom the commissioner must consult include but are not limited to representatives of
162.8 the University of Minnesota, Mayo Clinic, and private industries who have expertise in
162.9 biomedical research, bioethical research, clinical translation, commercialization, and medical
162.10 venture financing.

162.11 Sec. 10. Minnesota Statutes 2016, section 144.99, subdivision 1, is amended to read:

162.12 Subdivision 1. **Remedies available.** The provisions of chapters 103I and 157 and sections
162.13 115.71 to 115.77; 144.12, subdivision 1, paragraphs (1), (2), (5), (6), (10), (12), (13), (14),
162.14 and (15); 144.1201 to 144.1204; 144.121; 144.1215; 144.1222; 144.35; 144.381 to 144.385;
162.15 144.411 to 144.417; 144.495; 144.71 to 144.74; 144.9501 to 144.9512; 144.97 to 144.98;
162.16 144.992; 326.70 to 326.785; 327.10 to 327.131; and 327.14 to 327.28 and all rules, orders,
162.17 stipulation agreements, settlements, compliance agreements, licenses, registrations,
162.18 certificates, and permits adopted or issued by the department or under any other law now
162.19 in force or later enacted for the preservation of public health may, in addition to provisions
162.20 in other statutes, be enforced under this section.

162.21 Sec. 11. Minnesota Statutes 2016, section 144A.474, subdivision 11, is amended to read:

162.22 Subd. 11. **Fines.** (a) Fines and enforcement actions under this subdivision may be assessed
162.23 based on the level and scope of the violations described in paragraph (c) as follows:

162.24 (1) Level 1, no fines or enforcement;

162.25 (2) Level 2, fines ranging from \$0 to \$500, in addition to any of the enforcement
162.26 mechanisms authorized in section 144A.475 for widespread violations;

162.27 (3) Level 3, fines ranging from \$500 to \$1,000, in addition to any of the enforcement
162.28 mechanisms authorized in section 144A.475; and

162.29 (4) Level 4, fines ranging from \$1,000 to \$5,000, in addition to any of the enforcement
162.30 mechanisms authorized in section 144A.475.

162.31 (b) Correction orders for violations are categorized by both level and scope and fines
162.32 shall be assessed as follows:

163.1 (1) level of violation:

163.2 (i) Level 1 is a violation that has no potential to cause more than a minimal impact on
163.3 the client and does not affect health or safety;

163.4 (ii) Level 2 is a violation that did not harm a client's health or safety but had the potential
163.5 to have harmed a client's health or safety, but was not likely to cause serious injury,
163.6 impairment, or death;

163.7 (iii) Level 3 is a violation that harmed a client's health or safety, not including serious
163.8 injury, impairment, or death, or a violation that has the potential to lead to serious injury,
163.9 impairment, or death; and

163.10 (iv) Level 4 is a violation that results in serious injury, impairment, or death.

163.11 (2) scope of violation:

163.12 (i) isolated, when one or a limited number of clients are affected or one or a limited
163.13 number of staff are involved or the situation has occurred only occasionally;

163.14 (ii) pattern, when more than a limited number of clients are affected, more than a limited
163.15 number of staff are involved, or the situation has occurred repeatedly but is not found to be
163.16 pervasive; and

163.17 (iii) widespread, when problems are pervasive or represent a systemic failure that has
163.18 affected or has the potential to affect a large portion or all of the clients.

163.19 (c) If the commissioner finds that the applicant or a home care provider required to be
163.20 licensed under sections 144A.43 to 144A.482 has not corrected violations by the date
163.21 specified in the correction order or conditional license resulting from a survey or complaint
163.22 investigation, the commissioner may impose a fine. A notice of noncompliance with a
163.23 correction order must be mailed to the applicant's or provider's last known address. The
163.24 noncompliance notice must list the violations not corrected.

163.25 (d) The license holder must pay the fines assessed on or before the payment date specified.
163.26 If the license holder fails to fully comply with the order, the commissioner may issue a
163.27 second fine or suspend the license until the license holder complies by paying the fine. A
163.28 timely appeal shall stay payment of the fine until the commissioner issues a final order.

163.29 (e) A license holder shall promptly notify the commissioner in writing when a violation
163.30 specified in the order is corrected. If upon reinspection the commissioner determines that
163.31 a violation has not been corrected as indicated by the order, the commissioner may issue a
163.32 second fine. The commissioner shall notify the license holder by mail to the last known

164.1 address in the licensing record that a second fine has been assessed. The license holder may
164.2 appeal the second fine as provided under this subdivision.

164.3 (f) A home care provider that has been assessed a fine under this subdivision has a right
164.4 to a reconsideration or a hearing under this section and chapter 14.

164.5 (g) When a fine has been assessed, the license holder may not avoid payment by closing,
164.6 selling, or otherwise transferring the licensed program to a third party. In such an event, the
164.7 license holder shall be liable for payment of the fine.

164.8 (h) In addition to any fine imposed under this section, the commissioner may assess
164.9 costs related to an investigation that results in a final order assessing a fine or other
164.10 enforcement action authorized by this chapter.

164.11 (i) Fines collected under this subdivision shall be deposited in the state government
164.12 special revenue fund and credited to an account separate from the revenue collected under
164.13 section 144A.472. Subject to an appropriation by the legislature, the revenue from the fines
164.14 collected ~~may~~ must be used by the commissioner for special projects to improve home care
164.15 in Minnesota as recommended by the advisory council established in section 144A.4799.

164.16 Sec. 12. Minnesota Statutes 2016, section 144A.4799, subdivision 3, is amended to read:

164.17 Subd. 3. **Duties.** (a) At the commissioner's request, the advisory council shall provide
164.18 advice regarding regulations of Department of Health licensed home care providers in this
164.19 chapter, including advice on the following:

164.20 (1) community standards for home care practices;

164.21 (2) enforcement of licensing standards and whether certain disciplinary actions are
164.22 appropriate;

164.23 (3) ways of distributing information to licensees and consumers of home care;

164.24 (4) training standards;

164.25 (5) identifying emerging issues and opportunities in the home care field, including the
164.26 use of technology in home and telehealth capabilities;

164.27 (6) allowable home care licensing modifications and exemptions, including a method
164.28 for an integrated license with an existing license for rural licensed nursing homes to provide
164.29 limited home care services in an adjacent independent living apartment building owned by
164.30 the licensed nursing home; and

165.1 (7) recommendations for studies using the data in section 62U.04, subdivision 4, including
165.2 but not limited to studies concerning costs related to dementia and chronic disease among
165.3 an elderly population over 60 and additional long-term care costs, as described in section
165.4 62U.10, subdivision 6.

165.5 (b) The advisory council shall perform other duties as directed by the commissioner.

165.6 (c) The advisory council shall annually review the balance of the account in the state
165.7 government special revenue fund described in section 144A.474, subdivision 11, paragraph
165.8 (i), and make annual recommendations by January 15 directly to the chairs and ranking
165.9 minority members of the legislative committees with jurisdiction over health and human
165.10 services regarding appropriations to the commissioner for the purposes in section 144A.474,
165.11 subdivision 11, paragraph (i).

165.12 Sec. 13. Minnesota Statutes 2016, section 144A.70, is amended by adding a subdivision
165.13 to read:

165.14 Subd. 4a. **Nurse.** "Nurse" means a licensed practical nurse as defined in section 148.171,
165.15 subdivision 8, or a registered nurse as defined in section 148.171, subdivision 20.

165.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.

165.17 Sec. 14. Minnesota Statutes 2016, section 144A.70, subdivision 6, is amended to read:

165.18 Subd. 6. **Supplemental nursing services agency.** "Supplemental nursing services
165.19 agency" means a person, firm, corporation, partnership, or association engaged for hire in
165.20 the business of providing or procuring temporary employment in health care facilities for
165.21 nurses, nursing assistants, nurse aides, and orderlies,~~and other licensed health professionals.~~
165.22 Supplemental nursing services agency does not include an individual who only engages in
165.23 providing the individual's services on a temporary basis to health care facilities. Supplemental
165.24 nursing services agency does not include a professional home care agency licensed under
165.25 section 144A.471 that only provides staff to other home care providers.

165.26 **EFFECTIVE DATE.** This section is effective the day following final enactment.

165.27 Sec. 15. **[144H.01] DEFINITIONS.**

165.28 Subdivision 1. **Application.** The terms defined in this section apply to this chapter.

165.29 Subd. 2. **Basic services.** "Basic services" includes but is not limited to:

165.30 (1) the development, implementation, and monitoring of a comprehensive protocol of
165.31 care that is developed in conjunction with the parent or guardian of a medically complex

166.1 or technologically dependent child and that specifies the medical, nursing, psychosocial,
166.2 and developmental therapies required by the medically complex or technologically dependent
166.3 child; and

166.4 (2) the caregiver training needs of the child's parent or guardian.

166.5 Subd. 3. **Commissioner.** "Commissioner" means the commissioner of health.

166.6 Subd. 4. **Licensee.** "Licensee" means an owner of a prescribed pediatric extended care
166.7 (PPEC) center licensed under this chapter.

166.8 Subd. 5. **Medically complex or technologically dependent child.** "Medically complex
166.9 or technologically dependent child" means a child under 21 years of age who, because of
166.10 a medical condition, requires continuous therapeutic interventions or skilled nursing
166.11 supervision which must be prescribed by a licensed physician and administered by, or under
166.12 the direct supervision of, a licensed registered nurse.

166.13 Subd. 6. **Owner.** "Owner" means an individual whose ownership interest provides
166.14 sufficient authority or control to affect or change decisions regarding the operation of the
166.15 PPEC center. An owner includes a sole proprietor, a general partner, or any other individual
166.16 whose ownership interest has the ability to affect the management and direction of the PPEC
166.17 center's policies.

166.18 Subd. 7. **Prescribed pediatric extended care center, PPEC center, or center.**
166.19 "Prescribed pediatric extended care center," "PPEC center," or "center" means any facility
166.20 that provides nonresidential basic services to three or more medically complex or
166.21 technologically dependent children who require such services and who are not related to
166.22 the owner by blood, marriage, or adoption.

166.23 Subd. 8. **Supportive services or contracted services.** "Supportive services or contracted
166.24 services" include but are not limited to speech therapy, occupational therapy, physical
166.25 therapy, social work services, developmental services, child life services, and psychology
166.26 services.

166.27 Sec. 16. **[144H.02] LICENSURE REQUIRED.**

166.28 A person may not own or operate a prescribed pediatric extended care center in this state
166.29 unless the person holds a temporary or current license issued under this chapter. A separate
166.30 license must be obtained for each PPEC center maintained on separate premises, even if
166.31 the same management operates the PPEC centers. Separate licenses are not required for
166.32 separate buildings on the same grounds. A center shall not be operated on the same grounds
166.33 as a child care center licensed under Minnesota Rules, chapter 9503.

167.1 Sec. 17. **[144H.03] EXEMPTIONS.**

167.2 This chapter does not apply to:

167.3 (1) a facility operated by the United States government or a federal agency; or

167.4 (2) a health care facility licensed under chapter 144 or 144A.

167.5 Sec. 18. **[144H.04] LICENSE APPLICATION AND RENEWAL.**

167.6 Subdivision 1. **Licenses.** A person seeking licensure for a PPEC center must submit a
167.7 completed application for licensure to the commissioner, in a form and manner determined
167.8 by the commissioner. The applicant must also submit the application fee, in the amount
167.9 specified in section 144H.05, subdivision 1. Effective January 1, 2018, the commissioner
167.10 shall issue a license for a PPEC center if the commissioner determines that the applicant
167.11 and center meet the requirements of this chapter and rules that apply to PPEC centers. A
167.12 license issued under this subdivision is valid for two years.

167.13 Subd. 2. **License renewal.** A license issued under subdivision 1 may be renewed for a
167.14 period of two years if the licensee:

167.15 (1) submits an application for renewal in a form and manner determined by the
167.16 commissioner, at least 30 days before the license expires. An application for renewal
167.17 submitted after the renewal deadline date must be accompanied by a late fee in the amount
167.18 specified in section 144H.05, subdivision 3;

167.19 (2) submits the renewal fee in the amount specified in section 144H.05, subdivision 2;

167.20 (3) demonstrates that the licensee has provided basic services at the PPEC center within
167.21 the past two years;

167.22 (4) provides evidence that the applicant meets the requirements for licensure; and

167.23 (5) provides other information required by the commissioner.

167.24 Subd. 3. **License not transferable.** A PPEC center license issued under this section is
167.25 not transferable to another party. Before acquiring ownership of a PPEC center, a prospective
167.26 applicant must apply to the commissioner for a new license.

167.27 Sec. 19. **[144H.05] FEES.**

167.28 Subdivision 1. **Initial application fee.** The initial application fee for PPEC center
167.29 licensure is \$3,820.

167.30 Subd. 2. **License renewal.** The fee for renewal of a PPEC center license is \$1,800.

168.1 Subd. 3. **Late fee.** The fee for late submission of an application to renew a PPEC center
168.2 license is \$25.

168.3 Subd. 4. **Change of ownership.** The fee for change of ownership of a PPEC center is
168.4 \$4,200.

168.5 Subd. 4. **Nonrefundable; state government special revenue fund.** All fees collected
168.6 under this chapter are nonrefundable and must be deposited in the state treasury and credited
168.7 to the state government special revenue fund.

168.8 Sec. 20. **[144H.06] APPLICATION OF RULES FOR HOSPICE SERVICES AND**
168.9 **RESIDENTIAL HOSPICE FACILITIES.**

168.10 Minnesota Rules, chapter 4664, shall apply to PPEC centers licensed under this chapter,
168.11 except that the following parts, subparts, items, and subitems do not apply:

168.12 (1) Minnesota Rules, part 4664.0003, subparts 2, 6, 7, 11, 12, 13, 14, and 38;

168.13 (2) Minnesota Rules, part 4664.0008;

168.14 (3) Minnesota Rules, part 4664.0010, subparts 3; 4, items A, subitem (6), and B; and 8;

168.15 (4) Minnesota Rules, part 4664.0020, subpart 13;

168.16 (5) Minnesota Rules, part 4664.0370, subpart 1;

168.17 (6) Minnesota Rules, part 4664.0390, subpart 1, items A, C, and E;

168.18 (7) Minnesota Rules, part 4664.0420;

168.19 (8) Minnesota Rules, part 4664.0425, subparts 3, item A; 4; and 6;

168.20 (9) Minnesota Rules, part 4664.0430, subparts 3, 4, 5, 7, 8, 9, 10, 11, and 12;

168.21 (10) Minnesota Rules, part 4664.0490; and

168.22 (11) Minnesota Rules, part 4664.0520.

168.23 Sec. 21. **[144H.07] SERVICES; LIMITATIONS.**

168.24 Subdivision 1. **Services.** A PPEC center must provide basic services to medically complex
168.25 or technologically dependent children, based on a protocol of care established for each child.
168.26 A PPEC center may provide services up to 14 hours a day and up to six days a week.

168.27 Subd. 2. **Limitations.** A PPEC center must comply with the following standards related
168.28 to services:

169.1 (1) a child is prohibited from attending a PPEC center for more than 14 hours within a
169.2 24-hour period;

169.3 (2) a PPEC center is prohibited from providing services other than those provided to
169.4 medically complex or technologically dependent children; and

169.5 (3) the maximum capacity for medically complex or technologically dependent children
169.6 at a center shall not exceed 45 children.

169.7 **Sec. 22. [144H.08] ADMINISTRATION AND MANAGEMENT.**

169.8 Subdivision 1. **Duties of owner.** (a) The owner of a PPEC center shall have full legal
169.9 authority and responsibility for the operation of the center. A PPEC center must be organized
169.10 according to a written table of organization, describing the lines of authority and
169.11 communication to the child care level. The organizational structure must be designed to
169.12 ensure an integrated continuum of services for the children served.

169.13 (b) The owner must designate one person as a center administrator, who is responsible
169.14 and accountable for overall management of the center.

169.15 Subd. 2. **Duties of administrator.** The center administrator is responsible and accountable
169.16 for overall management of the center. The administrator must:

169.17 (1) designate in writing a person to be responsible for the center when the administrator
169.18 is absent from the center for more than 24 hours;

169.19 (2) maintain the following written records, in a place and form and using a system that
169.20 allows for inspection of the records by the commissioner during normal business hours:

169.21 (i) a daily census record, which indicates the number of children currently receiving
169.22 services at the center;

169.23 (ii) a record of all accidents or unusual incidents involving any child or staff member
169.24 that caused, or had the potential to cause, injury or harm to a person at the center or to center
169.25 property;

169.26 (iii) copies of all current agreements with providers of supportive services or contracted
169.27 services;

169.28 (iv) copies of all current agreements with consultants employed by the center,
169.29 documentation of each consultant's visits, and written, dated reports; and

170.1 (v) a personnel record for each employee, which must include an application for
170.2 employment, references, employment history for the preceding five years, and copies of all
170.3 performance evaluations;

170.4 (3) develop and maintain a current job description for each employee;

170.5 (4) provide necessary qualified personnel and ancillary services to ensure the health,
170.6 safety, and proper care for each child; and

170.7 (5) develop and implement infection control policies that comply with rules adopted by
170.8 the commissioner regarding infection control.

170.9 **Sec. 23. [144H.09] ADMISSION, TRANSFER, AND DISCHARGE POLICIES;**
170.10 **CONSENT FORM.**

170.11 Subdivision 1. **Written policies.** A PPEC center must have written policies and
170.12 procedures governing the admission, transfer, and discharge of children.

170.13 Subd. 2. **Notice of discharge.** At least ten days prior to a child's discharge from a PPEC
170.14 center, the PPEC center shall provide notice of the discharge to the child's parent or guardian.

170.15 Subd. 3. **Consent form.** A parent or guardian must sign a consent form outlining the
170.16 purpose of a PPEC center, specifying family responsibilities, authorizing treatment and
170.17 services, providing appropriate liability releases, and specifying emergency disposition
170.18 plans, before the child's admission to the center. The center must provide the child's parents
170.19 or guardians with a copy of the consent form and must maintain the consent form in the
170.20 child's medical record.

170.21 **Sec. 24. [144H.10] MEDICAL DIRECTOR.**

170.22 A PPEC center must have a medical director who is a physician licensed in Minnesota
170.23 and certified by the American Board of Pediatrics.

170.24 **Sec. 25. [144H.11] NURSING SERVICES.**

170.25 Subdivision 1. **Nursing director.** A PPEC center must have a nursing director who is
170.26 a registered nurse licensed in Minnesota, holds a current certification in cardiopulmonary
170.27 resuscitation, and has at least four years of general pediatric nursing experience, at least
170.28 one year of which must have been spent caring for medically fragile infants or children in
170.29 a pediatric intensive care, neonatal intensive care, PPEC center, or home care setting during
170.30 the previous five years. The nursing director is responsible for the daily operation of the
170.31 PPEC center.

171.1 Subd. 2. Registered nurses. A registered nurse employed by a PPEC center must be a
171.2 registered nurse licensed in Minnesota, hold a current certification in cardiopulmonary
171.3 resuscitation, and have experience in the previous 24 months in being responsible for the
171.4 care of acutely ill or chronically ill children.

171.5 Subd. 3. Licensed practical nurses. A licensed practical nurse employed by a PPEC
171.6 center must be supervised by a registered nurse and must be a licensed practical nurse
171.7 licensed in Minnesota, have at least two years of experience in pediatrics, and hold a current
171.8 certification in cardiopulmonary resuscitation.

171.9 Subd. 4. Other direct care personnel. (a) Direct care personnel governed by this
171.10 subdivision include nursing assistants and individuals with training and experience in the
171.11 field of education, social services, or child care.

171.12 (b) All direct care personnel employed by a PPEC center must work under the supervision
171.13 of a registered nurse and are responsible for providing direct care to children at the center.
171.14 Direct care personnel must have extensive, documented education and skills training in
171.15 providing care to infants and toddlers, provide employment references documenting skill
171.16 in the care of infants and children, and hold a current certification in cardiopulmonary
171.17 resuscitation.

171.18 **Sec. 26. [144H.12] TOTAL STAFFING FOR NURSING SERVICES AND DIRECT**
171.19 **CARE PERSONNEL.**

171.20 A PPEC center must provide total staffing for nursing services and direct care personnel
171.21 at a ratio of one staff person for every three children at the center. The staffing ratio required
171.22 in this section is the minimum staffing permitted.

171.23 **Sec. 27. [144H.13] MEDICAL RECORD; PROTOCOL OF CARE.**

171.24 A medical record and an individualized nursing protocol of care must be developed for
171.25 each child admitted to a PPEC center, must be maintained for each child, and must be signed
171.26 by authorized personnel.

171.27 **Sec. 28. [144H.14] QUALITY ASSURANCE PROGRAM.**

171.28 A PPEC center must have a quality assurance program, in which quarterly reviews are
171.29 conducted of the PPEC center's medical records and protocols of care for at least half of
171.30 the children served by the PPEC center. The quarterly review sample must be randomly
171.31 selected so each child at the center has an equal opportunity to be included in the review.
171.32 The committee conducting quality assurance reviews must include the medical director,

172.1 administrator, nursing director, and three other committee members determined by the PPEC
172.2 center.

172.3 Sec. 29. **[144H.15] INSPECTIONS.**

172.4 (a) The commissioner may inspect a PPEC center, including records held at the center,
172.5 at reasonable times as necessary to ensure compliance with this chapter and the rules that
172.6 apply to PPEC centers. During an inspection, a center must provide the commissioner with
172.7 access to all center records.

172.8 (b) The commissioner must inspect a PPEC center before issuing or renewing a license
172.9 under this chapter.

172.10 Sec. 30. **[144H.16] COMPLIANCE WITH OTHER LAWS.**

172.11 Subdivision 1. **Reporting of maltreatment of minors.** A PPEC center must develop
172.12 policies and procedures for reporting suspected child maltreatment that fulfill the
172.13 requirements of section 626.556. The policies and procedures must include the telephone
172.14 numbers of the local county child protection agency for reporting suspected maltreatment.
172.15 The policies and procedures specified in this subdivision must be provided to the parents
172.16 or guardians of all children at the time of admission to the PPEC center and must be available
172.17 upon request.

172.18 Subd. 2. **Crib safety requirements.** A PPEC center must comply with the crib safety
172.19 requirements in section 245A.146, to the extent they are applicable.

172.20 Sec. 31. **[144H.17] DENIAL, SUSPENSION, REVOCATION, REFUSAL TO RENEW**
172.21 **A LICENSE.**

172.22 (a) The commissioner may deny, suspend, revoke, or refuse to renew a license issued
172.23 under this chapter for:

172.24 (1) a violation of this chapter or rules adopted that apply to PPEC centers; or

172.25 (2) an intentional or negligent act by an employee or contractor at the center that
172.26 detrimentally affects the health or safety of children at the PPEC center.

172.27 (b) Prior to any suspension, revocation, or refusal to renew a license, a licensee shall be
172.28 entitled to a hearing and review as provided in sections 14.57 to 14.69.

173.1 Sec. 32. **[144H.18] FINES; CORRECTIVE ACTION PLANS.**

173.2 Subdivision 1. **Corrective action plans.** If the commissioner determines that a PPEC
173.3 center is not in compliance with this chapter or rules that apply to PPEC centers, the
173.4 commissioner may require the center to submit a corrective action plan that demonstrates
173.5 a good-faith effort to remedy each violation by a specific date, subject to approval by the
173.6 commissioner.

173.7 Subd. 2. **Fines.** The commissioner may issue a fine to a PPEC center, employee, or
173.8 contractor if the commissioner determines the center, employee, or contractor violated this
173.9 chapter or rules that apply to PPEC centers. The fine amount shall not exceed an amount
173.10 for each violation and an aggregate amount established by the commissioner. The failure
173.11 to correct a violation by the date set by the commissioner, or a failure to comply with an
173.12 approved corrective action plan, constitutes a separate violation for each day the failure
173.13 continues, unless the commissioner approves an extension to a specific date. In determining
173.14 if a fine is to be imposed and establishing the amount of the fine, the commissioner shall
173.15 consider:

173.16 (1) the gravity of the violation, including the probability that death or serious physical
173.17 or emotional harm to a child will result or has resulted, the severity of the actual or potential
173.18 harm, and the extent to which the applicable laws were violated;

173.19 (2) actions taken by the owner or administrator to correct violations;

173.20 (3) any previous violations; and

173.21 (4) the financial benefit to the PPEC center of committing or continuing the violation.

173.22 Subd. 3. **Fines for violations of other statutes.** The commissioner shall impose a fine
173.23 of \$250 on a PPEC center, employee, or contractor for each violation by that PPEC center,
173.24 employee, or contractor of section 245A.146 or 626.556.

173.25 Sec. 33. **[144H.19] CLOSING A PPEC CENTER.**

173.26 When a PPEC center voluntarily closes, it must, at least 30 days before closure, inform
173.27 each child's parents or guardians of the closure and when the closure will occur.

173.28 Sec. 34. **[144H.20] PHYSICAL ENVIRONMENT.**

173.29 Subdivision 1. **General requirements.** A PPEC center shall conform with or exceed
173.30 the physical environment requirements in this section and the physical environment
173.31 requirements for day care facilities in Minnesota Rules, part 9502.0425. If the physical

174.1 environment requirements in this section differ from the physical environment requirements
174.2 for day care facilities in Minnesota Rules, part 9502.0425, the requirements in this section
174.3 shall prevail. A PPEC center must have sufficient indoor and outdoor space to accommodate
174.4 at least six medically complex or technologically dependent children.

174.5 Subd. 2. **Specific requirements.** (a) The entrance to a PPEC center must be barrier-free,
174.6 have a wheelchair ramp, provide for traffic flow with a driveway area for entering and
174.7 exiting, and have storage space for supplies from home.

174.8 (b) A PPEC center must have a treatment room with a medication preparation area. The
174.9 medication preparation area must contain a work counter, refrigerator, sink with hot and
174.10 cold running water, and locked storage for biologicals and prescription drugs.

174.11 (c) A PPEC center must develop isolation procedures to prevent cross-infections and
174.12 must have an isolation room with at least one glass area for observation of a child in the
174.13 isolation room. The isolation room must be at least 100 square feet in size.

174.14 (d) A PPEC center must have:

174.15 (1) an outdoor play space adjacent to the center of at least 35 square feet per child in
174.16 attendance at the center, for regular use; or

174.17 (2) a park, playground, or play space within 1,500 feet of the center.

174.18 (e) A PPEC center must have at least 50 square feet of usable indoor space per child in
174.19 attendance at the center.

174.20 (f) Notwithstanding the Minnesota State Building Code and the Minnesota State Fire
174.21 Code, a new construction PPEC center or an existing building converted into a PPEC center
174.22 must meet the requirements of the International Building Code in Minnesota Rules, chapter
174.23 1305, for:

174.24 (1) Group R, Division 4 occupancy, if serving 12 or fewer children; or

174.25 (2) Group E, Division 4 occupancy or Group I, Division 4 occupancy, if serving 13 or
174.26 more children.

174.27 Sec. 35. Minnesota Statutes 2016, section 145.4131, subdivision 1, is amended to read:

174.28 Subdivision 1. **Forms.** (a) Within 90 days of July 1, 1998, the commissioner shall prepare
174.29 a reporting form for use by physicians or facilities performing abortions. A copy of this
174.30 section shall be attached to the form. A physician or facility performing an abortion shall
174.31 obtain a form from the commissioner.

- 175.1 (b) The form shall require the following information:
- 175.2 (1) the number of abortions performed by the physician in the previous calendar year,
- 175.3 reported by month;
- 175.4 (2) the method used for each abortion;
- 175.5 (3) the approximate gestational age expressed in one of the following increments:
- 175.6 (i) less than nine weeks;
- 175.7 (ii) nine to ten weeks;
- 175.8 (iii) 11 to 12 weeks;
- 175.9 (iv) 13 to 15 weeks;
- 175.10 (v) 16 to 20 weeks;
- 175.11 (vi) 21 to 24 weeks;
- 175.12 (vii) 25 to 30 weeks;
- 175.13 (viii) 31 to 36 weeks; or
- 175.14 (ix) 37 weeks to term;
- 175.15 (4) the age of the woman at the time the abortion was performed;
- 175.16 (5) the specific reason for the abortion, including, but not limited to, the following:
- 175.17 (i) the pregnancy was a result of rape;
- 175.18 (ii) the pregnancy was a result of incest;
- 175.19 (iii) economic reasons;
- 175.20 (iv) the woman does not want children at this time;
- 175.21 (v) the woman's emotional health is at stake;
- 175.22 (vi) the woman's physical health is at stake;
- 175.23 (vii) the woman will suffer substantial and irreversible impairment of a major bodily
- 175.24 function if the pregnancy continues;
- 175.25 (viii) the pregnancy resulted in fetal anomalies; or
- 175.26 (ix) unknown or the woman refused to answer;
- 175.27 (6) the number of prior induced abortions;
- 175.28 (7) the number of prior spontaneous abortions;

- 176.1 (8) whether the abortion was paid for by:
- 176.2 (i) private coverage;
- 176.3 (ii) public assistance health coverage; or
- 176.4 (iii) self-pay;
- 176.5 (9) whether coverage was under:
- 176.6 (i) a fee-for-service plan;
- 176.7 (ii) a capitated private plan; or
- 176.8 (iii) other;
- 176.9 (10) complications, if any, for each abortion and for the aftermath of each abortion.
- 176.10 Space for a description of any complications shall be available on the form;
- 176.11 (11) the medical specialty of the physician performing the abortion; ~~and~~
- 176.12 (12) if the abortion was performed via telemedicine, the facility code for the patient and
- 176.13 the facility code for the physician; and
- 176.14 ~~(12)~~ (13) whether the abortion resulted in a born alive infant, as defined in section
- 176.15 145.423, subdivision 4, and:
- 176.16 (i) any medical actions taken to preserve the life of the born alive infant;
- 176.17 (ii) whether the born alive infant survived; and
- 176.18 (iii) the status of the born alive infant, should the infant survive, if known.
- 176.19 **EFFECTIVE DATE.** This section is effective January 1, 2018.
- 176.20 Sec. 36. Minnesota Statutes 2016, section 145.4716, subdivision 2, is amended to read:
- 176.21 Subd. 2. **Duties of director.** The director of child sex trafficking prevention is responsible
- 176.22 for the following:
- 176.23 (1) developing and providing comprehensive training on sexual exploitation of youth
- 176.24 for social service professionals, medical professionals, public health workers, and criminal
- 176.25 justice professionals;
- 176.26 (2) collecting, organizing, maintaining, and disseminating information on sexual
- 176.27 exploitation and services across the state, including maintaining a list of resources on the
- 176.28 Department of Health Web site;

177.1 (3) monitoring and applying for federal funding for antitrafficking efforts that may
177.2 benefit victims in the state;

177.3 (4) managing grant programs established under sections 145.4716 to 145.4718, ~~and~~
177.4 609.3241, paragraph (c), clause (3); and 609.5315, subdivision 5c, clause (3);

177.5 (5) managing the request for proposals for grants for comprehensive services, including
177.6 trauma-informed, culturally specific services;

177.7 (6) identifying best practices in serving sexually exploited youth, as defined in section
177.8 260C.007, subdivision 31;

177.9 (7) providing oversight of and technical support to regional navigators pursuant to section
177.10 145.4717;

177.11 (8) conducting a comprehensive evaluation of the statewide program for safe harbor of
177.12 sexually exploited youth; and

177.13 (9) developing a policy consistent with the requirements of chapter 13 for sharing data
177.14 related to sexually exploited youth, as defined in section 260C.007, subdivision 31, among
177.15 regional navigators and community-based advocates.

177.16 Sec. 37. Minnesota Statutes 2016, section 152.25, is amended by adding a subdivision to
177.17 read:

177.18 Subd. 1a. **Revocation, nonrenewal, or denial of consent to transfer a medical cannabis**
177.19 **manufacturer registration.** If the commissioner intends to revoke, not renew, or deny
177.20 consent to transfer a registration issued under this section, the commissioner must first notify
177.21 in writing the manufacturer against whom the action is to be taken and provide the
177.22 manufacturer with an opportunity to request a hearing under the contested case provisions
177.23 of chapter 14. If the manufacturer does not request a hearing by notifying the commissioner
177.24 in writing within 20 days after receipt of the notice of proposed action, the commissioner
177.25 may proceed with the action without a hearing. For revocations, the registration of a
177.26 manufacturer is considered revoked on the date specified in the commissioner's written
177.27 notice of revocation.

177.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.

178.1 Sec. 38. Minnesota Statutes 2016, section 152.25, is amended by adding a subdivision to
178.2 read:

178.3 Subd. 1b. **Temporary suspension proceedings.** The commissioner may institute
178.4 proceedings to temporarily suspend the registration of a medical cannabis manufacturer for
178.5 a period of up to 90 days by notifying the manufacturer in writing if any action by an officer,
178.6 director, or controlling person of the manufacturer:

178.7 (1) violates any of the requirements of sections 152.21 to 152.37 or the rules adopted
178.8 thereunder;

178.9 (2) permits, aids, or abets the commission of any violation of state law at the
178.10 manufacturer's location for cultivation, harvesting, manufacturing, packaging, and processing
178.11 or at any site for distribution of medical cannabis;

178.12 (3) performs any act contrary to the welfare of a patient or registered designated caregiver;
178.13 or

178.14 (4) obtains, or attempts to obtain, a registration by fraudulent means or misrepresentation.

178.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.

178.16 Sec. 39. Minnesota Statutes 2016, section 152.25, is amended by adding a subdivision to
178.17 read:

178.18 Subd. 1c. **Notice to patients.** Upon the revocation or nonrenewal of a manufacturer's
178.19 registration under subdivision 1a or temporary suspension under subdivision 1b, the
178.20 commissioner shall notify in writing each patient and the patient's registered designated
178.21 caregiver or registered parent or legal guardian about the outcome of the proceeding and
178.22 information regarding alternative registered manufacturers. This notice must be provided
178.23 two or more business days prior to the effective date of the revocation, nonrenewal, or
178.24 suspension.

178.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

178.26 Sec. 40. Minnesota Statutes 2016, section 152.33, is amended by adding a subdivision to
178.27 read:

178.28 Subd. 1a. **Intentional diversion outside the state; penalties.** In addition to any other
178.29 applicable penalty in law, the commissioner shall levy a fine of \$1,000,000 against a
178.30 manufacturer and immediately initiate proceedings to revoke the manufacturer's registration,
178.31 using the procedure in section 152.25, subdivision 1a, if:

179.1 (1) an officer, director, or controlling person of the manufacturer pleads or is found
179.2 guilty under subdivision 1 of intentionally transferring medical cannabis, while the person
179.3 was an officer, director, or controlling person of the manufacturer, to a person other than
179.4 allowed by law; and

179.5 (2) in intentionally transferring medical cannabis to a person other than allowed by law,
179.6 the officer, director, or controlling person transported or directed the transport of medical
179.7 cannabis outside of Minnesota.

179.8 **EFFECTIVE DATE.** This section is effective retroactively from February 1, 2017, and
179.9 applies to the manufacturer if a person pleads guilty or is found guilty on or after that date.

179.10 Sec. 41. **[256B.7651] PRESCRIBED PEDIATRIC EXTENDED CARE CENTERS.**

179.11 The commissioner shall set payment rates for services provided at prescribed pediatric
179.12 extended care centers licensed under chapter 144H in one-hour increments, at a rate equal
179.13 to 85 percent of the payment rate for one hour of complex home care nursing services. The
179.14 payment rate shall include services provided by nursing staff and direct care staff specified
179.15 in section 144H.11.

179.16 Sec. 42. Minnesota Statutes 2016, section 609.5315, subdivision 5c, is amended to read:

179.17 Subd. 5c. **Disposition of money; prostitution.** Money forfeited under section 609.5312,
179.18 subdivision 1, paragraph (b), must be distributed as follows:

179.19 (1) 40 percent must be forwarded to the appropriate agency for deposit as a supplement
179.20 to the agency's operating fund or similar fund for use in law enforcement;

179.21 (2) 20 percent must be forwarded to the prosecuting authority that handled the forfeiture
179.22 for deposit as a supplement to its operating fund or similar fund for prosecutorial purposes;
179.23 and

179.24 (3) the remaining 40 percent must be forwarded to the commissioner of ~~public safety~~
179.25 health to be deposited in the safe harbor for youth account in the special revenue fund and
179.26 is appropriated to the commissioner for distribution to crime victims services organizations
179.27 that provide services to sexually exploited youth, as defined in section 260C.007, subdivision
179.28 31.

179.29 Sec. 43. Minnesota Statutes 2016, section 626.556, subdivision 2, is amended to read:

179.30 Subd. 2. **Definitions.** As used in this section, the following terms have the meanings
179.31 given them unless the specific content indicates otherwise:

180.1 (a) "Accidental" means a sudden, not reasonably foreseeable, and unexpected occurrence
180.2 or event which:

180.3 (1) is not likely to occur and could not have been prevented by exercise of due care; and

180.4 (2) if occurring while a child is receiving services from a facility, happens when the
180.5 facility and the employee or person providing services in the facility are in compliance with
180.6 the laws and rules relevant to the occurrence or event.

180.7 (b) "Commissioner" means the commissioner of human services.

180.8 (c) "Facility" means:

180.9 (1) a licensed or unlicensed day care facility, residential facility, agency, hospital,
180.10 sanitarium, or other facility or institution required to be licensed under sections 144.50 to
180.11 144.58, 241.021, or 245A.01 to 245A.16, or chapter 144H or 245D;

180.12 (2) a school as defined in section 120A.05, subdivisions 9, 11, and 13; and chapter 124E;
180.13 or

180.14 (3) a nonlicensed personal care provider organization as defined in section 256B.0625,
180.15 subdivision 19a.

180.16 (d) "Family assessment" means a comprehensive assessment of child safety, risk of
180.17 subsequent child maltreatment, and family strengths and needs that is applied to a child
180.18 maltreatment report that does not allege sexual abuse or substantial child endangerment.
180.19 Family assessment does not include a determination as to whether child maltreatment
180.20 occurred but does determine the need for services to address the safety of family members
180.21 and the risk of subsequent maltreatment.

180.22 (e) "Investigation" means fact gathering related to the current safety of a child and the
180.23 risk of subsequent maltreatment that determines whether child maltreatment occurred and
180.24 whether child protective services are needed. An investigation must be used when reports
180.25 involve sexual abuse or substantial child endangerment, and for reports of maltreatment in
180.26 facilities required to be licensed under chapter 245A or 245D; under sections 144.50 to
180.27 144.58 and 241.021; in a school as defined in section 120A.05, subdivisions 9, 11, and 13,
180.28 and chapter 124E; or in a nonlicensed personal care provider association as defined in section
180.29 256B.0625, subdivision 19a.

180.30 (f) "Mental injury" means an injury to the psychological capacity or emotional stability
180.31 of a child as evidenced by an observable or substantial impairment in the child's ability to
180.32 function within a normal range of performance and behavior with due regard to the child's
180.33 culture.

181.1 (g) "Neglect" means the commission or omission of any of the acts specified under
181.2 clauses (1) to (9), other than by accidental means:

181.3 (1) failure by a person responsible for a child's care to supply a child with necessary
181.4 food, clothing, shelter, health, medical, or other care required for the child's physical or
181.5 mental health when reasonably able to do so;

181.6 (2) failure to protect a child from conditions or actions that seriously endanger the child's
181.7 physical or mental health when reasonably able to do so, including a growth delay, which
181.8 may be referred to as a failure to thrive, that has been diagnosed by a physician and is due
181.9 to parental neglect;

181.10 (3) failure to provide for necessary supervision or child care arrangements appropriate
181.11 for a child after considering factors as the child's age, mental ability, physical condition,
181.12 length of absence, or environment, when the child is unable to care for the child's own basic
181.13 needs or safety, or the basic needs or safety of another child in their care;

181.14 (4) failure to ensure that the child is educated as defined in sections 120A.22 and
181.15 260C.163, subdivision 11, which does not include a parent's refusal to provide the parent's
181.16 child with sympathomimetic medications, consistent with section 125A.091, subdivision
181.17 5;

181.18 (5) nothing in this section shall be construed to mean that a child is neglected solely
181.19 because the child's parent, guardian, or other person responsible for the child's care in good
181.20 faith selects and depends upon spiritual means or prayer for treatment or care of disease or
181.21 remedial care of the child in lieu of medical care; except that a parent, guardian, or caretaker,
181.22 or a person mandated to report pursuant to subdivision 3, has a duty to report if a lack of
181.23 medical care may cause serious danger to the child's health. This section does not impose
181.24 upon persons, not otherwise legally responsible for providing a child with necessary food,
181.25 clothing, shelter, education, or medical care, a duty to provide that care;

181.26 (6) prenatal exposure to a controlled substance, as defined in section 253B.02, subdivision
181.27 2, used by the mother for a nonmedical purpose, as evidenced by withdrawal symptoms in
181.28 the child at birth, results of a toxicology test performed on the mother at delivery or the
181.29 child at birth, medical effects or developmental delays during the child's first year of life
181.30 that medically indicate prenatal exposure to a controlled substance, or the presence of a
181.31 fetal alcohol spectrum disorder;

181.32 (7) "medical neglect" as defined in section 260C.007, subdivision 6, clause (5);

182.1 (8) chronic and severe use of alcohol or a controlled substance by a parent or person
182.2 responsible for the care of the child that adversely affects the child's basic needs and safety;
182.3 or

182.4 (9) emotional harm from a pattern of behavior which contributes to impaired emotional
182.5 functioning of the child which may be demonstrated by a substantial and observable effect
182.6 in the child's behavior, emotional response, or cognition that is not within the normal range
182.7 for the child's age and stage of development, with due regard to the child's culture.

182.8 (h) "Nonmaltreatment mistake" means:

182.9 (1) at the time of the incident, the individual was performing duties identified in the
182.10 center's child care program plan required under Minnesota Rules, part 9503.0045;

182.11 (2) the individual has not been determined responsible for a similar incident that resulted
182.12 in a finding of maltreatment for at least seven years;

182.13 (3) the individual has not been determined to have committed a similar nonmaltreatment
182.14 mistake under this paragraph for at least four years;

182.15 (4) any injury to a child resulting from the incident, if treated, is treated only with
182.16 remedies that are available over the counter, whether ordered by a medical professional or
182.17 not; and

182.18 (5) except for the period when the incident occurred, the facility and the individual
182.19 providing services were both in compliance with all licensing requirements relevant to the
182.20 incident.

182.21 This definition only applies to child care centers licensed under Minnesota Rules, chapter
182.22 9503. If clauses (1) to (5) apply, rather than making a determination of substantiated
182.23 maltreatment by the individual, the commissioner of human services shall determine that a
182.24 nonmaltreatment mistake was made by the individual.

182.25 (i) "Operator" means an operator or agency as defined in section 245A.02.

182.26 (j) "Person responsible for the child's care" means (1) an individual functioning within
182.27 the family unit and having responsibilities for the care of the child such as a parent, guardian,
182.28 or other person having similar care responsibilities, or (2) an individual functioning outside
182.29 the family unit and having responsibilities for the care of the child such as a teacher, school
182.30 administrator, other school employees or agents, or other lawful custodian of a child having
182.31 either full-time or short-term care responsibilities including, but not limited to, day care,
182.32 babysitting whether paid or unpaid, counseling, teaching, and coaching.

183.1 (k) "Physical abuse" means any physical injury, mental injury, or threatened injury,
183.2 inflicted by a person responsible for the child's care on a child other than by accidental
183.3 means, or any physical or mental injury that cannot reasonably be explained by the child's
183.4 history of injuries, or any aversive or deprivation procedures, or regulated interventions,
183.5 that have not been authorized under section 125A.0942 or 245.825.

183.6 Abuse does not include reasonable and moderate physical discipline of a child
183.7 administered by a parent or legal guardian which does not result in an injury. Abuse does
183.8 not include the use of reasonable force by a teacher, principal, or school employee as allowed
183.9 by section 121A.582. Actions which are not reasonable and moderate include, but are not
183.10 limited to, any of the following:

183.11 (1) throwing, kicking, burning, biting, or cutting a child;

183.12 (2) striking a child with a closed fist;

183.13 (3) shaking a child under age three;

183.14 (4) striking or other actions which result in any nonaccidental injury to a child under 18
183.15 months of age;

183.16 (5) unreasonable interference with a child's breathing;

183.17 (6) threatening a child with a weapon, as defined in section 609.02, subdivision 6;

183.18 (7) striking a child under age one on the face or head;

183.19 (8) striking a child who is at least age one but under age four on the face or head, which
183.20 results in an injury;

183.21 (9) purposely giving a child poison, alcohol, or dangerous, harmful, or controlled
183.22 substances which were not prescribed for the child by a practitioner, in order to control or
183.23 punish the child; or other substances that substantially affect the child's behavior, motor
183.24 coordination, or judgment or that results in sickness or internal injury, or subjects the child
183.25 to medical procedures that would be unnecessary if the child were not exposed to the
183.26 substances;

183.27 (10) unreasonable physical confinement or restraint not permitted under section 609.379,
183.28 including but not limited to tying, caging, or chaining; or

183.29 (11) in a school facility or school zone, an act by a person responsible for the child's
183.30 care that is a violation under section 121A.58.

184.1 (l) "Practice of social services," for the purposes of subdivision 3, includes but is not
184.2 limited to employee assistance counseling and the provision of guardian ad litem and
184.3 parenting time expeditor services.

184.4 (m) "Report" means any communication received by the local welfare agency, police
184.5 department, county sheriff, or agency responsible for child protection pursuant to this section
184.6 that describes neglect or physical or sexual abuse of a child and contains sufficient content
184.7 to identify the child and any person believed to be responsible for the neglect or abuse, if
184.8 known.

184.9 (n) "Sexual abuse" means the subjection of a child by a person responsible for the child's
184.10 care, by a person who has a significant relationship to the child, as defined in section 609.341,
184.11 or by a person in a position of authority, as defined in section 609.341, subdivision 10, to
184.12 any act which constitutes a violation of section 609.342 (criminal sexual conduct in the first
184.13 degree), 609.343 (criminal sexual conduct in the second degree), 609.344 (criminal sexual
184.14 conduct in the third degree), 609.345 (criminal sexual conduct in the fourth degree), or
184.15 609.3451 (criminal sexual conduct in the fifth degree). Sexual abuse also includes any act
184.16 which involves a minor which constitutes a violation of prostitution offenses under sections
184.17 609.321 to 609.324 or 617.246. Effective May 29, 2017, sexual abuse includes all reports
184.18 of known or suspected child sex trafficking involving a child who is identified as a victim
184.19 of sex trafficking. Sexual abuse includes child sex trafficking as defined in section 609.321,
184.20 subdivisions 7a and 7b. Sexual abuse includes threatened sexual abuse which includes the
184.21 status of a parent or household member who has committed a violation which requires
184.22 registration as an offender under section 243.166, subdivision 1b, paragraph (a) or (b), or
184.23 required registration under section 243.166, subdivision 1b, paragraph (a) or (b).

184.24 (o) "Substantial child endangerment" means a person responsible for a child's care, by
184.25 act or omission, commits or attempts to commit an act against a child under their care that
184.26 constitutes any of the following:

184.27 (1) egregious harm as defined in section 260C.007, subdivision 14;

184.28 (2) abandonment under section 260C.301, subdivision 2;

184.29 (3) neglect as defined in paragraph (g), clause (2), that substantially endangers the child's
184.30 physical or mental health, including a growth delay, which may be referred to as failure to
184.31 thrive, that has been diagnosed by a physician and is due to parental neglect;

184.32 (4) murder in the first, second, or third degree under section 609.185, 609.19, or 609.195;

184.33 (5) manslaughter in the first or second degree under section 609.20 or 609.205;

- 185.1 (6) assault in the first, second, or third degree under section 609.221, 609.222, or 609.223;
- 185.2 (7) solicitation, inducement, and promotion of prostitution under section 609.322;
- 185.3 (8) criminal sexual conduct under sections 609.342 to 609.3451;
- 185.4 (9) solicitation of children to engage in sexual conduct under section 609.352;
- 185.5 (10) malicious punishment or neglect or endangerment of a child under section 609.377
- 185.6 or 609.378;
- 185.7 (11) use of a minor in sexual performance under section 617.246; or
- 185.8 (12) parental behavior, status, or condition which mandates that the county attorney file
- 185.9 a termination of parental rights petition under section 260C.503, subdivision 2.
- 185.10 (p) "Threatened injury" means a statement, overt act, condition, or status that represents
- 185.11 a substantial risk of physical or sexual abuse or mental injury. Threatened injury includes,
- 185.12 but is not limited to, exposing a child to a person responsible for the child's care, as defined
- 185.13 in paragraph (j), clause (1), who has:
- 185.14 (1) subjected a child to, or failed to protect a child from, an overt act or condition that
- 185.15 constitutes egregious harm, as defined in section 260C.007, subdivision 14, or a similar law
- 185.16 of another jurisdiction;
- 185.17 (2) been found to be palpably unfit under section 260C.301, subdivision 1, paragraph
- 185.18 (b), clause (4), or a similar law of another jurisdiction;
- 185.19 (3) committed an act that has resulted in an involuntary termination of parental rights
- 185.20 under section 260C.301, or a similar law of another jurisdiction; or
- 185.21 (4) committed an act that has resulted in the involuntary transfer of permanent legal and
- 185.22 physical custody of a child to a relative under Minnesota Statutes 2010, section 260C.201,
- 185.23 subdivision 11, paragraph (d), clause (1), section 260C.515, subdivision 4, or a similar law
- 185.24 of another jurisdiction.

185.25 A child is the subject of a report of threatened injury when the responsible social services

185.26 agency receives birth match data under paragraph (q) from the Department of Human

185.27 Services.

185.28 (q) Upon receiving data under section 144.225, subdivision 2b, contained in a birth

185.29 record or recognition of parentage identifying a child who is subject to threatened injury

185.30 under paragraph (p), the Department of Human Services shall send the data to the responsible

185.31 social services agency. The data is known as "birth match" data. Unless the responsible

185.32 social services agency has already begun an investigation or assessment of the report due

186.1 to the birth of the child or execution of the recognition of parentage and the parent's previous
186.2 history with child protection, the agency shall accept the birth match data as a report under
186.3 this section. The agency may use either a family assessment or investigation to determine
186.4 whether the child is safe. All of the provisions of this section apply. If the child is determined
186.5 to be safe, the agency shall consult with the county attorney to determine the appropriateness
186.6 of filing a petition alleging the child is in need of protection or services under section
186.7 260C.007, subdivision 6, clause (16), in order to deliver needed services. If the child is
186.8 determined not to be safe, the agency and the county attorney shall take appropriate action
186.9 as required under section 260C.503, subdivision 2.

186.10 (r) Persons who conduct assessments or investigations under this section shall take into
186.11 account accepted child-rearing practices of the culture in which a child participates and
186.12 accepted teacher discipline practices, which are not injurious to the child's health, welfare,
186.13 and safety.

186.14 Sec. 44. Minnesota Statutes 2016, section 626.556, subdivision 3, is amended to read:

186.15 Subd. 3. **Persons mandated to report; persons voluntarily reporting.** (a) A person
186.16 who knows or has reason to believe a child is being neglected or physically or sexually
186.17 abused, as defined in subdivision 2, or has been neglected or physically or sexually abused
186.18 within the preceding three years, shall immediately report the information to the local welfare
186.19 agency, agency responsible for assessing or investigating the report, police department,
186.20 county sheriff, tribal social services agency, or tribal police department if the person is:

186.21 (1) a professional or professional's delegate who is engaged in the practice of the healing
186.22 arts, social services, hospital administration, psychological or psychiatric treatment, child
186.23 care, education, correctional supervision, probation and correctional services, or law
186.24 enforcement; or

186.25 (2) employed as a member of the clergy and received the information while engaged in
186.26 ministerial duties, provided that a member of the clergy is not required by this subdivision
186.27 to report information that is otherwise privileged under section 595.02, subdivision 1,
186.28 paragraph (c).

186.29 (b) Any person may voluntarily report to the local welfare agency, agency responsible
186.30 for assessing or investigating the report, police department, county sheriff, tribal social
186.31 services agency, or tribal police department if the person knows, has reason to believe, or
186.32 suspects a child is being or has been neglected or subjected to physical or sexual abuse.

187.1 (c) A person mandated to report physical or sexual child abuse or neglect occurring
187.2 within a licensed facility shall report the information to the agency responsible for licensing
187.3 the facility under sections 144.50 to 144.58; 241.021; 245A.01 to 245A.16; or chapter 144H
187.4 or 245D; or a nonlicensed personal care provider organization as defined in section
187.5 256B.0625, subdivision ~~19~~ 19a. A health or corrections agency receiving a report may
187.6 request the local welfare agency to provide assistance pursuant to subdivisions 10, 10a, and
187.7 10b. A board or other entity whose licensees perform work within a school facility, upon
187.8 receiving a complaint of alleged maltreatment, shall provide information about the
187.9 circumstances of the alleged maltreatment to the commissioner of education. Section 13.03,
187.10 subdivision 4, applies to data received by the commissioner of education from a licensing
187.11 entity.

187.12 (d) Notification requirements under subdivision 10 apply to all reports received under
187.13 this section.

187.14 (e) For purposes of this section, "immediately" means as soon as possible but in no event
187.15 longer than 24 hours.

187.16 Sec. 45. Minnesota Statutes 2016, section 626.556, subdivision 3c, is amended to read:

187.17 Subd. 3c. **Local welfare agency, Department of Human Services or Department of**
187.18 **Health responsible for assessing or investigating reports of maltreatment.** (a) The county
187.19 local welfare agency is the agency responsible for assessing or investigating allegations of
187.20 maltreatment in child foster care, family child care, legally unlicensed child care, juvenile
187.21 correctional facilities licensed under section 241.021 located in the local welfare agency's
187.22 county, and reports involving children served by an unlicensed personal care provider
187.23 organization under section 256B.0659. Copies of findings related to personal care provider
187.24 organizations under section 256B.0659 must be forwarded to the Department of Human
187.25 Services provider enrollment.

187.26 (b) The Department of Human Services is the agency responsible for assessing or
187.27 investigating allegations of maltreatment in facilities licensed under chapters 245A and
187.28 245D, except for child foster care and family child care.

187.29 (c) The Department of Health is the agency responsible for assessing or investigating
187.30 allegations of child maltreatment in facilities licensed under sections 144.50 to 144.58 and
187.31 144A.43 to 144A.482 or chapter 144H.

188.1 Sec. 46. Minnesota Statutes 2016, section 626.556, subdivision 10d, is amended to read:

188.2 Subd. 10d. **Notification of neglect or abuse in facility.** (a) When a report is received
188.3 that alleges neglect, physical abuse, sexual abuse, or maltreatment of a child while in the
188.4 care of a licensed or unlicensed day care facility, residential facility, agency, hospital,
188.5 sanitarium, or other facility or institution required to be licensed according to sections 144.50
188.6 to 144.58; 241.021; or 245A.01 to 245A.16; or chapter 144H or 245D, or a school as defined
188.7 in section 120A.05, subdivisions 9, 11, and 13; and chapter 124E; or a nonlicensed personal
188.8 care provider organization as defined in section 256B.0625, subdivision 19a, the
188.9 commissioner of the agency responsible for assessing or investigating the report or local
188.10 welfare agency investigating the report shall provide the following information to the parent,
188.11 guardian, or legal custodian of a child alleged to have been neglected, physically abused,
188.12 sexually abused, or the victim of maltreatment of a child in the facility: the name of the
188.13 facility; the fact that a report alleging neglect, physical abuse, sexual abuse, or maltreatment
188.14 of a child in the facility has been received; the nature of the alleged neglect, physical abuse,
188.15 sexual abuse, or maltreatment of a child in the facility; that the agency is conducting an
188.16 assessment or investigation; any protective or corrective measures being taken pending the
188.17 outcome of the investigation; and that a written memorandum will be provided when the
188.18 investigation is completed.

188.19 (b) The commissioner of the agency responsible for assessing or investigating the report
188.20 or local welfare agency may also provide the information in paragraph (a) to the parent,
188.21 guardian, or legal custodian of any other child in the facility if the investigative agency
188.22 knows or has reason to believe the alleged neglect, physical abuse, sexual abuse, or
188.23 maltreatment of a child in the facility has occurred. In determining whether to exercise this
188.24 authority, the commissioner of the agency responsible for assessing or investigating the
188.25 report or local welfare agency shall consider the seriousness of the alleged neglect, physical
188.26 abuse, sexual abuse, or maltreatment of a child in the facility; the number of children
188.27 allegedly neglected, physically abused, sexually abused, or victims of maltreatment of a
188.28 child in the facility; the number of alleged perpetrators; and the length of the investigation.
188.29 The facility shall be notified whenever this discretion is exercised.

188.30 (c) When the commissioner of the agency responsible for assessing or investigating the
188.31 report or local welfare agency has completed its investigation, every parent, guardian, or
188.32 legal custodian previously notified of the investigation by the commissioner or local welfare
188.33 agency shall be provided with the following information in a written memorandum: the
188.34 name of the facility investigated; the nature of the alleged neglect, physical abuse, sexual
188.35 abuse, or maltreatment of a child in the facility; the investigator's name; a summary of the

189.1 investigation findings; a statement whether maltreatment was found; and the protective or
189.2 corrective measures that are being or will be taken. The memorandum shall be written in a
189.3 manner that protects the identity of the reporter and the child and shall not contain the name,
189.4 or to the extent possible, reveal the identity of the alleged perpetrator or of those interviewed
189.5 during the investigation. If maltreatment is determined to exist, the commissioner or local
189.6 welfare agency shall also provide the written memorandum to the parent, guardian, or legal
189.7 custodian of each child in the facility who had contact with the individual responsible for
189.8 the maltreatment. When the facility is the responsible party for maltreatment, the
189.9 commissioner or local welfare agency shall also provide the written memorandum to the
189.10 parent, guardian, or legal custodian of each child who received services in the population
189.11 of the facility where the maltreatment occurred. This notification must be provided to the
189.12 parent, guardian, or legal custodian of each child receiving services from the time the
189.13 maltreatment occurred until either the individual responsible for maltreatment is no longer
189.14 in contact with a child or children in the facility or the conclusion of the investigation. In
189.15 the case of maltreatment within a school facility, as defined in section 120A.05, subdivisions
189.16 9, 11, and 13, and chapter 124E, the commissioner of education need not provide notification
189.17 to parents, guardians, or legal custodians of each child in the facility, but shall, within ten
189.18 days after the investigation is completed, provide written notification to the parent, guardian,
189.19 or legal custodian of any student alleged to have been maltreated. The commissioner of
189.20 education may notify the parent, guardian, or legal custodian of any student involved as a
189.21 witness to alleged maltreatment.

189.22 **Sec. 47. BRAIN HEALTH PILOT PROGRAMS.**

189.23 Subdivision 1. Pilot programs selected. (a) The commissioner shall competitively
189.24 award grants for up to five pilot programs to improve brain health in youth sports in
189.25 Minnesota. The commissioner shall issue a competitive request for pilot program proposals
189.26 by October 31, 2017, based on input from the youth sports concussion working group. The
189.27 commissioner shall include members of the working group in the scoring of proposals
189.28 received, but shall exclude any member of the working group with a financial interest in a
189.29 pilot program proposal.

189.30 (b) Each pilot program selected for a funding award must offer promise for improving
189.31 at least one of the following areas:

189.32 (1) objective identification of brain injury;

189.33 (2) assessment and treatment of brain injury;

189.34 (3) coordination of school and medical support services; or

190.1 (4) policy reform to improve brain health outcomes.

190.2 (c) The programs must be selected so that youth are served in each of the following
190.3 regions of the state:

190.4 (1) Central or West Central Minnesota;

190.5 (2) Southern, Southwest, or Southeast Minnesota;

190.6 (3) Northwest or Northland Minnesota; and

190.7 (4) the Twin Cities Metropolitan Area.

190.8 Subd. 2. Funding for pilot programs. Pilot programs selected under this section shall
190.9 receive funding for one year beginning January 1, 2018. No later than March 1, 2019, the
190.10 commissioner must report on the progress and outcomes of the pilot programs to the
190.11 legislative committees with jurisdiction over health policy and finance.

190.12 Sec. 48. **COMPREHENSIVE PLAN TO END HIV/AIDS.**

190.13 (a) The commissioner of health, in coordination with the commissioner of human services,
190.14 and in consultation with community stakeholders, shall develop a strategic statewide
190.15 comprehensive plan that establishes a set of priorities and actions to address the state's HIV
190.16 epidemic by reducing the number of newly infected individuals; ensuring that individuals
190.17 living with HIV have access to quality, life-extending care regardless of race, gender, sexual
190.18 orientation, or socioeconomic circumstances; and ensuring the coordination of a statewide
190.19 response to reach the ultimate goal of the elimination of HIV in Minnesota. The
190.20 commissioner, after consulting with stakeholders, may implement this section utilizing
190.21 existing efforts. The commissioner must develop the plan using existing resources available
190.22 for this purpose.

190.23 (b) The plan must identify strategies that are consistent with the National HIV/AIDS
190.24 Strategy plan, that reflect the scientific developments in HIV medical care and prevention
190.25 that have occurred, and that work toward the elimination of HIV. The plan must:

190.26 (1) determine the appropriate level of testing, care, and services necessary to achieve
190.27 the goal of the elimination of HIV, beginning with meeting the following outcomes:

190.28 (i) reduce the number of new diagnoses by at least 75 percent;

190.29 (ii) increase the percentage of individuals living with HIV who know their serostatus to
190.30 at least 90 percent;

191.1 (iii) increase the percentage of individuals living with HIV who are receiving HIV
191.2 treatment to at least 90 percent; and

191.3 (iv) increase the percentage of individuals living with HIV who are virally suppressed
191.4 to at least 90 percent;

191.5 (2) provide recommendations for the optimal allocation and alignment of existing state
191.6 and federal funding in order to achieve the greatest impact and ensure a coordinated statewide
191.7 effort; and

191.8 (3) provide recommendations for evaluating new and enhanced interventions and an
191.9 estimate of additional resources needed to provide these interventions.

191.10 (c) The commissioner shall submit the comprehensive plan and recommendations to the
191.11 chairs and ranking minority members of the legislative committees with jurisdiction over
191.12 health and human services policy and finance by February 1, 2018.

191.13 **Sec. 49. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; FEDERAL**
191.14 **WAIVER AMENDMENTS.**

191.15 The commissioner of human services shall submit necessary waiver amendments to the
191.16 Centers for Medicare and Medicaid Services to add services provided at prescribed pediatric
191.17 extended care centers licensed under Minnesota Statutes, chapter 144H, to the home and
191.18 community-based waivers authorized under Minnesota Statutes, sections 256B.092 and
191.19 256B.49. The commissioner shall submit all necessary waiver amendments by October 1,
191.20 2017.

191.21 **Sec. 50. EARLY DENTAL DISEASE PREVENTION PILOT PROGRAM.**

191.22 (a) The commissioner of health shall develop and implement a pilot program to increase
191.23 awareness and encourage early preventive dental disease intervention for infants and toddlers.
191.24 The commissioner shall award grants to five designated communities of color or communities
191.25 of recent immigrants to participate in the pilot program, with at least two designated
191.26 communities located outside the seven-county metropolitan area.

191.27 (b) The commissioner, in consultation with members of the designated communities,
191.28 shall distribute or cause to be distributed the educational materials and information developed
191.29 under Minnesota Statutes, section 144.061, to expectant and new parents within the
191.30 designated communities, including but not limited to making the materials available to
191.31 health care providers, community clinics, WIC sites, and other relevant sites within the

192.1 designated communities through a variety of communicative means, including oral, visual,
192.2 audio, and print.

192.3 (c) The commissioner shall work with members of each designated community to ensure
192.4 that the educational materials and information are distributed. The commissioner shall assist
192.5 the designated community with developing strategies, including outreach through ethnic
192.6 radio, webcasts, and local cable programs, and incentives to encourage and provide early
192.7 preventive dental disease intervention and care for infants and toddlers that are geared
192.8 toward the ethnic groups residing in the designated community.

192.9 (d) The commissioner shall develop measurable outcomes, establish a baseline
192.10 measurement, and evaluate performance within each designated community in order to
192.11 measure whether the educational materials, information, strategies, and incentives increased
192.12 the numbers of infants and toddlers receiving early preventive dental disease intervention
192.13 and care.

192.14 (e) By March 15, 2019, the commissioner shall submit a report to the chairs and ranking
192.15 minority members of the legislative committees with jurisdiction over health care. The
192.16 report shall describe:

192.17 (1) the details of the program;

192.18 (2) the communities designated for the program;

192.19 (3) the strategies, including any incentives implemented;

192.20 (4) the outcome measures used; and

192.21 (5) the results of the evaluation for each designated community.

192.22 **Sec. 51. RECOMMENDATIONS FOR SAFETY AND QUALITY IMPROVEMENT**
192.23 **PRACTICES FOR LONG-TERM CARE SERVICES AND SUPPORTS.**

192.24 The commissioner of health shall consult with interested stakeholders to explore and
192.25 make recommendations on how to apply proven safety and quality improvement practices
192.26 and infrastructure to long-term care services and supports. Interested stakeholders with
192.27 whom the commissioner must consult shall include but are not limited to representatives
192.28 of the Minnesota Alliance for Patient Safety partner organizations, the Office of Ombudsman
192.29 for Long-Term Care, the Minnesota Elder Justice Center, providers of older adult services,
192.30 the Department of Health, and the Department of Human Services, and experts in the field
192.31 of long-term care safety and quality improvement. The recommendations shall include
192.32 mechanisms to apply a patient safety model to the senior care sector, including a system

193.1 for reporting adverse health events, education and prevention activities, and interim actions
193.2 to improve systems for processing reports and complaints submitted to the Office of Health
193.3 Facility Complaints. By January 15, 2018, the commissioner shall submit the
193.4 recommendations developed under this section, along with draft legislation to implement
193.5 the recommendations, to the chairs and ranking minority members of the legislative
193.6 committees with jurisdiction over long-term care.

193.7 **Sec. 52. SAFE HARBOR FOR ALL; STATEWIDE SEX TRAFFICKING VICTIMS**
193.8 **STRATEGIC PLAN.**

193.9 (a) By October 1, 2018, the commissioner of health, in consultation with the
193.10 commissioners of public safety and human services, shall adopt a comprehensive strategic
193.11 plan to address the needs of sex trafficking victims statewide.

193.12 (b) The commissioner of health shall issue a request for proposals to select an organization
193.13 to develop the comprehensive strategic plan. The selected organization shall seek
193.14 recommendations from professionals, community members, and stakeholders from across
193.15 the state, with an emphasis on the communities most impacted by sex trafficking. At a
193.16 minimum, the selected organization must seek input from the following groups: sex
193.17 trafficking survivors and their family members, statewide crime victim services coalitions,
193.18 victim services providers, nonprofit organizations, task forces, prosecutors, public defenders,
193.19 tribal governments, public safety and corrections professionals, public health professionals,
193.20 human services professionals, and impacted community members. The strategic plan shall
193.21 include recommendations regarding the expansion of Minnesota's Safe Harbor Law to adult
193.22 victims of sex trafficking.

193.23 (c) By January 15, 2019, the commissioner of health shall report to the chairs and ranking
193.24 minority members of the legislative committees with jurisdiction over health and human
193.25 services and criminal justice finance and policy on developing the statewide strategic plan,
193.26 including recommendations for additional legislation and funding.

193.27 (d) As used in this section, "sex trafficking victim" has the meaning given in Minnesota
193.28 Statutes, section 609.321, subdivision 7b.

193.29 **EFFECTIVE DATE.** This section is effective July 1, 2017.

194.1 Sec. 53. STUDY AND REPORT ON HOME CARE NURSING WORKFORCE
194.2 SHORTAGE.

194.3 (a) The chair and ranking minority member of the senate Human Services Reform
194.4 Finance and Policy Committee and the chair and ranking minority member of the house of
194.5 representatives Health and Human Services Finance Committee shall convene a working
194.6 group to study and report on the shortage of registered nurses and licensed practical nurses
194.7 available to provide low-complexity regular home care services to clients in need of such
194.8 services, especially clients covered by medical assistance, and to provide recommendations
194.9 for ways to address the workforce shortage. The working group shall consist of 14 members
194.10 appointed as follows:

194.11 (1) the chair of the senate Human Services Reform Finance and Policy Committee or a
194.12 designee;

194.13 (2) the ranking minority member of the senate Human Services Reform Finance and
194.14 Policy Committee or a designee;

194.15 (3) the chair of the house of representatives Health and Human Services Finance
194.16 Committee or a designee;

194.17 (4) the ranking minority member of the house of representatives Health and Human
194.18 Services Finance Committee or a designee;

194.19 (5) the commissioner of human services or a designee;

194.20 (6) the commissioner of health or a designee;

194.21 (7) one representative appointed by the Professional Home Care Coalition;

194.22 (8) one representative appointed by the Minnesota Home Care Association;

194.23 (9) one representative appointed by the Minnesota Board of Nursing;

194.24 (10) one representative appointed by the Minnesota Nurses Association;

194.25 (11) one representative appointed by the Minnesota Licensed Practical Nurses
194.26 Association;

194.27 (12) one representative appointed by the Minnesota Society of Medical Assistants;

194.28 (13) one client who receives regular home care nursing services and is covered by medical
194.29 assistance appointed by the commissioner of human services after consulting with the
194.30 appointing authorities identified in clauses (7) to (12); and

195.1 (14) one county public health nurse who is a certified assessor appointed by the
195.2 commissioner of health after consulting with the Minnesota Home Care Association.

195.3 (b) The appointing authorities must appoint members by August 1, 2017.

195.4 (c) The convening authorities shall convene the first meeting of the working group no
195.5 later than August 15, 2017, and caucus staff shall provide support and meeting space for
195.6 the working group. The Department of Health and the Department of Human Services shall
195.7 provide technical assistance to the working group by providing existing data and analysis
195.8 documenting the current and projected workforce shortages in the area of regular home care
195.9 nursing. The home care and assisted living program advisory council established under
195.10 Minnesota Statutes, section 144A.4799, shall provide advice and recommendations to the
195.11 working group. Working group members shall serve without compensation and shall not
195.12 be reimbursed for expenses.

195.13 (d) The working group shall:

195.14 (1) quantify the number of low-complexity regular home care nursing hours that are
195.15 authorized but not provided to clients covered by medical assistance, due to the shortage
195.16 of registered nurses and licensed practical nurses available to provide these home care
195.17 services;

195.18 (2) quantify the current and projected workforce shortages of registered nurses and
195.19 licensed practical nurses available to provide low-complexity regular home care nursing
195.20 services to clients, especially clients covered by medical assistance;

195.21 (3) develop recommendations for actions to take in the next two years to address the
195.22 regular home care nursing workforce shortage, including identifying other health care
195.23 professionals who may be able to provide low-complexity regular home care nursing services
195.24 with additional training; what additional training may be necessary for these health care
195.25 professionals; and how to address scope of practice and licensing issues;

195.26 (4) compile reimbursement rates for regular home care nursing from other states and
195.27 determine Minnesota's national ranking with respect to reimbursement for regular home
195.28 care nursing;

195.29 (5) determine whether reimbursement rates for regular home care nursing fully reimburse
195.30 providers for the cost of providing the service and whether the discrepancy, if any, between
195.31 rates and costs contributes to lack of access to regular home care nursing; and

195.32 (6) by January 15, 2018, report on the findings and recommendations of the working
195.33 group to the chairs and ranking minority members of the legislative committees with

196.1 jurisdiction over health and human services policy and finance. The working group's report
196.2 shall include draft legislation.

196.3 (e) The working group shall elect a chair from among its members at its first meeting.

196.4 (f) The meetings of the working group shall be open to the public.

196.5 (g) This section expires January 16, 2018, or the day after submitting the report required
196.6 by this section, whichever is earlier.

196.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.

196.8 **Sec. 54. YOUTH SPORTS CONCUSSION WORKING GROUP.**

196.9 Subdivision 1. **Working group established; duties and membership.** (a) The
196.10 commissioner of health shall convene a youth sports concussion working group of up to 30
196.11 members to:

196.12 (1) develop the report described in subdivision 4 to assess the causes and incidence of
196.13 brain injury in Minnesota youth sports; and

196.14 (2) evaluate the implementation of Minnesota Statutes, sections 121A.37 and 121A.38,
196.15 regarding concussions in youth athletic activity, and best practices for preventing, identifying,
196.16 evaluating, and treating brain injury in youth sports.

196.17 (b) In forming the working group, the commissioner shall solicit nominees from
196.18 individuals with expertise and experience in the areas of traumatic brain injury in youth and
196.19 sports, neuroscience, law and policy related to brain health, public health, neurotrauma,
196.20 provision of care to brain injured youth, and related fields. In selecting members of the
196.21 working group, the commissioner shall ensure geographic and professional diversity. The
196.22 working group shall elect a chair from among its members. The commissioner shall be
196.23 responsible for organizing meetings and preparing a draft report. Members of the working
196.24 group shall not receive monetary compensation for their participation in the group.

196.25 Subd. 2. **Working group goals defined.** The working group shall, at a minimum:

196.26 (1) gather and analyze available data on:

196.27 (i) the prevalence and causes of youth sports-related concussions including, where
196.28 possible, data on the number of officials and coaches receiving concussion training;

196.29 (ii) the number of coaches, officials, youth athletes, and parents or guardians receiving
196.30 information about the nature and risks of concussions;

197.1 (iii) the number of youth athletes removed from play and the nature and duration of
197.2 treatment before return to play; and

197.3 (iv) policies and procedures related to return to learn in the classroom;

197.4 (2) review the rules associated with relevant youth athletic activities and the concussion
197.5 education policies currently employed;

197.6 (3) identify innovative pilot projects in areas such as:

197.7 (i) objectively defining and measuring concussions;

197.8 (ii) rule changes designed to promote brain health;

197.9 (iii) use of technology to identify and treat concussions;

197.10 (iv) recognition of cumulative subconcussive effects; and

197.11 (v) postconcussion treatment, and return to learn protocols; and

197.12 (4) identify regulatory and legal barriers and burdens to achieving better brain health
197.13 outcomes.

197.14 **Subd. 3. Voluntary participation; no new reporting requirements created.**

197.15 Participation in the working group study by schools, school districts, school governing
197.16 bodies, parents, athletes, and related individuals and organizations shall be voluntary, and
197.17 this study shall create no new reporting requirements by schools, school districts, school
197.18 governing bodies, parents, athletes, and related individuals and organizations.

197.19 **Subd. 4. Report.** By December 31, 2018, the youth sports concussion working group
197.20 shall provide an interim report, and by December 31, 2019, the working group shall provide
197.21 a final report to the chairs and ranking minority members of the legislative committees with
197.22 jurisdiction over health and education with recommendations and proposals for a Minnesota
197.23 model for reducing brain injury in youth sports. The report shall make recommendations
197.24 regarding:

197.25 (1) best practices for reducing and preventing concussions in youth sports;

197.26 (2) best practices for schools to employ in order to identify and respond to occurrences
197.27 of concussions, including return to play and return to learn;

197.28 (3) opportunities to highlight and strengthen best practices with external grant support;

197.29 (4) opportunities to leverage Minnesota's strengths in brain science research and clinical
197.30 care for brain injury; and

198.1 (5) proposals to develop an innovative Minnesota model for identifying, evaluating, and
198.2 treating youth sports concussions.

198.3 Subd. 5. **Sunset.** The working group expires the day after submitting the report required
198.4 under subdivision 4, or January 15, 2020, whichever is earlier.

198.5 Sec. 55. **REPEALER.**

198.6 Minnesota Statutes 2016, section 144.4961, is repealed the day following final enactment.

198.7 **ARTICLE 4**

198.8 **CHILDREN AND FAMILIES**

198.9 Section 1. Minnesota Statutes 2016, section 119B.011, is amended by adding a subdivision
198.10 to read:

198.11 Subd. 12a. **Enforcement authority.** "Enforcement authority" means a government
198.12 agency or department within or outside Minnesota with jurisdiction to investigate or bring
198.13 a civil or criminal action against a child care provider, including a county, city, or district
198.14 attorney's office, the Office of the Attorney General, a human services agency, a United
198.15 States attorney's office, or a law enforcement agency.

198.16 **EFFECTIVE DATE.** This section is effective July 1, 2017.

198.17 Sec. 2. Minnesota Statutes 2016, section 119B.011, is amended by adding a subdivision
198.18 to read:

198.19 Subd. 19c. **Stop payment.** "Stop payment" means canceling a payment that was already
198.20 issued to a provider.

198.21 **EFFECTIVE DATE.** This section is effective July 1, 2017.

198.22 Sec. 3. Minnesota Statutes 2016, section 119B.02, subdivision 5, is amended to read:

198.23 Subd. 5. **Program integrity.** For child care assistance programs under this chapter, the
198.24 commissioner shall enforce the requirements for program integrity and fraud prevention
198.25 investigations under sections 256.046, 256.98, and 256.983 and chapter 245E.

198.26 **EFFECTIVE DATE.** This section is effective July 1, 2017.

199.1 Sec. 4. Minnesota Statutes 2016, section 119B.03, subdivision 4, is amended to read:

199.2 Subd. 4. **Funding priority.** (a) First priority for child care assistance under the basic
199.3 sliding fee program must be given to eligible non-MFIP families who do not have a high
199.4 school or general equivalency diploma or who need remedial and basic skill courses in order
199.5 to pursue employment or to pursue education leading to employment and who need child
199.6 care assistance to participate in the education program. This includes student parents as
199.7 defined under section 119B.011, subdivision 19b. Within this priority, the following
199.8 subpriorities must be used:

199.9 (1) child care needs of minor parents;

199.10 (2) child care needs of parents under 21 years of age; and

199.11 (3) child care needs of other parents within the priority group described in this paragraph.

199.12 (b) Second priority must be given to ~~parents who have completed their MFIP or DWP~~
199.13 ~~transition year, or parents who are no longer receiving or eligible for diversionary work~~
199.14 ~~program supports.~~

199.15 ~~(c) Third priority must be given to~~ families who are eligible for portable basic sliding
199.16 fee assistance through the portability pool under subdivision 9.

199.17 ~~(d) Fourth~~ (c) Third priority must be given to families in which at least one parent is a
199.18 veteran as defined under section 197.447.

199.19 (d) Fourth priority must be given to eligible families who do not meet the specifications
199.20 of paragraph (a), (b), (c), or (e).

199.21 (e) Fifth priority must be given to eligible families receiving services under section
199.22 119B.011, subdivision 20a, if the parents have completed their MFIP or DWP transition
199.23 year, or the parents are no longer receiving or eligible for DWP supports.

199.24 ~~(e)~~ (f) Families under paragraph ~~(b)~~ (e) must be added to the basic sliding fee waiting
199.25 list on the date they begin the transition year under section 119B.011, subdivision 20, ~~and~~
199.26 ~~must be moved into the basic sliding fee program as soon as possible after they complete~~
199.27 ~~their transition year.~~

199.28 **EFFECTIVE DATE.** This section is effective July 1, 2017.

199.29 Sec. 5. Minnesota Statutes 2016, section 119B.03, subdivision 6, is amended to read:

199.30 Subd. 6. **Allocation formula.** The allocation component of basic sliding fee state and
199.31 federal funds shall be allocated on a calendar year basis. Funds shall be allocated first in

200.1 amounts equal to each county's guaranteed floor according to subdivision 8, with any
200.2 remaining available funds allocated according to the following formula:

200.3 (a) One-fourth of the funds shall be allocated in proportion to each county's total
200.4 expenditures for the basic sliding fee child care program reported during the most recent
200.5 fiscal year completed at the time of the notice of allocation.

200.6 (b) Up to one-fourth of the funds shall be allocated in proportion to the number of families
200.7 participating in the transition year child care program as reported during and averaged over
200.8 the most recent six months completed at the time of the notice of allocation. Funds in excess
200.9 of the amount necessary to serve all families in this category shall be allocated according
200.10 to paragraph ~~(f)~~ (e).

200.11 ~~(e) Up to one-fourth of the funds shall be allocated in proportion to the average of each~~
200.12 ~~county's most recent six months of reported first, second, and third priority waiting list as~~
200.13 ~~defined in subdivision 2 and the reinstatement list of those families whose assistance was~~
200.14 ~~terminated with the approval of the commissioner under Minnesota Rules, part 3400.0183,~~
200.15 ~~subpart 1. Funds in excess of the amount necessary to serve all families in this category~~
200.16 ~~shall be allocated according to paragraph (f).~~

200.17 ~~(d)~~ (c) Up to ~~one-fourth~~ one-half of the funds shall be allocated in proportion to the
200.18 average of each county's most recent ~~six~~ 12 months of reported waiting list as defined in
200.19 subdivision 2 and the reinstatement list of those families whose assistance was terminated
200.20 with the approval of the commissioner under Minnesota Rules, part 3400.0183, subpart 1.
200.21 Funds in excess of the amount necessary to serve all families in this category shall be
200.22 allocated according to paragraph ~~(f)~~ (e).

200.23 ~~(e)~~ (d) The amount necessary to serve all families in paragraphs (b), ~~(e)~~, and ~~(d)~~ (c) shall
200.24 be calculated based on the basic sliding fee average cost of care per family in the county
200.25 with the highest cost in the most recently completed calendar year.

200.26 ~~(f)~~ (e) Funds in excess of the amount necessary to serve all families in paragraphs (b);
200.27 ~~(e)~~, and ~~(d)~~ (c) shall be allocated in proportion to each county's total expenditures for the
200.28 basic sliding fee child care program reported during the most recent fiscal year completed
200.29 at the time of the notice of allocation.

200.30 (f) For calendar year 2018, the initial allocation shall be the average of the final allocation
200.31 for calendar year 2017 and the amount that would otherwise be the initial allocation using
200.32 the revised formula for calendar year 2018, adjusted proportionately up or down to match
200.33 the funds available.

201.1 **EFFECTIVE DATE.** This section is effective January 1, 2018.

201.2 Sec. 6. Minnesota Statutes 2016, section 119B.09, subdivision 9a, is amended to read:

201.3 Subd. 9a. **Child care centers; assistance.** (a) ~~For the purposes of this subdivision,~~
201.4 ~~"qualifying child" means a child who is not a child or dependent of an employee of the child~~
201.5 ~~care provider. A child care center may receive authorizations for 25 or fewer children who~~
201.6 ~~are dependents of the center's employees. If a child care center is authorized for more than~~
201.7 ~~25 children who are dependents of center employees, the county cannot authorize additional~~
201.8 ~~dependents of an employee until the number of children falls below 25.~~

201.9 ~~(b) Funds distributed under this chapter must not be paid for child care services that are~~
201.10 ~~provided for a child or dependent of an employee under paragraph (a) unless at all times at~~
201.11 ~~least 50 percent of the children for whom the child care provider is providing care are~~
201.12 ~~qualifying children under paragraph (a).~~

201.13 ~~(c) If a child care provider satisfies the requirements for payment under paragraph (b),~~
201.14 ~~but the percentage of qualifying children under paragraph (a) for whom the provider is~~
201.15 ~~providing care falls below 50 percent, the provider shall have four weeks to raise the~~
201.16 ~~percentage of qualifying children for whom the provider is providing care to at least 50~~
201.17 ~~percent before payments to the provider are discontinued for child care services provided~~
201.18 ~~for a child who is not a qualifying child.~~

201.19 ~~(d) This subdivision shall be implemented as follows:~~

201.20 ~~(1) no later than August 1, 2014, the commissioner shall issue a notice to providers who~~
201.21 ~~have been identified as ineligible for funds distributed under this chapter as described in~~
201.22 ~~paragraph (b); and~~

201.23 ~~(2) no later than January 5, 2015, payments to providers who do not comply with~~
201.24 ~~paragraph (c) will be discontinued for child care services provided for children who are not~~
201.25 ~~qualifying children.~~

201.26 ~~(e) If a child's authorization for child care assistance is terminated under this subdivision,~~
201.27 ~~the county shall send a notice of adverse action to the provider and to the child's parent or~~
201.28 ~~guardian, including information on the right to appeal, under Minnesota Rules, part~~
201.29 ~~3400.0185.~~

201.30 ~~(f) (b) Funds paid to providers during the period of time between the issuance of a notice~~
201.31 ~~under paragraph (d), clause (1), and discontinuation of payments under paragraph (d), clause~~
201.32 ~~(2), when a center is authorized for more than 25 children who are dependents of center~~

202.1 employees must not be treated as overpayments under section 119B.11, subdivision 2a, due
202.2 to noncompliance with this subdivision.

202.3 ~~(g)~~ (c) Nothing in this subdivision precludes the commissioner from conducting fraud
202.4 investigations relating to child care assistance, imposing sanctions, and obtaining monetary
202.5 recovery as otherwise provided by law.

202.6 **EFFECTIVE DATE.** This section is effective April 23, 2018.

202.7 Sec. 7. **[119B.097] AUTHORIZATION WITH A SECONDARY PROVIDER.**

202.8 (a) If a child uses any combination of the following providers paid by child care
202.9 assistance, a parent must choose one primary provider and one secondary provider per child
202.10 that can be paid by child care assistance:

202.11 (1) an individual or child care center licensed under chapter 245A;

202.12 (2) an individual or child care center or facility holding a valid child care license issued
202.13 by another state or tribe; or

202.14 (3) a child care center exempt from licensing under section 245A.03.

202.15 (b) The amount of child care authorized with the secondary provider cannot exceed 20
202.16 hours per two-week service period, per child, and the amount of care paid to a child's
202.17 secondary provider is limited under section 119B.13, subdivision 1. The total amount of
202.18 child care authorized with both the primary and secondary provider cannot exceed the
202.19 amount of child care allowed based on the parents' eligible activity schedule, the child's
202.20 school schedule, and any other factors relevant to the family's child care needs.

202.21 **EFFECTIVE DATE.** This section is effective April 23, 2018.

202.22 Sec. 8. Minnesota Statutes 2016, section 119B.125, subdivision 4, is amended to read:

202.23 Subd. 4. **Unsafe care.** A county may deny authorization as a child care provider to any
202.24 applicant or ~~revoke~~ revoke the authorization of any provider when the county knows or has
202.25 reason to believe that the provider is unsafe or that the circumstances of the chosen child
202.26 care arrangement are unsafe. The county must include the conditions under which a provider
202.27 or care arrangement will be determined to be unsafe in the county's child care fund plan
202.28 under section 119B.08, subdivision 3.

202.29 **EFFECTIVE DATE.** This section is effective April 23, 2018.

203.1 Sec. 9. Minnesota Statutes 2016, section 119B.125, subdivision 6, is amended to read:

203.2 Subd. 6. **Record-keeping requirement.** (a) As a condition of payment, all providers
203.3 receiving child care assistance payments must keep accurate and legible daily attendance
203.4 records at the site where services are delivered for children receiving child care assistance
203.5 and must make those records available immediately to the county or the commissioner upon
203.6 request. The attendance records must be completed daily and include the date, the first and
203.7 last name of each child in attendance, and the times when each child is dropped off and
203.8 picked up. To the extent possible, the times that the child was dropped off to and picked up
203.9 from the child care provider must be entered by the person dropping off or picking up the
203.10 child. The daily attendance records must be retained at the site where services are delivered
203.11 for six years after the date of service.

203.12 (b) A county or the commissioner may deny or revoke a provider's authorization as a
203.13 ~~child care provider to any applicant, rescind authorization of any provider,~~ to receive child
203.14 care assistance payments under section 119B.13, subdivision 6, paragraph (d), pursue a
203.15 fraud disqualification under section 256.98, take an action against the provider under chapter
203.16 245E, or establish an attendance record overpayment claim in the system under paragraph
203.17 (c) against a current or former provider, when the county or the commissioner knows or
203.18 has reason to believe that the provider has not complied with the record-keeping requirement
203.19 in this subdivision. A provider's failure to produce attendance records as requested on more
203.20 ~~than one occasion constitutes grounds for disqualification as a provider.~~

203.21 (c) To calculate an attendance record overpayment under this subdivision, the
203.22 commissioner or county agency subtracts the maximum daily rate from the total amount
203.23 paid to a provider for each day that a child's attendance record is missing, unavailable,
203.24 incomplete, illegible, inaccurate, or otherwise inadequate.

203.25 (d) The commissioner shall develop criteria to direct a county when the county must
203.26 establish an attendance overpayment under this subdivision.

203.27 **EFFECTIVE DATE.** This section is effective April 23, 2018.

203.28 Sec. 10. Minnesota Statutes 2016, section 119B.13, subdivision 1, is amended to read:

203.29 Subdivision 1. **Subsidy restrictions.** (a) Beginning February 3, 2014, the maximum
203.30 rate paid for child care assistance in any county or county price cluster under the child care
203.31 fund shall be the greater of the 25th percentile of the 2011 child care provider rate survey
203.32 or the maximum rate effective November 28, 2011. For a child care provider located within
203.33 the boundaries of a city located in two or more of the counties of Benton, Sherburne, and

204.1 Stearns, the maximum rate paid for child care assistance shall be equal to the maximum
204.2 rate paid in the county with the highest maximum reimbursement rates or the provider's
204.3 charge, whichever is less. The commissioner may: (1) assign a county with no reported
204.4 provider prices to a similar price cluster; and (2) consider county level access when
204.5 determining final price clusters.

204.6 (b) A rate which includes a special needs rate paid under subdivision 3 may be in excess
204.7 of the maximum rate allowed under this subdivision.

204.8 (c) The department shall monitor the effect of this paragraph on provider rates. The
204.9 county shall pay the provider's full charges for every child in care up to the maximum
204.10 established. The commissioner shall determine the maximum rate for each type of care on
204.11 an hourly, full-day, and weekly basis, including special needs and disability care.

204.12 (d) If a child uses one provider, the maximum payment ~~to a provider~~ for one day of care
204.13 must not exceed the daily rate. The maximum payment ~~to a provider~~ for one week of care
204.14 must not exceed the weekly rate.

204.15 (e) If a child uses two providers under section 119B.097, the maximum payment must
204.16 not exceed:

204.17 (1) the daily rate for one day of care;

204.18 (2) the weekly rate for one week of care by the child's primary provider; and

204.19 (3) two daily rates during two weeks of care by a child's secondary provider.

204.20 ~~(d)~~ (f) Child care providers receiving reimbursement under this chapter must not be paid
204.21 activity fees or an additional amount above the maximum rates for care provided during
204.22 nonstandard hours for families receiving assistance.

204.23 ~~(e)~~ (g) If the provider charge is greater than the maximum provider rate allowed,
204.24 the parent is responsible for payment of the difference in the rates in addition to any family
204.25 co-payment fee.

204.26 ~~(f)~~ (h) All maximum provider rates changes shall be implemented on the Monday
204.27 following the effective date of the maximum provider rate.

204.28 ~~(g)~~ (i) Notwithstanding Minnesota Rules, part 3400.0130, subpart 7, maximum
204.29 registration fees in effect on January 1, 2013, shall remain in effect.

204.30 **EFFECTIVE DATE.** Paragraph (a) is effective July 1, 2018. Paragraphs (d) to (i) are
204.31 effective April 23, 2018.

205.1 Sec. 11. Minnesota Statutes 2016, section 119B.13, subdivision 6, is amended to read:

205.2 Subd. 6. **Provider payments.** (a) A provider must bill only for services documented
205.3 according to section 119B.125, subdivision 6. The provider shall bill for services provided
205.4 within ten days of the end of the service period. ~~If bills are submitted within ten days of the~~
205.5 ~~end of the service period,~~ Payments under the child care fund shall be made within ~~30~~ 21
205.6 days of receiving a complete bill from the provider. Counties or the state may establish
205.7 policies that make payments on a more frequent basis.

205.8 (b) If a provider has received an authorization of care and been issued a billing form for
205.9 an eligible family, the bill must be submitted within 60 days of the last date of service on
205.10 the bill. A bill submitted more than 60 days after the last date of service must be paid if the
205.11 county determines that the provider has shown good cause why the bill was not submitted
205.12 within 60 days. Good cause must be defined in the county's child care fund plan under
205.13 section 119B.08, subdivision 3, and the definition of good cause must include county error.
205.14 Any bill submitted more than a year after the last date of service on the bill must not be
205.15 paid.

205.16 (c) If a provider provided care for a time period without receiving an authorization of
205.17 care and a billing form for an eligible family, payment of child care assistance may only be
205.18 made retroactively for a maximum of six months from the date the provider is issued an
205.19 authorization of care and billing form.

205.20 (d) A county or the commissioner may refuse to issue a child care authorization to a
205.21 licensed or legal nonlicensed provider, revoke an existing child care authorization to a
205.22 licensed or legal nonlicensed provider, stop payment issued to a licensed or legal nonlicensed
205.23 provider, or refuse to pay a bill submitted by a licensed or legal nonlicensed provider if:

205.24 (1) the provider admits to intentionally giving the county materially false information
205.25 on the provider's billing forms;

205.26 (2) a county or the commissioner finds by a preponderance of the evidence that the
205.27 provider intentionally gave the county materially false information on the provider's billing
205.28 forms, or provided false attendance records to a county or the commissioner;

205.29 (3) the provider is in violation of child care assistance program rules, until the agency
205.30 determines those violations have been corrected;

205.31 (4) the provider is operating after:

205.32 (i) an order of suspension of the provider's license issued by the commissioner; or

205.33 (ii) an order of revocation of the provider's license; ~~or~~

206.1 ~~(iii) a final order of conditional license issued by the commissioner for as long as the~~
206.2 ~~conditional license is in effect;~~

206.3 (5) the provider submits ~~false~~ an inaccurate attendance reports or refuses to provide
206.4 documentation of the child's attendance upon request; or record;

206.5 (6) the provider gives false child care price information; or

206.6 (7) the provider fails to grant access to a county or the commissioner during regular
206.7 business hours to examine all records necessary to determine the extent of services provided
206.8 to a child care assistance recipient and the appropriateness of a claim for payment.

206.9 (e) If a county or the commissioner finds that a provider violated paragraph (d), clause
206.10 (1) or (2), a county or the commissioner must deny or revoke the provider's authorization
206.11 and either pursue a fraud disqualification under section 256.98, subdivision 8, paragraph
206.12 (c), or refer the case to an enforcement authority. A provider's rights related to an
206.13 authorization denial or revocation under this paragraph are established in section 119B.161.
206.14 If a provider's authorization is revoked or denied under this paragraph, the denial or
206.15 revocation lasts until either:

206.16 (1) all criminal, civil, and administrative proceedings related to the provider's alleged
206.17 misconduct conclude and any appeal rights are exhausted; or

206.18 (2) the commissioner decides, based on written evidence or argument submitted under
206.19 section 119B.161, to authorize the provider.

206.20 (f) If a county or the commissioner denies or revokes a provider's authorization under
206.21 paragraph (d), clause (4), the provider shall not be authorized until the order of suspension
206.22 or order of revocation against the provider is lifted.

206.23 ~~(e) For purposes of~~ (g) If a county or the commissioner finds that a provider violated
206.24 paragraph (d), ~~clauses~~ clause (3), (5), ~~and~~ or (6), the county or the commissioner may
206.25 ~~withhold~~ revoke or deny the provider's authorization or payment for a period of time not to
206.26 ~~exceed three months beyond the time the condition has been corrected. If a provider's~~
206.27 authorization is revoked or denied under this paragraph, the denial or revocation may last
206.28 up to 90 days from the date a county or the commissioner denies or revokes the provider's
206.29 authorization.

206.30 (h) If a county or the commissioner determines a provider violated paragraph (d), clause
206.31 (7), a county or the commissioner must deny or revoke the provider's authorization until a
206.32 county or the commissioner determines whether the records sought comply with this chapter

207.1 and chapter 245E. The provider's rights related to an authorization denial or revocation
207.2 under this paragraph are established in section 119B.161.

207.3 ~~(i)~~ (i) A county's payment policies must be included in the county's child care plan under
207.4 section 119B.08, subdivision 3. If payments are made by the state, in addition to being in
207.5 compliance with this subdivision, the payments must be made in compliance with section
207.6 16A.124.

207.7 **EFFECTIVE DATE.** The amendments to paragraph (a) are effective September 25,
207.8 2017. The amendments to paragraphs (d) to (i) are effective April 23, 2018.

207.9 Sec. 12. Minnesota Statutes 2016, section 119B.16, subdivision 1, is amended to read:

207.10 Subdivision 1. **Fair hearing allowed for applicants and recipients.** (a) An applicant
207.11 or recipient adversely affected by an action of a county agency ~~action~~ or the commissioner
207.12 may request and receive a fair hearing in accordance with this subdivision and section
207.13 256.045.

207.14 (b) A county agency must offer an informal conference to an applicant or recipient who
207.15 is entitled to a fair hearing under this section. A county agency shall advise an adversely
207.16 affected applicant or recipient that a request for a conference is optional and does not delay
207.17 or replace the right to a fair hearing.

207.18 (c) An applicant or recipient does not have a right to a fair hearing if a county agency
207.19 or the commissioner takes action against a provider.

207.20 (d) If a provider's authorization is suspended, denied, or revoked, a county agency or
207.21 the commissioner must mail notice to a child care assistance program recipient receiving
207.22 care from the provider.

207.23 **EFFECTIVE DATE.** This section is effective April 23, 2018.

207.24 Sec. 13. Minnesota Statutes 2016, section 119B.16, subdivision 1a, is amended to read:

207.25 Subd. 1a. **Fair hearing allowed for providers.** (a) This subdivision applies to providers
207.26 caring for children receiving child care assistance.

207.27 ~~(b) A provider to whom a county agency has assigned responsibility for an overpayment~~
207.28 ~~may request a fair hearing in accordance with section 256.045 for the limited purpose of~~
207.29 ~~challenging the assignment of responsibility for the overpayment and the amount of the~~
207.30 ~~overpayment. The scope of the fair hearing does not include the issues of whether the~~
207.31 ~~provider wrongfully obtained public assistance in violation of section 256.98 or was properly~~

208.1 ~~disqualified under section 256.98, subdivision 8, paragraph (c), unless the fair hearing has~~
208.2 ~~been combined with an administrative disqualification hearing brought against the provider~~
208.3 ~~under section 256.046.~~

208.4 (b) A provider may request a fair hearing only as specified in this subdivision.

208.5 (c) A provider may request a fair hearing according to sections 256.045 and 256.046 if
208.6 a county agency or the commissioner:

208.7 (1) denies or revokes a provider's authorization, unless the action entitles the provider
208.8 to a consolidated contested case hearing under subdivision 3 or an administrative review
208.9 under section 119B.161;

208.10 (2) assigns responsibility for an overpayment to a provider under section 119B.11,
208.11 subdivision 2a;

208.12 (3) establishes an overpayment for failure to comply with section 119B.125, subdivision
208.13 6;

208.14 (4) seeks monetary recovery or recoupment under section 245E.02, subdivision 4,
208.15 paragraph (c), clause (2);

208.16 (5) initiates an administrative fraud disqualification hearing; or

208.17 (6) issues a payment and the provider disagrees with the amount of the payment.

208.18 (d) A provider may request a fair hearing by submitting a written request to the
208.19 Department of Human Services, Appeals Division. A provider's request must be received
208.20 by the appeals division no later than 30 days after the date a county or the commissioner
208.21 mails the notice. The provider's appeal request must contain the following:

208.22 (1) each disputed item, the reason for the dispute, and, if appropriate, an estimate of the
208.23 dollar amount involved for each disputed item;

208.24 (2) the computation the provider believes to be correct, if appropriate;

208.25 (3) the statute or rule relied on for each disputed item; and

208.26 (4) the name, address, and telephone number of the person at the provider's place of
208.27 business with whom contact may be made regarding the appeal.

208.28 **EFFECTIVE DATE.** This section is effective April 23, 2018.

209.1 Sec. 14. Minnesota Statutes 2016, section 119B.16, subdivision 1b, is amended to read:

209.2 Subd. 1b. **Joint fair hearings.** ~~When a provider requests a fair hearing under subdivision~~
209.3 ~~1a, the family in whose case the overpayment was created must be made a party to the fair~~
209.4 ~~hearing. All other issues raised by the family must be resolved in the same proceeding.~~
209.5 ~~When a family requests a fair hearing and claims that the county should have assigned~~
209.6 ~~responsibility for an overpayment to a provider, the provider must be made a party to the~~
209.7 ~~fair hearing.~~ The human services judge assigned to a fair hearing may join a family or a
209.8 provider as a party to the fair hearing whenever joinder of that party is necessary to fully
209.9 and fairly resolve ~~overpayment~~ issues raised in the appeal.

209.10 **EFFECTIVE DATE.** This section is effective April 23, 2018.

209.11 Sec. 15. Minnesota Statutes 2016, section 119B.16, is amended by adding a subdivision
209.12 to read:

209.13 **Subd. 1c. Notice to providers.** (a) Before taking an action appealable under subdivision
209.14 1a, paragraph (c), a county agency or the commissioner must mail written notice to the
209.15 provider against whom the action is being taken.

209.16 **(b) The notice shall state:**

209.17 **(1) the factual basis for the department's determination;**

209.18 **(2) the action the department intends to take;**

209.19 **(3) the dollar amount of the monetary recovery or recoupment, if known; and**

209.20 **(4) the right to appeal the department's proposed action.**

209.21 **(c) A county agency or the commissioner must mail the written notice at least 15 calendar**
209.22 **days before the adverse action's effective date.**

209.23 **EFFECTIVE DATE.** This section is effective April 23, 2018.

209.24 Sec. 16. Minnesota Statutes 2016, section 119B.16, is amended by adding a subdivision
209.25 to read:

209.26 **Subd. 3. Consolidated contested case hearing.** If a county agency or the commissioner
209.27 denies or revokes a provider's authorization based on a licensing action, the provider may
209.28 only appeal the denial or revocation in the same contested case proceeding that the provider
209.29 appeals the licensing action.

209.30 **EFFECTIVE DATE.** This section is effective April 23, 2018.

210.1 Sec. 17. Minnesota Statutes 2016, section 119B.16, is amended by adding a subdivision
210.2 to read:

210.3 Subd. 4. **Final department action.** Unless the commissioner receives a timely and
210.4 proper request for an appeal, a county agency's or the commissioner's action shall be
210.5 considered a final department action.

210.6 **EFFECTIVE DATE.** This section is effective April 23, 2018.

210.7 Sec. 18. **[119B.161] ADMINISTRATIVE REVIEW.**

210.8 Subdivision 1. **Temporary denial or revocation of authorization.** (a) A provider has
210.9 the rights listed under this section if:

210.10 (1) the provider's authorization was denied or revoked under section 119B.13, subdivision
210.11 6, paragraph (d), clause (1), (2), or (7);

210.12 (2) the provider's authorization was temporarily suspended under paragraph (b); or

210.13 (3) a payment was suspended under chapter 245E.

210.14 (b) Unless the commissioner receives a timely and proper request for an appeal, a county's
210.15 or the commissioner's action is a final department action.

210.16 (c) The commissioner may temporarily suspend a provider's authorization without prior
210.17 notice and opportunity for hearing if the commissioner determines either that there is a
210.18 credible allegation of fraud for which an investigation is pending under the child care
210.19 assistance program, or that the suspension is necessary for public safety and the best interests
210.20 of the child care assistance program. An allegation is considered credible if the allegation
210.21 has indications of reliability. The commissioner may determine that an allegation is credible,
210.22 if the commissioner reviewed all allegations, facts, and evidence carefully and acts judiciously
210.23 on a case-by-case basis.

210.24 Subd. 2. **Notice.** (a) A county or the commissioner must mail a provider notice within
210.25 five days of suspending, revoking, or denying a provider's authorization under subdivision
210.26 1.

210.27 (b) The notice must:

210.28 (1) state the provision under which a county or the commissioner is denying, revoking,
210.29 or suspending a provider's authorization or suspending payment to the provider;

211.1 (2) set forth the general allegations leading to the revocation, denial, or suspension of a
211.2 provider's authorization. The notice need not disclose any specific information concerning
211.3 an ongoing investigation;

211.4 (3) state that the suspension, revocation, or denial of a provider's authorization is for a
211.5 temporary period and explain the circumstances under which the action expires; and

211.6 (4) inform the provider of the right to submit written evidence and argument for
211.7 consideration by the commissioner.

211.8 (c) Notwithstanding Minnesota Rules, part 3400.0185, if a county or the commissioner
211.9 denies or revokes a provider's authorization under section 119B.13, subdivision 6, paragraph
211.10 (d), clause (1), (2), or (7); suspends a payment to a provider under chapter 245E; or
211.11 temporarily suspends a payment to a provider under subdivision 1, a county or the
211.12 commissioner must send notice of termination to an affected family. The termination sent
211.13 to an affected family is effective on the date the notice is created.

211.14 Subd. 3. **Duration.** If a provider's authorization is denied or revoked under section
211.15 119B.13, subdivision 6, paragraph (d), clause (1), (2), or (7); authorization is temporarily
211.16 suspended under this section; or payment is suspended under chapter 245E, the provider's
211.17 denial, revocation, temporary suspension, or payment suspension remains in effect until:

211.18 (1) the commissioner or an enforcement authority determines that there is insufficient
211.19 evidence warranting the action and a county or the commissioner does not pursue an
211.20 additional administrative remedy under chapter 245E or section 256.98; or

211.21 (2) all criminal, civil, and administrative proceedings related to the provider's alleged
211.22 misconduct conclude and any appeal rights are exhausted.

211.23 Subd. 4. **Good cause exception.** A county or the commissioner may find that good cause
211.24 exists not to deny, revoke, or suspend a provider's authorization, or not to continue a denial,
211.25 revocation, or suspension of a provider's authorization if any of the following are applicable:

211.26 (1) an enforcement authority specifically requested that a provider's authorization not
211.27 be denied, revoked, or suspended because it may compromise an ongoing investigation;

211.28 (2) a county or the commissioner determines that the denial, revocation, or suspension
211.29 should be removed based on the provider's written submission; or

211.30 (3) the commissioner determines that the denial, revocation, or suspension is not in the
211.31 best interests of the program.

211.32 **EFFECTIVE DATE.** This section is effective April 23, 2018.

212.1 Sec. 19. Minnesota Statutes 2016, section 245.814, subdivision 2, is amended to read:

212.2 Subd. 2. **Application of coverage.** Coverage shall apply to all foster homes licensed by
212.3 the Department of Human Services, licensed by a federally recognized tribal government,
212.4 or established by the juvenile court and certified by the commissioner of corrections pursuant
212.5 to section 260B.198, subdivision 1, clause (3), item (v), to the extent that the liability is not
212.6 covered by the provisions of the standard homeowner's or automobile insurance policy. The
212.7 insurance shall not cover ~~property owned by the individual foster home provider, damage~~
212.8 ~~caused intentionally by a person over 12 years of age, or property damage arising out of~~
212.9 business pursuits or the operation of any vehicle, machinery, or equipment.

212.10 Sec. 20. Minnesota Statutes 2016, section 245.814, subdivision 3, is amended to read:

212.11 Subd. 3. **Compensation provisions.** If the commissioner of human services is unable
212.12 to obtain insurance through ordinary methods for coverage of foster home providers, the
212.13 appropriation shall be returned to the general fund and the state shall pay claims subject to
212.14 the following limitations.

212.15 (a) Compensation shall be provided only for injuries, damage, or actions set forth in
212.16 subdivision 1.

212.17 (b) Compensation shall be subject to the conditions and exclusions set forth in subdivision
212.18 2.

212.19 (c) The state shall provide compensation for bodily injury, property damage, or personal
212.20 injury resulting from the foster home providers activities as a foster home provider while
212.21 the foster child or adult is in the care, custody, and control of the foster home provider in
212.22 an amount not to exceed \$250,000 for each occurrence.

212.23 (d) The state shall provide compensation for damage or destruction of property caused
212.24 or sustained by a foster child or adult in an amount not to exceed ~~\$250~~ \$1,000 for each
212.25 occurrence.

212.26 (e) The compensation in paragraphs (c) and (d) is the total obligation for all damages
212.27 because of each occurrence regardless of the number of claims made in connection with
212.28 the same occurrence, but compensation applies separately to each foster home. The state
212.29 shall have no other responsibility to provide compensation for any injury or loss caused or
212.30 sustained by any foster home provider or foster child or foster adult.

212.31 This coverage is extended as a benefit to foster home providers to encourage care of
212.32 persons who need out-of-home care. Nothing in this section shall be construed to mean that
212.33 foster home providers are agents or employees of the state nor does the state accept any

213.1 responsibility for the selection, monitoring, supervision, or control of foster home providers
213.2 which is exclusively the responsibility of the counties which shall regulate foster home
213.3 providers in the manner set forth in the rules of the commissioner of human services.

213.4 Sec. 21. Minnesota Statutes 2016, section 245A.02, subdivision 2b, is amended to read:

213.5 Subd. 2b. **Annual or annually.** With the exception of subdivision 2c, "annual" or
213.6 "annually" means prior to or within the same month of the subsequent calendar year.

213.7 Sec. 22. Minnesota Statutes 2016, section 245A.02, is amended by adding a subdivision
213.8 to read:

213.9 Subd. 2c. **Annual or annually; family child care training requirements.** For the
213.10 purposes of section 245A.50, subdivisions 1 to 9, "annual" or "annually" means the 12-month
213.11 period beginning on the license effective date or the annual anniversary of the effective date
213.12 and ending on the day prior to the annual anniversary of the license effective date.

213.13 Sec. 23. Minnesota Statutes 2016, section 245A.04, subdivision 4, is amended to read:

213.14 Subd. 4. **Inspections; waiver.** (a) Before issuing an initial license, the commissioner
213.15 shall conduct an inspection of the program. The inspection must include but is not limited
213.16 to:

213.17 (1) an inspection of the physical plant;

213.18 (2) an inspection of records and documents;

213.19 (3) an evaluation of the program by consumers of the program; and

213.20 (4) observation of the program in operation.

213.21 For the purposes of this subdivision, "consumer" means a person who receives the
213.22 services of a licensed program, the person's legal guardian, or the parent or individual having
213.23 legal custody of a child who receives the services of a licensed program.

213.24 (b) The evaluation required in paragraph (a), clause (3)₂ or the observation in paragraph
213.25 (a), clause (4)₂ is not required prior to issuing an initial license under subdivision 7. If the
213.26 commissioner issues an initial license under subdivision 7, these requirements must be
213.27 completed within one year after the issuance of an initial license.

213.28 (c) Before completing a licensing inspection in a family child care program or child care
213.29 center, the licensing agency must offer the license holder an exit interview to discuss
213.30 violations of law or rule observed during the inspection and offer technical assistance on

214.1 how to comply with applicable laws and rules. Nothing in this paragraph limits the ability
214.2 of the commissioner to issue a correction order or negative action for violations of law or
214.3 rule not discussed in an exit interview or in the event that a license holder chooses not to
214.4 participate in an exit interview.

214.5 **EFFECTIVE DATE.** This section is effective October 1, 2017.

214.6 Sec. 24. Minnesota Statutes 2016, section 245A.06, subdivision 8, is amended to read:

214.7 Subd. 8. **Requirement to post correction order.** (a) For licensed family child care
214.8 providers and child care centers, upon receipt of any correction order or order of conditional
214.9 license issued by the commissioner under this section, and notwithstanding a pending request
214.10 for reconsideration of the correction order or order of conditional license by the license
214.11 holder, the license holder shall post the correction order or order of conditional license in
214.12 a place that is conspicuous to the people receiving services and all visitors to the facility
214.13 for two years. When the correction order or order of conditional license is accompanied by
214.14 a maltreatment investigation memorandum prepared under section 626.556 or 626.557, the
214.15 investigation memoranda must be posted with the correction order or order of conditional
214.16 license.

214.17 (b) If the commissioner reverses or rescinds a violation in a correction order upon
214.18 reconsideration under subdivision 2, the commissioner shall issue an amended correction
214.19 order and the license holder shall post the amended order according to paragraph (a).

214.20 (c) If the correction order is rescinded or reversed in full upon reconsideration under
214.21 subdivision 2, the license holder shall remove the original correction order posted according
214.22 to paragraph (a).

214.23 Sec. 25. Minnesota Statutes 2016, section 245A.06, is amended by adding a subdivision
214.24 to read:

214.25 **Subd. 9. Child care correction order quotas prohibited.** The commissioner and county
214.26 licensing agencies shall not order, mandate, require, or suggest to any person responsible
214.27 for licensing or inspecting a licensed family child care provider or child care center a quota
214.28 for the issuance of correction orders on a daily, weekly, monthly, quarterly, or yearly basis.

214.29 Sec. 26. **[245A.065] CHILD CARE FIX-IT TICKET.**

214.30 (a) In lieu of a correction order under section 245A.06, the commissioner shall issue a
214.31 fix-it ticket to a family child care or child care center license holder if the commissioner
214.32 finds that:

215.1 (1) the license holder has failed to comply with a requirement in this chapter or Minnesota
215.2 Rules, chapter 9502 or 9503, that the commissioner determines to be eligible for a fix-it
215.3 ticket;

215.4 (2) the violation does not imminently endanger the health, safety, or rights of the persons
215.5 served by the program;

215.6 (3) the license holder did not receive a fix-it ticket or correction order for the violation
215.7 at the license holder's last licensing inspection;

215.8 (4) the violation can be corrected at the time of inspection or within 48 hours, excluding
215.9 Saturdays, Sundays, and holidays; and

215.10 (5) the license holder corrects the violation at the time of inspection or agrees to correct
215.11 the violation within 48 hours, excluding Saturdays, Sundays, and holidays.

215.12 (b) The fix-it ticket must state:

215.13 (1) the conditions that constitute a violation of the law or rule;

215.14 (2) the specific law or rule violated; and

215.15 (3) that the violation was corrected at the time of inspection or must be corrected within
215.16 48 hours, excluding Saturdays, Sundays, and holidays.

215.17 (c) The commissioner shall not publicly publish a fix-it ticket on the department's Web
215.18 site.

215.19 (d) Within 48 hours, excluding Saturdays, Sundays, and holidays, of receiving a fix-it
215.20 ticket, the license holder must correct the violation and within one week submit evidence
215.21 to the licensing agency that the violation was corrected.

215.22 (e) If the violation is not corrected at the time of inspection or within 48 hours, excluding
215.23 Saturdays, Sundays, and holidays, or the evidence submitted is insufficient to establish that
215.24 the license holder corrected the violation, the commissioner must issue a correction order
215.25 for the violation of Minnesota law or rule identified in the fix-it ticket according to section
215.26 245A.06.

215.27 (f) The commissioner shall, following consultation with family child care license holders,
215.28 child care center license holders, and county agencies, issue a report by October 1, 2017,
215.29 that identifies the violations of this chapter and Minnesota Rules, chapters 9502 and 9503,
215.30 that are eligible for a fix-it ticket. The commissioner shall provide the report to county
215.31 agencies and the chairs and ranking minority members of the legislative committees with
215.32 jurisdiction over child care, and shall post the report to the department's Web site.

216.1 **EFFECTIVE DATE.** This section is effective October 1, 2017.

216.2 Sec. 27. **[245A.1434] INFORMATION FOR CHILD CARE LICENSE HOLDERS.**

216.3 The commissioner shall inform family child care and child care center license holders
216.4 on a timely basis of changes to state and federal statute, rule, regulation, and policy relating
216.5 to the provision of licensed child care, the child care assistance program under chapter 119B,
216.6 the quality rating and improvement system under section 124D.142, and child care licensing
216.7 functions delegated to counties. Communications under this section shall include information
216.8 to promote license holder compliance with identified changes. Communications under this
216.9 section may be accomplished by electronic means and shall be made available to the public
216.10 online.

216.11 Sec. 28. **[245A.153] REPORT TO LEGISLATURE ON THE STATUS OF CHILD**
216.12 **CARE.**

216.13 Subdivision 1. **Reporting requirements.** Beginning on February 1, 2018, and no later
216.14 than February 1 of each year thereafter, the commissioner of human services shall provide
216.15 a report on the status of child care in Minnesota to the chairs and ranking minority members
216.16 of the legislative committees with jurisdiction over child care.

216.17 Subd. 2. **Contents of report.** (a) The report must include the following:

216.18 (1) summary data on trends in child care center and family child care capacity and
216.19 availability throughout the state, including the number of centers and programs that have
216.20 opened and closed and the geographic locations of those centers and programs;

216.21 (2) a description of any changes to statutes, administrative rules, or agency policies and
216.22 procedures that were implemented in the year preceding the report;

216.23 (3) a description of the actions the department has taken to address or implement the
216.24 recommendations from the Legislative Task Force on Access to Affordable Child Care
216.25 Report dated January 15, 2017, including but not limited to actions taken in the areas of:

216.26 (i) encouraging uniformity in implementing and interpreting statutes, administrative
216.27 rules, and agency policies and procedures relating to child care licensing and access;

216.28 (ii) improving communication with county licensors and child care providers regarding
216.29 changes to statutes, administrative rules, and agency policies and procedures, ensuring that
216.30 information is directly and regularly transmitted;

217.1 (iii) providing notice to child care providers before issuing correction orders or negative
217.2 actions relating to recent changes to statutes, administrative rules, and agency policies and
217.3 procedures;

217.4 (iv) implementing confidential, anonymous communication processes for child care
217.5 providers to ask questions and receive prompt, clear answers from the department;

217.6 (v) streamlining processes to reduce duplication or overlap in paperwork and training
217.7 requirements for child care providers; and

217.8 (vi) compiling and distributing information detailing trends in the violations for which
217.9 correction orders and negative actions are issued;

217.10 (4) a description of the department's efforts to cooperate with counties while addressing
217.11 and implementing the task force recommendations;

217.12 (5) summary data on child care assistance programs including but not limited to state
217.13 funding and numbers of families served; and

217.14 (6) summary data on family child care correction orders, including:

217.15 (i) the number of licensed family child care provider appeals or requests for
217.16 reconsideration of correction orders to the Department of Human Services;

217.17 (ii) the number of family child care correction order appeals or requests for
217.18 reconsideration that the Department of Human Services grants; and

217.19 (iii) the number of family child care correction order appeals or requests for
217.20 reconsideration that the Department of Human Services denies.

217.21 (b) The commissioner may offer recommendations for legislative action.

217.22 Subd. 3. **Sunset.** This section expires February 2, 2020.

217.23 Sec. 29. **[245A.23] EXEMPTION FROM POSITIVE SUPPORT STRATEGIES**
217.24 **REQUIREMENTS.**

217.25 A program licensed as a family day care facility or group family day care facility under
217.26 Minnesota Rules, chapter 9502, and a program licensed as a child care center under
217.27 Minnesota Rules, chapter 9503, are exempt from Minnesota Rules, chapter 9544, relating
217.28 to positive support strategies and restrictive interventions.

217.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.

218.1 Sec. 30. Minnesota Statutes 2016, section 245E.01, is amended by adding a subdivision
218.2 to read:

218.3 Subd. 6a. **Credible allegation of fraud.** "Credible allegation of fraud" has the meaning
218.4 given in section 256B.064, subdivision 2, paragraph (b), clause (2).

218.5 **EFFECTIVE DATE.** This section is effective July 1, 2017.

218.6 Sec. 31. Minnesota Statutes 2016, section 245E.02, subdivision 1, is amended to read:

218.7 Subdivision 1. **Investigating provider or recipient financial misconduct.** The
218.8 department shall investigate alleged or suspected financial misconduct by providers and
218.9 errors related to payments issued by the child care assistance program under this chapter.
218.10 Recipients, employees, agents and consultants, and staff may be investigated when the
218.11 evidence shows that their conduct is related to the financial misconduct of a provider, license
218.12 holder, or controlling individual. When the alleged or suspected financial misconduct relates
218.13 to acting as a recruiter offering conditional employment on behalf of a provider that has
218.14 received funds from the child care assistance program, the department may investigate the
218.15 provider, center owner, director, manager, license holder, or other controlling individual or
218.16 agent, who is alleged to have acted as a recruiter offering conditional employment.

218.17 **EFFECTIVE DATE.** This section is effective April 23, 2018.

218.18 Sec. 32. Minnesota Statutes 2016, section 245E.02, subdivision 3, is amended to read:

218.19 Subd. 3. **Determination of investigation.** After completing its investigation, the
218.20 department shall ~~issue one of the following determinations~~ determine that:

218.21 (1) no violation of child care assistance requirements occurred;

218.22 (2) there is insufficient evidence to show that a violation of child care assistance
218.23 requirements occurred;

218.24 (3) a preponderance of evidence shows a violation of child care assistance program law,
218.25 rule, or policy; or

218.26 (4) there exists a credible allegation of fraud involving the child care assistance program.

218.27 **EFFECTIVE DATE.** This section is effective April 23, 2018.

219.1 Sec. 33. Minnesota Statutes 2016, section 245E.02, subdivision 4, is amended to read:

219.2 Subd. 4. ~~Actions~~ Referrals or administrative sanctions ~~actions~~. (a) After completing
219.3 the determination under subdivision 3, the department may take one or more of the actions
219.4 or sanctions specified in this subdivision.

219.5 (b) The department may take any of the following actions:

219.6 (1) refer the investigation to law enforcement or a county attorney for possible criminal
219.7 prosecution;

219.8 (2) refer relevant information to the department's licensing division, the background
219.9 studies division, the child care assistance program, the Department of Education, the federal
219.10 child and adult care food program, or appropriate child or adult protection agency;

219.11 (3) enter into a settlement agreement with a provider, license holder, owner, agent,
219.12 controlling individual, or recipient; or

219.13 (4) refer the matter for review by a prosecutorial agency with appropriate jurisdiction
219.14 for possible civil action under the Minnesota False Claims Act, chapter 15C.

219.15 (c) In addition to section 256.98, the department may impose sanctions by:

219.16 (1) pursuing administrative disqualification through hearings or waivers;

219.17 (2) establishing and seeking monetary recovery or recoupment;

219.18 (3) issuing an order of corrective action that states the practices that are violations of
219.19 child care assistance program policies, laws, or regulations, and that they must be corrected;
219.20 ~~or~~

219.21 (4) ~~suspending, denying, or terminating~~ suspending payments to a provider; or

219.22 (5) taking an action under section 119B.13, subdivision 6, paragraph (d).

219.23 (d) ~~Upon a finding by~~ If the commissioner determines that any child care provider, center
219.24 owner, director, manager, license holder, or other controlling individual of a child care
219.25 center has employed, used, or acted as a recruiter offering conditional employment for a
219.26 child care center that has received child care assistance program funding, the commissioner
219.27 shall:

219.28 (1) immediately suspend all program payments to all child care centers in which the
219.29 person employing, using, or acting as a recruiter offering conditional employment is an
219.30 owner, director, manager, license holder, or other controlling individual. The commissioner

220.1 shall suspend program payments under this clause even if services have already been
220.2 provided; and

220.3 (2) immediately and permanently revoke the licenses of all child care centers of which
220.4 the person employing, using, or acting as a recruiter offering conditional employment is an
220.5 owner, director, manager, license holder, or other controlling individual.

220.6 **EFFECTIVE DATE.** This section is effective April 23, 2018.

220.7 Sec. 34. Minnesota Statutes 2016, section 245E.03, subdivision 2, is amended to read:

220.8 Subd. 2. **Failure to provide access.** ~~Failure to provide access may result in denial or~~
220.9 ~~termination of authorizations for or payments to a recipient, provider, license holder, or~~
220.10 ~~controlling individual in the child care assistance program.~~ If a provider fails to grant the
220.11 department immediate access to records, the department may immediately suspend payments
220.12 under section 119B.161, or the department may deny or revoke the provider's authorization.
220.13 A provider, license holder, controlling individual, employee, or staff member must grant
220.14 the department access during any hours that the program is open to examine the provider's
220.15 program or the records listed in section 245E.05. A provider shall make records immediately
220.16 available at the provider's place of business at the time the department requests access,
220.17 unless the provider and the department both agree otherwise.

220.18 **EFFECTIVE DATE.** This section is effective April 23, 2018.

220.19 Sec. 35. Minnesota Statutes 2016, section 245E.03, subdivision 4, is amended to read:

220.20 Subd. 4. **Continued or repeated failure to provide access.** If the provider continues
220.21 to fail to provide access at the expiration of the 15-day notice period, child care assistance
220.22 program payments to the provider must be ~~denied~~ suspended beginning the 16th day
220.23 following notice of the initial failure or refusal to provide access. ~~The department may~~
220.24 ~~rescind the denial based upon good cause if the provider submits in writing a good cause~~
220.25 ~~basis for having failed or refused to provide access. The writing must be postmarked no~~
220.26 ~~later than the 15th day following the provider's notice of initial failure to provide access.~~ A
220.27 provider's, license holder's, controlling individual's, employee's, staff member's, or recipient's
220.28 duty to provide access in this section continues after the provider's authorization is denied,
220.29 revoked, or suspended. Additionally, the provider, license holder, or controlling individual
220.30 must immediately provide complete, ongoing access to the department. Repeated failures
220.31 to provide access must, after the initial failure or for any subsequent failure, result in
220.32 termination from participation in the child care assistance program.

221.1 **EFFECTIVE DATE.** This section is effective April 23, 2018.

221.2 Sec. 36. Minnesota Statutes 2016, section 245E.04, is amended to read:

221.3 **245E.04 HONEST AND TRUTHFUL STATEMENTS.**

221.4 It shall be unlawful for a provider, license holder, controlling individual, or recipient to:

221.5 (1) falsify, conceal, or cover up by any ~~trick, scheme, or device a material fact~~ material fact
221.6 material fact;

221.7 (2) make any materially false, fictitious, or fraudulent statement or representation; or

221.8 (3) make or use any false writing or document knowing the same to contain any materially
221.9 false, fictitious, or fraudulent statement or entry related to any child care assistance program
221.10 services that the provider, license holder, or controlling individual supplies or in relation to
221.11 any child care assistance payments received by a provider, license holder, or controlling
221.12 individual or to any fraud investigator or law enforcement officer conducting a financial
221.13 misconduct investigation.

221.14 **EFFECTIVE DATE.** This section is effective April 23, 2018.

221.15 Sec. 37. Minnesota Statutes 2016, section 245E.05, subdivision 1, is amended to read:

221.16 Subdivision 1. **Records required to be retained.** The following records must be
221.17 maintained, controlled, and made immediately accessible to license holders, providers, and
221.18 controlling individuals. The records must be organized and labeled to correspond to categories
221.19 that make them easy to identify so that they can be made available immediately upon request
221.20 to an investigator acting on behalf of the commissioner at the provider's place of business:

221.21 (1) payroll ledgers, canceled checks, bank deposit slips, and any other accounting records;

221.22 (2) daily attendance records required by and that comply with section 119B.125,
221.23 subdivision 6;

221.24 (3) billing transmittal forms requesting payments from the child care assistance program
221.25 and billing adjustments related to child care assistance program payments;

221.26 (4) records identifying all persons, corporations, partnerships, and entities with an
221.27 ownership or controlling interest in the provider's child care business;

221.28 (5) employee or contractor records identifying those persons currently employed by the
221.29 provider's child care business or who have been employed by the business at any time within
221.30 the previous five years. The records must include each employee's name, hourly and annual

222.1 salary, qualifications, position description, job title, and dates of employment. In addition,
 222.2 employee records that must be made available include the employee's time sheets, current
 222.3 home address of the employee or last known address of any former employee, and
 222.4 documentation of background studies required under chapter 119B or 245C;

222.5 (6) records related to transportation of children in care, including but not limited to:

222.6 (i) the dates and times that transportation is provided to children for transportation to
 222.7 and from the provider's business location for any purpose. For transportation related to field
 222.8 trips or locations away from the provider's business location, the names and addresses of
 222.9 those field trips and locations must also be provided;

222.10 (ii) the name, business address, phone number, and Web site address, if any, of the
 222.11 transportation service utilized; and

222.12 (iii) all billing or transportation records related to the transportation.

222.13 **EFFECTIVE DATE.** This section is effective April 23, 2018.

222.14 Sec. 38. Minnesota Statutes 2016, section 245E.06, subdivision 1, is amended to read:

222.15 Subdivision 1. **Factors regarding imposition of administrative ~~sanctions~~ actions.** (a)

222.16 The department shall consider the following factors in determining the administrative
 222.17 ~~sanctions~~ actions to be imposed:

222.18 (1) nature and extent of financial misconduct;

222.19 (2) history of financial misconduct;

222.20 (3) actions taken or recommended by other state agencies, other divisions of the
 222.21 department, and court and administrative decisions;

222.22 (4) prior ~~imposition of sanctions~~ actions;

222.23 (5) size and type of provider;

222.24 (6) information obtained through an investigation from any source;

222.25 (7) convictions or pending criminal charges; and

222.26 (8) any other information relevant to the acts or omissions related to the financial
 222.27 misconduct.

222.28 (b) Any single factor under paragraph (a) may be determinative of the department's
 222.29 decision of whether and what ~~sanctions are imposed~~ actions to take.

222.30 **EFFECTIVE DATE.** This section is effective April 23, 2018.

223.1 Sec. 39. Minnesota Statutes 2016, section 245E.06, subdivision 2, is amended to read:

223.2 Subd. 2. **Written notice of department ~~sanction action~~; sanction action effective**

223.3 **date; informal meeting.** (a) The department shall give notice in writing to a person of an
223.4 administrative sanction that is to be imposed. The notice shall be sent by mail as defined in
223.5 section ~~245E.01, subdivision 11.~~

223.6 ~~(b) The notice shall state:~~

223.7 ~~(1) the factual basis for the department's determination;~~

223.8 ~~(2) the sanction the department intends to take;~~

223.9 ~~(3) the dollar amount of the monetary recovery or recoupment, if any;~~

223.10 ~~(4) how the dollar amount was computed;~~

223.11 ~~(5) the right to dispute the department's determination and to provide evidence;~~

223.12 ~~(6) the right to appeal the department's proposed sanction; and~~

223.13 ~~(7) the option to meet informally with department staff, and to bring additional~~

223.14 ~~documentation or information, to resolve the issues.~~

223.15 ~~(e) In cases of determinations resulting in denial or termination of payments, in addition~~
223.16 ~~to the requirements of paragraph (b), the notice must state:~~

223.17 ~~(1) the length of the denial or termination;~~

223.18 ~~(2) the requirements and procedures for reinstatement; and~~

223.19 ~~(3) the provider's right to submit documents and written arguments against the denial~~

223.20 ~~or termination of payments for review by the department before the effective date of denial~~

223.21 ~~or termination.~~

223.22 ~~(d) The submission of documents and written argument for review by the department~~

223.23 ~~under paragraph (b), clause (5) or (7), or paragraph (c), clause (3), does not stay the deadline~~

223.24 ~~for filing an appeal.~~

223.25 (a) When taking an action against a provider, the department must give notice to:

223.26 (1) the provider as specified in section 119B.16 or 119B.161; and

223.27 (2) a family as specified under section 119B.161 or Minnesota Rules, part 3400.0185.

223.28 ~~(e)~~ (b) Notwithstanding section 245E.03, subdivision 4, and except for a payment

223.29 suspension or action under section 119B.161, subdivision 1, the effective date of the proposed

223.30 sanction action under this chapter shall be 30 days after the license holder's, provider's,

224.1 controlling individual's, or recipient's receipt of the notice, unless timely appealed. If a
224.2 timely appeal is made, the proposed ~~sanction~~ action shall be delayed pending the final
224.3 outcome of the appeal. Implementation of a proposed ~~sanction~~ action following the resolution
224.4 of a timely appeal may be postponed if, in the opinion of the department, the delay of
224.5 ~~sanction~~ action is necessary to protect the health or safety of children in care. ~~The department~~
224.6 ~~may consider the economic hardship of a person in implementing the proposed sanction,~~
224.7 ~~but economic hardship shall not be a determinative factor in implementing the proposed~~
224.8 ~~sanction.~~

224.9 ~~(f) Requests for an informal meeting to attempt to resolve issues and requests for appeals~~
224.10 ~~must be sent or delivered to the department's Office of Inspector General, Financial Fraud~~
224.11 ~~and Abuse Division.~~

224.12 **EFFECTIVE DATE.** This section is effective April 23, 2018.

224.13 Sec. 40. Minnesota Statutes 2016, section 245E.06, subdivision 3, is amended to read:

224.14 Subd. 3. **Appeal of department sanction action.** ~~(a) If the department does not pursue~~
224.15 ~~a criminal action against a provider, license holder, controlling individual, or recipient for~~
224.16 ~~financial misconduct, but the department imposes an administrative sanction under section~~
224.17 ~~245E.02, subdivision 4, paragraph (c), any individual or entity against whom the sanction~~
224.18 ~~was imposed may appeal the department's administrative sanction under this section pursuant~~
224.19 ~~to section 119B.16 or 256.045 with the additional requirements in clauses (1) to (4). An~~
224.20 ~~appeal must specify:~~

224.21 ~~(1) each disputed item, the reason for the dispute, and an estimate of the dollar amount~~
224.22 ~~involved for each disputed item, if appropriate;~~

224.23 ~~(2) the computation that is believed to be correct, if appropriate;~~

224.24 ~~(3) the authority in the statute or rule relied upon for each disputed item; and~~

224.25 ~~(4) the name, address, and phone number of the person at the provider's place of business~~
224.26 ~~with whom contact may be made regarding the appeal.~~

224.27 ~~(b) Notwithstanding section 245E.03, subdivision 4, an appeal is considered timely only~~
224.28 ~~if postmarked or received by the department's Appeals Division within 30 days after receiving~~
224.29 ~~a notice of department sanction.~~

224.30 ~~(c) Before the appeal hearing, the department may deny or terminate authorizations or~~
224.31 ~~payment to the entity or individual if the department determines that the action is necessary~~
224.32 ~~to protect the public welfare or the interests of the child care assistance program.~~

225.1 A provider's rights related to an action taken under this chapter are established in sections
225.2 119B.16 and 119B.161.

225.3 **EFFECTIVE DATE.** This section is effective April 23, 2018.

225.4 Sec. 41. Minnesota Statutes 2016, section 245E.07, subdivision 1, is amended to read:

225.5 Subdivision 1. **Grounds for and methods of monetary recovery.** (a) The department
225.6 may obtain monetary recovery from a provider who has been improperly paid by the child
225.7 care assistance program, regardless of whether the error was on the part of the provider, the
225.8 department, or the county and regardless of whether the error was intentional or county
225.9 error. The department does not need to establish a pattern as a ~~precondition of monetary~~
225.10 ~~recovery~~ of erroneous or false billing claims, duplicate billing claims, or billing claims
225.11 based on false statements or financial misconduct.

225.12 (b) The department shall obtain monetary recovery from providers by the following
225.13 means:

225.14 (1) permitting voluntary repayment of money, either in lump-sum payment or installment
225.15 payments;

225.16 (2) using any legal collection process;

225.17 (3) deducting or withholding program payments; or

225.18 (4) utilizing the means set forth in chapter 16D.

225.19 **EFFECTIVE DATE.** This section is effective April 23, 2018.

225.20 Sec. 42. Minnesota Statutes 2016, section 256.98, subdivision 8, is amended to read:

225.21 Subd. 8. **Disqualification from program.** (a) Any person found to be guilty of
225.22 wrongfully obtaining assistance by a federal or state court or by an administrative hearing
225.23 determination, or waiver thereof, through a disqualification consent agreement, or as part
225.24 of any approved diversion plan under section 401.065, or any court-ordered stay which
225.25 carries with it any probationary or other conditions, in the Minnesota family investment
225.26 program and any affiliated program to include the diversionary work program and the work
225.27 participation cash benefit program, the food stamp or food support program, the general
225.28 assistance program, the group residential housing program, or the Minnesota supplemental
225.29 aid program shall be disqualified from that program. In addition, any person disqualified
225.30 from the Minnesota family investment program shall also be disqualified from the food

226.1 stamp or food support program. The needs of that individual shall not be taken into
226.2 consideration in determining the grant level for that assistance unit:

226.3 (1) for one year after the first offense;

226.4 (2) for two years after the second offense; and

226.5 (3) permanently after the third or subsequent offense.

226.6 The period of program disqualification shall begin on the date stipulated on the advance
226.7 notice of disqualification without possibility of postponement for administrative stay or
226.8 administrative hearing and shall continue through completion unless and until the findings
226.9 upon which the sanctions were imposed are reversed by a court of competent jurisdiction.

226.10 The period for which sanctions are imposed is not subject to review. The sanctions provided
226.11 under this subdivision are in addition to, and not in substitution for, any other sanctions that
226.12 may be provided for by law for the offense involved. A disqualification established through
226.13 hearing or waiver shall result in the disqualification period beginning immediately unless
226.14 the person has become otherwise ineligible for assistance. If the person is ineligible for
226.15 assistance, the disqualification period begins when the person again meets the eligibility
226.16 criteria of the program from which they were disqualified and makes application for that
226.17 program.

226.18 (b) A family receiving assistance through child care assistance programs under chapter
226.19 119B with a family member who is found to be guilty of wrongfully obtaining child care
226.20 assistance by a federal court, state court, or an administrative hearing determination or
226.21 waiver, through a disqualification consent agreement, as part of an approved diversion plan
226.22 under section 401.065, or a court-ordered stay with probationary or other conditions, is
226.23 disqualified from child care assistance programs. The disqualifications must be for periods
226.24 of one year and two years for the first and second offenses, respectively. Subsequent
226.25 violations must result in permanent disqualification. During the disqualification period,
226.26 disqualification from any child care program must extend to all child care programs and
226.27 must be immediately applied.

226.28 (c) A provider caring for children receiving assistance through child care assistance
226.29 programs under chapter 119B is disqualified from receiving payment for child care services
226.30 from the child care assistance program under chapter 119B when the provider is found to
226.31 have wrongfully obtained child care assistance by a federal court, state court, or an
226.32 administrative hearing determination or waiver under section 256.046, through a
226.33 disqualification consent agreement, as part of an approved diversion plan under section
226.34 401.065, or a court-ordered stay with probationary or other conditions. The disqualification

227.1 must be for a period of ~~one year~~ two years for the first offense ~~and two years for the second~~
227.2 ~~offense~~. Any subsequent violation must result in permanent disqualification. The
227.3 disqualification period must be imposed immediately after a determination is made under
227.4 this paragraph. During the disqualification period, the provider is disqualified from receiving
227.5 payment from any child care program under chapter 119B.

227.6 (d) Any person found to be guilty of wrongfully obtaining MinnesotaCare for adults
227.7 without children and upon federal approval, all categories of medical assistance and
227.8 remaining categories of MinnesotaCare, except for children through age 18, by a federal or
227.9 state court or by an administrative hearing determination, or waiver thereof, through a
227.10 disqualification consent agreement, or as part of any approved diversion plan under section
227.11 401.065, or any court-ordered stay which carries with it any probationary or other conditions,
227.12 is disqualified from that program. The period of disqualification is one year after the first
227.13 offense, two years after the second offense, and permanently after the third or subsequent
227.14 offense. The period of program disqualification shall begin on the date stipulated on the
227.15 advance notice of disqualification without possibility of postponement for administrative
227.16 stay or administrative hearing and shall continue through completion unless and until the
227.17 findings upon which the sanctions were imposed are reversed by a court of competent
227.18 jurisdiction. The period for which sanctions are imposed is not subject to review. The
227.19 sanctions provided under this subdivision are in addition to, and not in substitution for, any
227.20 other sanctions that may be provided for by law for the offense involved.

227.21 **EFFECTIVE DATE.** This section is effective April 23, 2018.

227.22 Sec. 43. Minnesota Statutes 2016, section 256I.04, subdivision 1, is amended to read:

227.23 Subdivision 1. **Individual eligibility requirements.** An individual is eligible for and
227.24 entitled to a group residential housing payment to be made on the individual's behalf if the
227.25 agency has approved the individual's residence in a group residential housing setting and
227.26 the individual meets the requirements in paragraph (a) ~~or~~ (b), or (c).

227.27 (a) The individual is aged, blind, or is over 18 years of age and disabled as determined
227.28 under the criteria used by the title II program of the Social Security Act, and meets the
227.29 resource restrictions and standards of section 256P.02, and the individual's countable income
227.30 after deducting the (1) exclusions and disregards of the SSI program, (2) the medical
227.31 assistance personal needs allowance under section 256B.35, and (3) an amount equal to the
227.32 income actually made available to a community spouse by an elderly waiver participant
227.33 under the provisions of sections 256B.0575, paragraph (a), clause (4), and 256B.058,

228.1 subdivision 2, is less than the monthly rate specified in the agency's agreement with the
228.2 provider of group residential housing in which the individual resides.

228.3 (b) The individual meets a category of eligibility under section 256D.05, subdivision 1,
228.4 paragraph (a), clauses (1), (3), (5) to (9), and (14), and paragraph (b), if applicable, and the
228.5 individual's resources are less than the standards specified by section 256P.02, and the
228.6 individual's countable income as determined under section 256P.06, less the medical
228.7 assistance personal needs allowance under section 256B.35 is less than the monthly rate
228.8 specified in the agency's agreement with the provider of group residential housing in which
228.9 the individual resides.

228.10 (c) The individual receives licensed residential crisis stabilization services under section
228.11 256B.0624, subdivision 7, and is receiving medical assistance. The individual may receive
228.12 concurrent group residential housing payments if receiving licensed residential crisis
228.13 stabilization services under section 256B.0624, subdivision 7.

228.14 **EFFECTIVE DATE.** This section is effective October 1, 2017.

228.15 Sec. 44. Minnesota Statutes 2016, section 256I.04, subdivision 3, is amended to read:

228.16 Subd. 3. **Moratorium on development of group residential housing beds.** (a) Agencies
228.17 shall not enter into agreements for new group residential housing beds with total rates in
228.18 excess of the MSA equivalent rate except:

228.19 (1) for group residential housing establishments licensed under chapter 245D provided
228.20 the facility is needed to meet the census reduction targets for persons with developmental
228.21 disabilities at regional treatment centers;

228.22 (2) up to 80 beds in a single, specialized facility located in Hennepin County that will
228.23 provide housing for chronic inebriates who are repetitive users of detoxification centers and
228.24 are refused placement in emergency shelters because of their state of intoxication, and
228.25 planning for the specialized facility must have been initiated before July 1, 1991, in
228.26 anticipation of receiving a grant from the Housing Finance Agency under section 462A.05,
228.27 subdivision 20a, paragraph (b);

228.28 (3) notwithstanding the provisions of subdivision 2a, for up to ~~190~~ 226 supportive
228.29 housing units in Anoka, Dakota, Hennepin, or Ramsey County for homeless adults with a
228.30 mental illness, a history of substance abuse, or human immunodeficiency virus or acquired
228.31 immunodeficiency syndrome. For purposes of this section, "homeless adult" means a person
228.32 who is living on the street or in a shelter or discharged from a regional treatment center,
228.33 community hospital, or residential treatment program and has no appropriate housing

229.1 available and lacks the resources and support necessary to access appropriate housing. At
229.2 least 70 percent of the supportive housing units must serve homeless adults with mental
229.3 illness, substance abuse problems, or human immunodeficiency virus or acquired
229.4 immunodeficiency syndrome who are about to be or, within the previous six months, has
229.5 been discharged from a regional treatment center, or a state-contracted psychiatric bed in
229.6 a community hospital, or a residential mental health or chemical dependency treatment
229.7 program. If a person meets the requirements of subdivision 1, paragraph (a), and receives
229.8 a federal or state housing subsidy, the group residential housing rate for that person is limited
229.9 to the supplementary rate under section 256I.05, subdivision 1a, and is determined by
229.10 subtracting the amount of the person's countable income that exceeds the MSA equivalent
229.11 rate from the group residential housing supplementary rate. A resident in a demonstration
229.12 project site who no longer participates in the demonstration program shall retain eligibility
229.13 for a group residential housing payment in an amount determined under section 256I.06,
229.14 subdivision 8, using the MSA equivalent rate. Service funding under section 256I.05,
229.15 subdivision 1a, will end June 30, 1997, if federal matching funds are available and the
229.16 services can be provided through a managed care entity. If federal matching funds are not
229.17 available, then service funding will continue under section 256I.05, subdivision 1a;

229.18 (4) for an additional two beds, resulting in a total of 32 beds, for a facility located in
229.19 Hennepin County providing services for recovering and chemically dependent men that has
229.20 had a group residential housing contract with the county and has been licensed as a board
229.21 and lodge facility with special services since 1980;

229.22 (5) for a group residential housing provider located in the city of St. Cloud, or a county
229.23 contiguous to the city of St. Cloud, that operates a 40-bed facility, that received financing
229.24 through the Minnesota Housing Finance Agency Ending Long-Term Homelessness Initiative
229.25 and serves chemically dependent clientele, providing 24-hour-a-day supervision;

229.26 (6) for a new 65-bed facility in Crow Wing County that will serve chemically dependent
229.27 persons, operated by a group residential housing provider that currently operates a 304-bed
229.28 facility in Minneapolis, and a 44-bed facility in Duluth;

229.29 (7) for a group residential housing provider that operates two ten-bed facilities, one
229.30 located in Hennepin County and one located in Ramsey County, that provide community
229.31 support and 24-hour-a-day supervision to serve the mental health needs of individuals who
229.32 have chronically lived unsheltered; and

230.1 (8) for a group residential facility in Hennepin County with a capacity of up to 48 beds
230.2 that has been licensed since 1978 as a board and lodging facility and that until August 1,
230.3 2007, operated as a licensed chemical dependency treatment program.

230.4 (b) An agency may enter into a group residential housing agreement for beds with rates
230.5 in excess of the MSA equivalent rate in addition to those currently covered under a group
230.6 residential housing agreement if the additional beds are only a replacement of beds with
230.7 rates in excess of the MSA equivalent rate which have been made available due to closure
230.8 of a setting, a change of licensure or certification which removes the beds from group
230.9 residential housing payment, or as a result of the downsizing of a group residential housing
230.10 setting. The transfer of available beds from one agency to another can only occur by the
230.11 agreement of both agencies.

230.12 Sec. 45. Minnesota Statutes 2016, section 256I.05, is amended by adding a subdivision
230.13 to read:

230.14 Subd. 1p. **Supplementary rate; St. Louis County.** (a) Notwithstanding the provisions
230.15 of subdivisions 1a and 1c, beginning July 1, 2017, a county agency shall negotiate a
230.16 supplementary rate in addition to the rate specified in subdivision 1, not to exceed \$700 per
230.17 month, including any legislatively authorized inflationary adjustments, for a group residential
230.18 housing provider that:

230.19 (1) is located in St. Louis County and has had a group residential housing contract with
230.20 the county since July 2016;

230.21 (2) operates a 35-bed facility;

230.22 (3) serves women who are chemically dependent, mentally ill, or both;

230.23 (4) provides 24-hour per day supervision;

230.24 (5) provides on-site support with skilled professionals, including a licensed practical
230.25 nurse, registered nurses, peer specialists, and resident counselors; and

230.26 (6) provides independent living skills training and assistance with family reunification.

230.27 Sec. 46. Minnesota Statutes 2016, section 256I.05, is amended by adding a subdivision
230.28 to read:

230.29 Subd. 1q. **Supplemental rate; Anoka County.** Notwithstanding the provisions in this
230.30 section, a county agency shall negotiate a supplemental rate for 42 beds in addition to the
230.31 rate specified in subdivision 1, not to exceed the maximum rate allowed under subdivision

231.1 1a, including any legislatively authorized inflationary adjustments, for a group residential
231.2 housing provider that is located in Anoka County and provides emergency housing on the
231.3 former Anoka Regional Treatment Center campus. Notwithstanding any other law or rule
231.4 to the contrary, Anoka County is not responsible for any additional costs associated with
231.5 the supplemental rate provided for in this subdivision.

231.6 Sec. 47. Minnesota Statutes 2016, section 256I.05, is amended by adding a subdivision
231.7 to read:

231.8 Subd. 1r. **Supplemental rate; Olmsted County.** Notwithstanding the provisions of
231.9 subdivisions 1a and 1c, beginning July 1, 2017, a county agency shall negotiate a
231.10 supplementary rate in addition to the rate specified in subdivision 1, not to exceed \$750 per
231.11 month, including any legislatively authorized inflationary adjustments, for a group residential
231.12 housing provider located in Olmsted County that operates long-term residential facilities
231.13 with a total of 104 beds that serve chemically dependent men and women and provide
231.14 24-hour-a-day supervision and other support services.

231.15 Sec. 48. Minnesota Statutes 2016, section 256I.05, is amended by adding a subdivision
231.16 to read:

231.17 Subd. 11. **Transfer of emergency shelter funds.** (a) The commissioner shall make a
231.18 cost-neutral transfer of funding from the group residential housing fund to county human
231.19 service agencies for emergency shelter beds removed from the group residential housing
231.20 census under a biennial plan submitted by the county and approved by the commissioner.
231.21 The biennial plan is due August 1, beginning August 1, 2017. The plan must describe: (1)
231.22 anticipated and actual outcomes for persons experiencing homelessness in emergency
231.23 shelters; (2) improved efficiencies in administration; (3) requirements for individual
231.24 eligibility; and (4) plans for quality assurance monitoring and quality assurance outcomes.
231.25 The commissioner shall review the county plan to monitor implementation and outcomes
231.26 at least biennially, and more frequently if the commissioner deems necessary.

231.27 (b) The funding under paragraph (a) may be used for the provision of room and board
231.28 or supplemental services according to section 256I.03, subdivisions 2 and 8. Providers must
231.29 meet the requirements of section 256I.04, subdivisions 2a to 2f. Funding must be allocated
231.30 annually, and the room and board portion of the allocation shall be adjusted according to
231.31 the percentage change in the group residential housing room and board rate. The room and
231.32 board portion of the allocation shall be determined at the time of transfer. The commissioner

232.1 or county may return beds to the group residential housing fund with 180 days' notice,
232.2 including financial reconciliation.

232.3 **EFFECTIVE DATE.** This section is effective July 1, 2017.

232.4 Sec. 49. Minnesota Statutes 2016, section 256I.06, subdivision 8, is amended to read:

232.5 Subd. 8. **Amount of group residential housing payment.** (a) The amount of a group
232.6 residential housing payment to be made on behalf of an eligible individual is determined
232.7 by subtracting the individual's countable income under section 256I.04, subdivision 1, for
232.8 a whole calendar month from the group residential housing charge for that same month.
232.9 The group residential housing charge is determined by multiplying the group residential
232.10 housing rate times the period of time the individual was a resident or temporarily absent
232.11 under section 256I.05, subdivision 1c, paragraph (d).

232.12 (b) For an individual with earned income under paragraph (a), prospective budgeting
232.13 must be used to determine the amount of the individual's payment for the following six-month
232.14 period. An increase in income shall not affect an individual's eligibility or payment amount
232.15 until the month following the reporting month. A decrease in income shall be effective the
232.16 first day of the month after the month in which the decrease is reported.

232.17 (c) For an individual who receives licensed residential crisis stabilization services under
232.18 section 256B.0624, subdivision 7, the amount of group residential housing payment is
232.19 determined by multiplying the group residential housing rate times the period of time the
232.20 individual was a resident.

232.21 **EFFECTIVE DATE.** This section is effective October 1, 2017.

232.22 Sec. 50. Minnesota Statutes 2016, section 256J.45, subdivision 2, is amended to read:

232.23 Subd. 2. **General information.** The MFIP orientation must consist of a presentation
232.24 that informs caregivers of:

232.25 (1) the necessity to obtain immediate employment;

232.26 (2) the work incentives under MFIP, including the availability of the federal earned
232.27 income tax credit and the Minnesota working family tax credit;

232.28 (3) the requirement to comply with the employment plan and other requirements of the
232.29 employment and training services component of MFIP, including a description of the range
232.30 of work and training activities that are allowable under MFIP to meet the individual needs
232.31 of participants;

233.1 (4) the consequences for failing to comply with the employment plan and other program
 233.2 requirements, and that the county agency may not impose a sanction when failure to comply
 233.3 is due to the unavailability of child care or other circumstances where the participant has
 233.4 good cause under subdivision 3;

233.5 (5) the rights, responsibilities, and obligations of participants;

233.6 (6) the types and locations of child care services available through the county agency;

233.7 (7) the availability and the benefits of the early childhood health and developmental
 233.8 screening under sections 121A.16 to 121A.19; 123B.02, subdivision 16; and 123B.10;

233.9 (8) the caregiver's eligibility for transition year child care assistance under section
 233.10 119B.05;

233.11 (9) the availability of all health care programs, including transitional medical assistance;

233.12 (10) the caregiver's option to choose an employment and training provider and information
 233.13 about each provider, including but not limited to, services offered, program components,
 233.14 job placement rates, job placement wages, and job retention rates;

233.15 (11) the caregiver's option to request approval of an education and training plan according
 233.16 to section 256J.53;

233.17 (12) the work study programs available under the higher education system; ~~and~~

233.18 (13) information about the 60-month time limit exemptions under the family violence
 233.19 waiver and referral information about shelters and programs for victims of family violence;
 233.20 and

233.21 (14) information about the income exclusions under section 256P.06, subdivision 2.

233.22 **EFFECTIVE DATE.** This section is effective July 1, 2018.

233.23 Sec. 51. **[256N.261] SUPPORT FOR ADOPTIVE, FOSTER, AND KINSHIP**
 233.24 **FAMILIES.**

233.25 Subdivision 1. **Program established.** The commissioner of human services shall design
 233.26 and implement a coordinated program to reduce the need for placement changes or
 233.27 out-of-home placements of children and youth in foster care, adoptive placements, and
 233.28 permanent physical and legal custody kinship placements, and to improve the functioning
 233.29 and stability of these families. To the extent federal funds are available, the commissioner
 233.30 shall provide the following adoption and foster care-competent services and ensure that
 233.31 placements are trauma informed and child and family centered:

234.1 (1) a program providing information, referrals, a parent-to-parent support network, peer
234.2 support for youth, family activities, respite care, crisis services, educational support, and
234.3 mental health services for children and youth in adoption, foster care, and kinship placements
234.4 and adoptive, foster, and kinship families from across Minnesota;

234.5 (2) training offered around Minnesota for adoptive and kinship families, and additional
234.6 training for foster families, and the professionals who serve the families, on the effects of
234.7 trauma, common disabilities of adopted children and children in foster care, and kinship
234.8 placements, and challenges in adoption, foster care, and kinship placements; and

234.9 (3) periodic evaluation of these services to ensure program effectiveness in preserving
234.10 and improving the success of adoptive, foster, and kinship placements.

234.11 Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

234.12 (b) "Child and family centered" means individualized services that respond to a child's
234.13 or youth's strengths, interests, and current developmental stage, including social, cognitive,
234.14 emotional, physical, cultural, racial, and spiritual needs, and offer support to the entire
234.15 adoptive, foster, or kinship family.

234.16 (c) "Trauma informed" means care that acknowledges the effect trauma has on children
234.17 and the children's families, modifies services to respond to the effects of trauma, emphasizes
234.18 skill and strength building rather than symptom management, and focuses on the physical
234.19 and psychological safety of the child and family.

234.20 Sec. 52. Minnesota Statutes 2016, section 256P.06, subdivision 2, is amended to read:

234.21 Subd. 2. **Exempted individuals.** (a) The following members of an assistance unit under
234.22 chapters 119B and 256J are exempt from having their earned income count towards the
234.23 income of an assistance unit:

234.24 (1) children under six years old;

234.25 (2) caregivers under 20 years of age enrolled at least half-time in school; and

234.26 (3) minors enrolled in school full time.

234.27 (b) The following members of an assistance unit are exempt from having their earned
234.28 and unearned income count toward the income of an assistance unit for 18 consecutive
234.29 calendar months, beginning the month following the marriage date, for benefits under chapter
234.30 256J if the household income does not exceed 275 percent of the federal poverty guidelines:

234.31 (1) a new spouse to a caretaker in an existing assistance unit; and

235.1 (2) the spouse designated by a newly married couple, when both spouses were already
235.2 members of an assistance unit under chapter 256J.

235.3 (c) If members of an assistance unit identified in paragraph (b) also receive assistance
235.4 under section 119B.05, they are exempt from having their earned income count toward the
235.5 income of the assistance unit if the household income prior to the exemption does not exceed
235.6 67 percent of the state median income for recipients under section 119B.05 for 39 consecutive
235.7 biweekly periods beginning the second biweekly period after the marriage date.

235.8 **EFFECTIVE DATE.** This section is effective July 1, 2018.

235.9 Sec. 53. Minnesota Statutes 2016, section 260C.451, subdivision 6, is amended to read:

235.10 Subd. 6. **Reentering foster care and accessing services after 18 years of age and up**
235.11 **to 21 years of age.** (a) Upon request of an individual who had been under the guardianship
235.12 of the commissioner and who has left foster care without being adopted, the responsible
235.13 social services agency which had been the commissioner's agent for purposes of the
235.14 guardianship shall develop with the individual a plan to increase the individual's ability to
235.15 live safely and independently using the plan requirements of section 260C.212, subdivision
235.16 1, paragraph (c), clause (12), and to assist the individual to meet one or more of the eligibility
235.17 criteria in subdivision 4 if the individual wants to reenter foster care. The responsible social
235.18 services agency shall provide foster care as required to implement the plan. The responsible
235.19 social services agency shall enter into a voluntary placement agreement under section
235.20 260C.229 with the individual if the plan includes foster care.

235.21 (b) Individuals who had not been under the guardianship of the commissioner of human
235.22 services prior to 18 years of age may ask to reenter foster care after age 18 and, ~~to the extent~~
235.23 ~~funds are available,~~ the responsible social services agency that had responsibility for planning
235.24 for the individual before discharge from foster care ~~may~~ shall provide foster care or other
235.25 services to the individual for the purpose of increasing the individual's ability to live safely
235.26 and independently and to meet the eligibility criteria in subdivision 3a, if the individual:

235.27 (1) was in foster care for the six consecutive months prior to the person's 18th birthday,
235.28 or left foster care within six months prior to the person's 18th birthday, and was not
235.29 discharged home, adopted, or received into a relative's home under a transfer of permanent
235.30 legal and physical custody under section 260C.515, subdivision 4; or

235.31 (2) was discharged from foster care while on runaway status after age 15.

235.32 (c) In conjunction with a qualifying and eligible individual under paragraph (b) and
235.33 other appropriate persons, the responsible social services agency shall develop a specific

236.1 plan related to that individual's vocational, educational, social, or maturational needs and;
236.2 ~~to the extent funds are available~~, provide foster care as required to implement the plan. The
236.3 responsible social services agency shall enter into a voluntary placement agreement with
236.4 the individual if the plan includes foster care.

236.5 (d) A child who left foster care while under guardianship of the commissioner of human
236.6 services retains eligibility for foster care for placement at any time prior to 21 years of age.

236.7 Sec. 54. Minnesota Statutes 2016, section 626.556, subdivision 3c, is amended to read:

236.8 Subd. 3c. **Local welfare agency, Department of Human Services or Department of**
236.9 **Health responsible for assessing or investigating reports of maltreatment.** (a) The county
236.10 local welfare agency is the agency responsible for assessing or investigating allegations of
236.11 maltreatment in child foster care, family child care, legally unlicensed child care, ~~juvenile~~
236.12 ~~correctional facilities licensed under section 241.021 located in the local welfare agency's~~
236.13 ~~county~~, and reports involving children served by an unlicensed personal care provider
236.14 organization under section 256B.0659. Copies of findings related to personal care provider
236.15 organizations under section 256B.0659 must be forwarded to the Department of Human
236.16 Services provider enrollment.

236.17 (b) The Department of Human Services is the agency responsible for assessing or
236.18 investigating allegations of maltreatment in juvenile correctional facilities licensed by the
236.19 Department of Corrections under section 241.021 and in facilities licensed under chapters
236.20 245A and 245D, except for child foster care and family child care.

236.21 (c) The Department of Health is the agency responsible for assessing or investigating
236.22 allegations of child maltreatment in facilities licensed under sections 144.50 to 144.58 and
236.23 144A.43 to 144A.482.

236.24 Sec. 55. **MOBILE FOOD SHELF GRANTS.**

236.25 Subdivision 1. **Grant amount.** Hunger Solutions shall award grants on a priority basis
236.26 under subdivision 3. A grant to sustain an existing mobile program shall not exceed \$25,000.
236.27 A grant to create a new mobile program shall not exceed \$75,000.

236.28 Subd. 2. **Application contents.** An applicant for a grant under this section must provide
236.29 the following information to Hunger Solutions:

236.30 (1) the location of the project;

236.31 (2) a description of the mobile program, including the program's size and scope;

237.1 (3) evidence regarding the unserved or underserved nature of the community in which
237.2 the project is to be located;

237.3 (4) evidence of community support for the project;

237.4 (5) the total cost of the project;

237.5 (6) the amount of the grant request and how funds will be used;

237.6 (7) sources of funding or in-kind contributions for the project that may supplement any
237.7 grant award;

237.8 (8) the applicant's commitment to maintain the mobile program; and

237.9 (9) any additional information requested by Hunger Solutions.

237.10 Subd. 3. **Awarding grants.** In evaluating applications and awarding grants, Hunger
237.11 Solutions must give priority to an applicant who:

237.12 (1) serves unserved or underserved areas;

237.13 (2) creates a new mobile program or expands an existing mobile program;

237.14 (3) serves areas where a high level of need is identified;

237.15 (4) provides evidence of strong support for the project from residents and other institutions
237.16 in the community;

237.17 (5) leverages funding for the project from other private and public sources; and

237.18 (6) commits to maintaining the program on a multiyear basis.

237.19 Sec. 56. **MINNESOTA PATHWAYS TO PROSPERITY DAKOTA AND OLMSTED**
237.20 **COUNTIES' PILOT PROJECT.**

237.21 Subdivision 1. **Authorization.** The commissioners of human services, health, education,
237.22 Minnesota Housing Finance Agency, and management and budget, and hereinafter, the
237.23 executive branch team, shall work together with Dakota and Olmsted Counties, and other
237.24 interested stakeholders, to consider the design of a pilot that tests an alternative financing
237.25 model for the distribution of publicly funded benefits in Dakota and Olmsted Counties.

237.26 Subd. 2. **Pilot project design and goals.** The goals of the pilot project are to reduce the
237.27 historical separation between the state funds and systems affecting families who are receiving
237.28 public assistance. The pilot project shall eliminate, where possible, funding restrictions to
237.29 allow a more comprehensive approach to the needs of the families in the pilot project, and
237.30 focus on upstream, prevention-oriented supports and interventions.

238.1 Subd. 3. **Executive team work.** When planning a potential pilot project, the executive
238.2 branch team must consider whether a pilot project participant:

238.3 (1) is 26 years of age or younger with a minimum of one child;

238.4 (2) voluntarily agrees to participate in the pilot project;

238.5 (3) is eligible for, applying for, or receiving public benefits including but not limited to
238.6 housing assistance, education supports, employment supports, child care, transportation
238.7 supports, medical assistance, earned income tax credit, or the child care tax credit; and

238.8 (4) is enrolled in an education program that is focused on obtaining a career that will
238.9 likely result in a livable wage.

238.10 **Sec. 57. CHILD CARE CORRECTION ORDER POSTING GUIDELINES.**

238.11 No later than November 1, 2017, the commissioner shall develop guidelines for posting
238.12 public licensing data for licensed child care programs. In developing the guidelines, the
238.13 commissioner shall consult with stakeholders, including licensed child care center providers,
238.14 family child care providers, and county agencies.

238.15 **Sec. 58. DIRECTION TO COMMISSIONER; GROUP RESIDENTIAL HOUSING**
238.16 **STUDY.**

238.17 Within available appropriations, the commissioner of human services shall study the
238.18 group residential housing supplementary service rates under Minnesota Statutes, section
238.19 256I.05, and make recommendations on the supplementary service rate structure to the
238.20 chairs and ranking minority members of the legislative committees with jurisdiction over
238.21 human services policy and finance by January 15, 2018.

238.22 **Sec. 59. REPEALER.**

238.23 (a) Minnesota Statutes 2016, sections 179A.50; 179A.51; 179A.52; and 179A.53, are
238.24 repealed.

238.25 (b) Minnesota Statutes 2016, sections 119B.16, subdivision 2; 245E.03, subdivision 3;
238.26 and 245E.06, subdivisions 4 and 5, and Minnesota Rules, part 3400.0185, subpart 5, are
238.27 repealed effective April 23, 2018.

238.28 **ARTICLE 5**

238.29 **HEALTH OCCUPATIONS**

238.30 **Section 1. [147.033] PRACTICE OF TELEMEDICINE.**

239.1 Subdivision 1. **Definition.** For the purposes of this section, "telemedicine" means the
239.2 delivery of health care services or consultations while the patient is at an originating site
239.3 and the licensed health care provider is at a distant site. A communication between licensed
239.4 health care providers that consists solely of a telephone conversation, e-mail, or facsimile
239.5 transmission does not constitute telemedicine consultations or services. A communication
239.6 between a licensed health care provider and a patient that consists solely of an e-mail or
239.7 facsimile transmission does not constitute telemedicine consultations or services.
239.8 Telemedicine may be provided by means of real-time two-way interactive audio, and visual
239.9 communications, including the application of secure video conferencing or store-and-forward
239.10 technology to provide or support health care delivery, that facilitate the assessment, diagnosis,
239.11 consultation, treatment, education, and care management of a patient's health care.

239.12 Subd. 2. **Physician-patient relationship.** A physician-patient relationship may be
239.13 established through telemedicine.

239.14 Subd. 3. **Standards of practice and conduct.** A physician providing health care services
239.15 by telemedicine in this state shall be held to the same standards of practice and conduct as
239.16 provided in this chapter for in-person health care services.

239.17 Sec. 2. Minnesota Statutes 2016, section 148.171, subdivision 7b, is amended to read:

239.18 Subd. 7b. **Intervention Encumbered.** "~~Intervention~~" means any act or action, based
239.19 upon clinical judgment and knowledge that a nurse performs to enhance the health outcome
239.20 of a patient. "**Encumbered**" means (1) a license that is revoked, suspended, or contains
239.21 limitations on the full and unrestricted practice of nursing when the revocation, suspension,
239.22 or limitation is imposed by a state licensing board, or (2) a license that is voluntarily
239.23 surrendered.

239.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.

239.25 Sec. 3. Minnesota Statutes 2016, section 148.171, is amended by adding a subdivision to
239.26 read:

239.27 Subd. 7c. **Intervention.** "**Intervention**" means any act or action based upon clinical
239.28 judgment and knowledge that a nurse performs to enhance the health outcome of a patient.

239.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.

240.1 Sec. 4. Minnesota Statutes 2016, section 148.211, subdivision 1a, is amended to read:

240.2 Subd. 1a. **Advanced practice registered nurse licensure.** (a) ~~Effective January 1, 2015,~~

240.3 No advanced practice nurse shall practice as an advanced practice registered nurse unless
240.4 the advanced practice nurse is licensed by the board under this section.

240.5 (b) An applicant for a license to practice as an advanced practice registered nurse (APRN)
240.6 shall apply to the board in a format prescribed by the board and pay a fee in an amount
240.7 determined under section 148.243.

240.8 (c) To be eligible for licensure an applicant:

240.9 (1) must hold a current Minnesota professional nursing license or demonstrate eligibility
240.10 for licensure as a registered nurse in this state;

240.11 (2) must not hold an encumbered license as a registered nurse in any state or territory;

240.12 (3)(i) must have completed a graduate level APRN program accredited by a nursing or
240.13 nursing-related accrediting body that is recognized by the United States Secretary of
240.14 Education or the Council for Higher Education Accreditation as acceptable to the board.

240.15 The education must be in one of the four APRN roles for at least one population focus; For
240.16 APRN programs completed on or after January 1, 2016, the program must include at least
240.17 one graduate-level course in each of the following areas: advanced physiology and
240.18 pathophysiology; advanced health assessment; and pharmacokinetics and
240.19 pharmacotherapeutics of all broad categories of agents; or

240.20 (ii) must demonstrate compliance with the advanced practice nursing educational
240.21 requirements that were in effect in Minnesota at the time the applicant completed the
240.22 advanced practice nursing education program;

240.23 (4) must be currently certified by a national certifying body recognized by the board in
240.24 the APRN role and population foci appropriate to educational preparation;

240.25 (5) must report any criminal conviction, nolo contendere plea, Alford plea, or other plea
240.26 arrangement in lieu of conviction; and

240.27 (6) must not have committed any acts or omissions which are grounds for disciplinary
240.28 action in another jurisdiction or, if these acts have been committed and would be grounds
240.29 for disciplinary action as set forth in section 148.261, the board has found, after investigation,
240.30 that sufficient restitution has been made.

240.31 **EFFECTIVE DATE.** This section is effective the day following final enactment.

241.1 Sec. 5. Minnesota Statutes 2016, section 148.211, subdivision 1c, is amended to read:

241.2 Subd. 1c. **Postgraduate practice.** A nurse practitioner or clinical nurse specialist who
241.3 qualifies for licensure as an advanced practice registered nurse must practice for at least
241.4 2,080 hours, within the context of a collaborative agreement, within a hospital or integrated
241.5 clinical setting where advanced practice registered nurses and physicians work together to
241.6 provide patient care. The nurse practitioner or clinical nurse specialist shall submit written
241.7 evidence to the board with the application, or upon completion of the required collaborative
241.8 practice experience. For purposes of this subdivision, a collaborative agreement is a mutually
241.9 agreed upon plan for the overall working relationship between a nurse practitioner or clinical
241.10 nurse specialist, and one or more physicians licensed under chapter 147 or in another state
241.11 or United States territory, or one or more advanced practice registered nurses licensed under
241.12 this section that designates the scope of collaboration necessary to manage the care of
241.13 patients. The nurse practitioner or clinical nurse specialist, and one of the collaborating
241.14 physicians or advanced practice registered nurses, must have experience in providing care
241.15 to patients with the same or similar medical problems.

241.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.

241.17 Sec. 6. Minnesota Statutes 2016, section 148.211, subdivision 2, is amended to read:

241.18 Subd. 2. **Licensure by endorsement.** (a) The board shall issue a license to practice
241.19 professional nursing or practical nursing without examination to an applicant who has been
241.20 duly licensed or registered as a nurse under the laws of another state, territory, or country,
241.21 if in the opinion of the board the applicant has the qualifications equivalent to the
241.22 qualifications required in this state as stated in subdivision 1, all other laws not inconsistent
241.23 with this section, and rules promulgated by the board.

241.24 ~~(b) Effective January 1, 2015, an applicant for advanced practice registered nurse licensure~~
241.25 ~~by endorsement is eligible for licensure if the applicant meets the requirements in paragraph~~
241.26 ~~(a) and demonstrates:~~

241.27 ~~(1) current national certification or recertification in the advanced role and population~~
241.28 ~~focus area; and~~

241.29 ~~(2) compliance with the advanced practice nursing educational requirements that were~~
241.30 ~~in effect in Minnesota at the time the advanced practice registered nurse completed the~~
241.31 ~~advanced practice nursing education program.~~

241.32 **EFFECTIVE DATE.** This section is effective the day following final enactment.

242.1 Sec. 7. Minnesota Statutes 2016, section 148.881, is amended to read:

242.2 **148.881 DECLARATION OF POLICY.**

242.3 The practice of psychology in Minnesota affects the public health, safety, and welfare.
242.4 The regulations in ~~sections 148.88 to 148.98~~ the Minnesota Psychology Practice Act as
242.5 enforced by the Board of Psychology protect the public ~~from the practice of psychology by~~
242.6 ~~unqualified persons and from unethical or unprofessional conduct by persons licensed to~~
242.7 ~~practice psychology~~ through licensure and regulation to promote access to safe, ethical, and
242.8 competent psychological services.

242.9 Sec. 8. Minnesota Statutes 2016, section 148.89, is amended to read:

242.10 **148.89 DEFINITIONS.**

242.11 Subdivision 1. **Applicability.** For the purposes of sections 148.88 to 148.98, the following
242.12 terms have the meanings given them.

242.13 Subd. 2. **Board of Psychology or board.** "Board of Psychology" or "board" means the
242.14 board established under section 148.90.

242.15 Subd. 2a. **Client.** "Client" means ~~each individual or legal, religious, academic,~~
242.16 ~~organizational, business, governmental, or other entity that receives, received, or should~~
242.17 ~~have received, or arranged for another individual or entity to receive services from an~~
242.18 ~~individual regulated under sections 148.88 to 148.98. Client also means an individual's~~
242.19 ~~legally authorized representative, such as a parent or guardian. For the purposes of sections~~
242.20 ~~148.88 to 148.98, "client" may include patient, resident, counselee, evaluatee, and, as limited~~
242.21 ~~in the rules of conduct, student, supervisee, or research subject. In the case of dual clients,~~
242.22 ~~the licensee or applicant for licensure must be aware of the responsibilities to each client,~~
242.23 ~~and of the potential for divergent interests of each client~~ a direct recipient of psychological
242.24 services within the context of a professional relationship that may include a child, adolescent,
242.25 adult, couple, family, group, organization, community, or other entity. The client may be
242.26 the person requesting the psychological services or the direct recipient of the services.

242.27 Subd. 2b. **Credentialed.** "Credentialed" means having a license, certificate, charter,
242.28 registration, or similar authority to practice in an occupation regulated by a governmental
242.29 board or agency.

242.30 Subd. 2c. **Designated supervisor.** "Designated supervisor" means a qualified individual
242.31 who is ~~designated~~ identified and assigned by the primary supervisor to provide additional
242.32 supervision and training ~~to a licensed psychological practitioner or to an individual who is~~

243.1 obtaining required predegree supervised professional experience or postdegree supervised
243.2 psychological employment.

243.3 Subd. 2d. **Direct services.** "Direct services" means the delivery of preventive, diagnostic,
243.4 assessment, or therapeutic intervention services where the primary purpose is to benefit a
243.5 client who is the direct recipient of the service.

243.6 Subd. 2e. **Full-time employment.** "Full-time employment" means a minimum of 35
243.7 clock hours per week.

243.8 Subd. 3. **Independent practice.** "Independent practice" means the practice of psychology
243.9 without supervision.

243.10 Subd. 3a. **Jurisdiction.** "Jurisdiction" means the United States, United States territories,
243.11 or Canadian provinces or territories.

243.12 Subd. 4. **Licensee.** "Licensee" means a person who is licensed by the board ~~as a licensed~~
243.13 ~~psychologist or as a licensed psychological practitioner.~~

243.14 Subd. 4a. **Provider or provider of services.** "Provider" or "provider of services" means
243.15 any individual who is regulated by the board, ~~and includes a licensed psychologist, a licensed~~
243.16 ~~psychological practitioner, a licensee, or an applicant.~~

243.17 Subd. 4b. **Primary supervisor.** "Primary supervisor" means a psychologist licensed in
243.18 Minnesota or other qualified individual who provides the principal supervision ~~to a licensed~~
243.19 ~~psychological practitioner or to an individual who is obtaining required predegree supervised~~
243.20 ~~professional experience or postdegree supervised~~ psychological employment.

243.21 Subd. 5. **Practice of psychology.** "Practice of psychology" means the observation,
243.22 description, evaluation, interpretation, ~~or prediction,~~ or modification of human behavior by
243.23 the application of psychological principles, methods, or procedures for any reason, including
243.24 to prevent, eliminate, or manage the purpose of preventing, eliminating, evaluating, assessing,
243.25 or predicting symptomatic, maladaptive, or undesired behavior; applying psychological
243.26 principles in legal settings; and to enhance enhancing interpersonal relationships, work, life
243.27 and developmental adjustment, personal and organizational effectiveness, behavioral health,
243.28 and mental health. The practice of psychology includes, but is not limited to, the following
243.29 services, regardless of whether the provider receives payment for the services:

243.30 (1) psychological research and teaching of psychology subject to the exemptions in
243.31 section 148.9075;

243.32 (2) ~~assessment, including psychological testing and other means of evaluating personal~~
243.33 ~~characteristics such as intelligence, personality, abilities, interests, aptitudes, and~~

244.1 ~~neuropsychological functioning~~ psychological testing and the evaluation or assessment of
244.2 personal characteristics, such as intelligence, personality, cognitive, physical and emotional
244.3 abilities, skills, interests, aptitudes, and neuropsychological functioning;

244.4 (3) ~~a psychological report, whether written or oral, including testimony of a provider as~~
244.5 ~~an expert witness, concerning the characteristics of an individual or entity~~ counseling,
244.6 psychoanalysis, psychotherapy, hypnosis, biofeedback, and behavior analysis and therapy;

244.7 (4) ~~psychotherapy, including but not limited to, categories such as behavioral, cognitive,~~
244.8 ~~emotive, systems, psychophysiological, or insight-oriented therapies; counseling; hypnosis;~~
244.9 ~~and diagnosis and treatment of:~~

244.10 (i) ~~mental and emotional disorder or disability;~~

244.11 (ii) ~~alcohol and substance dependence or abuse;~~

244.12 (iii) ~~disorders of habit or conduct;~~

244.13 (iv) ~~the psychological aspects of physical illness or condition, accident, injury, or~~
244.14 ~~disability, including the psychological impact of medications;~~

244.15 (v) ~~life adjustment issues, including work-related and bereavement issues; and~~

244.16 (vi) ~~child, family, or relationship issues~~

244.17 (4) diagnosis, treatment, and management of mental or emotional disorders or disabilities,
244.18 substance use disorders, disorders of habit or conduct, and the psychological aspects of
244.19 physical illness, accident, injury, or disability;

244.20 (5) ~~psychoeducational services and treatment~~ psychoeducational evaluation, therapy,
244.21 and remediation; and

244.22 (6) ~~consultation and supervision~~ with physicians, other health care professionals, and
244.23 clients regarding available treatment options, including medication, with respect to the
244.24 provision of care for a specific client;

244.25 (7) provision of direct services to individuals or groups for the purpose of enhancing
244.26 individual and organizational effectiveness, using psychological principles, methods, and
244.27 procedures to assess and evaluate individuals on personal characteristics for individual
244.28 development or behavior change or for making decisions about the individual; and

244.29 (8) supervision and consultation related to any of the services described in this
244.30 subdivision.

245.1 Subd. 6. Telesupervision. "Telesupervision" means the clinical supervision of
245.2 psychological services through a synchronous audio and video format where the supervisor
245.3 is not physically in the same facility as the supervisee.

245.4 Sec. 9. Minnesota Statutes 2016, section 148.90, subdivision 1, is amended to read:

245.5 Subdivision 1. **Board of Psychology.** (a) The Board of Psychology is created with the
245.6 powers and duties described in this section. The board has 11 members who consist of:

245.7 (1) ~~three~~ four individuals licensed as licensed psychologists who have doctoral degrees
245.8 in psychology;

245.9 (2) two individuals licensed as licensed psychologists who have master's degrees in
245.10 psychology;

245.11 (3) two psychologists, not necessarily licensed, ~~one with a~~ who have ~~doctoral degree~~
245.12 degrees in psychology ~~and one with either a doctoral or master's degree in psychology~~
245.13 representing different training programs in psychology;

245.14 ~~(4) one individual licensed or qualified to be licensed as: (i) through December 31, 2010,~~
245.15 ~~a licensed psychological practitioner; and (ii) after December 31, 2010, a licensed~~
245.16 ~~psychologist; and~~

245.17 ~~(5)~~ (4) three public members.

245.18 (b) After the date on which fewer than 30 percent of the individuals licensed by the
245.19 board as licensed psychologists qualify for licensure under section 148.907, subdivision 3,
245.20 paragraph (b), vacancies filled under paragraph (a), clause (2), shall be filled by an individual
245.21 with either a master's or doctoral degree in psychology licensed or qualified to be licensed
245.22 as a licensed psychologist.

245.23 (c) After the date on which fewer than 15 percent of the individuals licensed by the board
245.24 as licensed psychologists qualify for licensure under section 148.907, subdivision 3,
245.25 paragraph (b), vacancies under paragraph (a), clause (2), shall be filled by an individual
245.26 with either a master's or doctoral degree in psychology licensed or qualified to be licensed
245.27 as a licensed psychologist.

245.28 Sec. 10. Minnesota Statutes 2016, section 148.90, subdivision 2, is amended to read:

245.29 Subd. 2. **Members.** (a) The members of the board shall:

245.30 (1) be appointed by the governor;

245.31 (2) be residents of the state;

- 246.1 (3) serve for not more than two consecutive terms;
- 246.2 (4) designate the officers of the board; and
- 246.3 (5) administer oaths pertaining to the business of the board.
- 246.4 (b) A public member of the board shall represent the public interest and shall not:
- 246.5 (1) be a psychologist, ~~psychological practitioner~~, or have engaged in the practice of
- 246.6 psychology;
- 246.7 (2) be an applicant or former applicant for licensure;
- 246.8 (3) be a member of another health profession and be licensed by a health-related licensing
- 246.9 board as defined under section 214.01, subdivision 2; the commissioner of health; or licensed,
- 246.10 certified, or registered by another jurisdiction;
- 246.11 (4) be a member of a household that includes a psychologist ~~or psychological practitioner~~;
- 246.12 or
- 246.13 (5) have conflicts of interest or the appearance of conflicts with duties as a board member.
- 246.14 Sec. 11. Minnesota Statutes 2016, section 148.905, subdivision 1, is amended to read:
- 246.15 Subdivision 1. **General.** The board shall:
- 246.16 (1) adopt and enforce rules for licensing psychologists ~~and psychological practitioners~~
- 246.17 and for regulating their professional conduct;
- 246.18 (2) adopt and enforce rules of conduct governing the practice of psychology;
- 246.19 (3) adopt and implement rules for examinations which shall be held at least once a year
- 246.20 to assess applicants' knowledge and skills. The examinations may be written or oral or both,
- 246.21 and may be administered by the board or by institutions or individuals designated by the
- 246.22 board; Before the adoption and implementation of a new national examination, the board
- 246.23 must consider whether the examination:
- 246.24 (i) demonstrates reasonable reliability and external validity;
- 246.25 (ii) is normed on a reasonable representative and diverse national sample; and
- 246.26 (iii) is intended to assess an applicant's education, training, and experience for the purpose
- 246.27 of public protection;
- 246.28 (4) issue licenses to individuals qualified under sections 148.907 ~~and 148.908~~, 148.909,
- 246.29 148.915, and 148.916, according to the procedures for licensing in Minnesota Rules;
- 246.30 (5) issue copies of the rules for licensing to all applicants;

- 247.1 (6) establish and maintain annually a register of current licenses;
- 247.2 (7) establish and collect fees for the issuance and renewal of licenses and other services
247.3 by the board. Fees shall be set to defray the cost of administering the provisions of sections
247.4 148.88 to 148.98 including costs for applications, examinations, enforcement, materials,
247.5 and the operations of the board;
- 247.6 (8) educate the public ~~about~~ on the requirements for ~~licensing of psychologists and of~~
247.7 ~~psychological practitioners~~ licenses issued by the board and ~~about~~ on the rules of conduct,
247.8 ~~to~~;
- 247.9 (9) enable the public to file complaints against applicants or licensees who may have
247.10 violated the Psychology Practice Act; ~~and~~
- 247.11 ~~(9)~~ (10) adopt and implement requirements for continuing education; and
- 247.12 (11) establish or approve programs that qualify for professional psychology continuing
247.13 educational credit. The board may hire consultants, agencies, or professional psychological
247.14 associations to establish and approve continuing education courses.
- 247.15 Sec. 12. Minnesota Statutes 2016, section 148.907, subdivision 1, is amended to read:
- 247.16 Subdivision 1. **Effective date.** ~~After August 1, 1991,~~ No person shall engage in the
247.17 independent practice of psychology unless that person is licensed as a licensed psychologist
247.18 or is exempt under section 148.9075.
- 247.19 Sec. 13. Minnesota Statutes 2016, section 148.907, subdivision 2, is amended to read:
- 247.20 Subd. 2. **Requirements for licensure as licensed psychologist.** To become licensed
247.21 by the board as a licensed psychologist, an applicant shall comply with the following
247.22 requirements:
- 247.23 (1) pass an examination in psychology;
- 247.24 (2) pass a professional responsibility examination on the practice of psychology;
- 247.25 (3) pass any other examinations as required by board rules;
- 247.26 (4) pay nonrefundable fees to the board for applications, processing, testing, renewals,
247.27 and materials;
- 247.28 (5) ~~have~~ attained the age of majority, be of good moral character, and have no unresolved
247.29 disciplinary action or complaints pending in the state of Minnesota or any other jurisdiction;

248.1 (6) ~~have~~ earned a doctoral degree with a major in psychology from a regionally accredited
248.2 educational institution meeting the standards the board has established by rule; and

248.3 (7) ~~have~~ completed at least one full year or the equivalent in part time of postdoctoral
248.4 supervised psychological employment in no less than 12 months and no more than 60
248.5 months. If the postdoctoral supervised psychological employment goes beyond 60 months,
248.6 the board may grant a variance to this requirement.

248.7 Sec. 14. [148.9075] EXEMPTIONS TO LICENSE REQUIREMENT.

248.8 Subdivision 1. **General.** (a) Nothing in sections 148.88 to 148.98 shall prevent members
248.9 of other professions or occupations from performing functions for which they are competent
248.10 and properly authorized by law. The following individuals are exempt from the licensure
248.11 requirements of the Minnesota Psychology Practice Act, provided they operate in compliance
248.12 with the stated exemption:

248.13 (1) individuals licensed by a health-related licensing board as defined under section
248.14 214.01, subdivision 2, or by the commissioner of health;

248.15 (2) individuals authorized as mental health practitioners as defined under section 245.462,
248.16 subdivision 17; and

248.17 (3) individuals authorized as mental health professionals under section 245.462,
248.18 subdivision 18.

248.19 (b) Any of these individuals must not hold themselves out to the public by any title or
248.20 description stating or implying they are licensed to engage in the practice of psychology
248.21 unless they are licensed under sections 148.88 to 148.98 or are using a title in compliance
248.22 with section 148.96.

248.23 Subd. 2. **Business or industrial organization.** Nothing in sections 148.88 to 148.98
248.24 shall prevent the use of psychological techniques by a business or industrial organization
248.25 for its own personnel purposes or by an employment agency or state vocational rehabilitation
248.26 agency for the evaluation of the agency's clients prior to a recommendation for employment.
248.27 However, a representative of an industrial or business firm or corporation may not sell,
248.28 offer, or provide psychological services as specified in section 148.89, unless the services
248.29 are performed or supervised by an individual licensed under sections 148.88 to 148.98.

248.30 Subd. 3. **School psychologist.** (a) Nothing in sections 148.88 to 148.98 shall be construed
248.31 to prevent a person who holds a license or certificate issued by the State Board of Teaching
248.32 in accordance with chapters 122A and 129 from practicing school psychology within the
248.33 scope of employment if authorized by a board of education or by a private school that meets

249.1 the standards prescribed by the State Board of Teaching, or from practicing as a school
249.2 psychologist within the scope of employment in a program for children with disabilities.

249.3 (b) Any person exempted under this subdivision shall not offer psychological services
249.4 to any other individual, organization, or group for remuneration, monetary or otherwise,
249.5 unless the person is licensed by the Board of Psychology under sections 148.88 to 148.98.

249.6 Subd. 4. **Clergy or religious officials.** Nothing in sections 148.88 to 148.98 shall be
249.7 construed to prevent recognized religious officials, including ministers, priests, rabbis,
249.8 imams, Christian Science practitioners, and other persons recognized by the board, from
249.9 conducting counseling activities that are within the scope of the performance of their regular
249.10 recognizable religious denomination or sect, as defined in current federal tax regulations,
249.11 if the religious official does not refer to the official's self as a psychologist and the official
249.12 remains accountable to the established authority of the religious denomination or sect.

249.13 Subd. 5. **Teaching and research.** Nothing in sections 148.88 to 148.98 shall be construed
249.14 to prevent a person employed in a secondary, postsecondary, or graduate institution from
249.15 teaching and conducting research in psychology within an educational institution that is
249.16 recognized by a regional accrediting organization or by a federal, state, county, or local
249.17 government institution, agency, or research facility, so long as:

249.18 (1) the institution, agency, or facility provides appropriate oversight mechanisms to
249.19 ensure public protections; and

249.20 (2) the person is not providing direct clinical services to a client or clients as defined in
249.21 sections 148.88 to 148.98.

249.22 Subd. 6. **Psychologist in disaster or emergency relief.** Nothing in sections 148.88 to
249.23 148.98 shall be construed to prevent a psychologist sent to this state for the sole purpose of
249.24 responding to a disaster or emergency relief effort of the state government, the federal
249.25 government, the American Red Cross, or other disaster or emergency relief organization as
249.26 long as the psychologist is not practicing in Minnesota longer than 30 days and the sponsoring
249.27 organization can certify the psychologist's assignment to this state. The board or its designee,
249.28 at its discretion, may grant an extension to the 30-day time limitation of this subdivision.

249.29 Subd. 7. **Psychological consultant.** A license under sections 148.88 to 148.98 is not
249.30 required by a nonresident of the state, serving as an expert witness, organizational consultant,
249.31 presenter, or educator on a limited basis provided the person is appropriately trained,
249.32 educated, or has been issued a license, certificate, or registration by another jurisdiction.

250.1 Subd. 8. **Students.** Nothing in sections 148.88 to 148.98 shall prohibit the practice of
250.2 psychology under qualified supervision by a practicum psychology student, a predoctoral
250.3 psychology intern, or an individual who has earned a doctoral degree in psychology and is
250.4 in the process of completing their postdoctoral supervised psychological employment. A
250.5 student trainee or intern shall use the titles as required under section 148.96, subdivision 3.

250.6 Subd. 9. **Other professions.** Nothing in sections 148.88 to 148.98 shall be construed to
250.7 authorize a person licensed under sections 148.88 to 148.98 to engage in the practice of any
250.8 profession regulated under Minnesota law, unless the individual is duly licensed or registered
250.9 in that profession.

250.10 Sec. 15. [148.9077] RELICENSURE.

250.11 A former licensee may apply to the board for licensure after complying with all laws
250.12 and rules required for applicants for licensure that were in effect on the date the initial
250.13 Minnesota license was granted. The former licensee must verify to the board that the former
250.14 licensee has not engaged in the practice of psychology in this state since the last date of
250.15 active licensure, except as permitted under statutory licensure exemption, and must submit
250.16 a fee for relicensure.

250.17 Sec. 16. Minnesota Statutes 2016, section 148.9105, subdivision 1, is amended to read:

250.18 Subdivision 1. **Application.** Retired providers who are licensed or were formerly licensed
250.19 to practice psychology in the state according to the Minnesota Psychology Practice Act may
250.20 apply to the board for psychologist emeritus registration ~~or psychological practitioner~~
250.21 ~~emeritus registration~~ if they declare that they are retired from the practice of psychology in
250.22 Minnesota, have not been the subject of disciplinary action in any jurisdiction, and have no
250.23 unresolved complaints in any jurisdiction. Retired providers shall complete the necessary
250.24 forms provided by the board and pay a onetime, nonrefundable fee of \$150 at the time of
250.25 application.

250.26 Sec. 17. Minnesota Statutes 2016, section 148.9105, subdivision 4, is amended to read:

250.27 Subd. 4. **Documentation of status.** A provider granted emeritus registration shall receive
250.28 a document certifying that emeritus status has been granted by the board and that the
250.29 registrant has completed the registrant's active career as a psychologist ~~or psychological~~
250.30 ~~practitioner~~ licensed in good standing with the board.

251.1 Sec. 18. Minnesota Statutes 2016, section 148.9105, subdivision 5, is amended to read:

251.2 Subd. 5. **Representation to public.** In addition to the descriptions allowed in section
 251.3 148.96, subdivision 3, paragraph (e), former licensees who have been granted emeritus
 251.4 registration may represent themselves as "psychologist emeritus" or "~~psychological~~
 251.5 ~~practitioner emeritus,~~" but shall not represent themselves or allow themselves to be
 251.6 represented to the public as "licensed" or otherwise as current licensees of the board.

251.7 Sec. 19. Minnesota Statutes 2016, section 148.916, subdivision 1, is amended to read:

251.8 Subdivision 1. **Generally.** ~~If (a)~~ A nonresident of the state of Minnesota, who is not
 251.9 seeking licensure in this state, and who has been issued a license, certificate, or registration
 251.10 by another jurisdiction to practice psychology at the doctoral level, wishes and who intends
 251.11 to practice in Minnesota for more than ~~seven calendar~~ 30 days, ~~the person~~ shall apply to the
 251.12 board for guest licensure, ~~provided that~~. The psychologist's practice in Minnesota is limited
 251.13 to no more than nine consecutive months per calendar year. Application under this section
 251.14 shall be made no less than 30 days prior to the expected date of practice in Minnesota and
 251.15 shall be subject to approval by the board or its designee. ~~The board shall charge a~~
 251.16 ~~nonrefundable fee for guest licensure. The board shall adopt rules to implement this section.~~

251.17 (b) To be eligible for licensure under this section, the applicant must:

251.18 (1) have a license, certification, or registration to practice psychology from another
 251.19 jurisdiction;

251.20 (2) have a doctoral degree in psychology from a regionally accredited institution;

251.21 (3) be of good moral character;

251.22 (4) have no pending complaints or active disciplinary or corrective actions in any
 251.23 jurisdiction;

251.24 (5) pass a professional responsibility examination designated by the board; and

251.25 (6) pay a fee to the board.

251.26 Sec. 20. Minnesota Statutes 2016, section 148.916, subdivision 1a, is amended to read:

251.27 Subd. 1a. **Applicants for licensure.** (a) An applicant who is seeking licensure in this
 251.28 state, and who, at the time of application, is licensed, certified, or registered to practice
 251.29 psychology in another jurisdiction at the doctoral level may apply to the board for guest
 251.30 licensure in order to begin practicing psychology in this state while their application is being

252.1 processed if the applicant is of good moral character and has no complaints, corrective, or
252.2 disciplinary action pending in any jurisdiction.

252.3 (b) Application under this section subdivision shall be made no less than 30 days prior
252.4 to the expected date of practice in this state, and must be made concurrently or after
252.5 submission of an application for licensure as a licensed psychologist if applicable.
252.6 Applications under this section subdivision are subject to approval by the board or its
252.7 designee. The board shall charge a fee for guest licensure under this subdivision.

252.8 ~~(b) The board shall charge a nonrefundable fee for guest licensure under this subdivision.~~

252.9 (c) A guest license issued under this subdivision shall be valid for one year from the
252.10 date of issuance, or until the board has either issued a license or has denied the applicant's
252.11 application for licensure, whichever is earlier. Guest licenses issued under this ~~section~~
252.12 subdivision may be renewed annually until the board has denied the applicant's application
252.13 for licensure.

252.14 Sec. 21. Minnesota Statutes 2016, section 148.925, is amended to read:

252.15 **148.925 SUPERVISION.**

252.16 Subdivision 1. **Supervision.** For the purpose of meeting the requirements of ~~this section~~
252.17 the Minnesota Psychology Practice Act, supervision means documented in-person
252.18 ~~consultation, which may include interactive, visual electronic communication, between~~
252.19 ~~either: (1) a primary supervisor and a licensed psychological practitioner; or (2) a that~~
252.20 employs a collaborative relationship that has both facilitative and evaluative components
252.21 with the goal of enhancing the professional competence and science, and practice-informed
252.22 professional work of the supervisee. Supervision may include telesupervision between
252.23 primary or designated supervisor supervisors and an applicant for licensure as a licensed
252.24 psychologist the supervisee. The supervision shall be adequate to assure the quality and
252.25 competence of the activities supervised. Supervisory consultation shall include discussions
252.26 on the nature and content of the practice of the supervisee, including, but not limited to, a
252.27 review of a representative sample of psychological services in the supervisee's practice.

252.28 Subd. 2. **Postdegree supervised psychological employment.** Postdegree supervised
252.29 psychological employment means required paid or volunteer work experience and postdegree
252.30 training of an individual seeking to be licensed as a licensed psychologist that involves the
252.31 professional oversight by a primary supervisor and satisfies the supervision requirements
252.32 in subdivisions 3 and 5 the Minnesota Psychology Practice Act.

253.1 Subd. 3. **Individuals qualified to provide supervision.** ~~(a) Supervision of a master's~~
253.2 ~~level applicant for licensure as a licensed psychologist shall be provided by an individual:~~

253.3 ~~(1) who is a psychologist licensed in Minnesota with competence both in supervision~~
253.4 ~~in the practice of psychology and in the activities being supervised;~~

253.5 ~~(2) who has a doctoral degree with a major in psychology, who is employed by a~~
253.6 ~~regionally accredited educational institution or employed by a federal, state, county, or local~~
253.7 ~~government institution, agency, or research facility, and who has competence both in~~
253.8 ~~supervision in the practice of psychology and in the activities being supervised, provided~~
253.9 ~~the supervision is being provided and the activities being supervised occur within that~~
253.10 ~~regionally accredited educational institution or federal, state, county, or local government~~
253.11 ~~institution, agency, or research facility;~~

253.12 ~~(3) who is licensed or certified as a psychologist in another jurisdiction and who has~~
253.13 ~~competence both in supervision in the practice of psychology and in the activities being~~
253.14 ~~supervised; or~~

253.15 ~~(4) who, in the case of a designated supervisor, is a master's or doctorally prepared~~
253.16 ~~mental health professional.~~

253.17 ~~(b) Supervision of a doctoral level~~ an applicant for licensure as a licensed psychologist
253.18 shall be provided by an individual:

253.19 (1) who is a psychologist licensed in Minnesota with a doctoral degree and competence
253.20 both in supervision in the practice of psychology and in the activities being supervised;

253.21 (2) who has a doctoral degree with a major in psychology, who is employed by a
253.22 regionally accredited educational institution or is employed by a federal, state, county, or
253.23 local government institution, agency, or research facility, and who has competence both in
253.24 supervision in the practice of psychology and in the activities being supervised, provided
253.25 the supervision is being provided and the activities being supervised occur within that
253.26 regionally accredited educational institution or federal, state, county, or local government
253.27 institution, agency, or research facility;

253.28 (3) who is licensed or certified as a psychologist in another jurisdiction and who has
253.29 competence both in supervision in the practice of psychology and in the activities being
253.30 supervised;

253.31 (4) who is a psychologist licensed in Minnesota who was licensed before August 1,
253.32 1991, with competence both in supervision in the practice of psychology and in the activities
253.33 being supervised; or

254.1 (5) who, in the case of a designated supervisor, is a master's or doctorally prepared
254.2 mental health professional.

254.3 **Subd. 4. ~~Supervisory consultation for a licensed psychological practitioner.~~**

254.4 ~~Supervisory consultation between a supervising licensed psychologist and a supervised~~
254.5 ~~licensed psychological practitioner shall be at least one hour in duration and shall occur on~~
254.6 ~~an individual, in-person basis. A minimum of one hour of supervision per month is required~~
254.7 ~~for the initial 20 or fewer hours of psychological services delivered per month. For each~~
254.8 ~~additional 20 hours of psychological services delivered per month, an additional hour of~~
254.9 ~~supervision per month is required. When more than 20 hours of psychological services are~~
254.10 ~~provided in a week, no more than one hour of supervision is required per week.~~

254.11 **Subd. 5. Supervisory consultation for an applicant for licensure as a licensed**

254.12 **psychologist.** Supervision of an applicant for licensure as a licensed psychologist shall
254.13 include at least two hours of regularly scheduled in-person consultations per week for
254.14 full-time employment, one hour of which shall be with the supervisor on an individual basis.
254.15 The remaining hour may be with a designated supervisor. The board may approve an
254.16 exception to the weekly supervision requirement for a week when the supervisor was ill or
254.17 otherwise unable to provide supervision. The board may prorate the two hours per week of
254.18 supervision for individuals preparing for licensure on a part-time basis. Supervised
254.19 psychological employment does not qualify for licensure when the supervisory consultation
254.20 is not adequate as described in subdivision 1, or in the board rules.

254.21 **Subd. 6. Supervisee duties.** ~~Individuals~~ Applicants preparing for licensure as a licensed
254.22 psychologist during their postdegree supervised psychological employment may perform
254.23 as part of their training any ~~functions of the services~~ specified in section 148.89, subdivision
254.24 5, but only under qualified supervision.

254.25 **Subd. 7. ~~Variance from supervision requirements.~~** (a) ~~An applicant for licensure as~~
254.26 ~~a licensed psychologist who entered supervised employment before August 1, 1991, may~~
254.27 ~~request a variance from the board from the supervision requirements in this section in order~~
254.28 ~~to continue supervision under the board rules in effect before August 1, 1991.~~

254.29 (b) ~~After a licensed psychological practitioner has completed two full years, or the~~
254.30 ~~equivalent, of supervised post-master's degree employment meeting the requirements of~~
254.31 ~~subdivision 5 as it relates to preparation for licensure as a licensed psychologist, the board~~
254.32 ~~shall grant a variance from the supervision requirements of subdivision 4 or 5 if the licensed~~
254.33 ~~psychological practitioner presents evidence of:~~

255.1 ~~(1) endorsement for specific areas of competency by the licensed psychologist who~~
255.2 ~~provided the two years of supervision;~~

255.3 ~~(2) employment by a hospital or by a community mental health center or nonprofit mental~~
255.4 ~~health clinic or social service agency providing services as a part of the mental health service~~
255.5 ~~plan required by the Comprehensive Mental Health Act;~~

255.6 ~~(3) the employer's acceptance of clinical responsibility for the care provided by the~~
255.7 ~~licensed psychological practitioner; and~~

255.8 ~~(4) a plan for supervision that includes at least one hour of regularly scheduled individual~~
255.9 ~~in-person consultations per week for full-time employment. The board may approve an~~
255.10 ~~exception to the weekly supervision requirement for a week when the supervisor was ill or~~
255.11 ~~otherwise unable to provide supervision.~~

255.12 ~~(e) Following the granting of a variance under paragraph (b), and completion of two~~
255.13 ~~additional full years or the equivalent of supervision and post-master's degree employment~~
255.14 ~~meeting the requirements of paragraph (b), the board shall grant a variance to a licensed~~
255.15 ~~psychological practitioner who presents evidence of:~~

255.16 ~~(1) endorsement for specific areas of competency by the licensed psychologist who~~
255.17 ~~provided the two years of supervision under paragraph (b);~~

255.18 ~~(2) employment by a hospital or by a community mental health center or nonprofit mental~~
255.19 ~~health clinic or social service agency providing services as a part of the mental health service~~
255.20 ~~plan required by the Comprehensive Mental Health Act;~~

255.21 ~~(3) the employer's acceptance of clinical responsibility for the care provided by the~~
255.22 ~~licensed psychological practitioner; and~~

255.23 ~~(4) a plan for supervision which includes at least one hour of regularly scheduled~~
255.24 ~~individual in-person supervision per month.~~

255.25 ~~(d) The variance allowed under this section must be deemed to have been granted to an~~
255.26 ~~individual who previously received a variance under paragraph (b) or (c) and is seeking a~~
255.27 ~~new variance because of a change of employment to a different employer or employment~~
255.28 ~~setting. The deemed variance continues until the board either grants or denies the variance.~~
255.29 ~~An individual who has been denied a variance under this section is entitled to seek~~
255.30 ~~reconsideration by the board.~~

256.1 Sec. 22. Minnesota Statutes 2016, section 148.96, subdivision 3, is amended to read:

256.2 Subd. 3. **Requirements for representations to public.** (a) Unless licensed under sections
256.3 148.88 to 148.98, except as provided in paragraphs (b) through (e), persons shall not represent
256.4 themselves or permit themselves to be represented to the public by:

256.5 (1) using any title or description of services incorporating the words "psychology,"
256.6 "psychological," "psychological practitioner," or "psychologist"; or

256.7 (2) representing that the person has expert qualifications in an area of psychology.

256.8 (b) Psychologically trained individuals who are employed by an educational institution
256.9 recognized by a regional accrediting organization, by a federal, state, county, or local
256.10 government institution, agency, or research facility, may represent themselves by the title
256.11 designated by that organization provided that the title does not indicate that the individual
256.12 is credentialed by the board.

256.13 (c) A psychologically trained individual from an institution described in paragraph (b)
256.14 may offer lecture services and is exempt from the provisions of this section.

256.15 (d) A person who is preparing for the practice of psychology under supervision in
256.16 accordance with board statutes and rules may be designated as a "psychological intern,"
256.17 "psychology fellow," "psychological trainee," or by other terms clearly describing the
256.18 person's training status.

256.19 (e) Former licensees who are completely retired from the practice of psychology may
256.20 represent themselves using the descriptions in paragraph (a), clauses (1) and (2), but shall
256.21 not represent themselves or allow themselves to be represented as current licensees of the
256.22 board.

256.23 ~~(f) Nothing in this section shall be construed to prohibit the practice of school psychology~~
256.24 ~~by a person licensed in accordance with chapters 122A and 129.~~

256.25 Sec. 23. Minnesota Statutes 2016, section 148B.53, subdivision 1, is amended to read:

256.26 Subdivision 1. **General requirements.** (a) To be licensed as a licensed professional
256.27 counselor (LPC), an applicant must provide evidence satisfactory to the board that the
256.28 applicant:

256.29 (1) is at least 18 years of age;

256.30 (2) is of good moral character;

257.1 (3) has completed a master's or doctoral degree program in counseling or a related field,
257.2 as determined by the board based on the criteria in paragraph (b), that includes a minimum
257.3 of 48 semester hours or 72 quarter hours and a supervised field experience of not fewer than
257.4 700 hours that is counseling in nature;

257.5 (4) has submitted to the board a plan for supervision during the first 2,000 hours of
257.6 professional practice or has submitted proof of supervised professional practice that is
257.7 acceptable to the board; and

257.8 (5) has demonstrated competence in professional counseling by passing the National
257.9 Counseling Exam (NCE) administered by the National Board for Certified Counselors, Inc.
257.10 (NBCC) or an equivalent national examination as determined by the board, and ethical,
257.11 oral, and situational examinations if prescribed by the board.

257.12 (b) The degree described in paragraph (a), clause (3), must be from a counseling program
257.13 recognized by the Council for Accreditation of Counseling and Related Education Programs
257.14 (CACREP) or from an institution of higher education that is accredited by a regional
257.15 accrediting organization recognized by the Council for Higher Education Accreditation
257.16 (CHEA). Specific academic course content and training must include course work in each
257.17 of the following subject areas:

257.18 (1) the helping relationship, including counseling theory and practice;

257.19 (2) human growth and development;

257.20 (3) lifestyle and career development;

257.21 (4) group dynamics, processes, counseling, and consulting;

257.22 (5) assessment and appraisal;

257.23 (6) social and cultural foundations, including multicultural issues;

257.24 (7) principles of etiology, treatment planning, and prevention of mental and emotional
257.25 disorders and dysfunctional behavior;

257.26 (8) family counseling and therapy;

257.27 (9) research and evaluation; and

257.28 (10) professional counseling orientation and ethics.

257.29 ~~(c) To be licensed as a professional counselor, a psychological practitioner licensed~~
257.30 ~~under section 148.908 need only show evidence of licensure under that section and is not~~
257.31 ~~required to comply with paragraph (a), clauses (1) to (3) and (5), or paragraph (b).~~

258.1 ~~(d)~~ (c) To be licensed as a professional counselor, a Minnesota licensed psychologist
258.2 need only show evidence of licensure from the Minnesota Board of Psychology and is not
258.3 required to comply with paragraph (a) or (b).

258.4 Sec. 24. Minnesota Statutes 2016, section 150A.06, subdivision 3, is amended to read:

258.5 Subd. 3. **Waiver of examination.** (a) All or any part of the examination for dentists ~~or~~,
258.6 dental therapists, dental hygienists, or dental assistants, except that pertaining to the law of
258.7 Minnesota relating to dentistry and the rules of the board, may, at the discretion of the board,
258.8 be waived for an applicant who presents a certificate of having passed all components of
258.9 the National Board Dental Examinations or evidence of having maintained an adequate
258.10 scholastic standing as determined by the board, ~~in dental school as to dentists, or dental~~
258.11 ~~hygiene school as to dental hygienists.~~

258.12 (b) The board shall waive the clinical examination required for licensure for any dentist
258.13 applicant who is a graduate of a dental school accredited by the Commission on Dental
258.14 Accreditation, who has passed all components of the National Board Dental Examinations,
258.15 and who has satisfactorily completed a Minnesota-based postdoctoral general dentistry
258.16 residency program (GPR) or an advanced education in general dentistry (AEGD) program
258.17 after January 1, 2004. The postdoctoral program must be accredited by the Commission on
258.18 Dental Accreditation, be of at least one year's duration, and include an outcome assessment
258.19 evaluation assessing the resident's competence to practice dentistry. The board may require
258.20 the applicant to submit any information deemed necessary by the board to determine whether
258.21 the waiver is applicable.

258.22 Sec. 25. Minnesota Statutes 2016, section 150A.06, subdivision 8, is amended to read:

258.23 Subd. 8. **Licensure by credentials.** (a) Any dental assistant may, upon application and
258.24 payment of a fee established by the board, apply for licensure based on an evaluation of the
258.25 applicant's education, experience, and performance record in lieu of completing a
258.26 board-approved dental assisting program for expanded functions as defined in rule, and
258.27 may be interviewed by the board to determine if the applicant:

258.28 (1) has graduated from an accredited dental assisting program accredited by the
258.29 Commission on Dental Accreditation, ~~or~~ and is currently certified by the Dental Assisting
258.30 National Board;

258.31 (2) is not subject to any pending or final disciplinary action in another state or Canadian
258.32 province, or if not currently certified or registered, previously had a certification or

259.1 registration in another state or Canadian province in good standing that was not subject to
259.2 any final or pending disciplinary action at the time of surrender;

259.3 (3) is of good moral character and abides by professional ethical conduct requirements;

259.4 (4) at board discretion, has passed a board-approved English proficiency test if English
259.5 is not the applicant's primary language; and

259.6 (5) has met all expanded functions curriculum equivalency requirements of a Minnesota
259.7 board-approved dental assisting program.

259.8 (b) The board, at its discretion, may waive specific licensure requirements in paragraph
259.9 (a).

259.10 (c) An applicant who fulfills the conditions of this subdivision and demonstrates the
259.11 minimum knowledge in dental subjects required for licensure under subdivision 2a must
259.12 be licensed to practice the applicant's profession.

259.13 (d) If the applicant does not demonstrate the minimum knowledge in dental subjects
259.14 required for licensure under subdivision 2a, the application must be denied. If licensure is
259.15 denied, the board may notify the applicant of any specific remedy that the applicant could
259.16 take which, when passed, would qualify the applicant for licensure. A denial does not
259.17 prohibit the applicant from applying for licensure under subdivision 2a.

259.18 (e) A candidate whose application has been denied may appeal the decision to the board
259.19 according to subdivision 4a.

259.20 Sec. 26. Minnesota Statutes 2016, section 150A.10, subdivision 4, is amended to read:

259.21 Subd. 4. **Restorative procedures.** (a) Notwithstanding subdivisions 1, 1a, and 2, a
259.22 licensed dental hygienist or licensed dental assistant may perform the following restorative
259.23 procedures:

259.24 (1) place, contour, and adjust amalgam restorations;

259.25 (2) place, contour, and adjust glass ionomer;

259.26 (3) adapt and cement stainless steel crowns; and

259.27 ~~(4) place, contour, and adjust class I and class V supragingival composite restorations~~
259.28 ~~where the margins are entirely within the enamel; and~~

259.29 ~~(5)~~ (4) place, contour, and adjust class I, II₂ and ~~class V~~ supragingival composite
259.30 restorations on primary ~~teeth~~ and permanent dentition.

259.31 (b) The restorative procedures described in paragraph (a) may be performed only if:

260.1 (1) the licensed dental hygienist or licensed dental assistant has completed a
260.2 board-approved course on the specific procedures;

260.3 (2) the board-approved course includes a component that sufficiently prepares the licensed
260.4 dental hygienist or licensed dental assistant to adjust the occlusion on the newly placed
260.5 restoration;

260.6 (3) a licensed dentist or licensed advanced dental therapist has authorized the procedure
260.7 to be performed; and

260.8 (4) a licensed dentist or licensed advanced dental therapist is available in the clinic while
260.9 the procedure is being performed.

260.10 (c) The dental faculty who teaches the educators of the board-approved courses specified
260.11 in paragraph (b) must have prior experience teaching these procedures in an accredited
260.12 dental education program.

260.13 Sec. 27. **[181.987] HEALTH CARE PRACTITIONER RESTRICTIVE COVENANTS**
260.14 **VOID.**

260.15 Subdivision 1. **Health care practitioner.** For the purposes of this section, "health care
260.16 practitioner" means a physician licensed under chapter 147, a physician assistant licensed
260.17 under chapter 147A and acting within the authorized scope of practice, or an advanced
260.18 practice registered nurse licensed under sections 148.171 to 148.285.

260.19 Subd. 2. **Health care practitioner restrictive covenants.** Any contract by which a
260.20 health care practitioner is restrained from engaging in a lawful profession, trade, or business
260.21 of any kind, within Wabasha County, is to that extent void and unenforceable.

260.22 **EFFECTIVE DATE.** This section is effective the day following final enactment and
260.23 applies to a contract in effect on, or entered into on or after, that date.

260.24 Sec. 28. **REVISOR'S INSTRUCTION.**

260.25 The revisor of statutes shall change the headnote of Minnesota Statutes, section 147.0375,
260.26 to read "LICENSURE OF EMINENT PHYSICIANS."

260.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

261.1 Sec. 29. **REPEALER.**

261.2 Minnesota Statutes 2016, sections 147.0375, subdivision 7; 148.211, subdivision 1b;
261.3 148.243, subdivision 15; 148.906; 148.907, subdivision 5; 148.908; 148.909, subdivision
261.4 7; and 148.96, subdivisions 4 and 5, are repealed.

261.5 **EFFECTIVE DATE.** This section is effective the day following final enactment.

261.6 **ARTICLE 6**

261.7 **CHEMICAL AND MENTAL HEALTH**

261.8 Section 1. Minnesota Statutes 2016, section 245.462, subdivision 9, is amended to read:

261.9 Subd. 9. **Diagnostic assessment.** (a) "Diagnostic assessment" means a written summary
261.10 of the history, diagnosis, strengths, vulnerabilities, and general service needs of an adult
261.11 with a mental illness using diagnostic, interview, and other relevant mental health techniques
261.12 provided by a mental health professional used in developing an individual treatment plan
261.13 or individual community support plan standard, extended, or brief diagnostic assessment,
261.14 or an adult update, and has the meaning given in Minnesota Rules, part 9505.0370, subpart
261.15 11, and is delivered as provided in Minnesota Rules, part 9505.0372, subpart 1, items A,
261.16 B, C, and E.

261.17 (b) A brief diagnostic assessment must include a face-to-face interview with the client
261.18 and a written evaluation of the client by a mental health professional or a clinical trainee,
261.19 as provided in Minnesota Rules, part 9505.0371, subpart 5, item C. The professional or
261.20 clinical trainee must gather initial components of a standard diagnostic assessment, including
261.21 the client's:

261.22 (1) age;

261.23 (2) description of symptoms, including reason for referral;

261.24 (3) history of mental health treatment;

261.25 (4) cultural influences and their impact on the client; and

261.26 (5) mental status examination.

261.27 (c) On the basis of the brief components, the professional or clinical trainee must draw
261.28 a provisional clinical hypothesis. The clinical hypothesis may be used to address the client's
261.29 immediate needs or presenting problem.

262.1 (d) Treatment sessions conducted under authorization of a brief assessment may be used
262.2 to gather additional information necessary to complete a standard diagnostic assessment or
262.3 an extended diagnostic assessment.

262.4 (e) Notwithstanding Minnesota Rules, part 9505.0371, subpart 2, item A, subitem (1),
262.5 unit (b), prior to completion of a client's initial diagnostic assessment, a client is eligible
262.6 for psychological testing as part of the diagnostic process.

262.7 (f) Notwithstanding Minnesota Rules, part 9505.0371, subpart 2, item A, subitem (1),
262.8 unit (c), prior to completion of a client's initial diagnostic assessment, but in conjunction
262.9 with the diagnostic assessment process, a client is eligible for up to three individual or family
262.10 psychotherapy sessions or family psychoeducation sessions or a combination of the above
262.11 sessions not to exceed three.

262.12 (g) Notwithstanding Minnesota Rules, part 9505.0371, subpart 2, item B, subitem (3),
262.13 unit (a), a brief diagnostic assessment may be used for a client's family who requires a
262.14 language interpreter to participate in the assessment.

262.15 Sec. 2. Minnesota Statutes 2016, section 245.4871, is amended by adding a subdivision
262.16 to read:

262.17 Subd. 11a. **Diagnostic assessment.** (a) "Diagnostic assessment" means a standard,
262.18 extended, or brief diagnostic assessment, or an adult update, and has the meaning given in
262.19 Minnesota Rules, part 9505.0370, subpart 11, and is delivered as provided in Minnesota
262.20 Rules, part 9505.0372, subpart 1, items A, B, C, and E.

262.21 (b) A brief diagnostic assessment must include a face-to-face interview with the client
262.22 and a written evaluation of the client by a mental health professional or a clinical trainee,
262.23 as provided in Minnesota Rules, part 9505.0371, subpart 5, item C. The professional or
262.24 clinical trainee must gather initial components of a standard diagnostic assessment, including
262.25 the client's:

262.26 (1) age;

262.27 (2) description of symptoms, including reason for referral;

262.28 (3) history of mental health treatment;

262.29 (4) cultural influences and their impact on the client; and

262.30 (5) mental status examination.

263.1 (c) On the basis of the brief components, the professional or clinical trainee must draw
263.2 a provisional clinical hypothesis. The clinical hypothesis may be used to address the client's
263.3 immediate needs or presenting problem.

263.4 (d) Treatment sessions conducted under authorization of a brief assessment may be used
263.5 to gather additional information necessary to complete a standard diagnostic assessment or
263.6 an extended diagnostic assessment.

263.7 (e) Notwithstanding Minnesota Rules, part 9505.0371, subpart 2, item A, subitem (1),
263.8 unit (b), prior to completion of a client's initial diagnostic assessment, a client is eligible
263.9 for psychological testing as part of the diagnostic process.

263.10 (f) Notwithstanding Minnesota Rules, part 9505.0371, subpart 2, item A, subitem (1),
263.11 unit (c), prior to completion of a client's initial diagnostic assessment, but in conjunction
263.12 with the diagnostic assessment process, a client is eligible for up to three individual or family
263.13 psychotherapy sessions or family psychoeducation sessions or a combination of the above
263.14 sessions not to exceed three.

263.15 (g) Notwithstanding Minnesota Rules, part 9505.0371, subpart 2, item B, subitem (3),
263.16 unit (a), a brief diagnostic assessment may be used for a client's family who requires a
263.17 language interpreter to participate in the assessment.

263.18 Sec. 3. Minnesota Statutes 2016, section 245.4876, subdivision 2, is amended to read:

263.19 Subd. 2. **Diagnostic assessment.** All residential treatment facilities and acute care
263.20 hospital inpatient treatment facilities that provide mental health services for children must
263.21 complete a diagnostic assessment for each of their child clients within five working days
263.22 of admission. Providers of ~~outpatient~~ and day treatment services for children must complete
263.23 a diagnostic assessment within five days after the child's second visit or 30 days after intake,
263.24 whichever occurs first. In cases where a diagnostic assessment is available and has been
263.25 completed within 180 days preceding admission, only updating is necessary. "Updating"
263.26 means a written summary by a mental health professional of the child's current mental health
263.27 status and service needs. If the child's mental health status has changed markedly since the
263.28 child's most recent diagnostic assessment, a new diagnostic assessment is required.
263.29 Compliance with the provisions of this subdivision does not ensure eligibility for medical
263.30 assistance reimbursement under chapter 256B.

263.31 Sec. 4. Minnesota Statutes 2016, section 245A.03, subdivision 2, is amended to read:

263.32 Subd. 2. **Exclusion from licensure.** (a) This chapter does not apply to:

264.1 (1) residential or nonresidential programs that are provided to a person by an individual
264.2 who is related unless the residential program is a child foster care placement made by a
264.3 local social services agency or a licensed child-placing agency, except as provided in
264.4 subdivision 2a;

264.5 (2) nonresidential programs that are provided by an unrelated individual to persons from
264.6 a single related family;

264.7 (3) residential or nonresidential programs that are provided to adults who do not abuse
264.8 chemicals or who do not have a chemical dependency, a mental illness, a developmental
264.9 disability, a functional impairment, or a physical disability;

264.10 (4) sheltered workshops or work activity programs that are certified by the commissioner
264.11 of employment and economic development;

264.12 (5) programs operated by a public school for children 33 months or older;

264.13 (6) nonresidential programs primarily for children that provide care or supervision for
264.14 periods of less than three hours a day while the child's parent or legal guardian is in the
264.15 same building as the nonresidential program or present within another building that is
264.16 directly contiguous to the building in which the nonresidential program is located;

264.17 (7) nursing homes or hospitals licensed by the commissioner of health except as specified
264.18 under section 245A.02;

264.19 (8) board and lodge facilities licensed by the commissioner of health that do not provide
264.20 children's residential services under Minnesota Rules, chapter 2960, mental health or chemical
264.21 dependency treatment;

264.22 (9) homes providing programs for persons placed by a county or a licensed agency for
264.23 legal adoption, unless the adoption is not completed within two years;

264.24 (10) programs licensed by the commissioner of corrections;

264.25 (11) recreation programs for children or adults that are operated or approved by a park
264.26 and recreation board whose primary purpose is to provide social and recreational activities;

264.27 (12) programs operated by a school as defined in section 120A.22, subdivision 4; YMCA
264.28 as defined in section 315.44; YWCA as defined in section 315.44; or JCC as defined in
264.29 section 315.51, whose primary purpose is to provide child care or services to school-age
264.30 children;

264.31 (13) Head Start nonresidential programs which operate for less than 45 days in each
264.32 calendar year;

265.1 (14) noncertified boarding care homes unless they provide services for five or more
265.2 persons whose primary diagnosis is mental illness or a developmental disability;

265.3 (15) programs for children such as scouting, boys clubs, girls clubs, and sports and art
265.4 programs, and nonresidential programs for children provided for a cumulative total of less
265.5 than 30 days in any 12-month period;

265.6 (16) residential programs for persons with mental illness, that are located in hospitals;

265.7 (17) the religious instruction of school-age children; Sabbath or Sunday schools; or the
265.8 congregate care of children by a church, congregation, or religious society during the period
265.9 used by the church, congregation, or religious society for its regular worship;

265.10 (18) camps licensed by the commissioner of health under Minnesota Rules, chapter
265.11 4630;

265.12 (19) mental health outpatient services for adults with mental illness or children with
265.13 emotional disturbance;

265.14 (20) residential programs serving school-age children whose sole purpose is cultural or
265.15 educational exchange, until the commissioner adopts appropriate rules;

265.16 (21) community support services programs as defined in section 245.462, subdivision
265.17 6, and family community support services as defined in section 245.4871, subdivision 17;

265.18 (22) the placement of a child by a birth parent or legal guardian in a preadoptive home
265.19 for purposes of adoption as authorized by section 259.47;

265.20 (23) settings registered under chapter 144D which provide home care services licensed
265.21 by the commissioner of health to fewer than seven adults;

265.22 (24) chemical dependency or substance abuse treatment activities of licensed professionals
265.23 in private practice as defined in Minnesota Rules, part 9530.6405, subpart 15, ~~when the~~
265.24 ~~treatment activities are not paid for by the consolidated chemical dependency treatment~~
265.25 ~~fund~~;

265.26 (25) consumer-directed community support service funded under the Medicaid waiver
265.27 for persons with developmental disabilities when the individual who provided the service
265.28 is:

265.29 (i) the same individual who is the direct payee of these specific waiver funds or paid by
265.30 a fiscal agent, fiscal intermediary, or employer of record; and

265.31 (ii) not otherwise under the control of a residential or nonresidential program that is
265.32 required to be licensed under this chapter when providing the service;

266.1 (26) a program serving only children who are age 33 months or older, that is operated
266.2 by a nonpublic school, for no more than four hours per day per child, with no more than 20
266.3 children at any one time, and that is accredited by:

266.4 (i) an accrediting agency that is formally recognized by the commissioner of education
266.5 as a nonpublic school accrediting organization; or

266.6 (ii) an accrediting agency that requires background studies and that receives and
266.7 investigates complaints about the services provided.

266.8 A program that asserts its exemption from licensure under item (ii) shall, upon request
266.9 from the commissioner, provide the commissioner with documentation from the accrediting
266.10 agency that verifies: that the accreditation is current; that the accrediting agency investigates
266.11 complaints about services; and that the accrediting agency's standards require background
266.12 studies on all people providing direct contact services; ~~or~~

266.13 (27) a program operated by a nonprofit organization incorporated in Minnesota or another
266.14 state that serves youth in kindergarten through grade 12; provides structured, supervised
266.15 youth development activities; and has learning opportunities take place before or after
266.16 school, on weekends, or during the summer or other seasonal breaks in the school calendar.
266.17 A program exempt under this clause is not eligible for child care assistance under chapter
266.18 119B. A program exempt under this clause must:

266.19 (i) have a director or supervisor on site who is responsible for overseeing written policies
266.20 relating to the management and control of the daily activities of the program, ensuring the
266.21 health and safety of program participants, and supervising staff and volunteers;

266.22 (ii) have obtained written consent from a parent or legal guardian for each youth
266.23 participating in activities at the site; and

266.24 (iii) have provided written notice to a parent or legal guardian for each youth at the site
266.25 that the program is not licensed or supervised by the state of Minnesota and is not eligible
266.26 to receive child care assistance payments;

266.27 (28) a county that is an eligible vendor under section 254B.05 to provide care coordination
266.28 and comprehensive assessment services; or

266.29 (29) a recovery community organization that is an eligible vendor under section 254B.05
266.30 to provide peer recovery support services.

266.31 (b) For purposes of paragraph (a), clause (6), a building is directly contiguous to a
266.32 building in which a nonresidential program is located if it shares a common wall with the

267.1 building in which the nonresidential program is located or is attached to that building by
267.2 skyway, tunnel, atrium, or common roof.

267.3 (c) Except for the home and community-based services identified in section 245D.03,
267.4 subdivision 1, nothing in this chapter shall be construed to require licensure for any services
267.5 provided and funded according to an approved federal waiver plan where licensure is
267.6 specifically identified as not being a condition for the services and funding.

267.7 Sec. 5. Minnesota Statutes 2016, section 245A.191, is amended to read:

267.8 **245A.191 PROVIDER ELIGIBILITY FOR PAYMENTS FROM THE CHEMICAL**
267.9 **DEPENDENCY CONSOLIDATED TREATMENT FUND.**

267.10 (a) When a chemical dependency treatment provider licensed under Minnesota Rules,
267.11 parts 2960.0430 to 2960.0490 or 9530.6405 to 9530.6505, agrees to meet the applicable
267.12 requirements under section 254B.05, subdivision 5, paragraphs (b), clauses (1) to ~~(4)~~ (8)
267.13 and ~~(6)~~ (10), (c), and (e), to be eligible for enhanced funding from the chemical dependency
267.14 consolidated treatment fund, the applicable requirements under section 254B.05 are also
267.15 licensing requirements that may be monitored for compliance through licensing investigations
267.16 and licensing inspections.

267.17 (b) Noncompliance with the requirements identified under paragraph (a) may result in:

267.18 (1) a correction order or a conditional license under section 245A.06, or sanctions under
267.19 section 245A.07;

267.20 (2) nonpayment of claims submitted by the license holder for public program
267.21 reimbursement;

267.22 (3) recovery of payments made for the service;

267.23 (4) disenrollment in the public payment program; or

267.24 (5) other administrative, civil, or criminal penalties as provided by law.

267.25 Sec. 6. Minnesota Statutes 2016, section 254A.03, subdivision 3, is amended to read:

267.26 Subd. 3. **Rules for chemical dependency care.** (a) The commissioner of human services
267.27 shall establish by rule criteria to be used in determining the appropriate level of chemical
267.28 dependency care for each recipient of public assistance seeking treatment for alcohol or
267.29 other drug dependency and abuse problems.

267.30 (b) Notwithstanding the criteria in Minnesota Rules, parts 9530.6600 to 9530.6655, upon
267.31 federal approval of comprehensive assessment as a Medicaid benefit, an eligible vendor of

268.1 comprehensive assessments under section 254A.19 may determine and approve the
268.2 appropriate level of substance use disorder treatment for a recipient of public assistance
268.3 who is seeking treatment. The commissioner shall develop and implement a utilization
268.4 review process for publicly funded treatment placements to monitor and review the clinical
268.5 appropriateness and timeliness of all publicly funded placements in treatment.

268.6 (c) The process for determining an individual's financial eligibility for the consolidated
268.7 chemical dependency treatment fund or determining an individual's enrollment in or eligibility
268.8 for a publicly subsidized health plan is not affected by the individual's choice to access a
268.9 comprehensive assessment by a vendor for approval of treatment.

268.10 Sec. 7. Minnesota Statutes 2016, section 254A.08, subdivision 2, is amended to read:

268.11 Subd. 2. **Program requirements.** For the purpose of this section, a detoxification
268.12 program means a social rehabilitation program licensed by the commissioner under Minnesota
268.13 Rules, parts 9530.6510 to 9530.6590, and established for the purpose of facilitating access
268.14 into care and treatment by detoxifying and evaluating the person and providing entrance
268.15 into a comprehensive program. Evaluation of the person shall include verification by a
268.16 professional, after preliminary examination, that the person is intoxicated or has symptoms
268.17 of chemical dependency and appears to be in imminent danger of harming self or others. A
268.18 detoxification program shall have available the services of a licensed physician for medical
268.19 emergencies and routine medical surveillance. A detoxification program licensed by the
268.20 Department of Human Services to serve both adults and minors at the same site must provide
268.21 for separate sleeping areas for adults and minors.

268.22 Sec. 8. Minnesota Statutes 2016, section 254B.01, is amended by adding a subdivision to
268.23 read:

268.24 Subd. 8. **Recovery community organization.** "Recovery community organization"
268.25 means an independent organization led and governed by representatives of local communities
268.26 of recovery. A recovery community organization mobilizes resources within and outside
268.27 of the recovery community to increase the prevalence and quality of long-term recovery
268.28 from alcohol and other drug addiction. Recovery community organizations provide
268.29 peer-based recovery support activities such as training of recovery peers. Recovery
268.30 community organizations provide mentorship and ongoing support to individuals dealing
268.31 with a substance use disorder and connect the individuals with resources that can support
268.32 each individual's recovery. A recovery community organization also promotes a
268.33 recovery-focused orientation in community education and outreach programming and

269.1 organizes recovery-focused policy advocacy activities to foster healthy communities and
269.2 reduce the stigma of substance use disorders.

269.3 Sec. 9. Minnesota Statutes 2016, section 254B.03, subdivision 2, is amended to read:

269.4 Subd. 2. **Chemical dependency fund payment.** (a) Payment from the chemical
269.5 dependency fund is limited to payments for services other than detoxification services
269.6 licensed under Minnesota Rules, parts 9530.6405 to 9530.6505, that, if located outside of
269.7 federally recognized tribal lands, would be required to be licensed by the commissioner as
269.8 a chemical dependency treatment or rehabilitation program under sections 245A.01 to
269.9 245A.16, and services other than detoxification provided in another state that would be
269.10 required to be licensed as a chemical dependency program if the program were in the state.
269.11 Out of state vendors must also provide the commissioner with assurances that the program
269.12 complies substantially with state licensing requirements and possesses all licenses and
269.13 certifications required by the host state to provide chemical dependency treatment. Except
269.14 for chemical dependency transitional rehabilitation programs, vendors receiving payments
269.15 from the chemical dependency fund must not require co-payment from a recipient of benefits
269.16 for services provided under this subdivision. Payment from the chemical dependency fund
269.17 shall be made for necessary room and board costs provided by vendors certified according
269.18 to section 254B.05, or in a community hospital licensed by the commissioner of health
269.19 according to sections 144.50 to 144.56 to a client who is:

269.20 (1) determined to meet the criteria for placement in a residential chemical dependency
269.21 treatment program according to rules adopted under section 254A.03, subdivision 3; and

269.22 (2) concurrently receiving a chemical dependency treatment service in a program licensed
269.23 by the commissioner and reimbursed by the chemical dependency fund.

269.24 (b) A county may, from its own resources, provide chemical dependency services for
269.25 which state payments are not made. A county may elect to use the same invoice procedures
269.26 and obtain the same state payment services as are used for chemical dependency services
269.27 for which state payments are made under this section if county payments are made to the
269.28 state in advance of state payments to vendors. When a county uses the state system for
269.29 payment, the commissioner shall make monthly billings to the county using the most recent
269.30 available information to determine the anticipated services for which payments will be made
269.31 in the coming month. Adjustment of any overestimate or underestimate based on actual
269.32 expenditures shall be made by the state agency by adjusting the estimate for any succeeding
269.33 month.

270.1 (c) The commissioner shall coordinate chemical dependency services and determine
270.2 whether there is a need for any proposed expansion of chemical dependency treatment
270.3 services. The commissioner shall deny vendor certification to any provider that has not
270.4 received prior approval from the commissioner for the creation of new programs or the
270.5 expansion of existing program capacity. The commissioner shall consider the provider's
270.6 capacity to obtain clients from outside the state based on plans, agreements, and previous
270.7 utilization history, when determining the need for new treatment services.

270.8 Sec. 10. Minnesota Statutes 2016, section 254B.05, subdivision 1, is amended to read:

270.9 Subdivision 1. **Licensure required.** (a) Programs licensed by the commissioner are
270.10 eligible vendors. Hospitals may apply for and receive licenses to be eligible vendors,
270.11 notwithstanding the provisions of section 245A.03. American Indian programs that provide
270.12 chemical dependency primary treatment, extended care, transitional residence, or outpatient
270.13 treatment services, and are licensed by tribal government are eligible vendors. Detoxification
270.14 programs are not eligible vendors. Programs that are not licensed as a chemical dependency
270.15 residential or nonresidential treatment program by the commissioner or by tribal government
270.16 or do not meet the requirements of subdivisions 1a and 1b are not eligible vendors.

270.17 (b) Upon federal approval, a licensed professional in private practice as defined in
270.18 Minnesota Rules, part 9530.6405, subpart 15, is an eligible vendor of comprehensive
270.19 assessments and individual substance use disorder treatment services.

270.20 (c) Upon federal approval, a county is an eligible vendor for comprehensive assessment
270.21 services when the service is provided by a licensed professional in private practice as defined
270.22 in Minnesota Rules, part 9530.6405, subpart 15. Upon federal approval, a county is an
270.23 eligible vendor of care coordination services when the service is provided by an individual
270.24 who meets certification requirements identified by the commissioner.

270.25 (d) Upon federal approval, a recovery community organization that meets certification
270.26 requirements identified by the commissioner is an eligible vendor of peer support services
270.27 provided one-to-one by an individual in recovery from substance use disorder.

270.28 (e) A detoxification program licensed under Minnesota Rules, parts 9530.6510 to
270.29 9530.6590, is not an eligible vendor. A program that is not licensed as a chemical dependency
270.30 residential or nonresidential treatment or withdrawal management program by the
270.31 commissioner or by tribal government or does not meet the requirements of subdivisions
270.32 1a and 1b is not an eligible vendor.

271.1 Sec. 11. Minnesota Statutes 2016, section 254B.05, subdivision 5, is amended to read:

271.2 Subd. 5. **Rate requirements.** (a) The commissioner shall establish rates for chemical
271.3 dependency services and service enhancements funded under this chapter.

271.4 (b) Eligible chemical dependency treatment services include:

271.5 (1) outpatient treatment services that are licensed according to Minnesota Rules, parts
271.6 9530.6405 to 9530.6480, or applicable tribal license;

271.7 (2) comprehensive assessment services, on July 1, 2018, or upon federal approval,
271.8 whichever is later;

271.9 (3) care coordination services, on July 1, 2018, or upon federal approval, whichever is
271.10 later;

271.11 (4) peer recovery support services, on July 1, 2018, or upon federal approval, whichever
271.12 is later;

271.13 (5) withdrawal management services provided according to chapter 245F, on July 1,
271.14 2019, or upon federal approval, whichever is later;

271.15 ~~(2)~~ (6) medication-assisted therapy services that are licensed according to Minnesota
271.16 Rules, parts 9530.6405 to 9530.6480 and 9530.6500, or applicable tribal license;

271.17 ~~(3)~~ (7) medication-assisted therapy plus enhanced treatment services that meet the
271.18 requirements of clause ~~(2)~~ (6) and provide nine hours of clinical services each week;

271.19 ~~(4)~~ (8) high, medium, and low intensity residential treatment services that are licensed
271.20 according to Minnesota Rules, parts 9530.6405 to 9530.6480 and 9530.6505, or applicable
271.21 tribal license which provide, respectively, 30, 15, and five hours of clinical services each
271.22 week;

271.23 ~~(5)~~ (9) hospital-based treatment services that are licensed according to Minnesota Rules,
271.24 parts 9530.6405 to 9530.6480, or applicable tribal license and licensed as a hospital under
271.25 sections 144.50 to 144.56;

271.26 ~~(6)~~ (10) adolescent treatment programs that are licensed as outpatient treatment programs
271.27 according to Minnesota Rules, parts 9530.6405 to 9530.6485, or as residential treatment
271.28 programs according to Minnesota Rules, parts 2960.0010 to 2960.0220, and 2960.0430 to
271.29 2960.0490, or applicable tribal license;

271.30 ~~(7)~~ (11) high-intensity residential treatment services that are licensed according to
271.31 Minnesota Rules, parts 9530.6405 to 9530.6480 and 9530.6505, or applicable tribal license,
271.32 which provide 30 hours of clinical services each week provided by a state-operated vendor

272.1 or to clients who have been civilly committed to the commissioner, present the most complex
272.2 and difficult care needs, and are a potential threat to the community; and

272.3 ~~(8)~~ (12) room and board facilities that meet the requirements of subdivision 1a.

272.4 (c) The commissioner shall establish higher rates for programs that meet the requirements
272.5 of paragraph (b) and one of the following additional requirements:

272.6 (1) programs that serve parents with their children if the program:

272.7 (i) provides on-site child care during the hours of treatment activity that:

272.8 (A) is licensed under chapter 245A as a child care center under Minnesota Rules, chapter
272.9 9503; or

272.10 (B) meets the licensure exclusion criteria of section 245A.03, subdivision 2, paragraph
272.11 (a), clause (6), and meets the requirements under Minnesota Rules, part 9530.6490, subpart
272.12 4; or

272.13 (ii) arranges for off-site child care during hours of treatment activity at a facility that is
272.14 licensed under chapter 245A as:

272.15 (A) a child care center under Minnesota Rules, chapter 9503; or

272.16 (B) a family child care home under Minnesota Rules, chapter 9502;

272.17 (2) culturally specific programs as defined in section 254B.01, subdivision 4a, or
272.18 programs or subprograms serving special populations, if the program or subprogram meets
272.19 the following requirements:

272.20 (i) is designed to address the unique needs of individuals who share a common language,
272.21 racial, ethnic, or social background;

272.22 (ii) is governed with significant input from individuals of that specific background; and

272.23 (iii) employs individuals to provide individual or group therapy, at least 50 percent of
272.24 whom are of that specific background, except when the common social background of the
272.25 individuals served is a traumatic brain injury or cognitive disability and the program employs
272.26 treatment staff who have the necessary professional training, as approved by the
272.27 commissioner, to serve clients with the specific disabilities that the program is designed to
272.28 serve;

272.29 (3) programs that offer medical services delivered by appropriately credentialed health
272.30 care staff in an amount equal to two hours per client per week if the medical needs of the

273.1 client and the nature and provision of any medical services provided are documented in the
273.2 client file; and

273.3 (4) programs that offer services to individuals with co-occurring mental health and
273.4 chemical dependency problems if:

273.5 (i) the program meets the co-occurring requirements in Minnesota Rules, part 9530.6495;

273.6 (ii) 25 percent of the counseling staff are licensed mental health professionals, as defined
273.7 in section 245.462, subdivision 18, clauses (1) to (6), or are students or licensing candidates
273.8 under the supervision of a licensed alcohol and drug counselor supervisor and licensed
273.9 mental health professional, except that no more than 50 percent of the mental health staff
273.10 may be students or licensing candidates with time documented to be directly related to
273.11 provisions of co-occurring services;

273.12 (iii) clients scoring positive on a standardized mental health screen receive a mental
273.13 health diagnostic assessment within ten days of admission;

273.14 (iv) the program has standards for multidisciplinary case review that include a monthly
273.15 review for each client that, at a minimum, includes a licensed mental health professional
273.16 and licensed alcohol and drug counselor, and their involvement in the review is documented;

273.17 (v) family education is offered that addresses mental health and substance abuse disorders
273.18 and the interaction between the two; and

273.19 (vi) co-occurring counseling staff shall receive eight hours of co-occurring disorder
273.20 training annually.

273.21 (d) In order to be eligible for a higher rate under paragraph (c), clause (1), a program
273.22 that provides arrangements for off-site child care must maintain current documentation at
273.23 the chemical dependency facility of the child care provider's current licensure to provide
273.24 child care services. Programs that provide child care according to paragraph (c), clause (1),
273.25 must be deemed in compliance with the licensing requirements in Minnesota Rules, part
273.26 9530.6490.

273.27 (e) Adolescent residential programs that meet the requirements of Minnesota Rules,
273.28 parts 2960.0430 to 2960.0490 and 2960.0580 to 2960.0690, are exempt from the requirements
273.29 in paragraph (c), clause (4), items (i) to (iv).

273.30 (f) Subject to federal approval, chemical dependency services that are otherwise covered
273.31 as direct face-to-face services may be provided via two-way interactive video. The use of
273.32 two-way interactive video must be medically appropriate to the condition and needs of the
273.33 person being served. Reimbursement shall be at the same rates and under the same conditions

274.1 that would otherwise apply to direct face-to-face services. The interactive video equipment
274.2 and connection must comply with Medicare standards in effect at the time the service is
274.3 provided.

274.4 Sec. 12. Minnesota Statutes 2016, section 254B.12, is amended by adding a subdivision
274.5 to read:

274.6 Subd. 3. **Chemical dependency provider rate increase.** For the chemical dependency
274.7 services listed in section 254B.05, subdivision 5, and provided on or after July 1, 2017,
274.8 payment rates shall be increased by three percent over the rates in effect on January 1, 2017,
274.9 for vendors who meet the requirements of section 254B.05.

274.10 Sec. 13. Minnesota Statutes 2016, section 256B.0621, subdivision 10, is amended to read:

274.11 Subd. 10. **Payment rates.** The commissioner shall set payment rates for targeted case
274.12 management under this subdivision. Case managers may bill according to the following
274.13 criteria:

274.14 (1) for relocation targeted case management, case managers may bill for direct case
274.15 management activities, including face-to-face ~~and~~ contact, telephone ~~contacts~~ contact, and
274.16 interactive video contact according to section 256B.0924, subdivision 4a, in the lesser of:

274.17 (i) 180 days preceding an eligible recipient's discharge from an institution; or

274.18 (ii) the limits and conditions which apply to federal Medicaid funding for this service;

274.19 (2) for home care targeted case management, case managers may bill for direct case
274.20 management activities, including face-to-face and telephone contacts; and

274.21 (3) billings for targeted case management services under this subdivision shall not
274.22 duplicate payments made under other program authorities for the same purpose.

274.23 Sec. 14. Minnesota Statutes 2016, section 256B.0625, subdivision 20, is amended to read:

274.24 Subd. 20. **Mental health case management.** (a) To the extent authorized by rule of the
274.25 state agency, medical assistance covers case management services to persons with serious
274.26 and persistent mental illness and children with severe emotional disturbance. Services
274.27 provided under this section must meet the relevant standards in sections 245.461 to 245.4887,
274.28 the Comprehensive Adult and Children's Mental Health Acts, Minnesota Rules, parts
274.29 9520.0900 to 9520.0926, and 9505.0322, excluding subpart 10.

274.30 (b) Entities meeting program standards set out in rules governing family community
274.31 support services as defined in section 245.4871, subdivision 17, are eligible for medical

275.1 assistance reimbursement for case management services for children with severe emotional
275.2 disturbance when these services meet the program standards in Minnesota Rules, parts
275.3 9520.0900 to 9520.0926 and 9505.0322, excluding subparts 6 and 10.

275.4 (c) Medical assistance and MinnesotaCare payment for mental health case management
275.5 shall be made on a monthly basis. In order to receive payment for an eligible child, the
275.6 provider must document at least a face-to-face contact with the child, the child's parents, or
275.7 the child's legal representative. To receive payment for an eligible adult, the provider must
275.8 document:

275.9 (1) at least a face-to-face contact with the adult or the adult's legal representative or a
275.10 contact by interactive video that meets the requirements of subdivision 20b; or

275.11 (2) at least a telephone contact with the adult or the adult's legal representative and
275.12 document a face-to-face contact or a contact by interactive video that meets the requirements
275.13 of subdivision 20b with the adult or the adult's legal representative within the preceding
275.14 two months.

275.15 (d) Payment for mental health case management provided by county or state staff shall
275.16 be based on the monthly rate methodology under section 256B.094, subdivision 6, paragraph
275.17 (b), with separate rates calculated for child welfare and mental health, and within mental
275.18 health, separate rates for children and adults.

275.19 (e) Payment for mental health case management provided by Indian health services or
275.20 by agencies operated by Indian tribes may be made according to this section or other relevant
275.21 federally approved rate setting methodology.

275.22 (f) Payment for mental health case management provided by vendors who contract with
275.23 a county or Indian tribe shall be based on a monthly rate negotiated by the host county or
275.24 tribe. The negotiated rate must not exceed the rate charged by the vendor for the same
275.25 service to other payers. If the service is provided by a team of contracted vendors, the county
275.26 or tribe may negotiate a team rate with a vendor who is a member of the team. The team
275.27 shall determine how to distribute the rate among its members. No reimbursement received
275.28 by contracted vendors shall be returned to the county or tribe, except to reimburse the county
275.29 or tribe for advance funding provided by the county or tribe to the vendor.

275.30 (g) If the service is provided by a team which includes contracted vendors, tribal staff,
275.31 and county or state staff, the costs for county or state staff participation in the team shall be
275.32 included in the rate for county-provided services. In this case, the contracted vendor, the
275.33 tribal agency, and the county may each receive separate payment for services provided by
275.34 each entity in the same month. In order to prevent duplication of services, each entity must

276.1 document, in the recipient's file, the need for team case management and a description of
276.2 the roles of the team members.

276.3 (h) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of costs for
276.4 mental health case management shall be provided by the recipient's county of responsibility,
276.5 as defined in sections 256G.01 to 256G.12, from sources other than federal funds or funds
276.6 used to match other federal funds. If the service is provided by a tribal agency, the nonfederal
276.7 share, if any, shall be provided by the recipient's tribe. When this service is paid by the state
276.8 without a federal share through fee-for-service, 50 percent of the cost shall be provided by
276.9 the recipient's county of responsibility.

276.10 (i) Notwithstanding any administrative rule to the contrary, prepaid medical assistance
276.11 and MinnesotaCare include mental health case management. When the service is provided
276.12 through prepaid capitation, the nonfederal share is paid by the state and the county pays no
276.13 share.

276.14 (j) The commissioner may suspend, reduce, or terminate the reimbursement to a provider
276.15 that does not meet the reporting or other requirements of this section. The county of
276.16 responsibility, as defined in sections 256G.01 to 256G.12, or, if applicable, the tribal agency,
276.17 is responsible for any federal disallowances. The county or tribe may share this responsibility
276.18 with its contracted vendors.

276.19 (k) The commissioner shall set aside a portion of the federal funds earned for county
276.20 expenditures under this section to repay the special revenue maximization account under
276.21 section 256.01, subdivision 2, paragraph (o). The repayment is limited to:

276.22 (1) the costs of developing and implementing this section; and

276.23 (2) programming the information systems.

276.24 (l) Payments to counties and tribal agencies for case management expenditures under
276.25 this section shall only be made from federal earnings from services provided under this
276.26 section. When this service is paid by the state without a federal share through fee-for-service,
276.27 50 percent of the cost shall be provided by the state. Payments to county-contracted vendors
276.28 shall include the federal earnings, the state share, and the county share.

276.29 (m) Case management services under this subdivision do not include therapy, treatment,
276.30 legal, or outreach services.

276.31 (n) If the recipient is a resident of a nursing facility, intermediate care facility, or hospital,
276.32 and the recipient's institutional care is paid by medical assistance, payment for case
276.33 management services under this subdivision is limited to the lesser of:

277.1 (1) the last 180 days of the recipient's residency in that facility and may not exceed more
277.2 than six months in a calendar year; or

277.3 (2) the limits and conditions which apply to federal Medicaid funding for this service.

277.4 (o) Payment for case management services under this subdivision shall not duplicate
277.5 payments made under other program authorities for the same purpose.

277.6 (p) If the recipient is receiving care in a hospital, nursing facility, or residential setting
277.7 licensed under chapter 245A or 245D that is staffed 24 hours a day, seven days a week,
277.8 mental health targeted case management services must actively support identification of
277.9 community alternatives for the recipient and discharge planning.

277.10 Sec. 15. Minnesota Statutes 2016, section 256B.0625, is amended by adding a subdivision
277.11 to read:

277.12 Subd. 20b. **Mental health targeted case management through interactive video.** (a)
277.13 Subject to federal approval, contact made for targeted case management by interactive video
277.14 shall be eligible for payment if:

277.15 (1) the person receiving targeted case management services is residing in:

277.16 (i) a hospital;

277.17 (ii) a nursing facility; or

277.18 (iii) a residential setting licensed under chapter 245A or 245D or a boarding and lodging
277.19 establishment or lodging establishment that provides supportive services or health supervision
277.20 services according to section 157.17 that is staffed 24 hours a day, seven days a week;

277.21 (2) interactive video is in the best interests of the person and is deemed appropriate by
277.22 the person receiving targeted case management or the person's legal guardian, the case
277.23 management provider, and the provider operating the setting where the person is residing;

277.24 (3) the use of interactive video is approved as part of the person's written personal service
277.25 or case plan, taking into consideration the person's vulnerability and active personal
277.26 relationships; and

277.27 (4) interactive video is used for up to, but not more than, 50 percent of the minimum
277.28 required face-to-face contact.

277.29 (b) The person receiving targeted case management or the person's legal guardian has
277.30 the right to choose and consent to the use of interactive video under this subdivision and
277.31 has the right to refuse the use of interactive video at any time.

278.1 (c) The commissioner shall establish criteria that a targeted case management provider
278.2 must attest to in order to demonstrate the safety or efficacy of delivering the service via
278.3 interactive video. The attestation may include that the case management provider has:

278.4 (1) written policies and procedures specific to interactive video services that are regularly
278.5 reviewed and updated;

278.6 (2) policies and procedures that adequately address client safety before, during, and after
278.7 the interactive video services are rendered;

278.8 (3) established protocols addressing how and when to discontinue interactive video
278.9 services; and

278.10 (4) established a quality assurance process related to interactive video services.

278.11 (d) As a condition of payment, the targeted case management provider must document
278.12 the following for each occurrence of targeted case management provided by interactive
278.13 video:

278.14 (1) the time the service began and the time the service ended, including an a.m. and p.m.
278.15 designation;

278.16 (2) the basis for determining that interactive video is an appropriate and effective means
278.17 for delivering the service to the person receiving case management services;

278.18 (3) the mode of transmission of the interactive video services and records evidencing
278.19 that a particular mode of transmission was utilized;

278.20 (4) the location of the originating site and the distant site; and

278.21 (5) compliance with the criteria attested to by the targeted case management provider
278.22 as provided in paragraph (c).

278.23 Sec. 16. Minnesota Statutes 2016, section 256B.0924, is amended by adding a subdivision
278.24 to read:

278.25 Subd. 4a. Targeted case management through interactive video. (a) Subject to federal
278.26 approval, contact made for targeted case management by interactive video shall be eligible
278.27 for payment under subdivision 6 if:

278.28 (1) the person receiving targeted case management services is residing in:

278.29 (i) a hospital;

278.30 (ii) a nursing facility; or

279.1 (iii) a residential setting licensed under chapter 245A or 245D or a boarding and lodging
279.2 establishment or lodging establishment that provides supportive services or health supervision
279.3 services according to section 157.17 that is staffed 24 hours a day, seven days a week;

279.4 (2) interactive video is in the best interests of the person and is deemed appropriate by
279.5 the person receiving targeted case management or the person's legal guardian, the case
279.6 management provider, and the provider operating the setting where the person is residing;

279.7 (3) the use of interactive video is approved as part of the person's written personal service
279.8 or case plan; and

279.9 (4) interactive video is used for up to, but not more than, 50 percent of the minimum
279.10 required face-to-face contact.

279.11 (b) The person receiving targeted case management or the person's legal guardian has
279.12 the right to choose and consent to the use of interactive video under this subdivision and
279.13 has the right to refuse the use of interactive video at any time.

279.14 (c) The commissioner shall establish criteria that a targeted case management provider
279.15 must attest to in order to demonstrate the safety or efficacy of delivering the service via
279.16 interactive video. The attestation may include that the case management provider has:

279.17 (1) written policies and procedures specific to interactive video services that are regularly
279.18 reviewed and updated;

279.19 (2) policies and procedures that adequately address client safety before, during, and after
279.20 the interactive video services are rendered;

279.21 (3) established protocols addressing how and when to discontinue interactive video
279.22 services; and

279.23 (4) established a quality assurance process related to interactive video services.

279.24 (d) As a condition of payment, the targeted case management provider must document
279.25 the following for each occurrence of targeted case management provided by interactive
279.26 video:

279.27 (1) the time the service began and the time the service ended, including an a.m. and p.m.
279.28 designation;

279.29 (2) the basis for determining that interactive video is an appropriate and effective means
279.30 for delivering the service to the person receiving case management services;

279.31 (3) the mode of transmission of the interactive video services and records evidencing
279.32 that a particular mode of transmission was utilized;

280.1 (4) the location of the originating site and the distant site; and

280.2 (5) compliance with the criteria attested to by the targeted case management provider
280.3 as provided in paragraph (c).

280.4 Sec. 17. Minnesota Statutes 2016, section 256B.763, is amended to read:

280.5 **256B.763 CRITICAL ACCESS MENTAL HEALTH RATE INCREASE.**

280.6 (a) For services defined in paragraph (b) and rendered on or after July 1, 2007, payment
280.7 rates shall be increased by 23.7 percent over the rates in effect on January 1, 2006, for:

280.8 (1) psychiatrists and advanced practice registered nurses with a psychiatric specialty;

280.9 (2) community mental health centers under section 256B.0625, subdivision 5; and

280.10 (3) mental health clinics and centers certified under Minnesota Rules, parts 9520.0750
280.11 to 9520.0870, or hospital outpatient psychiatric departments that are designated as essential
280.12 community providers under section 62Q.19.

280.13 (b) This increase applies to group skills training when provided as a component of
280.14 children's therapeutic services and support, psychotherapy, medication management,
280.15 evaluation and management, diagnostic assessment, explanation of findings, psychological
280.16 testing, neuropsychological services, direction of behavioral aides, and inpatient consultation.

280.17 (c) This increase does not apply to rates that are governed by section 256B.0625,
280.18 subdivision 30, or 256B.761, paragraph (b), other cost-based rates, rates that are negotiated
280.19 with the county, rates that are established by the federal government, or rates that increased
280.20 between January 1, 2004, and January 1, 2005.

280.21 (d) The commissioner shall adjust rates paid to prepaid health plans under contract with
280.22 the commissioner to reflect the rate increases provided in paragraphs (a), (e), and (f). The
280.23 prepaid health plan must pass this rate increase to the providers identified in paragraphs (a),
280.24 (e), (f), and (g).

280.25 (e) Payment rates shall be increased by 23.7 percent over the rates in effect on December
280.26 31, 2007, for:

280.27 (1) medication education services provided on or after January 1, 2008, by adult
280.28 rehabilitative mental health services providers certified under section 256B.0623; and

280.29 (2) mental health behavioral aide services provided on or after January 1, 2008, by
280.30 children's therapeutic services and support providers certified under section 256B.0943.

281.1 (f) For services defined in paragraph (b) and rendered on or after January 1, 2008, by
281.2 children's therapeutic services and support providers certified under section 256B.0943 and
281.3 not already included in paragraph (a), payment rates shall be increased by 23.7 percent over
281.4 the rates in effect on December 31, 2007.

281.5 (g) Payment rates shall be increased by 2.3 percent over the rates in effect on December
281.6 31, 2007, for individual and family skills training provided on or after January 1, 2008, by
281.7 children's therapeutic services and support providers certified under section 256B.0943.

281.8 (h) For services described in paragraphs (b), (e), and (g) and rendered on or after July
281.9 1, 2017, payment rates for mental health clinics and centers certified under Minnesota Rules,
281.10 parts 9520.0750 to 9520.0870, that are not designated as essential community providers
281.11 under section 62Q.19 shall be equal to payment rates for mental health clinics and centers
281.12 certified under Minnesota Rules, parts 9520.0750 to 9520.0870, that are designated as
281.13 essential community providers under section 62Q.19. In order to receive increased payment
281.14 rates under this paragraph, a provider must demonstrate a commitment to serve low-income
281.15 and underserved populations by:

281.16 (1) charging for services on a sliding-fee schedule based on current poverty income
281.17 guidelines; and

281.18 (2) not restricting access or services because of a client's financial limitation.

281.19 **Sec. 18. GRANT PROGRAM; MENTAL HEALTH INNOVATION.**

281.20 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
281.21 the meanings given them.

281.22 (b) "Community partnership" means a project involving the collaboration of two or more
281.23 eligible applicants.

281.24 (c) "Eligible applicant" means an eligible county, Indian tribe, mental health service
281.25 provider, hospital, or community partnership. Eligible applicant does not include a
281.26 state-operated direct care and treatment facility or program under chapter 246.

281.27 (d) "Intensive residential treatment services" has the meaning given in section 256B.0622,
281.28 subdivision 2.

281.29 (e) "Metropolitan area" means the seven-county metropolitan area, as defined in section
281.30 473.121, subdivision 2.

281.31 Subd. 2. **Grants authorized.** The commissioner of human services shall, in consultation
281.32 with stakeholders, award grants to eligible applicants to plan, establish, or operate programs

282.1 to improve accessibility and quality of community-based, outpatient mental health services
282.2 and reduce the number of clients admitted to regional treatment centers and community
282.3 behavioral health hospitals. This is a onetime appropriation that is available until June 30,
282.4 2021. The commissioner shall award half of all grant funds to eligible applicants in the
282.5 metropolitan area and half of all grant funds to eligible applicants outside the metropolitan
282.6 area. An applicant may apply for and the commissioner may award grants for two-year
282.7 periods.

282.8 Subd. 3. **Allocation of grants.** (a) An application must be on a form and contain
282.9 information as specified by the commissioner but at a minimum must contain:

282.10 (1) a description of the purpose or project for which grant funds will be used;

282.11 (2) a description of the specific problem the grant funds will address;

282.12 (3) a letter of support from the local mental health authority;

282.13 (4) a description of achievable objectives, a work plan, and a timeline for implementation
282.14 and completion of processes or projects enabled by the grant; and

282.15 (5) a process for documenting and evaluating results of the grant.

282.16 (b) The commissioner shall review each application to determine whether the application
282.17 is complete and whether the applicant and the project are eligible for a grant. In evaluating
282.18 applications according to paragraph (c), the commissioner shall establish criteria including,
282.19 but not limited to: the eligibility of the project; the applicant's thoroughness and clarity in
282.20 describing the problem grant funds are intended to address; a description of the applicant's
282.21 proposed project; a description of the population demographics and service area of the
282.22 proposed project; the manner in which the applicant will demonstrate the effectiveness of
282.23 any projects undertaken; the proposed project's longevity and demonstrated financial
282.24 sustainability after the initial grant period; and evidence of efficiencies and effectiveness
282.25 gained through collaborative efforts. The commissioner may also consider other relevant
282.26 factors. In evaluating applications, the commissioner may request additional information
282.27 regarding a proposed project, including information on project cost. An applicant's failure
282.28 to provide the information requested disqualifies an applicant. The commissioner shall
282.29 determine the number of grants awarded.

282.30 (c) Eligible applicants may receive grants under this section for purposes including, but
282.31 not limited to, the following:

282.32 (1) intensive residential treatment services providing time-limited mental health services
282.33 in a residential setting;

283.1 (2) the creation of stand-alone urgent care centers for mental health and psychiatric
283.2 consultation services, crisis residential services, or collaboration between crisis teams and
283.3 critical access hospitals;

283.4 (3) establishing new community mental health services or expanding the capacity of
283.5 existing services, including supportive housing; and

283.6 (4) other innovative projects that improve options for mental health services in community
283.7 settings and reduce the number of clients who remain in regional treatment centers and
283.8 community behavioral health hospitals beyond when discharge is determined to be clinically
283.9 appropriate.

283.10 Subd. 4. **Report to legislature.** By December 1, 2019, the commissioner of human
283.11 services shall deliver a report to the chairs and ranking minority members of the legislative
283.12 committees with jurisdiction over mental health issues on the outcomes of the projects
283.13 funded under this section. The report shall, at a minimum, include the amount of funding
283.14 awarded for each project, a description of the programs and services funded, plans for the
283.15 long-term sustainability of the projects, and data on outcomes for the programs and services
283.16 funded. Grantees must provide information and data requested by the commissioner to
283.17 support the development of this report.

283.18 **Sec. 19. RESIDENTIAL TREATMENT AND PAYMENT RATE REFORM.**

283.19 The commissioner shall contract with an outside expert to identify recommendations
283.20 for the development of a substance use disorder residential treatment program model and
283.21 payment structure that is not subject to the federal institutions for mental diseases exclusion
283.22 and that is financially sustainable for providers, while incentivizing best practices and
283.23 improved treatment outcomes. The analysis must include recommendations and a timeline
283.24 for supporting providers to transition to the new models of care delivery. No later than
283.25 December 15, 2018, the commissioner shall deliver a report with recommendations to the
283.26 chairs and ranking minority members of the legislative committees with jurisdiction over
283.27 health and human services policy and finance.

283.28 **Sec. 20. COMMISSIONER'S DUTY TO SEEK FEDERAL APPROVAL.**

283.29 The commissioner of human services shall seek federal approval that is necessary to
283.30 implement Minnesota Statutes, sections 256B.0621, subdivision 10; and 256B.0625,
283.31 subdivision 20, for interactive video contact.

284.1 Sec. 21. **REPEALER.**

284.2 Minnesota Statutes 2016, section 256B.7631, is repealed.

284.3 **ARTICLE 7**

284.4 **OPIATE ABUSE PREVENTION**

284.5 Section 1. Minnesota Statutes 2016, section 151.212, subdivision 2, is amended to read:

284.6 Subd. 2. **Controlled substances.** (a) In addition to the requirements of subdivision 1,
284.7 when the use of any drug containing a controlled substance, as defined in chapter 152, or
284.8 any other drug determined by the board, either alone or in conjunction with alcoholic
284.9 beverages, may impair the ability of the user to operate a motor vehicle, the board shall
284.10 require by rule that notice be prominently set forth on the label or container. Rules
284.11 promulgated by the board shall specify exemptions from this requirement when there is
284.12 evidence that the user will not operate a motor vehicle while using the drug.

284.13 (b) In addition to the requirements of subdivision 1, whenever a prescription drug
284.14 containing an opiate is dispensed to a patient for outpatient use, the pharmacy or practitioner
284.15 dispensing the drug must prominently display on the label or container a notice that states
284.16 "Caution: Opioid. Risk of overdose and addiction."

284.17 Sec. 2. Minnesota Statutes 2016, section 152.11, is amended by adding a subdivision to
284.18 read:

284.19 Subd. 4. **Limit on quantity of opiates prescribed for acute dental and ophthalmic**
284.20 **pain.** (a) When used for the treatment of acute dental pain or acute pain associated with
284.21 refractive surgery, prescriptions for opiate or narcotic pain relievers listed in Schedules II
284.22 through IV of section 152.02 shall not exceed a four-day supply. The quantity prescribed
284.23 shall be consistent with the dosage listed in the professional labeling for the drug that has
284.24 been approved by the United States Food and Drug Administration.

284.25 (b) For the purposes of this subdivision, "acute pain" means pain resulting from disease,
284.26 accidental or intentional trauma, surgery, or another cause, that the practitioner reasonably
284.27 expects to last only a short period of time. Acute pain does not include chronic pain or pain
284.28 being treated as part of cancer care, palliative care, or hospice or other end-of-life care.

284.29 (c) Notwithstanding paragraph (a), if in the professional clinical judgment of a practitioner
284.30 more than a four-day supply of a prescription listed in Schedules II through IV of section
284.31 152.02 is required to treat a patient's acute pain, the practitioner may issue a prescription
284.32 for the quantity needed to treat such acute pain.

285.1 **Sec. 3. [152.121] REQUIRED DISCLOSURES FOR PRESCRIPTION OPIOIDS.**

285.2 Subdivision 1. **Required information.** (a) When dispensing prescription opioids, a
285.3 dispenser must provide to a patient, the patient's agent, or the patient's caregiver, clear and
285.4 conspicuous written information, in plain language, about:

285.5 (1) the addictive nature of opioids and the risks of opioid abuse; and

285.6 (2) safe disposal of unused prescription opioids. This information must be consistent
285.7 with the requirements of section 152.105.

285.8 (b) For purposes of this section, "dispenser" has the meaning provided in section 152.126,
285.9 subdivision 1.

285.10 Subd. 2. **Board of Pharmacy development of materials.** The Board of Pharmacy shall
285.11 develop concise written text in plain language that a dispenser may use to comply with the
285.12 requirements of subdivision 1. The board shall make this text available to dispensers in the
285.13 state by posting it on the board's Web site in a format that allows dispensers to download
285.14 and print it for distribution.

285.15 **EFFECTIVE DATE.** This section is effective January 1, 2018.

285.16 Sec. 4. Minnesota Statutes 2016, section 256B.072, is amended to read:

285.17 **256B.072 PERFORMANCE REPORTING AND QUALITY IMPROVEMENT**
285.18 **SYSTEM.**

285.19 Subdivision 1. **Performance measures.** (a) The commissioner of human services shall
285.20 establish a performance reporting system for health care providers who provide health care
285.21 services to public program recipients covered under chapters 256B, 256D, and 256L,
285.22 reporting separately for managed care and fee-for-service recipients.

285.23 (b) The measures used for the performance reporting system for medical groups shall
285.24 include measures of care for asthma, diabetes, hypertension, and coronary artery disease
285.25 and measures of preventive care services. The measures used for the performance reporting
285.26 system for inpatient hospitals shall include measures of care for acute myocardial infarction,
285.27 heart failure, and pneumonia, and measures of care and prevention of surgical infections.
285.28 In the case of a medical group, the measures used shall be consistent with measures published
285.29 by nonprofit Minnesota or national organizations that produce and disseminate health care
285.30 quality measures or evidence-based health care guidelines. In the case of inpatient hospital
285.31 measures, the commissioner shall appoint the Minnesota Hospital Association and Stratis
285.32 Health to advise on the development of the performance measures to be used for hospital

286.1 reporting. To enable a consistent measurement process across the community, the
286.2 commissioner may use measures of care provided for patients in addition to those identified
286.3 in paragraph (a). The commissioner shall ensure collaboration with other health care reporting
286.4 organizations so that the measures described in this section are consistent with those reported
286.5 by those organizations and used by other purchasers in Minnesota.

286.6 (c) The commissioner may require providers to submit information in a required format
286.7 to a health care reporting organization or to cooperate with the information collection
286.8 procedures of that organization. The commissioner may collaborate with a reporting
286.9 organization to collect information reported and to prevent duplication of reporting.

286.10 (d) By October 1, 2007, and annually thereafter, the commissioner shall report through
286.11 a public Web site the results by medical groups and hospitals, where possible, of the measures
286.12 under this section, and shall compare the results by medical groups and hospitals for patients
286.13 enrolled in public programs to patients enrolled in private health plans. To achieve this
286.14 reporting, the commissioner may collaborate with a health care reporting organization that
286.15 operates a Web site suitable for this purpose.

286.16 (e) Performance measures must be stratified as provided under section 62U.02,
286.17 subdivision 1, paragraph (b), and risk-adjusted as specified in section 62U.02, subdivision
286.18 3, paragraph (b).

286.19 (f) Assessment of patient satisfaction with pain management for the purpose of
286.20 determining compensation or quality incentive payments is prohibited. The commissioner
286.21 shall require managed care plans, county-based purchasing plans, and integrated health
286.22 partnerships to comply with this requirement as a condition of contract. This prohibition
286.23 does not apply to:

286.24 (1) assessing patient satisfaction with pain management for the purpose of quality
286.25 improvement; and

286.26 (2) pain management as a part of a palliative care treatment plan to treat patients with
286.27 cancer or patients receiving hospice care.

286.28 Subd. 2. Adjustment of quality metrics for special populations. Notwithstanding
286.29 subdivision 1, paragraph (b), by January 1, 2019, the commissioner shall consider and
286.30 appropriately adjust quality metrics and benchmarks for providers who primarily serve
286.31 socio-economically complex patient populations and request to be scored on additional
286.32 measures in this subdivision. This requirement applies to all medical assistance and
286.33 MinnesotaCare programs and enrollees, including persons enrolled in managed care and
286.34 county-based purchasing plans or other managed care organizations, persons receiving care

287.1 under fee-for-service, and persons receiving care under value-based purchasing arrangements,
287.2 including but not limited to initiatives operating under sections 256B.0751, 256B.0753,
287.3 256B.0755, 256B.0756, and 256B.0757.

287.4 Sec. 5. **OPIOID ABUSE PREVENTION.**

287.5 (a) The commissioner of health shall establish opioid abuse prevention pilot projects in
287.6 geographic areas throughout the state, to reduce opioid abuse through the use of controlled
287.7 substance care teams and community-wide coordination of abuse-prevention initiatives.

287.8 The commissioner shall award grants to health care providers, health plan companies, local
287.9 units of government, or other entities to establish pilot projects.

287.10 (b) Each pilot project must:

287.11 (1) be designed to reduce emergency room and other health care provider visits resulting
287.12 from opioid use or abuse, and reduce rates of opioid addiction in the community;

287.13 (2) establish multidisciplinary controlled substance care teams, that may consist of
287.14 physicians, pharmacists, social workers, nurse care coordinators, and mental health
287.15 professionals;

287.16 (3) deliver health care services and care coordination, through controlled substance care
287.17 teams, to reduce the inappropriate use of opioids by patients and rates of opioid addiction;

287.18 (4) address any unmet social service needs that create barriers to managing pain
287.19 effectively and obtaining optimal health outcomes;

287.20 (5) provide prescriber and dispenser education and assistance to reduce the inappropriate
287.21 prescribing and dispensing of opioids;

287.22 (6) promote the adoption of best practices related to opioid disposal and reducing
287.23 opportunities for illegal access to opioids; and

287.24 (7) engage partners outside of the health care system, including schools, law enforcement,
287.25 and social services, to address root causes of opioid abuse and addiction at the community
287.26 level.

287.27 (c) The commissioner shall contract with an accountable community for health that
287.28 operates an opioid abuse prevention project, and can document success in reducing opioid
287.29 use through the use of controlled substance care teams, to assist the commissioner in
287.30 administering this section, and to provide technical assistance to the commissioner and to
287.31 entities selected to operate a pilot project.

288.1 (d) The contract under paragraph (c) shall require the accountable community for health
288.2 to evaluate the extent to which the pilot projects were successful in reducing the inappropriate
288.3 use of opioids. The evaluation must analyze changes in the number of opioid prescriptions,
288.4 the number of emergency room visits related to opioid use, and other relevant measures.
288.5 The accountable community for health shall report evaluation results to the chairs and
288.6 ranking minority members of the legislative committees with jurisdiction over health and
288.7 human services policy and finance and public safety by December 15, 2019.

288.8 **Sec. 6. REPORT ON OPIOID CRISIS GRANT; USE OF GRANT FUNDS.**

288.9 (a) The commissioner of human services, by October 1, 2017, shall report to the chairs
288.10 and ranking minority members of the legislative committees with jurisdiction over health
288.11 and human services policy and finance on:

288.12 (1) funds received under the 21st Century Cures Act, Public Law 114-255, section 1003,
288.13 Substance Abuse and Mental Health Services Administration (SAMHSA) State Targeted
288.14 Response to the Opioid Crisis Grants; and

288.15 (2) uses of the funds received, including a listing of grants provided and the amount
288.16 expended on personnel and administrative costs, travel, and public service announcements.

288.17 (b) The commissioner shall use remaining Opioid Crisis Grant funds, and any additional
288.18 funds received from other sources, to provide grants to counties for opioid abuse prevention
288.19 initiatives, increase public awareness of opioid abuse, and prevent opioid abuse through the
288.20 use of data analytics.

288.21 **Sec. 7. CHRONIC PAIN REHABILITATION THERAPY DEMONSTRATION**
288.22 **PROJECT.**

288.23 Subdivision 1. **Establishment.** The commissioner of human services shall develop and
288.24 authorize a two-year demonstration project with a rehabilitation institute located in
288.25 Minneapolis operated by a nonprofit foundation, for a bundled payment arrangement for
288.26 chronic pain rehabilitation therapy for adults who are eligible for fee-for-service medical
288.27 assistance under Minnesota Statutes, section 256B.055, subdivision 7, 15, 16, or 17. The
288.28 chronic pain rehabilitation therapy demonstration project must include: nonnarcotic
288.29 medication management, including opioid tapering; interdisciplinary care coordination; and
288.30 group and individual therapy in cognitive behavioral therapy and physical therapy. The
288.31 project may include self-management education in nutrition, stress, mental health, substance
288.32 use, or other modalities, if clinically appropriate.

289.1 Subd. 2. **Performance and cost savings indicators.** In developing the demonstration
289.2 project, the commissioner shall identify cost savings indicators in addition to performance
289.3 indicators including:

289.4 (1) reduction in medications, including opioids, taken for pain;

289.5 (2) reduction in emergency department and outpatient clinic utilization related to pain;

289.6 (3) improved ability to return to work, job search, or school;

289.7 (4) patient satisfaction; and

289.8 (5) rate of program completion.

289.9 Subd. 3. **Eligibility.** To be eligible to participate in the demonstration project, an
289.10 individual must:

289.11 (1) be 18 years of age or older;

289.12 (2) be eligible for fee-for-service medical assistance under Minnesota Statutes, section
289.13 256B.055, subdivision 7, 15, 16, or 17;

289.14 (3) have moderate to severe pain lasting longer than four months;

289.15 (4) have an impairment in daily functioning, including work or activities of daily living;

289.16 (5) have a referral from a physician or other qualified medical professional indicating
289.17 that all reasonable medical and surgical options have been exhausted; and

289.18 (6) be willing to engage in chronic pain rehabilitation therapies, including opioid tapering.

289.19 Subd. 4. **Integrated health partnerships.** The chronic pain rehabilitation therapy
289.20 demonstration project and participating individuals may be incorporated into the
289.21 demonstration site's health care delivery systems demonstration under Minnesota Statutes,
289.22 section 256B.0755, subdivision 1.

289.23 Subd. 5. **Report.** The rehabilitation institute, for the duration of the demonstration
289.24 project, must annually report on cost savings and performance indicators described in
289.25 subdivision 2 to the commissioner of human services. Three months after the completion
289.26 of the demonstration project, the commissioner of human services shall submit a report to
289.27 the chairs and ranking minority members of the legislative committees with jurisdiction
289.28 over health care. The report must include successes and limitations of the chronic pain
289.29 rehabilitation therapy demonstration project and recommendations to increase an individual's
289.30 access to chronic pain rehabilitation therapy through Minnesota health care programs.

290.1 Sec. 8. **SUBSTANCE USE DISORDER PROVIDER CAPACITY GRANT**
290.2 **PROGRAM.**

290.3 The commissioner of human services shall design and implement a grant program to
290.4 assist providers to purchase the first dose of a nonnarcotic injectable or implantable
290.5 medication to treat substance use disorder for medical assistance enrollees. Grants shall be
290.6 distributed between July 1, 2017, and June 30, 2019. The commissioner shall conduct
290.7 outreach to providers regarding the availability of this grant and ensure a simplified grant
290.8 application process. The commissioner shall provide technical assistance to assist providers
290.9 in building operational capacity to treat substance use disorders with nonnarcotic injectable
290.10 or implantable medications. The commissioner, in collaboration with stakeholders, shall
290.11 analyze the impact of the grant program under this section and the actual or perceived
290.12 barriers for providers to access and be reimbursed for nonnarcotic injectable or implantable
290.13 substance use disorder medications and develop recommendations for addressing identified
290.14 barriers. The commissioner shall provide a report to the chairs and ranking minority members
290.15 of the legislative committees with jurisdiction over health and human services policy and
290.16 finance by September 1, 2019.

290.17 **ARTICLE 8**

290.18 **MISCELLANEOUS**

290.19 Section 1. Minnesota Statutes 2016, section 151.01, subdivision 5, is amended to read:

290.20 Subd. 5. **Drug.** "Drug" means all medicinal substances and preparations recognized by
290.21 the United States Pharmacopoeia and National Formulary, or any revision thereof, ~~vaccines~~
290.22 ~~and biologicals, and;~~ biological products, other than blood or blood components; all
290.23 substances and preparations intended for external and internal use in the diagnosis, cure,
290.24 mitigation, treatment, or prevention of disease in humans or other animals; and all substances
290.25 and preparations, other than food, intended to affect the structure or any function of the
290.26 bodies of humans or other animals. The term drug shall also mean any compound, substance,
290.27 or derivative that is not approved for human consumption by the United States Food and
290.28 Drug Administration or specifically permitted for human consumption under Minnesota
290.29 law, and, when introduced into the body, induces an effect similar to that of a Schedule I
290.30 or Schedule II controlled substance listed in section 152.02, subdivisions 2 and 3, or
290.31 Minnesota Rules, parts 6800.4210 and 6800.4220, regardless of whether the substance is
290.32 marketed for the purpose of human consumption.

291.1 Sec. 2. Minnesota Statutes 2016, section 151.01, is amended by adding a subdivision to
291.2 read:

291.3 Subd. 40. **Biological product.** "Biological product" has the meaning given in United
291.4 States Code, title 42, section 262.

291.5 Sec. 3. Minnesota Statutes 2016, section 151.01, is amended by adding a subdivision to
291.6 read:

291.7 Subd. 41. **Interchangeable biological product.** "Interchangeable biological product"
291.8 means a biological product that the United States Food and Drug Administration has:

291.9 (1) licensed, and determined to meet the standards for interchangeability under United
291.10 States Code, title 42, section 262(k)(4); or

291.11 (2) determined to be therapeutically equivalent, as set forth in the most recent edition
291.12 or supplement of the United States Food and Drug Administration publication titled
291.13 "Approved Drug Products with Therapeutic Equivalence Evaluations."

291.14 Sec. 4. Minnesota Statutes 2016, section 151.21, is amended to read:

291.15 **151.21 SUBSTITUTION.**

291.16 Subdivision 1. **Generally.** Except as provided in this section, it shall be unlawful for
291.17 any pharmacist or pharmacist intern who dispenses prescriptions, drugs, and medicines to
291.18 substitute an article different from the one ordered, or deviate in any manner from the
291.19 requirements of ~~an order or~~ a prescription drug order without the approval of the prescriber.

291.20 Subd. 2. ~~Brand name specified~~ Dispense as written prescription drug orders. When
291.21 a pharmacist receives a paper or hard copy prescription drug order on which the prescriber
291.22 has personally written in handwriting "dispense as written" or "D.A.W.," a prescription sent
291.23 by electronic transmission on which the prescriber has expressly indicated in a manner
291.24 consistent with the standards for electronic prescribing under Code of Federal Regulations,
291.25 title 42, section 423, that the prescription is to be dispensed as transmitted and which bears
291.26 the prescriber's electronic signature, or an oral prescription ~~in~~ for which the prescriber has
291.27 expressly indicated that the prescription is to be dispensed as communicated, the pharmacist
291.28 shall dispense the ~~brand name legend~~ drug as prescribed.

291.29 Subd. 3. ~~Brand name not specified~~ Other prescription drug orders. When a pharmacist
291.30 receives a paper or hard copy prescription on which the prescriber has not personally written
291.31 in handwriting "dispense as written" or "D.A.W.," a prescription sent by electronic
291.32 transmission on which the prescriber has not expressly indicated in a manner consistent

292.1 with the standards for electronic prescribing under Code of Federal Regulations, title 42,
292.2 section 423, that the prescription is to be dispensed as transmitted and which bears the
292.3 prescriber's electronic signature, or an oral prescription in which the prescriber has not
292.4 expressly indicated that the prescription is to be dispensed as communicated, and there is
292.5 available in the pharmacist's stock a less expensive generically equivalent drug ~~that, in the~~
292.6 ~~pharmacist's professional judgment, is safely interchangeable with the prescribed drug or,~~
292.7 if a biological product is prescribed, a less expensive interchangeable biological product,
292.8 then the pharmacist shall, after disclosing the substitution to the purchaser, dispense the
292.9 ~~generic~~ generically equivalent drug or the interchangeable biological product, unless the
292.10 purchaser objects. A pharmacist may also substitute pursuant to the oral instructions of the
292.11 prescriber. A pharmacist may not substitute a generically equivalent drug ~~product~~ unless,
292.12 in the pharmacist's professional judgment, the substituted drug is therapeutically equivalent
292.13 and interchangeable to the prescribed drug. A pharmacist may not substitute a biological
292.14 product unless the United States Food and Drug Administration has determined the
292.15 substituted biological product to be interchangeable with the prescribed biological product.
292.16 A pharmacist shall notify the purchaser if the pharmacist is dispensing a drug or biological
292.17 product other than the ~~brand-name~~ specific drug or biological product prescribed.

292.18 Subd. 3a. **Prescriptions by electronic transmission.** Nothing in this section permits a
292.19 prescriber to maintain "dispense as written" or "D.A.W." as a default on all prescriptions.
292.20 Prescribers must add the "dispense as written" or "D.A.W." designation to electronic
292.21 prescriptions individually, as appropriate.

292.22 Subd. 4. **Pricing.** A pharmacist dispensing a drug under the provisions of subdivision
292.23 3 shall not dispense a drug of a higher retail price than that of the ~~brand-name~~ drug prescribed.
292.24 If more than one safely interchangeable ~~generic~~ drug is available in a pharmacist's stock,
292.25 then the pharmacist shall dispense the least expensive alternative. ~~Any difference between~~
292.26 ~~acquisition cost to the pharmacist of the drug dispensed and the brand-name drug prescribed~~
292.27 ~~shall be passed on to the purchaser.~~

292.28 Subd. 4a. **Sign.** A pharmacy must post a sign in a conspicuous location and in a typeface
292.29 easily seen at the counter where prescriptions are dispensed stating: "In order to save you
292.30 money, this pharmacy will substitute whenever possible an FDA-approved, less expensive,
292.31 generic drug product, which is therapeutically equivalent to and safely interchangeable with
292.32 the one prescribed by your doctor, unless you object to this substitution."

292.33 Subd. 5. **Reimbursement.** Nothing in this section requires a pharmacist to substitute a
292.34 ~~generic~~ drug if the substitution will make the transaction ineligible for third-party
292.35 reimbursement.

293.1 Subd. 6. **Disclosure.** When a pharmacist dispenses a brand name legend drug and, at
293.2 that time, a less expensive generically equivalent drug or interchangeable biological product
293.3 is also available in the pharmacist's stock, the pharmacist shall disclose to the purchaser
293.4 that a ~~generic~~ generically equivalent drug or interchangeable biological product is available.

293.5 Subd. 7. **Drug formulary.** This section does not apply when a pharmacist is dispensing
293.6 a prescribed drug to persons covered under a managed health care plan that maintains a
293.7 mandatory or closed drug formulary.

293.8 Subd. 8. **List of excluded products.** The Drug Formulary Committee established under
293.9 section 256B.0625, subdivision 13, shall establish a list of drug products that are to be
293.10 excluded from this section. This list shall be updated on an annual basis and shall be provided
293.11 to the board for dissemination to pharmacists licensed in the state.

293.12 Subd. 9. **Extended supply.** (a) After a patient has obtained an initial 30-day supply of
293.13 a prescription drug, and the patient returns to the pharmacy to obtain a refill, a pharmacist
293.14 may dispense up to a 90-day supply of that prescription drug to the patient when the following
293.15 requirements are met:

293.16 (1) the total quantity of dosage units dispensed by the pharmacist does not exceed the
293.17 total quantity of dosage units of the remaining refills authorized by the prescriber; and

293.18 (2) the pharmacist is exercising the pharmacist's professional judgment.

293.19 (b) The initial 30-day supply requirement in paragraph (a) is not required if the
293.20 prescription has previously been filled with a 90-day supply.

293.21 (c) Notwithstanding paragraph (a), a pharmacist may not exceed the number of dosage
293.22 units authorized by a prescriber for an initial prescription or subsequent refills if:

293.23 (1) the prescriber has specified on the prescription that, due to medical necessity, the
293.24 pharmacist may not exceed the number of dosage units identified on the prescription; or

293.25 (2) the prescription drug is a controlled substance, as defined in section 152.01,
293.26 subdivision 4.

293.27 Subd. 10. **Electronic entry.** (a) Within five business days following the dispensing of
293.28 a biological product, the dispensing pharmacist or the pharmacist's designee shall
293.29 communicate to the prescriber the name and manufacturer of the biological product
293.30 dispensed.

293.31 (b) The communication shall be conveyed by making an entry that is electronically
293.32 accessible to the prescriber through:

294.1 (1) an interoperable electronic medical records system;

294.2 (2) an electronic prescribing technology;

294.3 (3) a pharmacy benefit management system; or

294.4 (4) a pharmacy record.

294.5 (c) Entry into an electronic records system as described in paragraph (b) is presumed to
294.6 provide notice to the prescriber.

294.7 (d) When electronic communication as specified in paragraph (b) is not possible, the
294.8 pharmacist or the pharmacist's designee shall communicate to the prescriber the name and
294.9 manufacturer of the biological product dispensed by using mail, facsimile, telephone, or
294.10 other secure means of electronic transmission.

294.11 (e) Communication of the name and manufacturer of the biological product dispensed
294.12 shall not be required if:

294.13 (1) there is no United States Food and Drug Administration-approved interchangeable
294.14 biological product for the product prescribed; or

294.15 (2) a prescription is being refilled and the biological product being dispensed is the same
294.16 product dispensed on the prior filling of the prescription.

294.17 Sec. 5. Minnesota Statutes 2016, section 245.91, subdivision 4, is amended to read:

294.18 Subd. 4. **Facility or program.** "Facility" or "program" means a nonresidential or
294.19 residential program as defined in section 245A.02, subdivisions 10 and 14, ~~that is required~~
294.20 ~~to be licensed by the commissioner of human services, and any agency, facility, or program~~
294.21 that provides services or treatment for mental illness, developmental disabilities, chemical
294.22 dependency, or emotional disturbance that is required to be licensed, certified, or registered
294.23 by the commissioner of human services, health, or education; and an acute care inpatient
294.24 facility that provides services or treatment for mental illness, developmental disabilities,
294.25 chemical dependency, or emotional disturbance.

294.26 **EFFECTIVE DATE.** This section is effective the day following final enactment.

294.27 Sec. 6. Minnesota Statutes 2016, section 245.91, subdivision 6, is amended to read:

294.28 Subd. 6. **Serious injury.** "Serious injury" means:

294.29 (1) fractures;

294.30 (2) dislocations;

- 295.1 (3) evidence of internal injuries;
- 295.2 (4) head injuries with loss of consciousness or potential for a closed head injury or
- 295.3 concussion without loss of consciousness requiring a medical assessment by a health care
- 295.4 professional, whether or not further medical attention was sought;
- 295.5 (5) lacerations involving injuries to tendons or organs, and those for which complications
- 295.6 are present;
- 295.7 (6) extensive second-degree or third-degree burns, and other burns for which
- 295.8 complications are present;
- 295.9 (7) extensive second-degree or third-degree frostbite, and others for which complications
- 295.10 are present;
- 295.11 (8) irreversible mobility or avulsion of teeth;
- 295.12 (9) injuries to the eyeball;
- 295.13 (10) ingestion of foreign substances and objects that are harmful;
- 295.14 (11) near drowning;
- 295.15 (12) heat exhaustion or sunstroke; ~~and~~
- 295.16 (13) attempted suicide; and
- 295.17 (14) all other injuries and incidents considered serious after an assessment by a ~~physician~~
- 295.18 health care professional, including but not limited to self-injurious behavior, a medication
- 295.19 error requiring medical treatment, a suspected delay of medical treatment, a complication
- 295.20 of a previous injury, or a complication of medical treatment for an injury.

295.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.

295.22 Sec. 7. Minnesota Statutes 2016, section 245.94, subdivision 1, is amended to read:

295.23 Subdivision 1. **Powers.** (a) The ombudsman may prescribe the methods by which

295.24 complaints to the office are to be made, reviewed, and acted upon. The ombudsman may

295.25 not levy a complaint fee.

295.26 (b) The ombudsman is a health oversight agency as defined in Code of Federal

295.27 Regulations, title 45, section 164.501. The ombudsman may access patient records according

295.28 to Code of Federal Regulations, title 42, section 2.53. For purposes of this paragraph,

295.29 "records" has the meaning given in Code of Federal Regulations, title 42, section

295.30 2.53(a)(1)(i).

296.1 (c) The ombudsman may mediate or advocate on behalf of a client.

296.2 ~~(e)~~ (d) The ombudsman may investigate the quality of services provided to clients and
296.3 determine the extent to which quality assurance mechanisms within state and county
296.4 government work to promote the health, safety, and welfare of clients, ~~other than clients in~~
296.5 ~~acute care facilities who are receiving services not paid for by public funds. The ombudsman~~
296.6 ~~is a health oversight agency as defined in Code of Federal Regulations, title 45, section~~
296.7 ~~164.501.~~

296.8 ~~(d)~~ (e) At the request of a client, or upon receiving a complaint or other information
296.9 affording reasonable grounds to believe that the rights of ~~a client~~ one or more clients who
296.10 ~~is~~ may not be capable of requesting assistance have been adversely affected, the ombudsman
296.11 may gather information and data about and analyze, on behalf of the client, the actions of
296.12 an agency, facility, or program.

296.13 ~~(e)~~ (f) The ombudsman may gather, on behalf of ~~a client~~ one or more clients, records of
296.14 an agency, facility, or program, or records related to clinical drug trials from the University
296.15 of Minnesota Department of Psychiatry, if the records relate to a matter that is within the
296.16 scope of the ombudsman's authority. If the records are private and the client is capable of
296.17 providing consent, the ombudsman shall first obtain the client's consent. The ombudsman
296.18 is not required to obtain consent for access to private data on clients with developmental
296.19 disabilities and individuals served by the Minnesota sex offender program. The ombudsman
296.20 may also take photographic or videographic evidence while reviewing the actions of an
296.21 agency, facility, or program, with the consent of the client. The ombudsman is not required
296.22 to obtain consent for access to private data on decedents who were receiving services for
296.23 mental illness, developmental disabilities, chemical dependency, or emotional disturbance.
296.24 All data collected, created, received, or maintained by the ombudsman are governed by
296.25 chapter 13 and other applicable law.

296.26 ~~(f)~~ (g) Notwithstanding any law to the contrary, the ombudsman may subpoena a person
296.27 to appear, give testimony, or produce documents or other evidence that the ombudsman
296.28 considers relevant to a matter under inquiry. The ombudsman may petition the appropriate
296.29 court in Ramsey County to enforce the subpoena. A witness who is at a hearing or is part
296.30 of an investigation possesses the same privileges that a witness possesses in the courts or
296.31 under the law of this state. Data obtained from a person under this paragraph are private
296.32 data as defined in section 13.02, subdivision 12.

296.33 ~~(g)~~ (h) The ombudsman may, at reasonable times in the course of conducting a review,
296.34 enter and view premises within the control of an agency, facility, or program.

297.1 ~~(h)~~ (i) The ombudsman may attend Department of Human Services Review Board and
 297.2 Special Review Board proceedings; proceedings regarding the transfer of clients, as defined
 297.3 in section 246.50, subdivision 4, between institutions operated by the Department of Human
 297.4 Services; and, subject to the consent of the affected client, other proceedings affecting the
 297.5 rights of clients. The ombudsman is not required to obtain consent to attend meetings or
 297.6 proceedings and have access to private data on clients with developmental disabilities and
 297.7 individuals served by the Minnesota sex offender program.

297.8 ~~(i)~~ (j) The ombudsman shall gather data of agencies, facilities, or programs classified
 297.9 as private or confidential as defined in section 13.02, subdivisions 3 and 12, regarding
 297.10 services provided to clients with developmental disabilities and individuals served by the
 297.11 Minnesota sex offender program.

297.12 ~~(j)~~ (k) To avoid duplication and preserve evidence, the ombudsman shall inform relevant
 297.13 licensing or regulatory officials before undertaking a review of an action of the facility or
 297.14 program.

297.15 (l) The Office of Ombudsman shall provide the services of the Civil Commitment
 297.16 Training and Resource Center.

297.17 ~~(k)~~ (m) The ombudsman shall monitor the treatment of individuals participating in a
 297.18 University of Minnesota Department of Psychiatry clinical drug trial and ensure that all
 297.19 protections for human subjects required by federal law and the Institutional Review Board
 297.20 are provided.

297.21 ~~(l)~~ (n) Sections 245.91 to 245.97 are in addition to other provisions of law under which
 297.22 any other remedy or right is provided.

297.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.

297.24 Sec. 8. Minnesota Statutes 2016, section 245.97, subdivision 6, is amended to read:

297.25 Subd. 6. **Terms, compensation, and removal.** The membership terms, compensation,
 297.26 and removal of members of the committee and the filling of membership vacancies are
 297.27 governed by section ~~15.0575~~ 15.0597.

297.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.

297.29 Sec. 9. Minnesota Statutes 2016, section 245A.02, subdivision 5a, is amended to read:

297.30 Subd. 5a. **Controlling individual.** (a) "Controlling individual" means ~~a public body,~~
 297.31 ~~governmental agency, business entity, officer, owner, or managerial official whose~~

298.1 ~~responsibilities include the direction of the management or policies of a program. For~~
298.2 ~~purposes of this subdivision, owner means an individual who has direct or indirect ownership~~
298.3 ~~interest in a corporation, partnership, or other business association issued a license under~~
298.4 ~~this chapter. For purposes of this subdivision, managerial official means those individuals~~
298.5 ~~who have the decision-making authority related to the operation of the program, and the~~
298.6 ~~responsibility for the ongoing management of or direction of the policies, services, or~~
298.7 ~~employees of the program. A site director who has no ownership interest in the program is~~
298.8 ~~not considered to be a managerial official for purposes of this definition. Controlling~~
298.9 ~~individual does not include~~ an owner of a program or service provider licensed under this
298.10 chapter and the following individuals, if applicable:

298.11 (1) each officer of the organization, including the chief executive officer and chief
298.12 financial officer;

298.13 (2) the individual designated as the authorized agent under section 245A.04, subdivision
298.14 1, paragraph (b);

298.15 (3) the individual designated as the compliance officer under section 256B.04, subdivision
298.16 21, paragraph (b); and

298.17 (4) each managerial official whose responsibilities include the direction of the
298.18 management or policies of a program.

298.19 (b) Controlling individual does not include:

298.20 (1) a bank, savings bank, trust company, savings association, credit union, industrial
298.21 loan and thrift company, investment banking firm, or insurance company unless the entity
298.22 operates a program directly or through a subsidiary;

298.23 (2) an individual who is a state or federal official, or state or federal employee, or a
298.24 member or employee of the governing body of a political subdivision of the state or federal
298.25 government that operates one or more programs, unless the individual is also an officer,
298.26 owner, or managerial official of the program, receives remuneration from the program, or
298.27 owns any of the beneficial interests not excluded in this subdivision;

298.28 (3) an individual who owns less than five percent of the outstanding common shares of
298.29 a corporation:

298.30 (i) whose securities are exempt under section 80A.45, clause (6); or

298.31 (ii) whose transactions are exempt under section 80A.46, clause (2); ~~or~~

299.1 (4) an individual who is a member of an organization exempt from taxation under section
299.2 290.05, unless the individual is also an officer, owner, or managerial official of the program
299.3 or owns any of the beneficial interests not excluded in this subdivision. This clause does
299.4 not exclude from the definition of controlling individual an organization that is exempt from
299.5 taxation; or

299.6 (5) an employee stock ownership plan trust, or a participant or board member of an
299.7 employee stock ownership plan, unless the participant or board member is a controlling
299.8 individual according to paragraph (a).

299.9 (c) For purposes of this subdivision, "managerial official" means an individual who has
299.10 the decision-making authority related to the operation of the program, and the responsibility
299.11 for the ongoing management of or direction of the policies, services, or employees of the
299.12 program. A site director who has no ownership interest in the program is not considered to
299.13 be a managerial official for purposes of this definition.

299.14 Sec. 10. Minnesota Statutes 2016, section 245A.02, is amended by adding a subdivision
299.15 to read:

299.16 Subd. 10b. **Owner.** "Owner" means an individual or organization that has a direct or
299.17 indirect ownership interest of five percent or more in a program licensed under this chapter.
299.18 For purposes of this subdivision, "direct ownership interest" means the possession of equity
299.19 in capital, stock, or profits of an organization, and "indirect ownership interest" means a
299.20 direct ownership interest in an entity that has a direct or indirect ownership interest in a
299.21 licensed program. For purposes of this chapter, "owner of a nonprofit corporation" means
299.22 the president and treasurer of the board of directors or, for an entity owned by an employee
299.23 stock ownership plan, means the president and treasurer of the entity. A government entity
299.24 that is issued a license under this chapter shall be designated the owner.

299.25 Sec. 11. **[256.999] LEGISLATIVE NOTICE AND APPROVAL REQUIRED FOR**
299.26 **CERTAIN FEDERAL WAIVERS OR APPROVALS.**

299.27 (a) Before submitting an application for a federal waiver or approval (1) under section
299.28 1332 of the Affordable Care Act or section 1115 of the Social Security Act, or (2) to modify
299.29 or add a benefit covered by medical assistance or otherwise amend the state's Medicaid
299.30 plan, the commissioner, governing board, or director of a state agency seeking the federal
299.31 waiver or approval must provide notice and a copy of the application for the federal waiver
299.32 or approval to the chairs and ranking minority members of the legislative committees with
299.33 jurisdiction over health and human services policy and finance and commerce.

300.1 (b) If a federal waiver or approval (1) under section 1332 of the Affordable Care Act or
300.2 section 1115 of the Social Security Act, or (2) to modify or add a benefit covered by medical
300.3 assistance or otherwise amend the state's Medicaid plan, is received or granted during a
300.4 legislative session, a commissioner, governing board, or director of a state agency is
300.5 prohibited from implementing or otherwise acting on the federal waiver or approval received
300.6 or granted, unless the federal waiver or approval is specifically authorized by law on a date
300.7 after receipt of the federal waiver or approval.

300.8 (c) If a federal waiver or approval (1) under section 1332 of the Affordable Care Act or
300.9 section 1115 of the Social Security Act, or (2) to modify or add a benefit covered by medical
300.10 assistance or otherwise amend the state's Medicaid plan, is received or granted while the
300.11 legislature is not in session, a commissioner, governing board, or director of a state agency
300.12 is prohibited from implementing or otherwise acting on the federal waiver or approval
300.13 received or granted, unless the federal waiver or approval is submitted to the Legislative
300.14 Advisory Commission and the commission makes a positive recommendation. If the
300.15 commission makes no recommendation, a negative recommendation, or a recommendation
300.16 for further review, the commissioner, governing board, or director shall not implement or
300.17 otherwise act on the federal waiver or approval received or granted.

300.18 **EFFECTIVE DATE.** This section is effective the day following final enactment and
300.19 applies to initial requests for federal waivers or approvals sought on or after that date.

300.20 **Sec. 12. ESTABLISHMENT OF FEDERALLY FACILITATED MARKETPLACE.**

300.21 Subdivision 1. **Establishment.** (a) The commissioner of commerce, in cooperation with
300.22 the secretary of the United States Department of Health and Human Services, shall establish
300.23 a federally facilitated marketplace for Minnesota for coverage beginning January 1, 2019.
300.24 The federally facilitated marketplace shall take the place of MNsure, established under
300.25 Minnesota Statutes, chapter 62V. In working with the secretary of the United States
300.26 Department of Health and Human Services to implement the federally facilitated marketplace
300.27 in Minnesota, the commissioner of commerce shall:

300.28 (1) seek to incorporate, where appropriate and cost-effective, elements of the Minnesota
300.29 eligibility system as defined in Minnesota Statutes, section 62V.055, subdivision 1;

300.30 (2) regularly consult with stakeholder groups, including but not limited to representatives
300.31 of state agencies, health care providers, health plan companies, brokers, and consumers;
300.32 and

300.33 (3) seek all available federal grants and funds for state planning and development costs.

301.1 (b) All health plans that are offered to Minnesota residents through the federally facilitated
301.2 marketplace, when implemented, and that are offered by a health carrier that meets the
301.3 applicability criteria in Minnesota Statutes, section 62K.10, subdivision 1, must satisfy
301.4 requirements for:

301.5 (1) geographic accessibility to providers that at least satisfy the maximum distance or
301.6 travel times specified in Minnesota Statutes, section 62K.10, subdivisions 2 and 3; and

301.7 (2) provider network adequacy that guarantees at least the level of network adequacy
301.8 required by Minnesota Statutes, section 62K.10, subdivision 4.

301.9 For purposes of this paragraph, "health plan" has the meaning given in Minnesota Statutes,
301.10 section 62A.011, subdivision 3, and "health carrier" has the meaning given in Minnesota
301.11 Statutes, section 62A.011, subdivision 2.

301.12 Subd. 2. **Implementation plan; draft legislation.** The commissioner of commerce, in
301.13 consultation with the commissioner of human services, the chief information officer of
301.14 MN.IT, and the MNsure board, shall develop and present to the 2018 legislature an
301.15 implementation plan for conversion to a federally facilitated marketplace. The plan must:

301.16 (1) address and provide recommendations on the following issues:

301.17 (i) the state agency or other entity responsible for state oversight and administration
301.18 related to the state's use of the federally facilitated marketplace;

301.19 (ii) plan management functions, including certification of qualified health plans;

301.20 (iii) the operation of navigator and in-person assister programs, and the operation of a
301.21 call center and Web site; and

301.22 (iv) funding for federally facilitated marketplace activities, including a user fee rate that
301.23 shall not exceed the federal platform user fee rate of two percent of premiums charged for
301.24 a coverage year; and

301.25 (2) include draft legislation for any changes in state law necessary to implement a
301.26 federally facilitated marketplace, including but not limited to necessary changes to Laws
301.27 2013, chapter 84, and technical and conforming changes related to the repeal of Minnesota
301.28 Statutes, chapter 62V.

301.29 Subd. 3. **Vendor contract.** The commissioner of commerce, in consultation with the
301.30 commissioner of human services, the chief information officer of MN.IT, and the MNsure
301.31 board, shall contract with a vendor to provide technical assistance in developing and
301.32 implementing the plan for conversion to a federally facilitated marketplace.

302.1 Sec. 13. **MNSURE; SPECIAL ENROLLMENT PERIOD.**

302.2 (a) The board of MNsure has determined that exceptional circumstances exist under
302.3 Code of Federal Regulations, title 45, section 155.420(d)(9) which trigger the need for a
302.4 special enrollment period for individuals to purchase individual health plans through MNsure,
302.5 if the individual may be reimbursed for medical care from a qualified small employer health
302.6 reimbursement arrangement in compliance with the 21st Century Cures Act, Public Law
302.7 114-255, section 18001.

302.8 (b) The special enrollment period shall occur from the effective date of this section until
302.9 October 31, 2017.

302.10 **EFFECTIVE DATE.** This section is effective seven days following final enactment
302.11 and applies to individual health plans sold inside of MNsure or outside of MNsure on or
302.12 after that date.

302.13 Sec. 14. **REPEALER.**

302.14 Minnesota Statutes 2016, sections 62V.01; 62V.02; 62V.03; 62V.04; 62V.05; 62V.051;
302.15 62V.055; 62V.06; 62V.07; 62V.08; 62V.09; 62V.10; and 62V.11, are repealed effective
302.16 January 1, 2019.

302.17 **ARTICLE 9**

302.18 **NURSING FACILITY TECHNICAL CORRECTIONS**

302.19 Section 1. Minnesota Statutes 2016, section 144.0722, subdivision 1, is amended to read:

302.20 Subdivision 1. **Resident reimbursement classifications.** The commissioner of health
302.21 shall establish resident reimbursement classifications based upon the assessments of residents
302.22 of nursing homes and boarding care homes conducted under section 144.0721, or under
302.23 rules established by the commissioner of human services under ~~sections 256B.41 to 256B.48~~
302.24 chapter 256R. The reimbursement classifications established by the commissioner must
302.25 conform to the rules established by the commissioner of human services.

302.26 Sec. 2. Minnesota Statutes 2016, section 144.0724, subdivision 1, is amended to read:

302.27 Subdivision 1. **Resident reimbursement case mix classifications.** The commissioner
302.28 of health shall establish resident reimbursement classifications based upon the assessments
302.29 of residents of nursing homes and boarding care homes conducted under this section and
302.30 according to section ~~256B.438~~ 256R.17.

303.1 Sec. 3. Minnesota Statutes 2016, section 144.0724, subdivision 2, is amended to read:

303.2 Subd. 2. **Definitions.** For purposes of this section, the following terms have the meanings
303.3 given.

303.4 (a) "Assessment reference date" or "ARD" means the specific end point for look-back
303.5 periods in the MDS assessment process. This look-back period is also called the observation
303.6 or assessment period.

303.7 (b) "Case mix index" means the weighting factors assigned to the RUG-IV classifications.

303.8 (c) "Index maximization" means classifying a resident who could be assigned to more
303.9 than one category, to the category with the highest case mix index.

303.10 (d) "Minimum data set" or "MDS" means a core set of screening, clinical assessment,
303.11 and functional status elements, that include common definitions and coding categories
303.12 specified by the Centers for Medicare and Medicaid Services and designated by the
303.13 Minnesota Department of Health.

303.14 (e) "Representative" means a person who is the resident's guardian or conservator, the
303.15 person authorized to pay the nursing home expenses of the resident, a representative of the
303.16 Office of Ombudsman for Long-Term Care whose assistance has been requested, or any
303.17 other individual designated by the resident.

303.18 (f) "Resource utilization groups" or "RUG" means the system for grouping a nursing
303.19 facility's residents according to their clinical and functional status identified in data supplied
303.20 by the facility's minimum data set.

303.21 (g) "Activities of daily living" means grooming, dressing, bathing, transferring, mobility,
303.22 positioning, eating, and toileting.

303.23 (h) "Nursing facility level of care determination" means the assessment process that
303.24 results in a determination of a resident's or prospective resident's need for nursing facility
303.25 level of care as established in subdivision 11 for purposes of medical assistance payment
303.26 of long-term care services for:

303.27 (1) nursing facility services under section 256B.434 or ~~256B.441~~ chapter 256R;

303.28 (2) elderly waiver services under section 256B.0915;

303.29 (3) CADI and BI waiver services under section 256B.49; and

303.30 (4) state payment of alternative care services under section 256B.0913.

304.1 Sec. 4. Minnesota Statutes 2016, section 144.0724, subdivision 9, is amended to read:

304.2 Subd. 9. **Audit authority.** (a) The commissioner shall audit the accuracy of resident
304.3 assessments performed under section ~~256B.438~~ 256R.17 through any of the following: desk
304.4 audits; on-site review of residents and their records; and interviews with staff, residents, or
304.5 residents' families. The commissioner shall reclassify a resident if the commissioner
304.6 determines that the resident was incorrectly classified.

304.7 (b) The commissioner is authorized to conduct on-site audits on an unannounced basis.

304.8 (c) A facility must grant the commissioner access to examine the medical records relating
304.9 to the resident assessments selected for audit under this subdivision. The commissioner may
304.10 also observe and speak to facility staff and residents.

304.11 (d) The commissioner shall consider documentation under the time frames for coding
304.12 items on the minimum data set as set out in the Long-Term Care Facility Resident Assessment
304.13 Instrument User's Manual published by the Centers for Medicare and Medicaid Services.

304.14 (e) The commissioner shall develop an audit selection procedure that includes the
304.15 following factors:

304.16 (1) Each facility shall be audited annually. If a facility has two successive audits in which
304.17 the percentage of change is five percent or less and the facility has not been the subject of
304.18 a special audit in the past 36 months, the facility may be audited biannually. A stratified
304.19 sample of 15 percent, with a minimum of ten assessments, of the most current assessments
304.20 shall be selected for audit. If more than 20 percent of the RUG-IV classifications are changed
304.21 as a result of the audit, the audit shall be expanded to a second 15 percent sample, with a
304.22 minimum of ten assessments. If the total change between the first and second samples is
304.23 35 percent or greater, the commissioner may expand the audit to all of the remaining
304.24 assessments.

304.25 (2) If a facility qualifies for an expanded audit, the commissioner may audit the facility
304.26 again within six months. If a facility has two expanded audits within a 24-month period,
304.27 that facility will be audited at least every six months for the next 18 months.

304.28 (3) The commissioner may conduct special audits if the commissioner determines that
304.29 circumstances exist that could alter or affect the validity of case mix classifications of
304.30 residents. These circumstances include, but are not limited to, the following:

304.31 (i) frequent changes in the administration or management of the facility;

304.32 (ii) an unusually high percentage of residents in a specific case mix classification;

- 305.1 (iii) a high frequency in the number of reconsideration requests received from a facility;
- 305.2 (iv) frequent adjustments of case mix classifications as the result of reconsiderations or
- 305.3 audits;
- 305.4 (v) a criminal indictment alleging provider fraud;
- 305.5 (vi) other similar factors that relate to a facility's ability to conduct accurate assessments;
- 305.6 (vii) an atypical pattern of scoring minimum data set items;
- 305.7 (viii) nonsubmission of assessments;
- 305.8 (ix) late submission of assessments; or
- 305.9 (x) a previous history of audit changes of 35 percent or greater.
- 305.10 (f) Within 15 working days of completing the audit process, the commissioner shall
- 305.11 make available electronically the results of the audit to the facility. If the results of the audit
- 305.12 reflect a change in the resident's case mix classification, a case mix classification notice
- 305.13 will be made available electronically to the facility, using the procedure in subdivision 7,
- 305.14 paragraph (a). The notice must contain the resident's classification and a statement informing
- 305.15 the resident, the resident's authorized representative, and the facility of their right to review
- 305.16 the commissioner's documents supporting the classification and to request a reconsideration
- 305.17 of the classification. This notice must also include the address and telephone number of the
- 305.18 Office of Ombudsman for Long-Term Care.

305.19 Sec. 5. Minnesota Statutes 2016, section 144A.071, subdivision 3, is amended to read:

305.20 Subd. 3. **Exceptions authorizing increase in beds; hardship areas.** (a) The

305.21 commissioner of health, in coordination with the commissioner of human services, may

305.22 approve the addition of new licensed and Medicare and Medicaid certified nursing home

305.23 beds, using the criteria and process set forth in this subdivision.

305.24 (b) The commissioner, in cooperation with the commissioner of human services, shall

305.25 consider the following criteria when determining that an area of the state is a hardship area

305.26 with regard to access to nursing facility services:

305.27 (1) a low number of beds per thousand in a specified area using as a standard the beds

305.28 per thousand people age 65 and older, in five year age groups, using data from the most

305.29 recent census and population projections, weighted by each group's most recent nursing

305.30 home utilization, of the county at the 20th percentile, as determined by the commissioner

305.31 of human services;

306.1 (2) a high level of out-migration for nursing facility services associated with a described
306.2 area from the county or counties of residence to other Minnesota counties, as determined
306.3 by the commissioner of human services, using as a standard an amount greater than the
306.4 out-migration of the county ranked at the 50th percentile;

306.5 (3) an adequate level of availability of noninstitutional long-term care services measured
306.6 as public spending for home and community-based long-term care services per individual
306.7 age 65 and older, in five year age groups, using data from the most recent census and
306.8 population projections, weighted by each group's most recent nursing home utilization, as
306.9 determined by the commissioner of human services using as a standard an amount greater
306.10 than the 50th percentile of counties;

306.11 (4) there must be a declaration of hardship resulting from insufficient access to nursing
306.12 home beds by local county agencies and area agencies on aging; and

306.13 (5) other factors that may demonstrate the need to add new nursing facility beds.

306.14 (c) On August 15 of odd-numbered years, the commissioner, in cooperation with the
306.15 commissioner of human services, may publish in the State Register a request for information
306.16 in which interested parties, using the data provided under section 144A.351, along with any
306.17 other relevant data, demonstrate that a specified area is a hardship area with regard to access
306.18 to nursing facility services. For a response to be considered, the commissioner must receive
306.19 it by November 15. The commissioner shall make responses to the request for information
306.20 available to the public and shall allow 30 days for comment. The commissioner shall review
306.21 responses and comments and determine if any areas of the state are to be declared hardship
306.22 areas.

306.23 (d) For each designated hardship area determined in paragraph (c), the commissioner
306.24 shall publish a request for proposals in accordance with section 144A.073 and Minnesota
306.25 Rules, parts 4655.1070 to 4655.1098. The request for proposals must be published in the
306.26 State Register by March 15 following receipt of responses to the request for information.
306.27 The request for proposals must specify the number of new beds which may be added in the
306.28 designated hardship area, which must not exceed the number which, if added to the existing
306.29 number of beds in the area, including beds in layaway status, would have prevented it from
306.30 being determined to be a hardship area under paragraph (b), clause (1). Beginning July 1,
306.31 2011, the number of new beds approved must not exceed 200 beds statewide per biennium.
306.32 After June 30, 2019, the number of new beds that may be approved in a biennium must not
306.33 exceed 300 statewide. For a proposal to be considered, the commissioner must receive it
306.34 within six months of the publication of the request for proposals. The commissioner shall

307.1 review responses to the request for proposals and shall approve or disapprove each proposal
307.2 by the following July 15, in accordance with section 144A.073 and Minnesota Rules, parts
307.3 4655.1070 to 4655.1098. The commissioner shall base approvals or disapprovals on a
307.4 comparison and ranking of proposals using only the criteria in subdivision 4a. Approval of
307.5 a proposal expires after 18 months unless the facility has added the new beds using existing
307.6 space, subject to approval by the commissioner, or has commenced construction as defined
307.7 in section 144A.071, subdivision 1a, paragraph (d). If, after the approved beds have been
307.8 added, fewer than 50 percent of the beds in a facility are newly licensed, the operating
307.9 payment rates previously in effect shall remain. If, after the approved beds have been added,
307.10 50 percent or more of the beds in a facility are newly licensed, operating payment rates shall
307.11 be determined according to Minnesota Rules, part 9549.0057, using the limits under ~~section~~
307.12 ~~256B.441~~ sections 256R.23, subdivision 5, and 256R.24, subdivision 3. External fixed costs
307.13 payment rates must be determined according to section ~~256B.441, subdivision 53~~ 256R.25.
307.14 Property payment rates for facilities with beds added under this subdivision must be
307.15 determined in the same manner as rate determinations resulting from projects approved and
307.16 completed under section 144A.073.

307.17 (e) The commissioner may:

307.18 (1) certify or license new beds in a new facility that is to be operated by the commissioner
307.19 of veterans affairs or when the costs of constructing and operating the new beds are to be
307.20 reimbursed by the commissioner of veterans affairs or the United States Veterans
307.21 Administration; and

307.22 (2) license or certify beds in a facility that has been involuntarily delicensed or decertified
307.23 for participation in the medical assistance program, provided that an application for
307.24 relicensure or recertification is submitted to the commissioner by an organization that is
307.25 not a related organization as defined in section ~~256B.441, subdivision 34~~ 256R.02,
307.26 subdivision 43, to the prior licensee within 120 days after delicensure or decertification.

307.27 Sec. 6. Minnesota Statutes 2016, section 144A.071, subdivision 4a, is amended to read:

307.28 Subd. 4a. **Exceptions for replacement beds.** It is in the best interest of the state to
307.29 ensure that nursing homes and boarding care homes continue to meet the physical plant
307.30 licensing and certification requirements by permitting certain construction projects. Facilities
307.31 should be maintained in condition to satisfy the physical and emotional needs of residents
307.32 while allowing the state to maintain control over nursing home expenditure growth.

308.1 The commissioner of health in coordination with the commissioner of human services,
308.2 may approve the renovation, replacement, upgrading, or relocation of a nursing home or
308.3 boarding care home, under the following conditions:

308.4 (a) to license or certify beds in a new facility constructed to replace a facility or to make
308.5 repairs in an existing facility that was destroyed or damaged after June 30, 1987, by fire,
308.6 lightning, or other hazard provided:

308.7 (i) destruction was not caused by the intentional act of or at the direction of a controlling
308.8 person of the facility;

308.9 (ii) at the time the facility was destroyed or damaged the controlling persons of the
308.10 facility maintained insurance coverage for the type of hazard that occurred in an amount
308.11 that a reasonable person would conclude was adequate;

308.12 (iii) the net proceeds from an insurance settlement for the damages caused by the hazard
308.13 are applied to the cost of the new facility or repairs;

308.14 (iv) the number of licensed and certified beds in the new facility does not exceed the
308.15 number of licensed and certified beds in the destroyed facility; and

308.16 (v) the commissioner determines that the replacement beds are needed to prevent an
308.17 inadequate supply of beds.

308.18 Project construction costs incurred for repairs authorized under this clause shall not be
308.19 considered in the dollar threshold amount defined in subdivision 2;

308.20 (b) to license or certify beds that are moved from one location to another within a nursing
308.21 home facility, provided the total costs of remodeling performed in conjunction with the
308.22 relocation of beds does not exceed \$1,000,000;

308.23 (c) to license or certify beds in a project recommended for approval under section
308.24 144A.073;

308.25 (d) to license or certify beds that are moved from an existing state nursing home to a
308.26 different state facility, provided there is no net increase in the number of state nursing home
308.27 beds;

308.28 (e) to certify and license as nursing home beds boarding care beds in a certified boarding
308.29 care facility if the beds meet the standards for nursing home licensure, or in a facility that
308.30 was granted an exception to the moratorium under section 144A.073, and if the cost of any
308.31 remodeling of the facility does not exceed \$1,000,000. If boarding care beds are licensed
308.32 as nursing home beds, the number of boarding care beds in the facility must not increase

309.1 beyond the number remaining at the time of the upgrade in licensure. The provisions
309.2 contained in section 144A.073 regarding the upgrading of the facilities do not apply to
309.3 facilities that satisfy these requirements;

309.4 (f) to license and certify up to 40 beds transferred from an existing facility owned and
309.5 operated by the Amherst H. Wilder Foundation in the city of St. Paul to a new unit at the
309.6 same location as the existing facility that will serve persons with Alzheimer's disease and
309.7 other related disorders. The transfer of beds may occur gradually or in stages, provided the
309.8 total number of beds transferred does not exceed 40. At the time of licensure and certification
309.9 of a bed or beds in the new unit, the commissioner of health shall delicense and decertify
309.10 the same number of beds in the existing facility. As a condition of receiving a license or
309.11 certification under this clause, the facility must make a written commitment to the
309.12 commissioner of human services that it will not seek to receive an increase in its
309.13 property-related payment rate as a result of the transfers allowed under this paragraph;

309.14 (g) to license and certify nursing home beds to replace currently licensed and certified
309.15 boarding care beds which may be located either in a remodeled or renovated boarding care
309.16 or nursing home facility or in a remodeled, renovated, newly constructed, or replacement
309.17 nursing home facility within the identifiable complex of health care facilities in which the
309.18 currently licensed boarding care beds are presently located, provided that the number of
309.19 boarding care beds in the facility or complex are decreased by the number to be licensed as
309.20 nursing home beds and further provided that, if the total costs of new construction,
309.21 replacement, remodeling, or renovation exceed ten percent of the appraised value of the
309.22 facility or \$200,000, whichever is less, the facility makes a written commitment to the
309.23 commissioner of human services that it will not seek to receive an increase in its
309.24 property-related payment rate by reason of the new construction, replacement, remodeling,
309.25 or renovation. The provisions contained in section 144A.073 regarding the upgrading of
309.26 facilities do not apply to facilities that satisfy these requirements;

309.27 (h) to license as a nursing home and certify as a nursing facility a facility that is licensed
309.28 as a boarding care facility but not certified under the medical assistance program, but only
309.29 if the commissioner of human services certifies to the commissioner of health that licensing
309.30 the facility as a nursing home and certifying the facility as a nursing facility will result in
309.31 a net annual savings to the state general fund of \$200,000 or more;

309.32 (i) to certify, after September 30, 1992, and prior to July 1, 1993, existing nursing home
309.33 beds in a facility that was licensed and in operation prior to January 1, 1992;

310.1 (j) to license and certify new nursing home beds to replace beds in a facility acquired
310.2 by the Minneapolis Community Development Agency as part of redevelopment activities
310.3 in a city of the first class, provided the new facility is located within three miles of the site
310.4 of the old facility. Operating and property costs for the new facility must be determined and
310.5 allowed under section 256B.431 or 256B.434 or chapter 256R;

310.6 (k) to license and certify up to 20 new nursing home beds in a community-operated
310.7 hospital and attached convalescent and nursing care facility with 40 beds on April 21, 1991,
310.8 that suspended operation of the hospital in April 1986. The commissioner of human services
310.9 shall provide the facility with the same per diem property-related payment rate for each
310.10 additional licensed and certified bed as it will receive for its existing 40 beds;

310.11 (l) to license or certify beds in renovation, replacement, or upgrading projects as defined
310.12 in section 144A.073, subdivision 1, so long as the cumulative total costs of the facility's
310.13 remodeling projects do not exceed \$1,000,000;

310.14 (m) to license and certify beds that are moved from one location to another for the
310.15 purposes of converting up to five four-bed wards to single or double occupancy rooms in
310.16 a nursing home that, as of January 1, 1993, was county-owned and had a licensed capacity
310.17 of 115 beds;

310.18 (n) to allow a facility that on April 16, 1993, was a 106-bed licensed and certified nursing
310.19 facility located in Minneapolis to layaway all of its licensed and certified nursing home
310.20 beds. These beds may be relicensed and recertified in a newly constructed teaching nursing
310.21 home facility affiliated with a teaching hospital upon approval by the legislature. The
310.22 proposal must be developed in consultation with the interagency committee on long-term
310.23 care planning. The beds on layaway status shall have the same status as voluntarily delicensed
310.24 and decertified beds, except that beds on layaway status remain subject to the surcharge in
310.25 section 256.9657. This layaway provision expires July 1, 1998;

310.26 (o) to allow a project which will be completed in conjunction with an approved
310.27 moratorium exception project for a nursing home in southern Cass County and which is
310.28 directly related to that portion of the facility that must be repaired, renovated, or replaced,
310.29 to correct an emergency plumbing problem for which a state correction order has been
310.30 issued and which must be corrected by August 31, 1993;

310.31 (p) to allow a facility that on April 16, 1993, was a 368-bed licensed and certified nursing
310.32 facility located in Minneapolis to layaway, upon 30 days prior written notice to the
310.33 commissioner, up to 30 of the facility's licensed and certified beds by converting three-bed
310.34 wards to single or double occupancy. Beds on layaway status shall have the same status as

311.1 voluntarily delicensed and decertified beds except that beds on layaway status remain subject
311.2 to the surcharge in section 256.9657, remain subject to the license application and renewal
311.3 fees under section 144A.07 and shall be subject to a \$100 per bed reactivation fee. In
311.4 addition, at any time within three years of the effective date of the layaway, the beds on
311.5 layaway status may be:

311.6 (1) relicensed and recertified upon relocation and reactivation of some or all of the beds
311.7 to an existing licensed and certified facility or facilities located in Pine River, Brainerd, or
311.8 International Falls; provided that the total project construction costs related to the relocation
311.9 of beds from layaway status for any facility receiving relocated beds may not exceed the
311.10 dollar threshold provided in subdivision 2 unless the construction project has been approved
311.11 through the moratorium exception process under section 144A.073;

311.12 (2) relicensed and recertified, upon reactivation of some or all of the beds within the
311.13 facility which placed the beds in layaway status, if the commissioner has determined a need
311.14 for the reactivation of the beds on layaway status.

311.15 The property-related payment rate of a facility placing beds on layaway status must be
311.16 adjusted by the incremental change in its rental per diem after recalculating the rental per
311.17 diem as provided in section 256B.431, subdivision 3a, paragraph (c). The property-related
311.18 payment rate for a facility relicensing and recertifying beds from layaway status must be
311.19 adjusted by the incremental change in its rental per diem after recalculating its rental per
311.20 diem using the number of beds after the relicensing to establish the facility's capacity day
311.21 divisor, which shall be effective the first day of the month following the month in which
311.22 the relicensing and recertification became effective. Any beds remaining on layaway status
311.23 more than three years after the date the layaway status became effective must be removed
311.24 from layaway status and immediately delicensed and decertified;

311.25 (q) to license and certify beds in a renovation and remodeling project to convert 12
311.26 four-bed wards into 24 two-bed rooms, expand space, and add improvements in a nursing
311.27 home that, as of January 1, 1994, met the following conditions: the nursing home was located
311.28 in Ramsey County; had a licensed capacity of 154 beds; and had been ranked among the
311.29 top 15 applicants by the 1993 moratorium exceptions advisory review panel. The total
311.30 project construction cost estimate for this project must not exceed the cost estimate submitted
311.31 in connection with the 1993 moratorium exception process;

311.32 (r) to license and certify up to 117 beds that are relocated from a licensed and certified
311.33 138-bed nursing facility located in St. Paul to a hospital with 130 licensed hospital beds
311.34 located in South St. Paul, provided that the nursing facility and hospital are owned by the

312.1 same or a related organization and that prior to the date the relocation is completed the
312.2 hospital ceases operation of its inpatient hospital services at that hospital. After relocation,
312.3 the nursing facility's status shall be the same as it was prior to relocation. The nursing
312.4 facility's property-related payment rate resulting from the project authorized in this paragraph
312.5 shall become effective no earlier than April 1, 1996. For purposes of calculating the
312.6 incremental change in the facility's rental per diem resulting from this project, the allowable
312.7 appraised value of the nursing facility portion of the existing health care facility physical
312.8 plant prior to the renovation and relocation may not exceed \$2,490,000;

312.9 (s) to license and certify two beds in a facility to replace beds that were voluntarily
312.10 delicensed and decertified on June 28, 1991;

312.11 (t) to allow 16 licensed and certified beds located on July 1, 1994, in a 142-bed nursing
312.12 home and 21-bed boarding care home facility in Minneapolis, notwithstanding the licensure
312.13 and certification after July 1, 1995, of the Minneapolis facility as a 147-bed nursing home
312.14 facility after completion of a construction project approved in 1993 under section 144A.073,
312.15 to be laid away upon 30 days' prior written notice to the commissioner. Beds on layaway
312.16 status shall have the same status as voluntarily delicensed or decertified beds except that
312.17 they shall remain subject to the surcharge in section 256.9657. The 16 beds on layaway
312.18 status may be relicensed as nursing home beds and recertified at any time within five years
312.19 of the effective date of the layaway upon relocation of some or all of the beds to a licensed
312.20 and certified facility located in Watertown, provided that the total project construction costs
312.21 related to the relocation of beds from layaway status for the Watertown facility may not
312.22 exceed the dollar threshold provided in subdivision 2 unless the construction project has
312.23 been approved through the moratorium exception process under section 144A.073.

312.24 The property-related payment rate of the facility placing beds on layaway status must
312.25 be adjusted by the incremental change in its rental per diem after recalculating the rental
312.26 per diem as provided in section 256B.431, subdivision 3a, paragraph (c). The property-related
312.27 payment rate for the facility relicensing and recertifying beds from layaway status must be
312.28 adjusted by the incremental change in its rental per diem after recalculating its rental per
312.29 diem using the number of beds after the relicensing to establish the facility's capacity day
312.30 divisor, which shall be effective the first day of the month following the month in which
312.31 the relicensing and recertification became effective. Any beds remaining on layaway status
312.32 more than five years after the date the layaway status became effective must be removed
312.33 from layaway status and immediately delicensed and decertified;

312.34 (u) to license and certify beds that are moved within an existing area of a facility or to
312.35 a newly constructed addition which is built for the purpose of eliminating three- and four-bed

313.1 rooms and adding space for dining, lounge areas, bathing rooms, and ancillary service areas
313.2 in a nursing home that, as of January 1, 1995, was located in Fridley and had a licensed
313.3 capacity of 129 beds;

313.4 (v) to relocate 36 beds in Crow Wing County and four beds from Hennepin County to
313.5 a 160-bed facility in Crow Wing County, provided all the affected beds are under common
313.6 ownership;

313.7 (w) to license and certify a total replacement project of up to 49 beds located in Norman
313.8 County that are relocated from a nursing home destroyed by flood and whose residents were
313.9 relocated to other nursing homes. The operating cost payment rates for the new nursing
313.10 facility shall be determined based on the interim and settle-up payment provisions of
313.11 Minnesota Rules, part 9549.0057, and the reimbursement provisions of ~~section 256B.431~~
313.12 chapter 256R. Property-related reimbursement rates shall be determined under section
313.13 ~~256B.431~~ 256R.26, taking into account any federal or state flood-related loans or grants
313.14 provided to the facility;

313.15 (x) to license and certify to the licensee of a nursing home in Polk County that was
313.16 destroyed by flood in 1997 replacement projects with a total of up to 129 beds, with at least
313.17 25 beds to be located in Polk County and up to 104 beds distributed among up to three other
313.18 counties. These beds may only be distributed to counties with fewer than the median number
313.19 of age intensity adjusted beds per thousand, as most recently published by the commissioner
313.20 of human services. If the licensee chooses to distribute beds outside of Polk County under
313.21 this paragraph, prior to distributing the beds, the commissioner of health must approve the
313.22 location in which the licensee plans to distribute the beds. The commissioner of health shall
313.23 consult with the commissioner of human services prior to approving the location of the
313.24 proposed beds. The licensee may combine these beds with beds relocated from other nursing
313.25 facilities as provided in section 144A.073, subdivision 3c. The operating payment rates for
313.26 the new nursing facilities shall be determined based on the interim and settle-up payment
313.27 provisions of ~~section 256B.431, 256B.434, or 256B.441~~ or Minnesota Rules, parts 9549.0010
313.28 to 9549.0080. Property-related reimbursement rates shall be determined under section
313.29 ~~256B.431, 256B.434, or 256B.441~~ 256R.26. If the replacement beds permitted under this
313.30 paragraph are combined with beds from other nursing facilities, the rates shall be calculated
313.31 as the weighted average of rates determined as provided in this paragraph and section
313.32 ~~256B.441, subdivision 60~~ 256R.50;

313.33 (y) to license and certify beds in a renovation and remodeling project to convert 13
313.34 three-bed wards into 13 two-bed rooms and 13 single-bed rooms, expand space, and add
313.35 improvements in a nursing home that, as of January 1, 1994, met the following conditions:

314.1 the nursing home was located in Ramsey County, was not owned by a hospital corporation,
314.2 had a licensed capacity of 64 beds, and had been ranked among the top 15 applicants by
314.3 the 1993 moratorium exceptions advisory review panel. The total project construction cost
314.4 estimate for this project must not exceed the cost estimate submitted in connection with the
314.5 1993 moratorium exception process;

314.6 (z) to license and certify up to 150 nursing home beds to replace an existing 285 bed
314.7 nursing facility located in St. Paul. The replacement project shall include both the renovation
314.8 of existing buildings and the construction of new facilities at the existing site. The reduction
314.9 in the licensed capacity of the existing facility shall occur during the construction project
314.10 as beds are taken out of service due to the construction process. Prior to the start of the
314.11 construction process, the facility shall provide written information to the commissioner of
314.12 health describing the process for bed reduction, plans for the relocation of residents, and
314.13 the estimated construction schedule. The relocation of residents shall be in accordance with
314.14 the provisions of law and rule;

314.15 (aa) to allow the commissioner of human services to license an additional 36 beds to
314.16 provide residential services for the physically disabled under Minnesota Rules, parts
314.17 9570.2000 to 9570.3400, in a 198-bed nursing home located in Red Wing, provided that
314.18 the total number of licensed and certified beds at the facility does not increase;

314.19 (bb) to license and certify a new facility in St. Louis County with 44 beds constructed
314.20 to replace an existing facility in St. Louis County with 31 beds, which has resident rooms
314.21 on two separate floors and an antiquated elevator that creates safety concerns for residents
314.22 and prevents nonambulatory residents from residing on the second floor. The project shall
314.23 include the elimination of three- and four-bed rooms;

314.24 (cc) to license and certify four beds in a 16-bed certified boarding care home in
314.25 Minneapolis to replace beds that were voluntarily delicensed and decertified on or before
314.26 March 31, 1992. The licensure and certification is conditional upon the facility periodically
314.27 assessing and adjusting its resident mix and other factors which may contribute to a potential
314.28 institution for mental disease declaration. The commissioner of human services shall retain
314.29 the authority to audit the facility at any time and shall require the facility to comply with
314.30 any requirements necessary to prevent an institution for mental disease declaration, including
314.31 delicensure and decertification of beds, if necessary;

314.32 (dd) to license and certify 72 beds in an existing facility in Mille Lacs County with 80
314.33 beds as part of a renovation project. The renovation must include construction of an addition
314.34 to accommodate ten residents with beginning and midstage dementia in a self-contained

315.1 living unit; creation of three resident households where dining, activities, and support spaces
315.2 are located near resident living quarters; designation of four beds for rehabilitation in a
315.3 self-contained area; designation of 30 private rooms; and other improvements;

315.4 (ee) to license and certify beds in a facility that has undergone replacement or remodeling
315.5 as part of a planned closure under section ~~256B.437~~ 256R.40;

315.6 (ff) to license and certify a total replacement project of up to 124 beds located in Wilkin
315.7 County that are in need of relocation from a nursing home significantly damaged by flood.
315.8 The operating cost payment rates for the new nursing facility shall be determined based on
315.9 the interim and settle-up payment provisions of Minnesota Rules, part 9549.0057, and the
315.10 reimbursement provisions of ~~section 256B.431~~ chapter 256R. Property-related reimbursement
315.11 rates shall be determined under section ~~256B.431~~ 256R.26, taking into account any federal
315.12 or state flood-related loans or grants provided to the facility;

315.13 (gg) to allow the commissioner of human services to license an additional nine beds to
315.14 provide residential services for the physically disabled under Minnesota Rules, parts
315.15 9570.2000 to 9570.3400, in a 240-bed nursing home located in Duluth, provided that the
315.16 total number of licensed and certified beds at the facility does not increase;

315.17 (hh) to license and certify up to 120 new nursing facility beds to replace beds in a facility
315.18 in Anoka County, which was licensed for 98 beds as of July 1, 2000, provided the new
315.19 facility is located within four miles of the existing facility and is in Anoka County. Operating
315.20 and property rates shall be determined and allowed under ~~section 256B.431~~ chapter 256R
315.21 and Minnesota Rules, parts 9549.0010 to 9549.0080, ~~or section 256B.434 or 256B.441~~; or

315.22 (ii) to transfer up to 98 beds of a 129-licensed bed facility located in Anoka County that,
315.23 as of March 25, 2001, is in the active process of closing, to a 122-licensed bed nonprofit
315.24 nursing facility located in the city of Columbia Heights or its affiliate. The transfer is effective
315.25 when the receiving facility notifies the commissioner in writing of the number of beds
315.26 accepted. The commissioner shall place all transferred beds on layaway status held in the
315.27 name of the receiving facility. The layaway adjustment provisions of section 256B.431,
315.28 subdivision 30, do not apply to this layaway. The receiving facility may only remove the
315.29 beds from layaway for recertification and relicensure at the receiving facility's current site,
315.30 or at a newly constructed facility located in Anoka County. The receiving facility must
315.31 receive statutory authorization before removing these beds from layaway status, or may
315.32 remove these beds from layaway status if removal from layaway status is part of a
315.33 moratorium exception project approved by the commissioner under section 144A.073.

316.1 Sec. 7. Minnesota Statutes 2016, section 144A.071, subdivision 4c, is amended to read:

316.2 Subd. 4c. **Exceptions for replacement beds after June 30, 2003.** (a) The commissioner
316.3 of health, in coordination with the commissioner of human services, may approve the
316.4 renovation, replacement, upgrading, or relocation of a nursing home or boarding care home,
316.5 under the following conditions:

316.6 (1) to license and certify an 80-bed city-owned facility in Nicollet County to be
316.7 constructed on the site of a new city-owned hospital to replace an existing 85-bed facility
316.8 attached to a hospital that is also being replaced. The threshold allowed for this project
316.9 under section 144A.073 shall be the maximum amount available to pay the additional
316.10 medical assistance costs of the new facility;

316.11 (2) to license and certify 29 beds to be added to an existing 69-bed facility in St. Louis
316.12 County, provided that the 29 beds must be transferred from active or layaway status at an
316.13 existing facility in St. Louis County that had 235 beds on April 1, 2003.

316.14 The licensed capacity at the 235-bed facility must be reduced to 206 beds, but the payment
316.15 rate at that facility shall not be adjusted as a result of this transfer. The operating payment
316.16 rate of the facility adding beds after completion of this project shall be the same as it was
316.17 on the day prior to the day the beds are licensed and certified. This project shall not proceed
316.18 unless it is approved and financed under the provisions of section 144A.073;

316.19 (3) to license and certify a new 60-bed facility in Austin, provided that: (i) 45 of the new
316.20 beds are transferred from a 45-bed facility in Austin under common ownership that is closed
316.21 and 15 of the new beds are transferred from a 182-bed facility in Albert Lea under common
316.22 ownership; (ii) the commissioner of human services is authorized by the 2004 legislature
316.23 to negotiate budget-neutral planned nursing facility closures; and (iii) money is available
316.24 from planned closures of facilities under common ownership to make implementation of
316.25 this clause budget-neutral to the state. The bed capacity of the Albert Lea facility shall be
316.26 reduced to 167 beds following the transfer. Of the 60 beds at the new facility, 20 beds shall
316.27 be used for a special care unit for persons with Alzheimer's disease or related dementias;

316.28 (4) to license and certify up to 80 beds transferred from an existing state-owned nursing
316.29 facility in Cass County to a new facility located on the grounds of the Ah-Gwah-Ching
316.30 campus. The operating cost payment rates for the new facility shall be determined based
316.31 on the interim and settle-up payment provisions of Minnesota Rules, part 9549.0057, and
316.32 the reimbursement provisions of ~~section 256B.431~~ chapter 256R. The property payment
316.33 rate for the first three years of operation shall be \$35 per day. For subsequent years, the
316.34 property payment rate of \$35 per day shall be adjusted for inflation as provided in section

317.1 256B.434, subdivision 4, paragraph (c), as long as the facility has a contract under section
317.2 256B.434;

317.3 (5) to initiate a pilot program to license and certify up to 80 beds transferred from an
317.4 existing county-owned nursing facility in Steele County relocated to the site of a new acute
317.5 care facility as part of the county's Communities for a Lifetime comprehensive plan to create
317.6 innovative responses to the aging of its population. Upon relocation to the new site, the
317.7 nursing facility shall delicense 28 beds. The payment rate for external fixed costs for the
317.8 new facility shall be increased by an amount as calculated according to items (i) to (v):

317.9 (i) compute the estimated decrease in medical assistance residents served by the nursing
317.10 facility by multiplying the decrease in licensed beds by the historical percentage of medical
317.11 assistance resident days;

317.12 (ii) compute the annual savings to the medical assistance program from the delicensure
317.13 of 28 beds by multiplying the anticipated decrease in medical assistance residents, determined
317.14 in item (i), by the existing facility's weighted average payment rate multiplied by 365;

317.15 (iii) compute the anticipated annual costs for community-based services by multiplying
317.16 the anticipated decrease in medical assistance residents served by the nursing facility,
317.17 determined in item (i), by the average monthly elderly waiver service costs for individuals
317.18 in Steele County multiplied by 12;

317.19 (iv) subtract the amount in item (iii) from the amount in item (ii);

317.20 (v) divide the amount in item (iv) by an amount equal to the relocated nursing facility's
317.21 occupancy factor under section 256B.431, subdivision 3f, paragraph (c), multiplied by the
317.22 historical percentage of medical assistance resident days; and

317.23 (6) to consolidate and relocate nursing facility beds to a new site in Goodhue County
317.24 and to integrate these services with other community-based programs and services under a
317.25 communities for a lifetime pilot program and comprehensive plan to create innovative
317.26 responses to the aging of its population. Two nursing facilities, one for 84 beds and one for
317.27 65 beds, in the city of Red Wing licensed on July 1, 2015, shall be consolidated into a newly
317.28 renovated 64-bed nursing facility resulting in the delicensure of 85 beds. Notwithstanding
317.29 the carryforward of the approval authority in section 144A.073, subdivision 11, the funding
317.30 approved in April 2009 by the commissioner of health for a project in Goodhue County
317.31 shall not carry forward. The closure of the 85 beds shall not be eligible for a planned closure
317.32 rate adjustment under section ~~256B.437~~ 256R.40. The construction project permitted in this
317.33 clause shall not be eligible for a threshold project rate adjustment under section 256B.434,

318.1 subdivision 4f. The payment rate for external fixed costs for the new facility shall be
318.2 increased by an amount as calculated according to items (i) to (vi):

318.3 (i) compute the estimated decrease in medical assistance residents served by both nursing
318.4 facilities by multiplying the difference between the occupied beds of the two nursing facilities
318.5 for the reporting year ending September 30, 2009, and the projected occupancy of the facility
318.6 at 95 percent occupancy by the historical percentage of medical assistance resident days;

318.7 (ii) compute the annual savings to the medical assistance program from the delicensure
318.8 by multiplying the anticipated decrease in the medical assistance residents, determined in
318.9 item (i), by the hospital-owned nursing facility weighted average payment rate multiplied
318.10 by 365;

318.11 (iii) compute the anticipated annual costs for community-based services by multiplying
318.12 the anticipated decrease in medical assistance residents served by the facilities, determined
318.13 in item (i), by the average monthly elderly waiver service costs for individuals in Goodhue
318.14 County multiplied by 12;

318.15 (iv) subtract the amount in item (iii) from the amount in item (ii);

318.16 (v) multiply the amount in item (iv) by 57.2 percent; and

318.17 (vi) divide the difference of the amount in item (iv) and the amount in item (v) by an
318.18 amount equal to the relocated nursing facility's occupancy factor under section 256B.431,
318.19 subdivision 3f, paragraph (c), multiplied by the historical percentage of medical assistance
318.20 resident days.

318.21 (b) Projects approved under this subdivision shall be treated in a manner equivalent to
318.22 projects approved under subdivision 4a.

318.23 Sec. 8. Minnesota Statutes 2016, section 144A.071, subdivision 4d, is amended to read:

318.24 Subd. 4d. **Consolidation of nursing facilities.** (a) The commissioner of health, in
318.25 consultation with the commissioner of human services, may approve a request for
318.26 consolidation of nursing facilities which includes the closure of one or more facilities and
318.27 the upgrading of the physical plant of the remaining nursing facility or facilities, the costs
318.28 of which exceed the threshold project limit under subdivision 2, clause (a). The
318.29 commissioners shall consider the criteria in this section, section 144A.073, and section
318.30 ~~256B.437~~ 256R.40, in approving or rejecting a consolidation proposal. In the event the
318.31 commissioners approve the request, the commissioner of human services shall calculate an
318.32 external fixed costs rate adjustment according to clauses (1) to (3):

319.1 (1) the closure of beds shall not be eligible for a planned closure rate adjustment under
319.2 section ~~256B.437, subdivision 6~~ 256R.40, subdivision 5;

319.3 (2) the construction project permitted in this clause shall not be eligible for a threshold
319.4 project rate adjustment under section 256B.434, subdivision 4f, or a moratorium exception
319.5 adjustment under section 144A.073; and

319.6 (3) the payment rate for external fixed costs for a remaining facility or facilities shall
319.7 be increased by an amount equal to 65 percent of the projected net cost savings to the state
319.8 calculated in paragraph (b), divided by the state's medical assistance percentage of medical
319.9 assistance dollars, and then divided by estimated medical assistance resident days, as
319.10 determined in paragraph (c), of the remaining nursing facility or facilities in the request in
319.11 this paragraph. The rate adjustment is effective on the later of the first day of the month
319.12 following completion of the construction upgrades in the consolidation plan or the first day
319.13 of the month following the complete closure of a facility designated for closure in the
319.14 consolidation plan. If more than one facility is receiving upgrades in the consolidation plan,
319.15 each facility's date of construction completion must be evaluated separately.

319.16 (b) For purposes of calculating the net cost savings to the state, the commissioner shall
319.17 consider clauses (1) to (7):

319.18 (1) the annual savings from estimated medical assistance payments from the net number
319.19 of beds closed taking into consideration only beds that are in active service on the date of
319.20 the request and that have been in active service for at least three years;

319.21 (2) the estimated annual cost of increased case load of individuals receiving services
319.22 under the elderly waiver;

319.23 (3) the estimated annual cost of elderly waiver recipients receiving support under group
319.24 residential housing;

319.25 (4) the estimated annual cost of increased case load of individuals receiving services
319.26 under the alternative care program;

319.27 (5) the annual loss of license surcharge payments on closed beds;

319.28 (6) the savings from not paying planned closure rate adjustments that the facilities would
319.29 otherwise be eligible for under section ~~256B.437~~ 256R.40; and

319.30 (7) the savings from not paying external fixed costs payment rate adjustments from
319.31 submission of renovation costs that would otherwise be eligible as threshold projects under
319.32 section 256B.434, subdivision 4f.

320.1 (c) For purposes of the calculation in paragraph (a), clause (3), the estimated medical
320.2 assistance resident days of the remaining facility or facilities shall be computed assuming
320.3 95 percent occupancy multiplied by the historical percentage of medical assistance resident
320.4 days of the remaining facility or facilities, as reported on the facility's or facilities' most
320.5 recent nursing facility statistical and cost report filed before the plan of closure is submitted,
320.6 multiplied by 365.

320.7 (d) For purposes of net cost of savings to the state in paragraph (b), the average occupancy
320.8 percentages will be those reported on the facility's or facilities' most recent nursing facility
320.9 statistical and cost report filed before the plan of closure is submitted, and the average
320.10 payment rates shall be calculated based on the approved payment rates in effect at the time
320.11 the consolidation request is submitted.

320.12 (e) To qualify for the external fixed costs payment rate adjustment under this subdivision,
320.13 the closing facilities shall:

320.14 (1) submit an application for closure according to section ~~256B.437, subdivision 3~~
320.15 256R.40, subdivision 2; and

320.16 (2) follow the resident relocation provisions of section 144A.161.

320.17 (f) The county or counties in which a facility or facilities are closed under this subdivision
320.18 shall not be eligible for designation as a hardship area under subdivision 3 for five years
320.19 from the date of the approval of the proposed consolidation. The applicant shall notify the
320.20 county of this limitation and the county shall acknowledge this in a letter of support.

320.21 Sec. 9. Minnesota Statutes 2016, section 144A.073, subdivision 3c, is amended to read:

320.22 Subd. 3c. **Cost neutral relocation projects.** (a) Notwithstanding subdivision 3, the
320.23 commissioner may at any time accept proposals, or amendments to proposals previously
320.24 approved under this section, for relocations that are cost neutral with respect to state costs
320.25 as defined in section 144A.071, subdivision 5a. The commissioner, in consultation with the
320.26 commissioner of human services, shall evaluate proposals according to subdivision 4a,
320.27 clauses (1), (4), (5), (6), and (8), and other criteria established in rule or law. The
320.28 commissioner of human services shall determine the allowable payment rates of the facility
320.29 receiving the beds in accordance with section ~~256B.441, subdivision 60~~ 256R.50. The
320.30 commissioner shall approve or disapprove a project within 90 days.

320.31 (b) For the purposes of paragraph (a), cost neutrality shall be measured over the first
320.32 three 12-month periods of operation after completion of the project.

321.1 Sec. 10. Minnesota Statutes 2016, section 144A.10, subdivision 4, is amended to read:

321.2 Subd. 4. **Correction orders.** Whenever a duly authorized representative of the
321.3 commissioner of health finds upon inspection of a nursing home, that the facility or a
321.4 controlling person or an employee of the facility is not in compliance with sections 144.411
321.5 to 144.417, 144.651, 144.6503, 144A.01 to 144A.155, or 626.557 or the rules promulgated
321.6 thereunder, a correction order shall be issued to the facility. The correction order shall state
321.7 the deficiency, cite the specific rule or statute violated, state the suggested method of
321.8 correction, and specify the time allowed for correction. If the commissioner finds that the
321.9 nursing home had uncorrected or repeated violations which create a risk to resident care,
321.10 safety, or rights, the commissioner shall notify the commissioner of human services ~~who~~
321.11 ~~shall require the facility to use any efficiency incentive payments received under section~~
321.12 ~~256B.431, subdivision 2b, paragraph (d), to correct the violations and shall require the~~
321.13 ~~facility to forfeit incentive payments for failure to correct the violations as provided in~~
321.14 ~~section 256B.431, subdivision 2n. The forfeiture shall not apply to correction orders issued~~
321.15 ~~for physical plant deficiencies.~~

321.16 Sec. 11. Minnesota Statutes 2016, section 144A.15, subdivision 2, is amended to read:

321.17 Subd. 2. **Appointment of receiver, rental.** If, after hearing, the court finds that
321.18 receivership is necessary as a means of protecting the health, safety, or welfare of a resident
321.19 of the facility, the court shall appoint the commissioner of health as a receiver to take charge
321.20 of the facility. The commissioner may enter into an agreement for a managing agent to work
321.21 on the commissioner's behalf in operating the facility during the receivership. The court
321.22 shall determine a fair monthly rental for the facility, taking into account all relevant factors
321.23 including the condition of the facility. This rental fee shall be paid by the receiver to the
321.24 appropriate controlling person for each month that the receivership remains in effect but
321.25 shall be reduced by the amount that the costs of the receivership provided under section
321.26 ~~256B.495~~ 256R.52 are in excess of the facility rate. The controlling person may agree to
321.27 waive the fair monthly rent by affidavit to the court. Notwithstanding any other law to the
321.28 contrary, no payment made to a controlling person by any state agency during a period of
321.29 receivership shall include any allowance for profit or be based on any formula which includes
321.30 an allowance for profit.

321.31 Notwithstanding state contracting requirements in chapter 16C, the commissioner shall
321.32 establish and maintain a list of qualified licensed nursing home administrators, or other
321.33 qualified persons or organizations with experience in delivering skilled health care services
321.34 and the operation of long-term care facilities for those interested in being a managing agent

322.1 on the commissioner's behalf during a state receivership of a facility. This list will be a
322.2 resource for choosing a managing agent and the commissioner may update the list at any
322.3 time. A managing agent cannot be someone who: (1) is the owner, licensee, or administrator
322.4 of the facility; (2) has a financial interest in the facility at the time of the receivership or is
322.5 a related party to the owner, licensee, or administrator; or (3) has owned or operated any
322.6 nursing facility or boarding care home that has been ordered into receivership.

322.7 Sec. 12. Minnesota Statutes 2016, section 144A.154, is amended to read:

322.8 **144A.154 RATE RECOMMENDATION.**

322.9 The commissioner may recommend to the commissioner of human services a review of
322.10 the rates for a nursing home or boarding care home that participates in the medical assistance
322.11 program that is in voluntary or involuntary receivership, and that has needs or deficiencies
322.12 documented by the Department of Health. If the commissioner of health determines that a
322.13 review of the rate under section ~~256B.495~~ 256R.52 is needed, the commissioner shall provide
322.14 the commissioner of human services with:

322.15 (1) a copy of the order or determination that cites the deficiency or need; and

322.16 (2) the commissioner's recommendation for additional staff and additional annual hours
322.17 by type of employee and additional consultants, services, supplies, equipment, or repairs
322.18 necessary to satisfy the need or deficiency.

322.19 Sec. 13. Minnesota Statutes 2016, section 144A.161, subdivision 10, is amended to read:

322.20 Subd. 10. **Facility closure rate adjustment.** Upon the request of a closing facility, the
322.21 commissioner of human services must allow the facility a closure rate adjustment equal to
322.22 a 50 percent payment rate increase to reimburse relocation costs or other costs related to
322.23 facility closure. This rate increase is effective on the date the facility's occupancy decreases
322.24 to 90 percent of capacity days after the written notice of closure is distributed under
322.25 subdivision 5 and shall remain in effect for a period of up to 60 days. The commissioner
322.26 shall delay the implementation of rate adjustments under section ~~256B.437, subdivisions~~
322.27 ~~3, paragraph (b), and 6, paragraph (a)~~ 256R.40, subdivisions 5 and 6, to offset the cost of
322.28 this rate adjustment.

322.29 Sec. 14. Minnesota Statutes 2016, section 144A.1888, is amended to read:

322.30 **144A.1888 REUSE OF FACILITIES.**

323.1 Notwithstanding any local ordinance related to development, planning, or zoning to the
323.2 contrary, the conversion or reuse of a nursing home that closes or that curtails, reduces, or
323.3 changes operations shall be considered a conforming use permitted under local law, provided
323.4 that the facility is converted to another long-term care service approved by a regional
323.5 planning group under section ~~256B.437~~ 256R.40 that serves a smaller number of persons
323.6 than the number of persons served before the closure or curtailment, reduction, or change
323.7 in operations.

323.8 Sec. 15. Minnesota Statutes 2016, section 144A.611, subdivision 1, is amended to read:

323.9 Subdivision 1. **Nursing homes and certified boarding care homes.** The actual costs
323.10 of tuition and textbooks and reasonable expenses for the competency evaluation or the
323.11 nursing assistant training program and competency evaluation approved under section
323.12 144A.61, which are paid to nursing assistants or adult training programs pursuant to
323.13 subdivisions 2 and 4, are a reimbursable expense for nursing homes and certified boarding
323.14 care homes under section ~~256B.431, subdivision 36~~ 256R.37.

323.15 Sec. 16. Minnesota Statutes 2016, section 144A.74, is amended to read:

323.16 **144A.74 MAXIMUM CHARGES.**

323.17 A supplemental nursing services agency must not bill or receive payments from a nursing
323.18 home licensed under this chapter at a rate higher than 150 percent of the sum of the weighted
323.19 average wage rate, plus a factor determined by the commissioner to incorporate payroll
323.20 taxes as defined in ~~Minnesota Rules, part 9549.0020, subpart 33~~ section 256R.02, subdivision
323.21 37, for the applicable employee classification for the geographic group to which the nursing
323.22 home is assigned under Minnesota Rules, part 9549.0052. The weighted average wage rates
323.23 must be determined by the commissioner of human services and reported to the commissioner
323.24 of health on an annual basis. Wages are defined as hourly rate of pay and shift differential,
323.25 including weekend shift differential and overtime. Facilities shall provide information
323.26 necessary to determine weighted average wage rates to the commissioner of human services
323.27 in a format requested by the commissioner. The maximum rate must include all charges for
323.28 administrative fees, contract fees, or other special charges in addition to the hourly rates for
323.29 the temporary nursing pool personnel supplied to a nursing home.

323.30 Sec. 17. Minnesota Statutes 2016, section 256.9657, subdivision 1, is amended to read:

323.31 Subdivision 1. **Nursing home license surcharge.** (a) Effective July 1, 1993, each
323.32 non-state-operated nursing home licensed under chapter 144A shall pay to the commissioner

324.1 an annual surcharge according to the schedule in subdivision 4. The surcharge shall be
324.2 calculated as \$620 per licensed bed. If the number of licensed beds is reduced, the surcharge
324.3 shall be based on the number of remaining licensed beds the second month following the
324.4 receipt of timely notice by the commissioner of human services that beds have been
324.5 delicensed. The nursing home must notify the commissioner of health in writing when beds
324.6 are delicensed. The commissioner of health must notify the commissioner of human services
324.7 within ten working days after receiving written notification. If the notification is received
324.8 by the commissioner of human services by the 15th of the month, the invoice for the second
324.9 following month must be reduced to recognize the delicensing of beds. Beds on layaway
324.10 status continue to be subject to the surcharge. The commissioner of human services must
324.11 acknowledge a medical care surcharge appeal within 30 days of receipt of the written appeal
324.12 from the provider.

324.13 (b) Effective July 1, 1994, the surcharge in paragraph (a) shall be increased to \$625.

324.14 (c) Effective August 15, 2002, the surcharge under paragraph (b) shall be increased to
324.15 \$990.

324.16 (d) Effective July 15, 2003, the surcharge under paragraph (c) shall be increased to
324.17 \$2,815.

324.18 (e) The commissioner may reduce, and may subsequently restore, the surcharge under
324.19 paragraph (d) based on the commissioner's determination of a permissible surcharge.

324.20 ~~(f) Between April 1, 2002, and August 15, 2004, a facility governed by this subdivision~~
324.21 ~~may elect to assume full participation in the medical assistance program by agreeing to~~
324.22 ~~comply with all of the requirements of the medical assistance program, including the rate~~
324.23 ~~equalization law in section 256B.48, subdivision 1, paragraph (a), and all other requirements~~
324.24 ~~established in law or rule, and to begin intake of new medical assistance recipients. Rates~~
324.25 ~~will be determined under Minnesota Rules, parts 9549.0010 to 9549.0080. Rate calculations~~
324.26 ~~will be subject to limits as prescribed in rule and law. Other than the adjustments in sections~~
324.27 ~~256B.431, subdivisions 30 and 32; 256B.437, subdivision 3, paragraph (b), Minnesota~~
324.28 ~~Rules, part 9549.0057, and any other applicable legislation enacted prior to the finalization~~
324.29 ~~of rates, facilities assuming full participation in medical assistance under this paragraph are~~
324.30 ~~not eligible for any rate adjustments until the July 1 following their settle-up period.~~

324.31 Sec. 18. Minnesota Statutes 2016, section 256B.0915, subdivision 3e, is amended to read:

324.32 Subd. 3e. **Customized living service rate.** (a) Payment for customized living services
324.33 shall be a monthly rate authorized by the lead agency within the parameters established by

325.1 the commissioner. The payment agreement must delineate the amount of each component
325.2 service included in the recipient's customized living service plan. The lead agency, with
325.3 input from the provider of customized living services, shall ensure that there is a documented
325.4 need within the parameters established by the commissioner for all component customized
325.5 living services authorized.

325.6 (b) The payment rate must be based on the amount of component services to be provided
325.7 utilizing component rates established by the commissioner. Counties and tribes shall use
325.8 tools issued by the commissioner to develop and document customized living service plans
325.9 and rates.

325.10 (c) Component service rates must not exceed payment rates for comparable elderly
325.11 waiver or medical assistance services and must reflect economies of scale. Customized
325.12 living services must not include rent or raw food costs.

325.13 (d) With the exception of individuals described in subdivision 3a, paragraph (b), the
325.14 individualized monthly authorized payment for the customized living service plan shall not
325.15 exceed 50 percent of the greater of either the statewide or any of the geographic groups'
325.16 weighted average monthly nursing facility rate of the case mix resident class to which the
325.17 elderly waiver eligible client would be assigned under Minnesota Rules, parts 9549.0051
325.18 to 9549.0059, less the maintenance needs allowance as described in subdivision 1d, paragraph
325.19 (a). Effective on July 1 of the state fiscal year in which the resident assessment system as
325.20 described in section ~~256B.438~~ 256R.17 for nursing home rate determination is implemented
325.21 and July 1 of each subsequent state fiscal year, the individualized monthly authorized
325.22 payment for the services described in this clause shall not exceed the limit which was in
325.23 effect on June 30 of the previous state fiscal year updated annually based on legislatively
325.24 adopted changes to all service rate maximums for home and community-based service
325.25 providers.

325.26 (e) Effective July 1, 2011, the individualized monthly payment for the customized living
325.27 service plan for individuals described in subdivision 3a, paragraph (b), must be the monthly
325.28 authorized payment limit for customized living for individuals classified as case mix A,
325.29 reduced by 25 percent. This rate limit must be applied to all new participants enrolled in
325.30 the program on or after July 1, 2011, who meet the criteria described in subdivision 3a,
325.31 paragraph (b). This monthly limit also applies to all other participants who meet the criteria
325.32 described in subdivision 3a, paragraph (b), at reassessment.

325.33 (f) Customized living services are delivered by a provider licensed by the Department
325.34 of Health as a class A or class F home care provider and provided in a building that is

326.1 registered as a housing with services establishment under chapter 144D. Licensed home
326.2 care providers are subject to section 256B.0651, subdivision 14.

326.3 (g) A provider may not bill or otherwise charge an elderly waiver participant or their
326.4 family for additional units of any allowable component service beyond those available under
326.5 the service rate limits described in paragraph (d), nor for additional units of any allowable
326.6 component service beyond those approved in the service plan by the lead agency.

326.7 (h) Effective July 1, 2016, and each July 1 thereafter, individualized service rate limits
326.8 for customized living services under this subdivision shall be increased by the difference
326.9 between any legislatively adopted home and community-based provider rate increases
326.10 effective on July 1 or since the previous July 1 and the average statewide percentage increase
326.11 in nursing facility operating payment rates under ~~sections 256B.431, 256B.434, and 256B.441~~
326.12 chapter 256R, effective the previous January 1. This paragraph shall only apply if the average
326.13 statewide percentage increase in nursing facility operating payment rates is greater than any
326.14 legislatively adopted home and community-based provider rate increases effective on July
326.15 1, or occurring since the previous July 1.

326.16 Sec. 19. Minnesota Statutes 2016, section 256B.35, subdivision 4, is amended to read:

326.17 Subd. 4. **Field audits required.** The commissioner of human services shall conduct
326.18 field audits at the same time as cost report audits required under section ~~256B.27, subdivision~~
326.19 ~~2a~~ 256R.13, subdivision 1, and at any other time but at least once every four years, without
326.20 notice, to determine whether this section was complied with and that the funds provided
326.21 residents for their personal needs were actually expended for that purpose.

326.22 Sec. 20. Minnesota Statutes 2016, section 256B.431, subdivision 30, is amended to read:

326.23 Subd. 30. **Bed layaway and delicensure.** (a) For rate years beginning on or after July
326.24 1, 2000, a nursing facility reimbursed under this section which has placed beds on layaway
326.25 shall, for purposes of application of the downsizing incentive in subdivision 3a, paragraph
326.26 (c), and calculation of the rental per diem, have those beds given the same effect as if the
326.27 beds had been delicensed so long as the beds remain on layaway. At the time of a layaway,
326.28 a facility may change its single bed election for use in calculating capacity days under
326.29 Minnesota Rules, part 9549.0060, subpart 11. The property payment rate increase shall be
326.30 effective the first day of the month following the month in which the layaway of the beds
326.31 becomes effective under section 144A.071, subdivision 4b.

326.32 (b) For rate years beginning on or after July 1, 2000, notwithstanding any provision to
326.33 the contrary under section 256B.434 or chapter 256R, a nursing facility reimbursed under

327.1 that section or chapter which has placed beds on layaway shall, for so long as the beds
327.2 remain on layaway, be allowed to:

327.3 (1) aggregate the applicable investment per bed limits based on the number of beds
327.4 licensed immediately prior to entering the alternative payment system;

327.5 (2) retain or change the facility's single bed election for use in calculating capacity days
327.6 under Minnesota Rules, part 9549.0060, subpart 11; and

327.7 (3) establish capacity days based on the number of beds immediately prior to the layaway
327.8 and the number of beds after the layaway.

327.9 The commissioner shall increase the facility's property payment rate by the incremental
327.10 increase in the rental per diem resulting from the recalculation of the facility's rental per
327.11 diem applying only the changes resulting from the layaway of beds and clauses (1), (2), and
327.12 (3). If a facility reimbursed under section 256B.434 or chapter 256R completes a moratorium
327.13 exception project after its base year, the base year property rate shall be the moratorium
327.14 project property rate. The base year rate shall be inflated by the factors in section 256B.434,
327.15 subdivision 4, paragraph (c). The property payment rate increase shall be effective the first
327.16 day of the month following the month in which the layaway of the beds becomes effective.

327.17 (c) If a nursing facility removes a bed from layaway status in accordance with section
327.18 144A.071, subdivision 4b, the commissioner shall establish capacity days based on the
327.19 number of licensed and certified beds in the facility not on layaway and shall reduce the
327.20 nursing facility's property payment rate in accordance with paragraph (b).

327.21 (d) For the rate years beginning on or after July 1, 2000, notwithstanding any provision
327.22 to the contrary under section 256B.434 or chapter 256R, a nursing facility reimbursed under
327.23 that section or chapter, which has delicensed beds after July 1, 2000, by giving notice of
327.24 the delicensure to the commissioner of health according to the notice requirements in section
327.25 144A.071, subdivision 4b, shall be allowed to:

327.26 (1) aggregate the applicable investment per bed limits based on the number of beds
327.27 licensed immediately prior to entering the alternative payment system;

327.28 (2) retain or change the facility's single bed election for use in calculating capacity days
327.29 under Minnesota Rules, part 9549.0060, subpart 11; and

327.30 (3) establish capacity days based on the number of beds immediately prior to the
327.31 delicensure and the number of beds after the delicensure.

327.32 The commissioner shall increase the facility's property payment rate by the incremental
327.33 increase in the rental per diem resulting from the recalculation of the facility's rental per

328.1 diem applying only the changes resulting from the delicensure of beds and clauses (1), (2),
328.2 and (3). If a facility reimbursed under section 256B.434 completes a moratorium exception
328.3 project after its base year, the base year property rate shall be the moratorium project property
328.4 rate. The base year rate shall be inflated by the factors in section 256B.434, subdivision 4,
328.5 paragraph (c). The property payment rate increase shall be effective the first day of the
328.6 month following the month in which the delicensure of the beds becomes effective.

328.7 (e) For nursing facilities reimbursed under this section ~~or~~ section 256B.434, or chapter
328.8 256R, any beds placed on layaway shall not be included in calculating facility occupancy
328.9 as it pertains to leave days defined in Minnesota Rules, part 9505.0415.

328.10 (f) For nursing facilities reimbursed under this section ~~or~~ section 256B.434, or chapter
328.11 256R, the rental rate calculated after placing beds on layaway may not be less than the rental
328.12 rate prior to placing beds on layaway.

328.13 (g) A nursing facility receiving a rate adjustment as a result of this section shall comply
328.14 with section ~~256B.47, subdivision 2~~ 256R.06, subdivision 5.

328.15 (h) A facility that does not utilize the space made available as a result of bed layaway
328.16 or delicensure under this subdivision to reduce the number of beds per room or provide
328.17 more common space for nursing facility uses or perform other activities related to the
328.18 operation of the nursing facility shall have its property rate increase calculated under this
328.19 subdivision reduced by the ratio of the square footage made available that is not used for
328.20 these purposes to the total square footage made available as a result of bed layaway or
328.21 delicensure.

328.22 Sec. 21. Minnesota Statutes 2016, section 256B.50, subdivision 1, is amended to read:

328.23 Subdivision 1. **Scope.** A provider may appeal from a determination of a payment rate
328.24 established pursuant to this chapter or allowed costs under ~~section 256B.441~~ chapter 256R
328.25 if the appeal, if successful, would result in a change to the provider's payment rate or to the
328.26 calculation of maximum charges to therapy vendors as provided by section ~~256B.433,~~
328.27 ~~subdivision 3~~ 256R.54. Appeals must be filed in accordance with procedures in this section.
328.28 This section does not apply to a request from a resident or long-term care facility for
328.29 reconsideration of the classification of a resident under section 144.0722.

328.30 Sec. 22. **EFFECTIVE DATE.**

328.31 Sections 1 to 21 are effective the day following final enactment.

329.1 **ARTICLE 10**329.2 **HUMAN SERVICES FORECAST ADJUSTMENTS**329.3 Section 1. **DEPARTMENT OF HUMAN SERVICES FORECAST ADJUSTMENT.**

329.4 The dollar amounts shown are added to or, if shown in parentheses, are subtracted from
 329.5 the appropriations in Laws 2015, chapter 71, article 14, as amended by Laws 2016, chapter
 329.6 189, articles 22 and 23, from the general fund, or any other fund named, to the Department
 329.7 of Human Services for the purposes specified in this article, to be available for the fiscal
 329.8 years indicated for each purpose. The figure "2017" used in this article means that the
 329.9 appropriations listed are available for the fiscal year ending June 30, 2017.

329.10 **APPROPRIATIONS**
 329.11 **Available for the Year**
 329.12 **Ending June 30**
 329.13 **2017**

329.14 **Sec. 2. COMMISSIONER OF HUMAN**
 329.15 **SERVICES**

329.16 **Subdivision 1. Total Appropriation** **\$ (342,045,000)**

329.17 **Appropriations by Fund**

329.18 **2017**

329.19 **General Fund** **(198,450,000)**

329.20 **Health Care Access** **(146,590,000)**

329.21 **TANF** **2,995,000**

329.22 **Subd. 2. Forecasted Programs**

329.23 **(a) MFIP/DWP Grants**

329.24 **Appropriations by Fund**

329.25 **General Fund** **(2,111,000)**

329.26 **TANF** **2,579,000**

329.27 **(b) MFIP Child Care Assistance Grants** **(6,513,000)**

329.28 **(c) General Assistance Grants** **(4,219,000)**

329.29 **(d) Minnesota Supplemental Aid Grants** **(581,000)**

329.30 **(e) Group Residential Housing Grants** **(533,000)**

329.31 **(f) Northstar Care for Children** **2,613,000**

329.32 **(g) MinnesotaCare Grants** **(145,883,000)**

330.1 This appropriation is from the health care
330.2 access fund.

330.3 **(h) Medical Assistance Grants**

330.4 Appropriations by Fund

330.5 General Fund (192,744,000)

330.6 Health Care Access (707,000)

330.7 **(i) Alternative Care Grants** -0-

330.8 **(j) CD Entitlement Grants** 5,638,000

330.9 Subd. 3. Technical Activities 416,000

330.10 This appropriation is from the TANF fund.

330.11 **Sec. 3. EFFECTIVE DATE.**

330.12 Sections 1 and 2 are effective the day following final enactment.

330.13 **ARTICLE 11**

330.14 **APPROPRIATIONS**

330.15 **Section 1. HEALTH AND HUMAN SERVICES APPROPRIATIONS.**

330.16 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
330.17 and for the purposes specified in this article. The appropriations are from the general fund,
330.18 or another named fund, and are available for the fiscal years indicated for each purpose.

330.19 The figures "2018" and "2019" used in this article mean that the appropriations listed under
330.20 them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively.

330.21 "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium"
330.22 is fiscal years 2018 and 2019.

330.23 **APPROPRIATIONS**

330.24 **Available for the Year**

330.25 **Ending June 30**

330.26 **2018** **2019**

330.27 **Sec. 2. COMMISSIONER OF HUMAN**
330.28 **SERVICES**

330.29 Subdivision 1. Total Appropriation \$ 7,303,313,000 \$ 7,360,110,000

331.1	<u>Appropriations by Fund</u>	
331.2	<u>2018</u>	<u>2019</u>
331.3	<u>General</u>	<u>6,755,068,000</u> <u>6,813,850,000</u>
331.4	<u>State Government</u>	
331.5	<u>Special Revenue</u>	<u>4,274,000</u> <u>4,274,000</u>
331.6	<u>Health Care Access</u>	<u>263,748,000</u> <u>279,216,000</u>
331.7	<u>Federal TANF</u>	<u>278,051,000</u> <u>260,497,000</u>
331.8	<u>Lottery Prize</u>	<u>1,896,000</u> <u>1,896,000</u>

331.9 The amounts that may be spent for each
 331.10 purpose are specified in the following
 331.11 subdivisions.

331.12 **Subd. 2. TANF Maintenance of Effort**

331.13 (a) The commissioner shall ensure that
 331.14 sufficient qualified nonfederal expenditures
 331.15 are made each year to meet the state's
 331.16 maintenance of effort (MOE) requirements of
 331.17 the TANF block grant specified under Code
 331.18 of Federal Regulations, title 45, section 263.1.
 331.19 In order to meet these basic TANF/MOE
 331.20 requirements, the commissioner may report
 331.21 as TANF/MOE expenditures only nonfederal
 331.22 money expended for allowable activities listed
 331.23 in the following clauses:

331.24 (1) MFIP cash, diversionary work program,
 331.25 and food assistance benefits under Minnesota
 331.26 Statutes, chapter 256J;

331.27 (2) the child care assistance programs under
 331.28 Minnesota Statutes, sections 119B.03 and
 331.29 119B.05, and county child care administrative
 331.30 costs under Minnesota Statutes, section
 331.31 119B.15;

331.32 (3) state and county MFIP administrative costs
 331.33 under Minnesota Statutes, chapters 256J and
 331.34 256K;

- 332.1 (4) state, county, and tribal MFIP employment
332.2 services under Minnesota Statutes, chapters
332.3 256J and 256K;
- 332.4 (5) expenditures made on behalf of legal
332.5 noncitizen MFIP recipients who qualify for
332.6 the MinnesotaCare program under Minnesota
332.7 Statutes, chapter 256L;
- 332.8 (6) qualifying working family credit
332.9 expenditures under Minnesota Statutes, section
332.10 290.0671;
- 332.11 (7) qualifying Minnesota education credit
332.12 expenditures under Minnesota Statutes, section
332.13 290.0674; and
- 332.14 (8) qualifying Head Start expenditures under
332.15 Minnesota Statutes, section 119A.50.
- 332.16 (b) For the activities listed in paragraph (a),
332.17 clauses (2) to (8), the commissioner may
332.18 report only expenditures that are excluded
332.19 from the definition of assistance under Code
332.20 of Federal Regulations, title 45, section
332.21 260.31.
- 332.22 (c) The commissioner shall ensure that the
332.23 MOE used by the commissioner of
332.24 management and budget for the February and
332.25 November forecasts required under Minnesota
332.26 Statutes, section 16A.103, contains
332.27 expenditures under paragraph (a), clause (1),
332.28 equal to at least 16 percent of the total required
332.29 under Code of Federal Regulations, title 45,
332.30 section 263.1.
- 332.31 (d) The commissioner may not claim an
332.32 amount of TANF/MOE in excess of the 75
332.33 percent standard in Code of Federal

333.1 Regulations, title 45, section 263.1(a)(2),
333.2 except:
333.3 (1) to the extent necessary to meet the 80
333.4 percent standard under Code of Federal
333.5 Regulations, title 45, section 263.1(a)(1), if it
333.6 is determined by the commissioner that the
333.7 state will not meet the TANF work
333.8 participation target rate for the current year;
333.9 (2) to provide any additional amounts under
333.10 Code of Federal Regulations, title 45, section
333.11 264.5, that relate to replacement of TANF
333.12 funds due to the operation of TANF penalties;
333.13 and
333.14 (3) to provide any additional amounts that may
333.15 contribute to avoiding or reducing TANF work
333.16 participation penalties through the operation
333.17 of the excess MOE provisions of Code of
333.18 Federal Regulations, title 45, section 261.43
333.19 (a)(2).
333.20 (e) For the purposes of paragraph (d), the
333.21 commissioner may supplement the MOE claim
333.22 with working family credit expenditures or
333.23 other qualified expenditures to the extent such
333.24 expenditures are otherwise available after
333.25 considering the expenditures allowed in this
333.26 subdivision.
333.27 (f) The requirement in Minnesota Statutes,
333.28 section 256.011, subdivision 3, that federal
333.29 grants or aids secured or obtained under that
333.30 subdivision be used to reduce any direct
333.31 appropriations provided by law, does not apply
333.32 if the grants or aids are federal TANF funds.
333.33 (g) **IT Appropriations Generally.** This
333.34 appropriation includes funds for information

334.1 technology projects, services, and support.
 334.2 Notwithstanding Minnesota Statutes, section
 334.3 16E.0466, funding for information technology
 334.4 project costs shall be incorporated into the
 334.5 service level agreement and paid to the Office
 334.6 of MN.IT Services by the Department of
 334.7 Human Services under the rates and
 334.8 mechanism specified in that agreement.

334.9 **(h) Receipts for Systems Project.**
 334.10 Appropriations and federal receipts for
 334.11 information systems projects for MAXIS,
 334.12 PRISM, MMIS, ISDS, METS, and SSIS must
 334.13 be deposited in the state systems account
 334.14 authorized in Minnesota Statutes, section
 334.15 256.014. Money appropriated for computer
 334.16 projects approved by the commissioner of the
 334.17 Office of MN.IT Services, funded by the
 334.18 legislature, and approved by the commissioner
 334.19 of management and budget may be transferred
 334.20 from one project to another and from
 334.21 development to operations as the
 334.22 commissioner of human services considers
 334.23 necessary. Any unexpended balance in the
 334.24 appropriation for these projects does not
 334.25 cancel and is available for ongoing
 334.26 development and operations.

334.27 **Subd. 3. Central Office; Operations**

334.28	<u>Appropriations by Fund</u>		
334.29	<u>General</u>	<u>105,250,000</u>	<u>103,417,000</u>
334.30	<u>State Government</u>		
334.31	<u>Special Revenue</u>	<u>4,149,000</u>	<u>4,149,000</u>
334.32	<u>Health Care Access</u>	<u>20,025,000</u>	<u>20,025,000</u>
334.33	<u>Federal TANF</u>	<u>100,000</u>	<u>100,000</u>

334.34 **(a) Administrative Recovery; Set-Aside.** The
 334.35 commissioner may invoice local entities
 334.36 through the SWIFT accounting system as an

- 335.1 alternative means to recover the actual cost of
 335.2 administering the following provisions:
- 335.3 (1) Minnesota Statutes, section 125A.744,
 335.4 subdivision 3;
- 335.5 (2) Minnesota Statutes, section 245.495,
 335.6 paragraph (b);
- 335.7 (3) Minnesota Statutes, section 256B.0625,
 335.8 subdivision 20, paragraph (k);
- 335.9 (4) Minnesota Statutes, section 256B.0924,
 335.10 subdivision 6, paragraph (g);
- 335.11 (5) Minnesota Statutes, section 256B.0945,
 335.12 subdivision 4, paragraph (d); and
- 335.13 (6) Minnesota Statutes, section 256F.10,
 335.14 subdivision 6, paragraph (b).

- 335.15 **(b) Base Level Adjustments.** The general
 335.16 fund base is \$103,727,000 in fiscal year 2020
 335.17 and \$103,727,000 in fiscal year 2021.

335.18 **Subd. 4. Central Office; Children and Families**

335.19	<u>Appropriations by Fund</u>		
335.20	<u>General</u>	<u>9,509,000</u>	<u>9,499,000</u>
335.21	<u>Federal TANF</u>	<u>2,582,000</u>	<u>2,582,000</u>

- 335.22 **(a) Financial Institution Data Match and**
 335.23 **Payment of Fees.** The commissioner is
 335.24 authorized to allocate up to \$310,000 each
 335.25 year in fiscal year 2018 and fiscal year 2019
 335.26 from the systems special revenue account to
 335.27 make payments to financial institutions in
 335.28 exchange for performing data matches
 335.29 between account information held by financial
 335.30 institutions and the public authority's database
 335.31 of child support obligors as authorized by
 335.32 Minnesota Statutes, section 13B.06,
 335.33 subdivision 7.

336.1 (b) Base Level Adjustment. The general fund
 336.2 base is \$9,499,000 in fiscal year 2020 and
 336.3 \$9,499,000 in fiscal year 2021.

336.4 Subd. 5. Central Office; Health Care

336.5 Appropriations by Fund

336.6	<u>General</u>	<u>17,907,000</u>	<u>16,915,000</u>
336.7	<u>Health Care Access</u>	<u>19,585,000</u>	<u>19,692,000</u>

336.8 (a) Rates Study. \$227,000 in fiscal year 2018
 336.9 is from the general fund for the medical
 336.10 assistance payment rate study. This is a
 336.11 onetime appropriation.

336.12 (b) Implementation and Operation of an
 336.13 Electronic Service Delivery Documentation
 336.14 System. \$225,000 in fiscal year 2018 and
 336.15 \$183,000 in fiscal year 2019 are from the
 336.16 general fund for the development and
 336.17 implementation of an electronic service
 336.18 delivery documentation system. This is a
 336.19 onetime appropriation.

336.20 (c) Audits. \$153,000 in fiscal year 2018 and
 336.21 \$153,000 in fiscal year 2019 are from the
 336.22 general fund for transfer to the Office of the
 336.23 Legislative Auditor for the auditor to establish
 336.24 and maintain a team of auditors with the
 336.25 training and experience necessary to fulfill the
 336.26 requirements in Minnesota Statutes, section
 336.27 3.972, subdivision 2a.

336.28 (d) Savings from Improved Eligibility
 336.29 Verification. The commissioner of human
 336.30 services shall implement periodic data
 336.31 matching under Minnesota Statutes, section
 336.32 256B.0561, the recommendations of the
 336.33 legislative auditor provided under Minnesota
 336.34 Statutes, section 3.972, subdivision 2a, and

337.1 other eligibility verification initiatives for
 337.2 enrollees or beneficiaries of all health care,
 337.3 income maintenance, and social service
 337.4 programs administered by the commissioner,
 337.5 in a manner sufficient to achieve savings of
 337.6 \$80,000,000 in fiscal year 2018 and
 337.7 \$90,000,000 in fiscal year 2019.

337.8 **(e) Chronic Pain Rehabilitation Therapy**
 337.9 **Demonstration Project. \$1,000,000 in fiscal**
 337.10 **year 2018 is from the general fund for a**
 337.11 **chronic pain rehabilitation therapy**
 337.12 **demonstration project with a rehabilitation**
 337.13 **institute. This is a onetime appropriation.**

337.14 **(f) Base Level Adjustments. The general fund**
 337.15 **base is \$16,450,000 in fiscal year 2020 and**
 337.16 **\$16,448,000 in fiscal year 2021. The health**
 337.17 **care access fund base is \$19,692,000 in fiscal**
 337.18 **year 2020 and \$19,692,000 in fiscal year 2021.**

337.19 **Subd. 6. Central Office; Continuing Care for**
 337.20 **Older Adults**

337.21	<u>Appropriations by Fund</u>	
337.22	<u>General</u>	<u>14,386,000</u> <u>14,357,000</u>
337.23	<u>State Government</u>	
337.24	<u>Special Revenue</u>	<u>125,000</u> <u>125,000</u>

337.25 **(a) Alzheimer's Disease Working Group.**
 337.26 **\$83,000 in fiscal year 2018 and \$71,000 in**
 337.27 **fiscal year 2019 are from the general fund for**
 337.28 **the Alzheimer's disease working group. This**
 337.29 **is a onetime appropriation.**

337.30 **(b) Base Level Adjustment. The general fund**
 337.31 **base is \$14,297,000 in fiscal year 2020 and**
 337.32 **\$14,297,000 in fiscal year 2021.**

337.33 **Subd. 7. Central Office; Community Supports**

337.34	<u>Appropriations by Fund</u>	
337.35	<u>General</u>	<u>28,103,000</u> <u>27,011,000</u>

338.1 Lottery Prize 163,000 163,000

338.2 **(a) Deaf and Hard-of-Hearing Services.**

338.3 \$850,000 in fiscal year 2018 and \$700,000 in
338.4 fiscal year 2019 are from the general fund for
338.5 the Deaf and Hard-of-Hearing Services
338.6 Division under Minnesota Statutes, section
338.7 256C.233. \$150,000 of this appropriation each
338.8 year must be used for technology
338.9 improvements, technology support, and
338.10 training for staff on the use of technology for
338.11 external-facing services to implement
338.12 Minnesota Statutes, section 256C.24,
338.13 subdivision 2, paragraph (a), clause (12).

338.14 **(b) Individual Budgeting Model. \$435,000**
338.15 in fiscal year 2018 and \$65,000 in fiscal year
338.16 2019 are from the general fund for the
338.17 commissioner of human services to study and
338.18 develop an individual budgeting model for
338.19 disability waiver recipients and those
338.20 accessing services through consumer-directed
338.21 community supports. The commissioner shall
338.22 submit recommendations to the chairs and
338.23 ranking minority members of the legislative
338.24 committees with jurisdiction over these
338.25 programs by January 15, 2019. This is a
338.26 onetime appropriation.

338.27 **(c) Home and Community-Based Services**
338.28 **Reform Waiver Consolidation. \$72,000 in**
338.29 fiscal year 2018 and \$105,000 in fiscal year
338.30 2019 are from the general fund for the
338.31 commissioner to conduct a study on
338.32 consolidating the four disability home and
338.33 community-based services waivers into one
338.34 program. This is a onetime appropriation and
338.35 the unencumbered balance in the first year

339.1 does not cancel but is available in the second
 339.2 year. Based on the finding of the consolidation
 339.3 study, the commissioner shall submit
 339.4 recommendations for consolidation of the four
 339.5 home and community-based services waivers
 339.6 into one program to the chairs and ranking
 339.7 minority members of the legislative
 339.8 committees with jurisdiction over health and
 339.9 human services by January 15, 2019.

339.10 (d) **Base Level Adjustment.** The general fund
 339.11 base is \$26,012,000 in fiscal year 2020 and
 339.12 \$26,012,000 in fiscal year 2021.

339.13 Subd. 8. **Forecasted Programs; MFIP/DWP**

339.14	<u>Appropriations by Fund</u>		
339.15	<u>General</u>	<u>88,930,000</u>	<u>98,537,000</u>
339.16	<u>Federal TANF</u>	<u>92,732,000</u>	<u>75,025,000</u>

339.17	<u>Subd. 9. Forecasted Programs; MFIP Child Care</u>		
339.18	<u>Assistance</u>	<u>112,178,000</u>	<u>110,791,000</u>

339.19	<u>Subd. 10. Forecasted Programs; General</u>		
339.20	<u>Assistance</u>	<u>55,536,000</u>	<u>57,221,000</u>

339.21 (a) **General Assistance Standard.** The
 339.22 commissioner shall set the monthly standard
 339.23 of assistance for general assistance units
 339.24 consisting of an adult recipient who is
 339.25 childless and unmarried or living apart from
 339.26 parents or a legal guardian at \$203. The
 339.27 commissioner may reduce this amount
 339.28 according to Laws 1997, chapter 85, article 3,
 339.29 section 54.

339.30 (b) **Emergency General Assistance.** The
 339.31 amount appropriated for emergency general
 339.32 assistance is limited to no more than
 339.33 \$6,729,812 in fiscal year 2018 and \$6,729,812
 339.34 in fiscal year 2019. Funds to counties shall be
 339.35 allocated by the commissioner using the

340.1 allocation method under Minnesota Statutes,
 340.2 section 256D.06.

340.3 **Subd. 11. Forecasted Programs; Minnesota**
 340.4 **Supplemental Aid** 40,484,000 41,634,000

340.5 **Subd. 12. Forecasted Programs; Group**
 340.6 **Residential Housing** 170,337,000 180,668,000

340.7 **Subd. 13. Forecasted Programs; Northstar Care**
 340.8 **for Children** 80,542,000 96,433,000

340.9 **Subd. 14. Forecasted Programs; MinnesotaCare** 12,172,000 12,763,000

340.10 This appropriation is from the health care
 340.11 access fund.

340.12 **Subd. 15. Forecasted Programs; Medical**
 340.13 **Assistance**

340.14 Appropriations by Fund

340.15 <u>General</u>	<u>5,146,749,000</u>	<u>5,162,848,000</u>
340.16 <u>Health Care Access</u>	<u>210,866,000</u>	<u>225,636,000</u>

340.17 **(a) Behavioral Health Services. \$1,000,000**
 340.18 each fiscal year is for behavioral health
 340.19 services provided by hospitals identified under
 340.20 Minnesota Statutes, section 256.969,
 340.21 subdivision 2b, paragraph (a), clause (4). The
 340.22 increase in payments shall be made by
 340.23 increasing the adjustment under Minnesota
 340.24 Statutes, section 256.969, subdivision 2b,
 340.25 paragraph (e), clause (2).

340.26 **(b) Integrated Health Partnerships.**
 340.27 \$375,000 in fiscal year 2018 and \$250,000 in
 340.28 fiscal year 2019 are from the general fund for
 340.29 the commissioner to provide financial
 340.30 assistance to participating providers for costs
 340.31 required to establish an integrated health
 340.32 partnership, including but not limited to
 340.33 collecting and reporting information on health
 340.34 outcomes, quality of care, and health care
 340.35 costs; training practitioners and staff to use
 340.36 new care models and participate in care

341.1 coordination; or participating in research and
341.2 evaluation of the projects. This is a onetime
341.3 appropriation.

341.4 (c) **Vendor contract.** \$125,000 in fiscal year
341.5 2018 and \$250,000 in fiscal year 2019 are
341.6 from the general fund for the commissioner
341.7 to contract with state-certified health
341.8 information exchange (HIE) vendors in order
341.9 to support providers participating in an
341.10 integrated health partnership under Minnesota
341.11 Statutes, section 256B.0755, to connect
341.12 enrollees with community supports and social
341.13 services and improve collaboration among
341.14 participating and authorized providers.

341.15 (d) **Contingent Rate Reductions.** If the
341.16 commissioner determines that competitive
341.17 bidding reform, health care delivery pilot
341.18 projects, and hospital and managed care
341.19 organization outcomes will not achieve a state
341.20 general fund savings of \$204,905,000 for the
341.21 biennium beginning July 1, 2017, the
341.22 commissioner shall calculate an estimate of
341.23 the shortfall in savings and, for fiscal year
341.24 2019, shall reduce medical assistance provider
341.25 payment rates, including but not limited to
341.26 rates to individual health care providers and
341.27 provider agencies, hospitals, other residential
341.28 settings, and capitation rates provided to
341.29 managed care and county-based purchasing
341.30 plans, but excluding nursing facilities, by the
341.31 amount necessary to recoup the shortfall in
341.32 savings over that fiscal year.

341.33 (e) **Base Level Adjustment.** The health care
341.34 access fund base for medical assistance is

342.1	<u>\$225,636,000 in fiscal year 2020 and</u>		
342.2	<u>\$225,636,000 in fiscal year 2021.</u>		
342.3	<u>Subd. 16. Forecasted Programs; Alternative</u>		
342.4	<u>Care</u>	<u>44,250,000</u>	<u>44,833,000</u>
342.5	<u>Alternative Care Transfer.</u> Any money		
342.6	<u>allocated to the alternative care program that</u>		
342.7	<u>is not spent for the purposes indicated does</u>		
342.8	<u>not cancel but must be transferred to the</u>		
342.9	<u>medical assistance account.</u>		
342.10	<u>Subd. 17. Forecasted Programs; Chemical</u>		
342.11	<u>Dependency Treatment Fund</u>	<u>119,251,000</u>	<u>138,117,000</u>
342.12	<u>Subd. 18. Grant Programs; Support Services</u>		
342.13	<u>Grants</u>		
342.14	<u>Appropriations by Fund</u>		
342.15	<u>General</u>	<u>8,715,000</u>	<u>8,715,000</u>
342.16	<u>Federal TANF</u>	<u>96,311,000</u>	<u>96,311,000</u>
342.17	<u>Subd. 19. Grant Programs; Basic Sliding Fee</u>		
342.18	<u>Child Care Assistance Grants</u>	<u>51,945,000</u>	<u>48,660,000</u>
342.19	<u>Base Level Adjustment.</u> The general fund		
342.20	<u>base is \$48,737,000 in fiscal year 2020 and</u>		
342.21	<u>\$48,809,000 in fiscal year 2021.</u>		
342.22	<u>Subd. 20. Grant Programs; Child Care</u>		
342.23	<u>Development Grants</u>	<u>1,737,000</u>	<u>1,737,000</u>
342.24	<u>Subd. 21. Grant Programs; Child Support</u>		
342.25	<u>Enforcement Grants</u>	<u>50,000</u>	<u>50,000</u>
342.26	<u>Subd. 22. Grant Programs; Children's Services</u>		
342.27	<u>Grants</u>		
342.28	<u>Appropriations by Fund</u>		
342.29	<u>General</u>	<u>40,465,000</u>	<u>40,265,000</u>
342.30	<u>Federal TANF</u>	<u>140,000</u>	<u>140,000</u>
342.31	<u>(a) Title IV-E Adoption Assistance.</u>		
342.32	<u>Additional federal reimbursement to the state</u>		
342.33	<u>as a result of the Fostering Connections to</u>		
342.34	<u>Success and Increasing Adoptions Act's</u>		
342.35	<u>expanded eligibility for title IV-E adoption</u>		
342.36	<u>assistance is appropriated to the commissioner</u>		

343.1 for postadoption, foster care, adoption, and
 343.2 kinship services, including a parent-to-parent
 343.3 support network.

343.4 **(b) Adoption Assistance Incentive Grants.**
 343.5 Federal funds available during fiscal years
 343.6 2018 and 2019 for adoption incentive grants
 343.7 are appropriated to the commissioner for
 343.8 postadoption, foster care, adoption, and
 343.9 kinship services, including a parent-to-parent
 343.10 support network.

343.11 **(c) Crisis Nursery Services. \$200,000 in**
 343.12 fiscal year 2018 is from the general fund for
 343.13 a grant to an organization in Minneapolis that
 343.14 provides free, voluntary crisis nursery services
 343.15 for families in crisis 24 hours per day, 365
 343.16 days per year; crisis counseling; overnight
 343.17 residential child care; a 24-hour crisis hotline;
 343.18 and parent education to provide a
 343.19 trauma-informed continuum of care for
 343.20 families living in poverty, to continue efforts
 343.21 to prevent child abuse and neglect, and to
 343.22 develop practices that can be shared with
 343.23 organizations around the state to reduce child
 343.24 abuse and neglect. This is a onetime
 343.25 appropriation.

343.26 **(d) White Earth Band of Ojibwe Child**
 343.27 **Welfare Services. \$1,600,000 in fiscal year**
 343.28 **2018 and \$1,600,000 in fiscal year 2019 are**
 343.29 **from the general fund for a grant to the White**
 343.30 **Earth Band of Ojibwe for purposes of**
 343.31 **delivering child welfare services.**

343.32	<u>Subd. 23. Grant Programs; Children and</u>		
343.33	<u>Community Service Grants</u>	<u>58,201,000</u>	<u>58,201,000</u>
343.34	<u>Subd. 24. Grant Programs; Children and</u>		
343.35	<u>Economic Support Grants</u>	<u>35,760,000</u>	<u>33,000,000</u>

- 344.1 **(a) Minnesota Food Assistance Program.**
344.2 Unexpended funds for the Minnesota food
344.3 assistance program for fiscal year 2018 do not
344.4 cancel but are available for this purpose in
344.5 fiscal year 2019.
- 344.6 **(b) Long-term Homeless Supportive**
344.7 **Services.** \$500,000 in fiscal year 2018 and
344.8 \$500,000 in fiscal year 2019 are for the
344.9 long-term homeless supportive services fund
344.10 under Minnesota Statutes, section 256K.26.
344.11 This is a onetime appropriation.
- 344.12 **(c) Housing with Supports.** \$750,000 in fiscal
344.13 year 2018 and \$750,000 in fiscal year 2019
344.14 are for the housing with supports for adults
344.15 with serious mental illness grant under
344.16 Minnesota Statutes, section 245.4661,
344.17 subdivision 9, paragraph (a), clause (2). This
344.18 is a onetime appropriation.
- 344.19 **(d) Transitional Housing.** \$250,000 in fiscal
344.20 year 2018 and \$250,000 in fiscal year 2019
344.21 are for the transitional housing program under
344.22 Minnesota Statutes, section 256E.33. This is
344.23 a onetime appropriation.
- 344.24 **(e) Emergency Services Program.** \$125,000
344.25 in fiscal year 2018 and \$125,000 in fiscal year
344.26 2019 are for the emergency services program,
344.27 which provides services and emergency shelter
344.28 for homeless Minnesotans under Minnesota
344.29 Statutes, section 256E.36. This is a onetime
344.30 appropriation.
- 344.31 **(f) Mobile Food Shelf Grants.** \$2,000,000 in
344.32 fiscal year 2018 is for mobile food shelf
344.33 grants. Of this amount, \$1,000,000 is for
344.34 sustaining existing mobile programs and

345.1 \$1,000,000 is for creating new mobile
345.2 programs. The unencumbered balance in the
345.3 first year does not cancel but is available for
345.4 the second year. This is a onetime
345.5 appropriation.

345.6 (g) **Food Shelf Programs.** \$565,000 in fiscal
345.7 year 2018 and \$565,000 in fiscal year 2019
345.8 are for food shelf programs under Minnesota
345.9 Statutes, section 256E.34. This appropriation
345.10 may be used to purchase proteins, fruits,
345.11 vegetables, and diapers.

345.12 (h) **Dental Services Grants.** \$500,000 in
345.13 fiscal year 2018 and \$500,000 in fiscal year
345.14 2019 are for the commissioner to award dental
345.15 services grants. This is a onetime
345.16 appropriation. The commissioner may award
345.17 grants under this section to:

345.18 (1) nonprofit community clinics;

345.19 (2) federally qualified health centers, rural
345.20 health clinics, and public health clinics;

345.21 (3) hospital-based dental clinics owned and
345.22 operated by a city, county, or former state
345.23 hospital as defined in Minnesota Statutes,
345.24 section 62Q.19, subdivision 1, paragraph (a),
345.25 clause (4); and

345.26 (4) a dental clinic owned and operated by the
345.27 University of Minnesota or the Minnesota
345.28 State Colleges and Universities system.

345.29 Grants may be used to fund costs related to
345.30 maintaining, coordinating, and improving
345.31 access for medical assistance and
345.32 MinnesotaCare enrollees to dental care in a
345.33 region.

346.1 The commissioner shall consider the following
346.2 in awarding the grants: experience in
346.3 delivering dental services to medical assistance
346.4 and MinnesotaCare enrollees in urban and
346.5 rural communities; the potential to
346.6 successfully maintain or expand access to
346.7 dental services for medical assistance and
346.8 MinnesotaCare enrollees; and demonstrated
346.9 capability to provide access to care for
346.10 children, adults, and seniors with special
346.11 needs, individuals with complex medical and
346.12 dental needs, recent immigrants and
346.13 non-English speakers, and students attending
346.14 schools with a high percentage of low-income
346.15 students.

346.16 **(i) Community Action Grants. \$1,000,000**
346.17 in fiscal year 2018 and \$1,000,000 in fiscal
346.18 year 2019 are for purposes of community
346.19 action grants under Minnesota Statutes,
346.20 sections 256E.30 to 256E.32. This is a onetime
346.21 appropriation.

346.22 **(j) Health and Wellness Center. \$200,000**
346.23 in fiscal year 2018 and \$200,000 in fiscal year
346.24 2019 are for a grant to a health and wellness
346.25 center located in North Minneapolis that is a
346.26 federally qualified health center. This is a
346.27 onetime appropriation. The center must use
346.28 the grant money to offer coparent services to
346.29 unmarried parents. The center must develop
346.30 a process to inform and educate unmarried
346.31 parents about the center's coparent services.
346.32 The coparent services must include the
346.33 following:

346.34 (1) coparenting workshops for the unmarried
346.35 parents;

347.1 (2) assistance to the unmarried parents in
347.2 developing a parenting plan that specifies a
347.3 schedule of the time each parent spends with
347.4 the child, child support obligations, and a
347.5 designation of decision-making responsibilities
347.6 regarding the child's education, medical needs,
347.7 and religious upbringing;

347.8 (3) an assessment of social services needs for
347.9 each parent; and

347.10 (4) additional social services support,
347.11 including support related to employment,
347.12 education, and housing.

347.13 The parenting plan assistance must include
347.14 the option of using private mediation.

347.15 The coparent workshops must focus at a
347.16 minimum on (i) the benefits to the child of
347.17 having both parents involved in a child's life,
347.18 (ii) promoting both parents' participation in a
347.19 child's life, (iii) building coparenting and
347.20 communication skills, (iv) information on
347.21 establishing paternity, (v) assisting parents in
347.22 developing a parenting plan, and (vi) educating
347.23 participants on how to foster a nonresident
347.24 parent's continued involvement in a child's
347.25 life.

347.26 (k) **Safe Harbor Program.** \$300,000 in fiscal
347.27 year 2018 and \$300,000 in fiscal year 2019
347.28 are for emergency shelter and transitional and
347.29 long-term housing beds for sexually exploited
347.30 youth and youth at risk of sexual exploitation.
347.31 Youth 24 years of age or younger are eligible
347.32 for shelter and housing beds under this
347.33 paragraph. In funding shelter and housing
347.34 beds, the commissioner shall emphasize

348.1 activities that promote capacity-building and
 348.2 development of resources in greater
 348.3 Minnesota. This is a onetime appropriation.

348.4 **(l) Family Assets for Independence in**
 348.5 **Minnesota. \$250,000 in fiscal year 2018 and**
 348.6 **\$250,000 in fiscal year 2019 are for the**
 348.7 **purposes described in Minnesota Statutes,**
 348.8 **section 256E.35, family assets for**
 348.9 **independence in Minnesota.**

348.10 **(m) Girls' Ranch, Benson. \$970,000 in fiscal**
 348.11 **year 2018 is for a grant to a girls' ranch in**
 348.12 **Benson that provides housing, supportive**
 348.13 **services, educational services, and equine**
 348.14 **therapy, for purposes of predesigning,**
 348.15 **designing, constructing, furnishing, and**
 348.16 **equipping a house with capacity for ten beds,**
 348.17 **and a second horse riding arena. This is a**
 348.18 **onetime appropriation.**

348.19 **(n) Base Level Adjustment. The general fund**
 348.20 **base is \$29,125,000 in fiscal year 2020 and**
 348.21 **\$29,125,000 in fiscal year 2021.**

348.22 **Subd. 25. Grant Programs; Health Care Grants**

348.23	<u>Appropriations by Fund</u>		
348.24	<u>General</u>	<u>5,044,000</u>	<u>4,611,000</u>
348.25	<u>Health Care Access</u>	<u>350,000</u>	<u>350,000</u>

348.26 **Provider Capacity Grants. \$425,000 in fiscal**
 348.27 **year 2018 and \$400,000 in fiscal year 2019**
 348.28 **are from the general fund for the commissioner**
 348.29 **to provide substance use disorder provider**
 348.30 **capacity grants. Of the appropriation for fiscal**
 348.31 **year 2018, \$25,000 is for administrative costs.**
 348.32 **This is a onetime appropriation.**

348.33	<u>Subd. 26. Grant Programs; Other Long-Term</u>		
348.34	<u>Care Grants</u>	<u>1,500,000</u>	<u>1,925,000</u>

349.1	<u>Subd. 27. Grant Programs; Aging and Adult</u>		
349.2	<u>Services Grants</u>	<u>28,837,000</u>	<u>28,362,000</u>
349.3	<u>(a) Caregiver Support Programs. \$200,000</u>		
349.4	<u>in fiscal year 2018 and \$200,000 in fiscal year</u>		
349.5	<u>2019 are for the purposes of caregiver support</u>		
349.6	<u>programs under Minnesota Statutes, section</u>		
349.7	<u>256.9755.</u>		
349.8	<u>(b) Advanced In-Home Activity-Monitoring</u>		
349.9	<u>Systems. \$40,000 in fiscal year 2018 is for a</u>		
349.10	<u>grant to a local research organization with</u>		
349.11	<u>expertise in identifying current and potential</u>		
349.12	<u>support systems and examining the capacity</u>		
349.13	<u>of those systems to meet the needs of the</u>		
349.14	<u>growing population of elderly persons to</u>		
349.15	<u>conduct a comprehensive assessment of</u>		
349.16	<u>current literature, past research, and an</u>		
349.17	<u>environmental scan of the field related to</u>		
349.18	<u>advanced in-home activity-monitoring systems</u>		
349.19	<u>for elderly persons. The commissioner must</u>		
349.20	<u>report the results of the assessment by January</u>		
349.21	<u>15, 2018, to the legislative committees and</u>		
349.22	<u>divisions with jurisdiction over health and</u>		
349.23	<u>human services policy and finance. This is a</u>		
349.24	<u>onetime appropriation.</u>		
349.25	<u>(c) Base Level Adjustment. The general fund</u>		
349.26	<u>base is \$28,797,000 in fiscal year 2020 and</u>		
349.27	<u>\$28,362,000 in fiscal year 2021.</u>		
349.28	<u>Subd. 28. Grant Programs; Deaf and</u>		
349.29	<u>Hard-of-Hearing Grants</u>	<u>2,625,000</u>	<u>2,775,000</u>
349.30	<u>Deaf and Hard-of-Hearing Grants. \$750,000</u>		
349.31	<u>in fiscal year 2018 and \$900,000 in fiscal year</u>		
349.32	<u>2019 are for deaf and hard-of-hearing grants.</u>		
349.33	<u>The funds must be used to provide services to</u>		
349.34	<u>Minnesotans who are deafblind under</u>		
349.35	<u>Minnesota Statutes, section 256C.261, to</u>		

350.1 provide culturally affirmative psychiatric
 350.2 services, and to provide linguistically and
 350.3 culturally appropriate mental health services
 350.4 to children who are deaf, children who are
 350.5 deafblind, and children who are
 350.6 hard-of-hearing. Of this appropriation,
 350.7 \$103,000 each year is to increase the grant to
 350.8 provide mentors who have hearing loss to
 350.9 parents of infants and children with newly
 350.10 identified hearing loss. Each year the division
 350.11 must provide funds for training in ProTactile
 350.12 American Sign Language or other
 350.13 communication systems used by people who
 350.14 are deafblind. Training shall be provided to
 350.15 persons who are deafblind and to interpreters,
 350.16 support service providers, and intervenors who
 350.17 work with persons who are deafblind.

350.18 <u>Subd. 29. Grant Programs; Disabilities Grants</u>	<u>23,770,000</u>	<u>24,770,000</u>
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350.19 **(a) Minnesota Organization on Fetal**
 350.20 **Alcohol Syndrome.** \$500,000 in fiscal year
 350.21 2018 and \$500,000 in fiscal year 2019 are for
 350.22 a grant to the Minnesota Organization on Fetal
 350.23 Alcohol Syndrome (MOFAS). This is a
 350.24 onetime appropriation. Of this amount,
 350.25 MOFAS shall make grants to eligible regional
 350.26 collaboratives that fulfill the requirements in
 350.27 this paragraph. "Eligible regional
 350.28 collaboratives" means a partnership between
 350.29 at least one local government and at least one
 350.30 community-based organization and, where
 350.31 available, a family home visiting program. For
 350.32 purposes of this paragraph, a local government
 350.33 includes a county or multicounty organization,
 350.34 a tribal government, a county-based
 350.35 purchasing entity, or a community health
 350.36 board. Eligible regional collaboratives must

351.1 use grant funds to reduce the incidence of fetal
351.2 alcohol syndrome disorders and other prenatal
351.3 drug-related effects in children in Minnesota
351.4 by identifying and serving pregnant women
351.5 suspected of or known to use or abuse alcohol
351.6 or other drugs. The eligible regional
351.7 collaboratives must provide intensive services
351.8 to chemically dependent women to increase
351.9 positive birth outcomes. MOFAS must make
351.10 grants to eligible regional collaboratives from
351.11 both rural and urban areas. A grant recipient
351.12 must report to the commissioner of human
351.13 services annually by January 15 on the
351.14 services and programs funded by the
351.15 appropriation. The report must include
351.16 measurable outcomes for the previous year,
351.17 including the number of pregnant women
351.18 served and the number of toxic-free babies
351.19 born.

351.20 **(b) Services for Persons with Intellectual**
351.21 **and Developmental Disabilities. \$143,000**
351.22 **in fiscal year 2018 and \$143,000 in fiscal year**
351.23 **2019 are for a grant to an organization**
351.24 **governed by persons with intellectual and**
351.25 **developmental disabilities and administering**
351.26 **a statewide network of disability groups to**
351.27 **maintain and promote self-advocacy services**
351.28 **and supports for persons with intellectual and**
351.29 **developmental disabilities throughout the state.**

351.30 Grant funds must be used for the following
351.31 purposes:

351.32 (1) to maintain the infrastructure needed to
351.33 train and support the activities of a statewide
351.34 network of peer-to-peer mentors for persons
351.35 with developmental disabilities, focused on

- 352.1 building awareness of service options and
352.2 advocacy skills necessary to move toward full
352.3 inclusion in community life, including the
352.4 development and delivery of the curriculum
352.5 to support the peer-to-peer network;
352.6 (2) to provide outreach activities, including
352.7 statewide conferences and disability
352.8 networking opportunities focused on
352.9 self-advocacy, informed choice, and
352.10 community engagement skills;
352.11 (3) to provide an annual leadership program
352.12 for persons with intellectual and
352.13 developmental disabilities; and
352.14 (4) to provide for administrative and general
352.15 operating costs associated with managing and
352.16 maintaining facilities, program delivery,
352.17 evaluation, staff, and technology.
352.18 **(c) Outreach to Persons in Institutional**
352.19 **Settings.** \$105,000 in fiscal year 2018 and
352.20 \$105,000 in fiscal year 2019 are for a grant to
352.21 an organization governed by persons with
352.22 intellectual and developmental disabilities and
352.23 administering a statewide network of disability
352.24 groups to be used for subgrants to
352.25 organizations in Minnesota to conduct
352.26 outreach to persons working and living in
352.27 institutional settings to provide education and
352.28 information about community options. Grant
352.29 funds must be used to deliver peer-led skill
352.30 training sessions in six regions of the state to
352.31 help persons with intellectual and
352.32 developmental disabilities understand
352.33 community service options related to:
352.34 (1) housing;

- 353.1 (2) employment;
- 353.2 (3) education;
- 353.3 (4) transportation;
- 353.4 (5) emerging service reform initiatives
- 353.5 contained in the state's Olmstead plan; the
- 353.6 Workforce Innovation and Opportunity Act,
- 353.7 Public Law 113-128; and federal home and
- 353.8 community-based services regulations; and
- 353.9 (6) connecting with individuals who can help
- 353.10 persons with intellectual and developmental
- 353.11 disabilities make an informed choice and plan
- 353.12 for a transition in services.
- 353.13 **(d) Life Skills Training for Individuals with**
- 353.14 **Autism Spectrum Disorder. \$250,000 in**
- 353.15 **fiscal year 2018 and \$250,000 in fiscal year**
- 353.16 **2019 are for a grant to an organization located**
- 353.17 **in Richfield that provides life skills training**
- 353.18 **to young adults with learning disabilities to**
- 353.19 **meet the needs of individuals with autism**
- 353.20 **spectrum disorder. This appropriation may be**
- 353.21 **used to:**
- 353.22 **(1) create a best practices curriculum for**
- 353.23 **servicing individuals with autism spectrum**
- 353.24 **disorder in residential placements with**
- 353.25 **therapeutic programming; and**
- 353.26 **(2) expand facilities by adding safety features,**
- 353.27 **living spaces, and academic areas.**
- 353.28 **Any unexpended balance in the first year is**
- 353.29 **available in the second year.**
- 353.30 **(e) Disability Waiver Rate System**
- 353.31 **Transition Grants. \$2,000,000 in fiscal year**
- 353.32 **2018 and \$3,000,000 in fiscal year 2019 are**
- 353.33 **from the general fund for grants to home and**

354.1 community-based waiver services providers
 354.2 that will receive at least a ten-percent decrease
 354.3 in revenues due to the transition to rates
 354.4 calculated under Minnesota Statutes, section
 354.5 256B.4914. Grants shall ensure ongoing
 354.6 access for individuals currently receiving these
 354.7 services and provide stability to provider
 354.8 organizations as they transition to new service
 354.9 delivery models. The base for fiscal year 2020
 354.10 is \$1,000,000. This is a onetime appropriation.

354.11 (f) **Base Level Adjustment.** The general fund
 354.12 base is \$22,022,000 in fiscal year 2020 and
 354.13 \$21,022,000 in fiscal year 2021.

354.14 Subd. 30. **Grant Programs; Adult Mental Health**
 354.15 **Grants**

354.16	<u>Appropriations by Fund</u>		
354.17	<u>General</u>	<u>88,626,000</u>	<u>83,949,000</u>
354.18	<u>Health Care Access</u>	<u>750,000</u>	<u>750,000</u>
354.19	<u>Lottery Prize</u>	<u>1,733,000</u>	<u>1,733,000</u>

354.20 (a) **Mental Health Innovation Grant**
 354.21 **Program.** \$4,000,000 in fiscal year 2018 is
 354.22 from the general fund for the mental health
 354.23 innovation grant program. This is a onetime
 354.24 appropriation and is available until June 30,
 354.25 2021.

354.26 (b) **Housing Options for Persons with**
 354.27 **Serious Mental Illness.** \$1,250,000 in fiscal
 354.28 year 2018 and \$1,250,000 in fiscal year 2019
 354.29 are from the general fund to the commissioner
 354.30 for adult mental health grants under Minnesota
 354.31 Statutes, section 245.4661, subdivision 9,
 354.32 paragraph (a), clause (2), to support increased
 354.33 availability of housing options with supports
 354.34 for persons with serious mental illness. This
 354.35 is a onetime appropriation.

355.1 **(c) Assertive Community Treatment.**
355.2 \$500,000 in fiscal year 2018 and \$500,000 in
355.3 fiscal year 2019 are from the general fund to
355.4 the commissioner for adult mental health
355.5 grants under Minnesota Statutes, section
355.6 256B.0622, subdivision 12, to expand
355.7 assertive community treatment services. This
355.8 is a onetime appropriation.

355.9 **(d) Mental Health Crisis Services.**
355.10 \$1,000,000 in fiscal year 2018 and \$1,000,000
355.11 in fiscal year 2019 are from the general fund
355.12 to the commissioner for adult mental health
355.13 grants under Minnesota Statutes, section
355.14 245.4661, and children's mental health grants
355.15 under Minnesota Statutes, section 245.4889,
355.16 to expand mental health crisis services,
355.17 including:
355.18 (1) mobile crisis services;
355.19 (2) residential crisis services;
355.20 (3) colocation of mobile crisis services in
355.21 urgent care clinics and psychiatric emergency
355.22 departments; and
355.23 (4) development of co-responder mental health
355.24 crisis response models.

355.25 This is a onetime appropriation.

355.26 **(e) Text Message Suicide Prevention and**
355.27 **Mental Health Crisis Response Program.**
355.28 \$657,000 in fiscal year 2018 is from the
355.29 general fund for a grant to a nonprofit to make
355.30 the text message suicide prevention and mental
355.31 health crisis response program available
355.32 statewide. This is a onetime appropriation.
355.33 The nonprofit shall use grant funds to:

356.1 (1) operate the text message suicide prevention
 356.2 and mental health crisis response program
 356.3 statewide and provide a method of response
 356.4 that triages inquiries, provides immediate
 356.5 access to suicide prevention and crisis
 356.6 counseling over the telephone or via text
 356.7 messaging, and provides individual, family,
 356.8 or community education;

356.9 (2) connect individuals with trained crisis
 356.10 counselors and access to local resources,
 356.11 including referrals to community mental health
 356.12 options, emergency departments, and locally
 356.13 available mobile crisis teams, when
 356.14 appropriate;

356.15 (3) maximize availability of services and
 356.16 access across the state, in conjunction with
 356.17 other suicide prevention programs and
 356.18 services; and

356.19 (4) provide community education on the
 356.20 availability of the program and how to access
 356.21 the program.

356.22 **Subd. 31. Grant Programs; Child Mental Health**
 356.23 **Grants**

21,793,000

21,858,000

356.24 **(a) First Psychotic Episode Funding.**
 356.25 \$750,000 in fiscal year 2018 and \$750,000 in
 356.26 fiscal year 2019 are to fund grants under
 356.27 Minnesota Statutes, section 245.4889,
 356.28 subdivision 1, paragraph (b), clause (15).
 356.29 Funding shall be used to:

356.30 (1) provide intensive treatment and supports
 356.31 to adolescents and adults experiencing or at
 356.32 risk of a first psychotic episode. Intensive
 356.33 treatment and support includes medication
 356.34 management, psychoeducation for the
 356.35 individual and family, case management,

357.1 employment supports, education supports,
357.2 cognitive behavioral approaches, social skills
357.3 training, peer support, crisis planning, and
357.4 stress management. Projects must use all
357.5 available funding streams;

357.6 (2) conduct outreach, training, and guidance
357.7 to mental health and health care professionals,
357.8 including postsecondary health clinics, on
357.9 early psychosis symptoms, screening tools,
357.10 and best practices; and

357.11 (3) ensure access to first psychotic episode
357.12 psychosis services under this section,
357.13 including ensuring access for individuals who
357.14 live in rural areas. Funds may be used to pay
357.15 for housing or travel or to address other
357.16 barriers to individuals and their families
357.17 participating in first psychotic episode
357.18 services.

357.19 **(b) Children's School-Linked Mental Health**
357.20 **Grants.** \$2,000,000 in fiscal year 2018 and
357.21 \$2,000,000 in fiscal year 2019 are for
357.22 children's school-linked mental health grants
357.23 under Minnesota Statutes, section 245.4889,
357.24 subdivision 1, paragraph (b), clause (8), to
357.25 expand services to school districts or counties
357.26 in which school-linked mental health services
357.27 are not available and to fund transportation
357.28 for children using school-linked mental health
357.29 services when school is not in session. The
357.30 commissioner shall require grantees to use all
357.31 available third-party reimbursement sources
357.32 as a condition of the receipt of grant funds.
357.33 For purposes of this appropriation, a
357.34 third-party reimbursement source does not

358.1 include a public school under Minnesota
 358.2 Statutes, section 120A.20, subdivision 1.

358.3 **(c) Respite Care Services.** \$282,000 in fiscal
 358.4 year 2018 and \$282,000 in fiscal year 2019
 358.5 are for children's mental health grants under
 358.6 Minnesota Statutes, section 245.4889,
 358.7 subdivision 1, paragraph (b), clause (3), to
 358.8 provide respite care services to families of
 358.9 children with serious mental illness. This is a
 358.10 onetime appropriation.

358.11 **(d) Base Level Adjustment.** The general fund
 358.12 base is \$21,576,000 in fiscal year 2020 and
 358.13 \$21,576,000 in fiscal year 2021.

358.14 **Subd. 32. Grant Programs; Chemical**
 358.15 **Dependency Treatment Support Grants**

2,136,000

2,136,000

358.16 **Problem Gambling.** \$225,000 in fiscal year
 358.17 2018 and \$225,000 in fiscal year 2019 are
 358.18 from the lottery prize fund for a grant to the
 358.19 state affiliate recognized by the National
 358.20 Council on Problem Gambling. The affiliate
 358.21 must provide services to increase public
 358.22 awareness of problem gambling, education,
 358.23 and training for individuals and organizations
 358.24 providing effective treatment services to
 358.25 problem gamblers and their families, and
 358.26 research related to problem gambling.

358.27 **Subd. 33. Direct Care and Treatment - Generally**

358.28 **(a) Transfer Authority.** Money appropriated
 358.29 to budget activities under subdivisions 34, 35,
 358.30 36, 37, and 38 may be transferred between
 358.31 budget activities and between years of the
 358.32 biennium with the approval of the
 358.33 commissioner of management and budget.

359.1 (b) Dedicated Receipts Available. Of the
 359.2 revenue received under Minnesota Statutes,
 359.3 section 246.18, subdivision 8, paragraph (a),
 359.4 up to \$1,000,000 each year is available for the
 359.5 purposes of Minnesota Statutes, section
 359.6 246.18, subdivision 8, paragraph (b), clause
 359.7 (1); and up to \$2,713,000 each year is
 359.8 available for the purposes of Minnesota
 359.9 Statutes, section 246.18, subdivision 8,
 359.10 paragraph (b), clause (2).

359.11 Subd. 34. Direct Care and Treatment - Mental
 359.12 Health and Substance Abuse

114,521,000

114,607,000

359.13 (a) DCT Operating Adjustment (CARE).
 359.14 \$431,000 in fiscal year 2018 and \$835,000 in
 359.15 fiscal year 2019 are from the general fund for
 359.16 Community Addiction Recover Enterprise
 359.17 (CARE) operating adjustments. The
 359.18 commissioner must transfer \$431,000 in fiscal
 359.19 year 2018 and \$835,000 in fiscal year 2019 to
 359.20 the enterprise fund for CARE.

359.21 (b) Child and Adolescent Behavioral Health
 359.22 Services. \$405,000 in fiscal year 2018 and
 359.23 \$491,000 in fiscal year 2019 are to continue
 359.24 to operate the child and adolescent behavioral
 359.25 health services program under Minnesota
 359.26 Statutes, section 246.014.

359.27 (c) Base Level Adjustment. The general fund
 359.28 base is \$114,607,000 in fiscal year 2020 and
 359.29 \$114,607,000 in fiscal year 2021.

359.30 Subd. 35. Direct Care and Treatment -
 359.31 Community-Based Services

15,298,000

15,298,000

359.32 Base Level Adjustment. The general fund
 359.33 base is \$15,298,000 in fiscal year 2020 and
 359.34 \$15,298,000 in fiscal year 2021.

360.1	<u>Subd. 36. Direct Care and Treatment - Forensic</u>		
360.2	<u>Services</u>	<u>91,658,000</u>	<u>91,675,000</u>
360.3	<u>Base Level Adjustment.</u> The general fund		
360.4	base is <u>\$91,675,000 in fiscal year 2020 and</u>		
360.5	<u>\$91,675,000 in fiscal year 2021.</u>		
360.6	<u>Subd. 37. Direct Care and Treatment - Sex</u>		
360.7	<u>Offender Program</u>	<u>86,731,000</u>	<u>86,731,000</u>
360.8	<u>Transfer Authority.</u> Money appropriated for		
360.9	<u>the Minnesota sex offender program may be</u>		
360.10	<u>transferred between fiscal years of the</u>		
360.11	<u>biennium with the approval of the</u>		
360.12	<u>commissioner of management and budget.</u>		
360.13	<u>Subd. 38. Direct Care and Treatment -</u>		
360.14	<u>Operations</u>	<u>42,244,000</u>	<u>42,244,000</u>
360.15	<u>Base Level Adjustment.</u> The general fund		
360.16	base is <u>\$42,244,000 in fiscal year 2020 and</u>		
360.17	<u>\$42,244,000 in fiscal year 2021.</u>		
360.18	<u>Subd. 39. Technical Activities</u>	<u>86,186,000</u>	<u>86,339,000</u>
360.19	<u>(a) This appropriation is from the federal</u>		
360.20	<u>TANF fund.</u>		
360.21	<u>(b) Base Level Adjustment.</u> The TANF fund		
360.22	<u>appropriation is \$86,346,000 in fiscal year</u>		
360.23	<u>2020 and \$86,355,000 in fiscal year 2021.</u>		
360.24	<u>Sec. 3. COMMISSIONER OF HEALTH</u>		
360.25	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 205,174,000</u>	<u>\$ 197,889,000</u>
360.26	<u>Appropriations by Fund</u>		
360.27		<u>2018</u>	<u>2019</u>
360.28	<u>General</u>	<u>103,352,000</u>	<u>96,734,000</u>
360.29	<u>State Government</u>		
360.30	<u>Special Revenue</u>	<u>52,543,000</u>	<u>52,463,000</u>
360.31	<u>Health Care Access</u>	<u>37,566,000</u>	<u>36,979,000</u>
360.32	<u>Federal TANF</u>	<u>11,713,000</u>	<u>11,713,000</u>

361.1 The amounts that may be spent for each
 361.2 purpose are specified in the following
 361.3 subdivisions.

361.4 **Subd. 2. Health Improvement**

361.5 Appropriations by Fund

361.6	<u>General</u>	<u>80,655,000</u>	<u>74,111,000</u>
361.7	<u>State Government</u>		
361.8	<u>Special Revenue</u>	<u>6,215,000</u>	<u>6,182,000</u>
361.9	<u>Health Care Access</u>	<u>37,566,000</u>	<u>36,979,000</u>
361.10	<u>Federal TANF</u>	<u>11,713,000</u>	<u>11,713,000</u>

361.11 **(a) Palliative Care Advisory Council.**

361.12 \$44,000 in fiscal year 2018 and \$44,000 in
 361.13 fiscal year 2019 are from the general fund for
 361.14 the Palliative Care Advisory Council under
 361.15 Minnesota Statutes, section 144.059.

361.16 **(b) Grants for Drug Deactivation and**

361.17 **Disposal.** \$500,000 in fiscal year 2018 and
 361.18 \$500,000 in fiscal year 2019 are from the
 361.19 general fund for the commissioner to provide
 361.20 grants to pharmacists and other prescription
 361.21 drug dispensers, local public health and human
 361.22 services agencies, local law enforcement,
 361.23 health care providers, and other entities to
 361.24 purchase omni-degradable, at-home
 361.25 prescription drug deactivation and disposal
 361.26 products to assist the public in the disposal of
 361.27 prescription drugs in a safe, environmentally
 361.28 sound manner. A grant recipient must provide
 361.29 these deactivation and disposal products free
 361.30 of charge to members of the public. This is a
 361.31 onetime appropriation.

361.32 **(c) Opioid Abuse Prevention.** \$1,000,000 in
 361.33 fiscal year 2018 is from the general fund for
 361.34 the commissioner to implement opioid abuse
 361.35 prevention pilot projects and to contract with

362.1 an accountable community for health for
362.2 administrative and technical assistance and
362.3 for an evaluation of the pilot projects. This is
362.4 a onetime appropriation and is available
362.5 through June 30, 2019.

362.6 **(d) Early Dental Disease Prevention Pilot**
362.7 **Program. \$500,000 in fiscal year 2018 and**
362.8 **\$500,000 in fiscal year 2019 are from the**
362.9 **general fund to implement a pilot program to**
362.10 **increase awareness and encourage early**
362.11 **preventive dental disease intervention and care**
362.12 **for infants and toddlers.**

362.13 **(e) TANF Appropriations. (1) \$1,156,000**
362.14 **of the TANF fund is appropriated each year**
362.15 **of the biennium to the commissioner for**
362.16 **family planning grants under Minnesota**
362.17 **Statutes, section 145.925.**

362.18 **(2) \$3,579,000 of the TANF fund is**
362.19 **appropriated each year of the biennium to the**
362.20 **commissioner for home visiting and nutritional**
362.21 **services listed under Minnesota Statutes,**
362.22 **section 145.882, subdivision 7, clauses (6) and**
362.23 **(7). Funds must be distributed to community**
362.24 **health boards according to Minnesota Statutes,**
362.25 **section 145A.131, subdivision 1.**

362.26 **(3) \$2,000,000 of the TANF fund is**
362.27 **appropriated each year of the biennium to the**
362.28 **commissioner for decreasing racial and ethnic**
362.29 **disparities in infant mortality rates under**
362.30 **Minnesota Statutes, section 145.928,**
362.31 **subdivision 7.**

362.32 **(4) \$4,978,000 of the TANF fund is**
362.33 **appropriated each year of the biennium to the**
362.34 **commissioner for the family home visiting**

363.1 grant program according to Minnesota
363.2 Statutes, section 145A.17. \$4,000,000 of the
363.3 funding must be distributed to community
363.4 health boards according to Minnesota Statutes,
363.5 section 145A.131, subdivision 1. \$978,000 of
363.6 the funding must be distributed to tribal
363.7 governments as provided in Minnesota
363.8 Statutes, section 145A.14, subdivision 2a.

363.9 (5) The commissioner may use up to 6.23
363.10 percent of the funds appropriated each fiscal
363.11 year to conduct the ongoing evaluations
363.12 required under Minnesota Statutes, section
363.13 145A.17, subdivision 7, and training and
363.14 technical assistance as required under
363.15 Minnesota Statutes, section 145A.17,
363.16 subdivisions 4 and 5.

363.17 (f) **TANF Carryforward.** Any unexpended
363.18 balance of the TANF appropriation in the first
363.19 year of the biennium does not cancel but is
363.20 available for the second year.

363.21 (g) **Minnesota Biomedicine and Bioethics**
363.22 **Innovation Grants.** \$5,000,000 in fiscal year
363.23 2018 is from the general fund for Minnesota
363.24 biomedicine and bioethics innovation grants
363.25 under Minnesota Statutes, section 144.88. This
363.26 is a onetime appropriation and is available
363.27 until June 30, 2021.

363.28 (h) **Statewide Tobacco Quitline Service.** Of
363.29 the health care access fund appropriation for
363.30 the statewide health improvement program,
363.31 \$461,000 in fiscal year 2018 and \$2,969,000
363.32 in fiscal year 2019 are for administering or
363.33 contracting for the administration of the
363.34 statewide tobacco quitline service established
363.35 under Minnesota Statutes, section 144.397.

- 364.1 **(i) Home and Community-Based Services**
364.2 **Employee Scholarship Program. \$1,000,000**
364.3 in fiscal year 2018 and \$1,000,000 in fiscal
364.4 year 2019 are from the general fund for the
364.5 home and community-based services
364.6 employee scholarship program under
364.7 Minnesota Statutes, section 144.1503.
- 364.8 **(j) Senior Care Workforce Innovation**
364.9 **Grant Program. \$1,000,000 in fiscal year**
364.10 2018 and \$1,000,000 in fiscal year 2019 are
364.11 from the general fund for the senior care
364.12 workforce innovation grant program under
364.13 Minnesota Statutes, section 144.1504.
- 364.14 **(k) Primary Care and Mental Health**
364.15 **Professions Clinical Training Expansion**
364.16 **Grant Program. \$1,000,000 in fiscal year**
364.17 2018 and \$1,000,000 in fiscal year 2019 are
364.18 from the general fund for the primary care and
364.19 mental health professions clinical training
364.20 expansion grant program under Minnesota
364.21 Statutes, section 144.1505.
- 364.22 **(l) Physician Residency Expansion Grant**
364.23 **Program. \$1,500,00 in fiscal year 2018 and**
364.24 **\$1,500,000 in fiscal 2019 are from the health**
364.25 **care access fund for the physician residency**
364.26 **expansion grant program under Minnesota**
364.27 **Statutes, section 144.1506.**
- 364.28 **(m) Comprehensive Advanced Life Support**
364.29 **Educational Program. \$100,000 in fiscal**
364.30 **year 2018 and \$100,000 in fiscal year 2019**
364.31 **are from the general fund for the**
364.32 **comprehensive advanced life support**
364.33 **educational program under Minnesota Statutes,**
364.34 **section 144.6062. This is a onetime**
364.35 **appropriation.**

365.1 (n) **Advanced Care Planning.** \$500,000 in
365.2 fiscal year 2018 and \$500,000 in fiscal year
365.3 2019 are from the general fund for a grant to
365.4 a statewide advanced care planning resource
365.5 organization that has expertise in convening
365.6 and coordinating community-based strategies
365.7 to encourage individuals, families, caregivers,
365.8 and health care providers to begin
365.9 conversations regarding end-of-life care
365.10 choices that express an individual's health care
365.11 values and preferences and are based on
365.12 informed health care decisions.

365.13 (o) **Plan and Report on Safe Harbor for All**
365.14 **Model.** \$73,000 in fiscal year 2018 is from
365.15 the general fund to develop a statewide sex
365.16 trafficking victims strategic plan and report.
365.17 This is a onetime appropriation.

365.18 (p) **Safe Harbor Program.** \$420,000 in fiscal
365.19 year 2018 and \$420,000 in fiscal year 2019
365.20 are from the general fund for trauma-informed,
365.21 culturally specific services for sexually
365.22 exploited youth 24 years of age or younger
365.23 and for training, technical assistance, protocol
365.24 implementation, and evaluation activities
365.25 related to the safe harbor program. In funding
365.26 services and activities under this paragraph,
365.27 the commissioner of health shall emphasize
365.28 activities that promote capacity-building and
365.29 development of resources in greater
365.30 Minnesota. This is a onetime appropriation.

365.31 (q) **Youth Sports Concussion Working**
365.32 **Group and Brain Health Pilot Programs.**
365.33 \$450,000 in fiscal year 2018 is from the
365.34 general fund for the youth sports concussion
365.35 working group and brain health pilot

366.1 programs. This is a onetime appropriation. Of
 366.2 this appropriation:

366.3 (1) \$150,000 is for the youth sports concussion
 366.4 working group, including any required
 366.5 incidence research; and

366.6 (2) \$300,000 is for the brain health pilot
 366.7 programs.

366.8 (r) **Base Level Adjustments.** The general fund
 366.9 base is \$72,541,000 in fiscal year 2020 and
 366.10 \$72,591,000 in fiscal year 2021. The health
 366.11 care access fund base is \$37,579,000 in fiscal
 366.12 year 2020 and \$36,979,000 in fiscal year 2021.

366.13 Subd. 3. **Health Protection**

366.14 Appropriations by Fund

366.15	<u>General</u>	<u>14,552,000</u>	<u>14,478,000</u>
366.16	<u>State Government</u>		
366.17	<u>Special Revenue</u>	<u>46,328,000</u>	<u>46,281,000</u>

366.18 (a) **Prescribed Pediatric Extended Care**
 366.19 **Center Licensure Activities.** \$7,000 in fiscal
 366.20 year 2018 and \$13,000 in fiscal year 2019 are
 366.21 from the state government special revenue
 366.22 fund for licensure of prescribed pediatric
 366.23 extended care centers under Minnesota
 366.24 Statutes, chapter 144H.

366.25 (b) **Vulnerable Adults in Health Care**
 366.26 **Settings.** \$633,000 in fiscal year 2018 and
 366.27 \$559,000 in fiscal year 2019 are from the
 366.28 general fund for regulating health care and
 366.29 home care settings.

366.30 (c) **Base Level Adjustment.** The general fund
 366.31 base is \$14,867,000 in fiscal year 2020 and
 366.32 \$14,777,000 in fiscal year 2021. The state
 366.33 government special revenue fund base is

367.1 \$46,266,000 in fiscal year 2020 and

367.2 \$46,266,000 in fiscal year 2021.

367.3 **Subd. 4. Health Operations**

367.4 Appropriations by Fund

367.5 <u>General</u>	<u>8,145,000</u>	<u>8,145,000</u>
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367.6 **Sec. 4. HEALTH-RELATED BOARDS**

367.7 <u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>24,979,000</u>	<u>\$</u>	<u>23,172,000</u>
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367.8 This appropriation is from the state

367.9 government special revenue fund. The

367.10 amounts that may be spent for each purpose

367.11 are specified in the following subdivisions.

367.12 <u>Subd. 2. Board of Chiropractic Examiners</u>	<u>565,000</u>	<u>571,000</u>
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367.13 **Base Level Adjustment.** The base is \$576,000

367.14 in fiscal year 2020 and \$576,000 in fiscal year

367.15 2021.

367.16 <u>Subd. 3. Board of Dentistry</u>	<u>1,396,000</u>	<u>1,408,000</u>
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367.17 **Subd. 4. Board of Dietetics and Nutrition**

367.18 <u>Practice</u>	<u>130,000</u>	<u>132,000</u>
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367.19 <u>Subd. 5. Board of Marriage and Family Therapy</u>	<u>360,000</u>	<u>357,000</u>
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367.20 **Base Level Adjustment.** The base is \$360,000

367.21 in fiscal year 2020 and \$362,000 in fiscal year

367.22 2021.

367.23 <u>Subd. 6. Board of Medical Practice</u>	<u>5,207,000</u>	<u>5,243,000</u>
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367.24 This appropriation includes \$964,000 in fiscal

367.25 year 2018 and \$964,000 in fiscal year 2019

367.26 for the health professional services program.

367.27 The base for this program is \$924,000 in fiscal

367.28 year 2020 and \$924,000 in fiscal year 2021.

367.29 **Base Level Adjustment.** The base is

367.30 \$5,205,000 in fiscal year 2020 and \$5,205,000

367.31 in fiscal year 2021.

367.32 <u>Subd. 7. Board of Nursing</u>	<u>6,380,000</u>	<u>4,783,000</u>
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- 368.1 Subd. 8. **Board of Nursing Home Administrators** 3,397,000 3,202,000
- 368.2 (a) **Administrative Services Unit - Operating**
- 368.3 **Costs.** Of this appropriation, \$2,260,000 in
- 368.4 fiscal year 2018 and \$2,287,000 in fiscal year
- 368.5 2019 are for operating costs of the
- 368.6 administrative services unit. The
- 368.7 administrative services unit may receive and
- 368.8 expend reimbursements for services it
- 368.9 performs for other agencies.
- 368.10 (b) **Administrative Services Unit - Volunteer**
- 368.11 **Health Care Provider Program.** Of this
- 368.12 appropriation, \$150,000 in fiscal year 2018
- 368.13 and \$150,000 in fiscal year 2019 are to pay
- 368.14 for medical professional liability coverage
- 368.15 required under Minnesota Statutes, section
- 368.16 214.40.
- 368.17 (c) **Administrative Services Unit -**
- 368.18 **Retirement Costs.** Of this appropriation,
- 368.19 \$378,000 in fiscal year 2019 is a onetime
- 368.20 appropriation to the administrative services
- 368.21 unit to pay for the retirement costs of
- 368.22 health-related board employees. This funding
- 368.23 may be transferred to the health board
- 368.24 incurring retirement costs. Any board that has
- 368.25 an unexpended balance for an amount
- 368.26 transferred under this paragraph shall transfer
- 368.27 the unexpended amount to the administrative
- 368.28 services unit. These funds are available either
- 368.29 year of the biennium.
- 368.30 (d) **Administrative Services Unit -**
- 368.31 **Health-Related Licensing Boards Operating**
- 368.32 **Costs.** Of this appropriation, \$194,000 in
- 368.33 fiscal year 2018 and \$350,000 in fiscal year
- 368.34 2019 shall be transferred to the health-related
- 368.35 boards funded under this section for operating

369.1 costs. The administrative services unit shall
 369.2 determine transfer amounts in consultation
 369.3 with the health-related boards funded under
 369.4 this section.

369.5 **(e) Administrative Services Unit - Contested**
 369.6 **Cases and Other Legal Proceedings.** Of this
 369.7 appropriation, \$200,000 in fiscal year 2018
 369.8 and \$200,000 in fiscal year 2019 are for costs
 369.9 of contested case hearings and other
 369.10 unanticipated costs of legal proceedings
 369.11 involving health-related boards funded under
 369.12 this section. Upon certification by a
 369.13 health-related board to the administrative
 369.14 services unit that costs will be incurred and
 369.15 that there is insufficient money available to
 369.16 pay for the costs out of money currently
 369.17 available to that board, the administrative
 369.18 services unit is authorized to transfer money
 369.19 from this appropriation to the board for
 369.20 payment of those costs with the approval of
 369.21 the commissioner of management and budget.
 369.22 The commissioner of management and budget
 369.23 must require any board that has an unexpended
 369.24 balance for an amount transferred under this
 369.25 paragraph to transfer the unexpended amount
 369.26 to the administrative services unit to be
 369.27 deposited in the state government special
 369.28 revenue fund.

369.29 <u>Subd. 9. Board of Optometry</u>	<u>156,000</u>	<u>157,000</u>
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369.30 <u>Subd. 10. Board of Pharmacy</u>	<u>3,124,000</u>	<u>3,164,000</u>
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369.31 **Base Level Adjustment.** The base is
 369.32 \$3,189,000 in fiscal year 2020 and \$3,226,000
 369.33 in fiscal year 2021.

369.34 <u>Subd. 11. Board of Physical Therapy</u>	<u>507,000</u>	<u>508,000</u>
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370.1	<u>Base Level Adjustment.</u> The base is \$510,000		
370.2	<u>in fiscal year 2020 and \$512,000 in fiscal year</u>		
370.3	<u>2021.</u>		
370.4	<u>Subd. 12. Board of Podiatric Medicine</u>	<u>198,000</u>	<u>198,000</u>
370.5	<u>Subd. 13. Board of Psychology</u>	<u>1,220,000</u>	<u>1,240,000</u>
370.6	<u>Base Level Adjustment.</u> The base is		
370.7	<u>\$1,247,000 in fiscal year 2020 and \$1,247,000</u>		
370.8	<u>in fiscal year 2021.</u>		
370.9	<u>Subd. 14. Board of Social Work</u>	<u>1,254,000</u>	<u>1,246,000</u>
370.10	<u>Base Level Adjustment.</u> The base is		
370.11	<u>\$1,248,000 in fiscal year 2020 and \$1,250,000</u>		
370.12	<u>in fiscal year 2021.</u>		
370.13	<u>Subd. 15. Board of Veterinary Medicine</u>	<u>314,000</u>	<u>320,000</u>
370.14	<u>Base Level Adjustment.</u> The base is \$327,000		
370.15	<u>in fiscal year 2020 and \$333,000 in fiscal year</u>		
370.16	<u>2021.</u>		
370.17	<u>Subd. 16. Board of Behavioral Health and</u>		
370.18	<u>Therapy</u>	<u>771,000</u>	<u>643,000</u>
370.19	<u>Sec. 5. EMERGENCY MEDICAL SERVICES</u>		
370.20	<u>REGULATORY BOARD</u> \$	<u>4,509,000</u> \$	<u>4,438,000</u>
370.21	<u>(a) Cooper/Sams Volunteer Ambulance</u>		
370.22	<u>Program.</u> \$1,300,000 in fiscal year 2018 and		
370.23	<u>\$1,300,000 in fiscal year 2019 are for the</u>		
370.24	<u>Cooper/Sams volunteer ambulance program</u>		
370.25	<u>under Minnesota Statutes, section 144E.40.</u>		
370.26	<u>The base for this program is \$700,000 in fiscal</u>		
370.27	<u>year 2020 and \$700,000 in fiscal year 2021.</u>		
370.28	<u>(1) Of this amount, \$1,211,000 in fiscal year</u>		
370.29	<u>2018 and \$1,211,000 in fiscal year 2019 are</u>		
370.30	<u>for the ambulance service personnel longevity</u>		
370.31	<u>award and incentive program under Minnesota</u>		
370.32	<u>Statutes, section 144E.40. The base for this</u>		
370.33	<u>program is \$611,000 in fiscal year 2020 and</u>		
370.34	<u>\$611,000 in fiscal year 2021.</u>		

372.1 Sec. 8. **OMBUDSPERSONS FOR FAMILIES** \$ 543,000 \$ 551,000

372.2 Sec. 9. **COMMISSIONER OF COMMERCE** \$ 1,194,000 \$ 1,194,000

372.3 Sec. 10. **TRANSFERS.**

372.4 Subdivision 1. **Grants.** The commissioner of human services, with the approval of the
 372.5 commissioner of management and budget, may transfer unencumbered appropriation balances
 372.6 for the biennium ending June 30, 2019, within fiscal years among the MFIP, general
 372.7 assistance, medical assistance, MinnesotaCare, MFIP child care assistance under Minnesota
 372.8 Statutes, section 119B.05, Minnesota supplemental aid, and group residential housing
 372.9 programs, the entitlement portion of Northstar Care for Children under Minnesota Statutes,
 372.10 chapter 256N, and the entitlement portion of the chemical dependency consolidated treatment
 372.11 fund, and between fiscal years of the biennium. The commissioner shall inform the chairs
 372.12 and ranking minority members of the senate Health and Human Services Finance and Policy
 372.13 Committee, the senate Human Services Reform Finance and Policy Committee, and the
 372.14 house of representatives Health and Human Services Finance Committee quarterly about
 372.15 transfers made under this subdivision.

372.16 Subd. 2. **Administration.** Positions, salary money, and nonsalary administrative money
 372.17 may be transferred within the Departments of Health and Human Services as the
 372.18 commissioners consider necessary, with the advance approval of the commissioner of
 372.19 management and budget. The commissioner shall inform the chairs and ranking minority
 372.20 members of the senate Health and Human Services Finance and Policy Committee, the
 372.21 senate Human Services Reform Finance and Policy Committee, and the house of
 372.22 representatives Health and Human Services Finance Committee quarterly about transfers
 372.23 made under this subdivision.

372.24 Sec. 11. **INDIRECT COSTS NOT TO FUND PROGRAMS.**

372.25 The commissioners of health and human services shall not use indirect cost allocations
 372.26 to pay for the operational costs of any program for which they are responsible.

372.27 Sec. 12. **EXPIRATION OF UNCODIFIED LANGUAGE.**

372.28 All uncodified language contained in this article expires on June 30, 2019, unless a
 372.29 different expiration date is explicit.

373.1 Sec. 13. **EFFECTIVE DATE.**

373.2 This article is effective July 1, 2017, unless a different effective date is specified.

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Article locations in UES0800-2

ARTICLE 1	HEALTH CARE	Page.Ln 2.33
ARTICLE 2	CONTINUING CARE	Page.Ln 78.23
ARTICLE 3	HEALTH DEPARTMENT AND PUBLIC HEALTH	Page.Ln 145.14
ARTICLE 4	CHILDREN AND FAMILIES	Page.Ln 198.7
ARTICLE 5	HEALTH OCCUPATIONS	Page.Ln 238.28
ARTICLE 6	CHEMICAL AND MENTAL HEALTH	Page.Ln 261.6
ARTICLE 7	OPIATE ABUSE PREVENTION	Page.Ln 284.3
ARTICLE 8	MISCELLANEOUS	Page.Ln 290.17
ARTICLE 9	NURSING FACILITY TECHNICAL CORRECTIONS	Page.Ln 302.17
ARTICLE 10	HUMAN SERVICES FORECAST ADJUSTMENTS	Page.Ln 329.1
ARTICLE 11	APPROPRIATIONS	Page.Ln 330.13

62V.01 TITLE.

This chapter may be cited as the "MNSure Act."

62V.02 DEFINITIONS.

Subdivision 1. **Scope.** For the purposes of this chapter, the following terms have the meanings given.

Subd. 2. **Board.** "Board" means the Board of Directors of MNSure specified in section 62V.04.

Subd. 3. **Dental plan.** "Dental plan" has the meaning defined in section 62Q.76, subdivision 3.

Subd. 4. **Health plan.** "Health plan" means a policy, contract, certificate, or agreement defined in section 62A.011, subdivision 3.

Subd. 5. **Health carrier.** "Health carrier" has the meaning defined in section 62A.011.

Subd. 6. **Individual market.** "Individual market" means the market for health insurance coverage offered to individuals.

Subd. 7. **Insurance producer.** "Insurance producer" has the meaning defined in section 60K.31.

Subd. 8. **MNSure.** "MNSure" means the state health benefit exchange as described in section 1311 of the federal Patient Protection and Affordable Care Act, Public Law 111-148, and further defined through amendments to the act and regulations issued under the act.

Subd. 9. **Navigator.** "Navigator" has the meaning described in section 1311(i) of the federal Patient Protection and Affordable Care Act, Public Law 111-148, and further defined through amendments to the act and regulations issued under the act.

Subd. 10. **Public health care program.** "Public health care program" means any public health care program administered by the commissioner of human services.

Subd. 11. **Qualified health plan.** "Qualified health plan" means a health plan that meets the definition in section 1301(a) of the Affordable Care Act, Public Law 111-148, and has been certified by the board in accordance with section 62V.05, subdivision 5, to be offered through MNSure.

Subd. 12. **Small group market.** "Small group market" means the market for health insurance coverage offered to small employers as defined in section 62L.02, subdivision 26.

Subd. 13. **Web site.** "Web site" means a site maintained on the World Wide Web by MNSure that allows for access to information and services provided by MNSure.

62V.03 MNSURE; ESTABLISHMENT.

Subdivision 1. **Creation.** MNSure is created as a board under section 15.012, paragraph (a), to:

(1) promote informed consumer choice, innovation, competition, quality, value, market participation, affordability, suitable and meaningful choices, health improvement, care management, reduction of health disparities, and portability of health plans;

(2) facilitate and simplify the comparison, choice, enrollment, and purchase of health plans for individuals purchasing in the individual market through MNSure and for employees and employers purchasing in the small group market through MNSure;

(3) assist small employers with access to small business health insurance tax credits and to assist individuals with access to public health care programs, premium assistance tax credits and cost-sharing reductions, and certificates of exemption from individual responsibility requirements;

(4) facilitate the integration and transition of individuals between public health care programs and health plans in the individual or group market and develop processes that, to the maximum extent possible, provide for continuous coverage; and

(5) establish and modify as necessary a name and brand for MNSure based on market studies that show maximum effectiveness in attracting the uninsured and motivating them to take action.

Subd. 2. **Application of other law.** (a) MNSure must be reviewed by the legislative auditor under section 3.971. The legislative auditor shall audit the books, accounts, and affairs of MNSure once each year or less frequently as the legislative auditor's funds and personnel permit. Upon the audit of the financial accounts and affairs of MNSure, MNSure is liable to the state for the total cost and expenses of the audit, including the salaries paid to the examiners while actually engaged in making the examination. The legislative auditor may bill MNSure either monthly or at the completion of the audit. All collections received for the audits must be deposited in the general

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fund and are appropriated to the legislative auditor. Pursuant to section 3.97, subdivision 3a, the Legislative Audit Commission is requested to direct the legislative auditor to report by March 1, 2014, to the legislature on any duplication of services that occurs within state government as a result of the creation of MNsure. The legislative auditor may make recommendations on consolidating or eliminating any services deemed duplicative. The board shall reimburse the legislative auditor for any costs incurred in the creation of this report.

(b) Board members of MNsure are subject to sections 10A.07 and 10A.09. Board members and the personnel of MNsure are subject to section 10A.071.

(c) All meetings of the board and of the Minnesota Eligibility System Executive Steering Committee established under section 62V.055 shall comply with the open meeting law in chapter 13D.

(d) The board and the Web site are exempt from chapter 60K. Any employee of MNsure who sells, solicits, or negotiates insurance to individuals or small employers must be licensed as an insurance producer under chapter 60K.

(e) Section 3.3005 applies to any federal funds received by MNsure.

(f) A MNsure decision that requires a vote of the board, other than a decision that applies only to hiring of employees or other internal management of MNsure, is an "administrative action" under section 10A.01, subdivision 2.

Subd. 3. Continued operation of a private marketplace. (a) Nothing in this chapter shall be construed to prohibit: (1) a health carrier from offering outside of MNsure a health plan to a qualified individual or qualified employer; and (2) a qualified individual from enrolling in, or a qualified employer from selecting for its employees, a health plan offered outside of MNsure.

(b) Nothing in this chapter shall be construed to restrict the choice of a qualified individual to enroll or not enroll in a qualified health plan or to participate in MNsure. Nothing in this chapter shall be construed to compel an individual to enroll in a qualified health plan or to participate in MNsure.

(c) For purposes of this subdivision, "qualified individual" and "qualified employer" have the meanings given in section 1312 of the Affordable Care Act, Public Law 111-148, and further defined through amendments to the act and regulations issued under the act.

62V.04 GOVERNANCE.

Subdivision 1. **Board.** MNsure is governed by a board of directors with seven members.

Subd. 2. **Appointment.** (a) Board membership of MNsure consists of the following:

(1) three members appointed by the governor with the advice and consent of both the senate and the house of representatives acting separately in accordance with paragraph (d), with one member representing the interests of individual consumers eligible for individual market coverage, one member representing individual consumers eligible for public health care program coverage, and one member representing small employers. Members are appointed to serve four-year terms following the initial staggered-term lot determination;

(2) three members appointed by the governor with the advice and consent of both the senate and the house of representatives acting separately in accordance with paragraph (d) who have demonstrated expertise, leadership, and innovation in the following areas: one member representing the areas of health administration, health care finance, health plan purchasing, and health care delivery systems; one member representing the areas of public health, health disparities, public health care programs, and the uninsured; and one member representing health policy issues related to the small group and individual markets. Members are appointed to serve four-year terms following the initial staggered-term lot determination; and

(3) the commissioner of human services or a designee.

(b) Section 15.0597 shall apply to all appointments, except for the commissioner.

(c) The governor shall make appointments to the board that are consistent with federal law and regulations regarding its composition and structure. All board members appointed by the governor must be legal residents of Minnesota.

(d) Upon appointment by the governor, a board member shall exercise duties of office immediately. If both the house of representatives and the senate vote not to confirm an appointment, the appointment terminates on the day following the vote not to confirm in the second body to vote.

(e) Initial appointments shall be made by April 30, 2013.

(f) One of the six members appointed under paragraph (a), clause (1) or (2), must have experience in representing the needs of vulnerable populations and persons with disabilities.

(g) Membership on the board must include representation from outside the seven-county metropolitan area, as defined in section 473.121, subdivision 2.

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Subd. 3. **Terms.** (a) Board members may serve no more than two consecutive terms, except for the commissioner or the commissioner's designee, who shall serve until replaced by the governor.

(b) A board member may resign at any time by giving written notice to the board.

(c) The appointed members under subdivision 2, paragraph (a), clauses (1) and (2), shall have an initial term of two, three, or four years, determined by lot by the secretary of state.

Subd. 4. **Conflicts of interest.** (a) Within one year prior to or at any time during their appointed term, board members appointed under subdivision 2, paragraph (a), clauses (1) and (2), shall not be employed by, be a member of the board of directors of, or otherwise be a representative of a health carrier, institutional health care provider or other entity providing health care, navigator, insurance producer, or other entity in the business of selling items or services of significant value to or through MNsure. For purposes of this paragraph, "health care provider or entity" does not include an academic institution.

(b) Board members must recuse themselves from discussion of and voting on an official matter if the board member has a conflict of interest. A conflict of interest means an association including a financial or personal association that has the potential to bias or have the appearance of biasing a board member's decisions in matters related to MNsure or the conduct of activities under this chapter.

(c) No board member shall have a spouse who is an executive of a health carrier.

(d) No member of the board may currently serve as a lobbyist, as defined under section 10A.01, subdivision 21.

Subd. 5. **Acting chair; first meeting; supervision.** (a) The governor shall designate as acting chair one of the appointees described in subdivision 2.

(b) The board shall hold its first meeting within 60 days of enactment.

(c) The board shall elect a chair to replace the acting chair at the first meeting.

Subd. 6. **Chair.** The board shall have a chair, elected by a majority of members. The chair shall serve for one year.

Subd. 7. **Officers.** The members of the board shall elect officers by a majority of members. The officers shall serve for one year.

Subd. 8. **Vacancies.** If a vacancy occurs, the governor shall appoint a new member within 90 days, and the newly appointed member shall be subject to the same confirmation process described in subdivision 2.

Subd. 9. **Removal.** (a) A board member may be removed by the appointing authority and a majority vote of the board following notice and hearing before the board. For purposes of this subdivision, the appointing authority or a designee of the appointing authority shall be a voting member of the board for purposes of constituting a quorum.

(b) A conflict of interest as defined in subdivision 4, shall be cause for removal from the board.

Subd. 10. **Meetings.** The board shall meet at least quarterly.

Subd. 11. **Quorum.** A majority of the members of the board constitutes a quorum, and the affirmative vote of a majority of members of the board is necessary and sufficient for action taken by the board.

Subd. 12. **Compensation.** (a) The board members shall be paid a salary not to exceed the salary limits established under section 15A.0815, subdivision 4. The salary for board members shall be set in accordance with this subdivision and section 15A.0815, subdivision 5. This paragraph expires December 31, 2015.

(b) Beginning January 1, 2016, the board members may be compensated in accordance with section 15.0575.

Subd. 13. **Advisory committees.** (a) The board shall establish and maintain advisory committees to provide insurance producers, health care providers, the health care industry, consumers, and other stakeholders with the opportunity to advise the board regarding the operation of MNsure as required under section 1311(d)(6) of the Affordable Care Act, Public Law 111-148. The board shall regularly consult with the advisory committees. The advisory committees established under this paragraph shall not expire.

(b) The board may establish additional advisory committees, as necessary, to gather and provide information to the board in order to facilitate the operation of MNsure. The advisory committees established under this paragraph shall not expire, except by action of the board.

(c) Section 15.0597 shall not apply to any advisory committee established by the board under this subdivision.

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(d) The board may provide compensation and expense reimbursement under section 15.059, subdivision 3, to members of the advisory committees.

62V.05 RESPONSIBILITIES AND POWERS OF MNSURE.

Subdivision 1. **General.** (a) The board shall operate MNSure according to this chapter and applicable state and federal law.

(b) The board has the power to:

(1) employ personnel and delegate administrative, operational, and other responsibilities to the director and other personnel as deemed appropriate by the board. This authority is subject to chapters 43A and 179A. The director and managerial staff of MNSure shall serve in the unclassified service and shall be governed by a compensation plan prepared by the board, submitted to the commissioner of management and budget for review and comment within 14 days of its receipt, and approved by the Legislative Coordinating Commission and the legislature under section 3.855, except that section 15A.0815, subdivision 5, paragraph (e), shall not apply;

(2) establish the budget of MNSure;

(3) seek and accept money, grants, loans, donations, materials, services, or advertising revenue from government agencies, philanthropic organizations, and public and private sources to fund the operation of MNSure. No health carrier or insurance producer shall advertise on MNSure;

(4) contract for the receipt and provision of goods and services;

(5) enter into information-sharing agreements with federal and state agencies and other entities, provided the agreements include adequate protections with respect to the confidentiality and integrity of the information to be shared, and comply with all applicable state and federal laws, regulations, and rules, including the requirements of section 62V.06; and

(6) exercise all powers reasonably necessary to implement and administer the requirements of this chapter and the Affordable Care Act, Public Law 111-148.

(c) The board shall establish policies and procedures to gather public comment and provide public notice in the State Register.

(d) Within 180 days of enactment, the board shall establish bylaws, policies, and procedures governing the operations of MNSure in accordance with this chapter.

Subd. 2. **Operations funding.** (a) Prior to January 1, 2015, MNSure shall retain or collect up to 1.5 percent of total premiums for individual and small group market health plans and dental plans sold through MNSure to fund the cash reserves of MNSure, but the amount collected shall not exceed a dollar amount equal to 25 percent of the funds collected under section 62E.11, subdivision 6, for calendar year 2012.

(b) Beginning January 1, 2015, MNSure shall retain or collect up to 3.5 percent of total premiums for individual and small group market health plans and dental plans sold through MNSure to fund the operations of MNSure, but the amount collected shall not exceed a dollar amount equal to 50 percent of the funds collected under section 62E.11, subdivision 6, for calendar year 2012.

(c) Beginning January 1, 2016, MNSure shall retain or collect up to 3.5 percent of total premiums for individual and small group market health plans and dental plans sold through MNSure to fund the operations of MNSure, but the amount collected may never exceed a dollar amount greater than 100 percent of the funds collected under section 62E.11, subdivision 6, for calendar year 2012.

(d) For fiscal years 2014 and 2015, the commissioner of management and budget is authorized to provide cash flow assistance of up to \$20,000,000 from the special revenue fund or the statutory general fund under section 16A.671, subdivision 3, paragraph (a), to MNSure. Any funds provided under this paragraph shall be repaid, with interest, by June 30, 2015.

(e) Funding for the operations of MNSure shall cover any compensation provided to navigators participating in the navigator program.

Subd. 3. **Insurance producers.** (a) By April 30, 2013, the board, in consultation with the commissioner of commerce, shall establish certification requirements that must be met by insurance producers in order to assist individuals and small employers with purchasing coverage through MNSure. Prior to January 1, 2015, the board may amend the requirements, only if necessary, due to a change in federal rules.

(b) Certification requirements shall not exceed the requirements established under Code of Federal Regulations, title 45, part 155.220. Certification shall include training on health plans available through MNSure, available tax credits and cost-sharing arrangements, compliance with privacy and security standards, eligibility verification processes, online enrollment tools, and basic information on available public health care programs. Training required for certification under this

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subdivision shall qualify for continuing education requirements for insurance producers required under chapter 60K, and must comply with course approval requirements under chapter 45.

(c) Producer compensation shall be established by health carriers that provide health plans through MNsure. The structure of compensation to insurance producers must be similar for health plans sold through MNsure and outside MNsure.

(d) Any insurance producer compensation structure established by a health carrier for the small group market must include compensation for defined contribution plans that involve multiple health carriers. The compensation offered must be commensurate with other small group market defined health plans.

(e) Any insurance producer assisting an individual or small employer with purchasing coverage through MNsure must disclose, orally and in writing, to the individual or small employer at the time of the first solicitation with the prospective purchaser the following:

(1) the health carriers and qualified health plans offered through MNsure that the producer is authorized to sell, and that the producer may not be authorized to sell all the qualified health plans offered through MNsure;

(2) that the producer may be receiving compensation from a health carrier for enrolling the individual or small employer into a particular health plan; and

(3) that information on all qualified health plans offered through MNsure is available through the MNsure Web site.

For purposes of this paragraph, "solicitation" means any contact by a producer, or any person acting on behalf of a producer made for the purpose of selling or attempting to sell coverage through MNsure. If the first solicitation is made by telephone, the disclosures required under this paragraph need not be made in writing, but the fact that disclosure has been made must be acknowledged on the application.

(f) Beginning January 15, 2015, each health carrier that offers or sells qualified health plans through MNsure shall report in writing to the board and the commissioner of commerce the compensation and other incentives it offers or provides to insurance producers with regard to each type of health plan the health carrier offers or sells both inside and outside of MNsure. Each health carrier shall submit a report annually and upon any change to the compensation or other incentives offered or provided to insurance producers.

(g) Nothing in this chapter shall prohibit an insurance producer from offering professional advice and recommendations to a small group purchaser based upon information provided to the producer.

(h) An insurance producer that offers health plans in the small group market shall notify each small group purchaser of which group health plans qualify for Internal Revenue Service approved section 125 tax benefits. The insurance producer shall also notify small group purchasers of state law provisions that benefit small group plans when the employer agrees to pay 50 percent or more of its employees' premium. Individuals who are eligible for cost-effective medical assistance will count toward the 75 percent participation requirement in section 62L.03, subdivision 3.

(i) Nothing in this subdivision shall be construed to limit the licensure requirements or regulatory functions of the commissioner of commerce under chapter 60K.

Subd. 4. Navigator; in-person assisters; call center. (a) The board shall establish policies and procedures for the ongoing operation of a navigator program, in-person assister program, call center, and customer service provisions for MNsure to be implemented beginning January 1, 2015.

(b) Until the implementation of the policies and procedures described in paragraph (a), the following shall be in effect:

(1) the navigator program shall be met by section 256.962;

(2) entities eligible to be navigators, including entities defined in Code of Federal Regulations, title 45, part 155.210 (c)(2), may serve as in-person assisters;

(3) the board shall establish requirements and compensation for the navigator program and the in-person assister program by April 30, 2013. Compensation for navigators and in-person assisters must take into account any other compensation received by the navigator or in-person assister for conducting the same or similar services; and

(4) call center operations shall utilize existing state resources and personnel, including referrals to counties for medical assistance.

(c) The board shall establish a toll-free number for MNsure and may hire and contract for additional resources as deemed necessary.

(d) The navigator program and in-person assister program must meet the requirements of section 1311(i) of the Affordable Care Act, Public Law 111-148. In establishing training standards for the navigators and in-person assisters, the board must ensure that all entities and individuals carrying out navigator and in-person assister functions have training in the needs of underserved

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and vulnerable populations; eligibility and enrollment rules and procedures; the range of available public health care programs and qualified health plan options offered through MNsure; and privacy and security standards. For calendar year 2014, the commissioner of human services shall ensure that the navigator program under section 256.962 provides application assistance for both qualified health plans offered through MNsure and public health care programs.

(e) The board must ensure that any information provided by navigators, in-person assisters, the call center, or other customer assistance portals be accessible to persons with disabilities and that information provided on public health care programs include information on other coverage options available to persons with disabilities.

Subd. 5. **Health carrier and health plan requirements; participation.** (a) Beginning January 1, 2015, the board may establish certification requirements for health carriers and health plans to be offered through MNsure that satisfy federal requirements under section 1311(c)(1) of the Affordable Care Act, Public Law 111-148.

(b) Paragraph (a) does not apply if by June 1, 2013, the legislature enacts regulatory requirements that:

- (1) apply uniformly to all health carriers and health plans in the individual market;
- (2) apply uniformly to all health carriers and health plans in the small group market; and
- (3) satisfy minimum federal certification requirements under section 1311(c)(1) of the Affordable Care Act, Public Law 111-148.

(c) In accordance with section 1311(e) of the Affordable Care Act, Public Law 111-148, the board shall establish policies and procedures for certification and selection of health plans to be offered as qualified health plans through MNsure. The board shall certify and select a health plan as a qualified health plan to be offered through MNsure, if:

- (1) the health plan meets the minimum certification requirements established in paragraph (a) or the market regulatory requirements in paragraph (b);
- (2) the board determines that making the health plan available through MNsure is in the interest of qualified individuals and qualified employers;
- (3) the health carrier applying to offer the health plan through MNsure also applies to offer health plans at each actuarial value level and service area that the health carrier currently offers in the individual and small group markets; and
- (4) the health carrier does not apply to offer health plans in the individual and small group markets through MNsure under a separate license of a parent organization or holding company under section 60D.15, that is different from what the health carrier offers in the individual and small group markets outside MNsure.

(d) In determining the interests of qualified individuals and employers under paragraph (c), clause (2), the board may not exclude a health plan for any reason specified under section 1311(e)(1)(B) of the Affordable Care Act, Public Law 111-148. The board may consider:

- (1) affordability;
- (2) quality and value of health plans;
- (3) promotion of prevention and wellness;
- (4) promotion of initiatives to reduce health disparities;
- (5) market stability and adverse selection;
- (6) meaningful choices and access;
- (7) alignment and coordination with state agency and private sector purchasing strategies and payment reform efforts; and
- (8) other criteria that the board determines appropriate.

(e) For qualified health plans offered through MNsure on or after January 1, 2015, the board shall establish policies and procedures under paragraphs (c) and (d) for selection of health plans to be offered as qualified health plans through MNsure by February 1 of each year, beginning February 1, 2014. The board shall consistently and uniformly apply all policies and procedures and any requirements, standards, or criteria to all health carriers and health plans. For any policies, procedures, requirements, standards, or criteria that are defined as rules under section 14.02, subdivision 4, the board may use the process described in subdivision 9.

(f) For 2014, the board shall not have the power to select health carriers and health plans for participation in MNsure. The board shall permit all health plans that meet the certification requirements under section 1311(c)(1) of the Affordable Care Act, Public Law 111-148, to be offered through MNsure.

(g) Under this subdivision, the board shall have the power to verify that health carriers and health plans are properly certified to be eligible for participation in MNsure.

(h) The board has the authority to decertify health carriers and health plans that fail to maintain compliance with section 1311(c)(1) of the Affordable Care Act, Public Law 111-148.

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(i) For qualified health plans offered through MNsure beginning January 1, 2015, health carriers must use the most current addendum for Indian health care providers approved by the Centers for Medicare and Medicaid Services and the tribes as part of their contracts with Indian health care providers. MNsure shall comply with all future changes in federal law with regard to health coverage for the tribes.

Subd. 6. **Appeals.** (a) The board may conduct hearings, appoint hearing officers, and recommend final orders related to appeals of any MNsure determinations, except for those determinations identified in paragraph (d). An appeal by a health carrier regarding a specific certification or selection determination made by MNsure under subdivision 5 must be conducted as a contested case proceeding under chapter 14, with the report or order of the administrative law judge constituting the final decision in the case, subject to judicial review under sections 14.63 to 14.69. For other appeals, the board shall establish hearing processes which provide for a reasonable opportunity to be heard and timely resolution of the appeal and which are consistent with the requirements of federal law and guidance. An appealing party may be represented by legal counsel at these hearings, but this is not a requirement.

(b) MNsure may establish service-level agreements with state agencies to conduct hearings for appeals. Notwithstanding section 471.59, subdivision 1, a state agency is authorized to enter into service-level agreements for this purpose with MNsure.

(c) For proceedings under this subdivision, MNsure may be represented by an attorney who is an employee of MNsure.

(d) This subdivision does not apply to appeals of determinations where a state agency hearing is available under section 256.045.

(e) An appellant aggrieved by an order of MNsure issued in an eligibility appeal, as defined in Minnesota Rules, part 7700.0101, may appeal the order to the district court of the appellant's county of residence by serving a written copy of a notice of appeal upon MNsure and any other adverse party of record within 30 days after the date MNsure issued the order, the amended order, or order affirming the original order, and by filing the original notice and proof of service with the court administrator of the district court. Service may be made personally or by mail; service by mail is complete upon mailing; no filing fee shall be required by the court administrator in appeals taken pursuant to this subdivision. MNsure shall furnish all parties to the proceedings with a copy of the decision and a transcript of any testimony, evidence, or other supporting papers from the hearing held before the appeals examiner within 45 days after service of the notice of appeal.

(f) Any party aggrieved by the failure of an adverse party to obey an order issued by MNsure may compel performance according to the order in the manner prescribed in sections 586.01 to 586.12.

(g) Any party may obtain a hearing at a special term of the district court by serving a written notice of the time and place of the hearing at least ten days prior to the date of the hearing. The court may consider the matter in or out of chambers, and shall take no new or additional evidence unless it determines that such evidence is necessary for a more equitable disposition of the appeal.

(h) Any party aggrieved by the order of the district court may appeal the order as in other civil cases. No costs or disbursements shall be taxed against any party nor shall any filing fee or bond be required of any party.

(i) If MNsure or district court orders eligibility for qualified health plan coverage through MNsure, or eligibility for federal advance payment of premium tax credits or cost-sharing reductions contingent upon full payment of respective premiums, the premiums must be paid or provided pending appeal to the district court, Court of Appeals, or Supreme Court. Provision of eligibility by MNsure pending appeal does not render moot MNsure's position in a court of law.

Subd. 7. **Agreements; consultation.** (a) The board shall:

(1) establish and maintain an agreement with the commissioner of human services for cost allocation and services regarding eligibility determinations and enrollment for public health care programs that use a modified adjusted gross income standard to determine program eligibility. The board may establish and maintain an agreement with the commissioner of human services for other services;

(2) establish and maintain an agreement with the commissioners of commerce and health for services regarding enforcement of MNsure certification requirements for health plans and dental plans offered through MNsure. The board may establish and maintain agreements with the commissioners of commerce and health for other services; and

(3) establish interagency agreements to transfer funds to other state agencies for their costs related to implementing and operating MNsure, excluding medical assistance allocatable costs.

(b) The board shall consult with the commissioners of commerce and health regarding the operations of MNsure.

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(c) The board shall consult with Indian tribes and organizations regarding the operation of MNsure.

(d) Beginning March 15, 2016, and each March 15 thereafter, the board shall submit a report to the chairs and ranking minority members of the committees in the senate and house of representatives with primary jurisdiction over commerce, health, and human services on all the agreements entered into with the chief information officer of the Office of MN.IT Services, or the commissioners of human services, health, or commerce in accordance with this subdivision. The report shall include the agency in which the agreement is with; the time period of the agreement; the purpose of the agreement; and a summary of the terms of the agreement. A copy of the agreement must be submitted to the extent practicable.

Subd. 8. **Rulemaking.** The board may adopt rules to implement any provisions in this chapter using the expedited rulemaking process in section 14.389.

Subd. 9. **Dental plans.** (a) The provisions of this section that apply to health plans shall apply to dental plans offered as stand-alone dental plans through MNsure, to the extent practicable.

(b) A stand-alone dental plan offered through MNsure must meet all certification requirements under section 1311(c)(1) of the Affordable Care Act, Public Law 111-148, that are applicable to health plans, except for certification requirements that cannot be met because the dental plan only covers dental benefits.

Subd. 10. **Limitations; risk-bearing.** (a) The board shall not bear insurance risk or enter into any agreement with health care providers to pay claims.

(b) Nothing in this subdivision shall prevent MNsure from providing insurance for its employees.

Subd. 11. **Prohibition on other product lines.** MNsure is prohibited from certifying, selecting, or offering products and policies of coverage that do not meet the definition of health plan or dental plan as provided in section 62V.02.

Subd. 12. **Reports on interagency agreements and intra-agency transfers.** The MNsure Board shall provide quarterly reports to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance on:

(1) interagency agreements or service-level agreements and any renewals or extensions of existing interagency or service-level agreements with a state department under section 15.01, state agency under section 15.012, or the Office of MN.IT Services, with a value of more than \$100,000, or related agreements with the same department or agency with a cumulative value of more than \$100,000; and

(2) transfers of appropriations of more than \$100,000 between accounts within or between agencies.

The report must include the statutory citation authorizing the agreement, transfer or dollar amount, purpose, and effective date of the agreement, the duration of the agreement, and a copy of the agreement.

62V.051 MNSURE; CONSUMER RETROACTIVE APPOINTMENT OF A NAVIGATOR OR PRODUCER PERMITTED.

Notwithstanding any other law or rule to the contrary, for up to six months after the effective date of the qualified health plan, MNsure must permit a qualified health plan policyholder, who has not designated a navigator or an insurance producer, to retroactively appoint a navigator or insurance producer. MNsure must provide notice of the retroactive appointment to the health carrier. The health carrier must retroactively pay commissions to the insurance producer if the producer can demonstrate that they were certified by MNsure at the time of the original enrollment, were appointed by the selected health carrier at the time of the enrollment, and that an agent of record agreement was executed prior to or at the time of the effective date of the policy. MNsure must adopt a standard form of agent of record agreement for purposes of this section.

62V.055 MINNESOTA ELIGIBILITY SYSTEM EXECUTIVE STEERING COMMITTEE.

Subdivision 1. **Definition; Minnesota eligibility system.** For purposes of this section, "Minnesota eligibility system" means the system that supports eligibility determinations using a modified adjusted gross income methodology for medical assistance under section 256B.056, subdivision 1a, paragraph (b), clause (1); MinnesotaCare under chapter 256L; and qualified health plan enrollment under section 62V.05, subdivision 5, paragraph (c).

Subd. 2. **Establishment; committee membership; costs.** (a) The Minnesota Eligibility System Executive Steering Committee is established to provide recommendations to the MNsure

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board, the commissioner of human services, and the commissioner of MN.IT services on the governance, administration, and business operations of the Minnesota eligibility system. The steering committee shall be composed of:

(1) two members appointed by the commissioner of human services;

(2) two members appointed by the board;

(3) two members appointed jointly by the Association of Minnesota Counties, the Minnesota Inter-County Association, and the Minnesota Association of County Social Service Administrators. One member appointed under this clause shall represent counties within the seven-county metropolitan area, and one member shall represent counties outside the seven-county metropolitan area; and

(4) two nonvoting members appointed by the commissioner of MN.IT services.

(b) One member appointed by the commissioner of human services and one member appointed by the commissioner of MN.IT services shall serve as co-chairpersons for the steering committee.

(c) Steering committee costs must be paid from the budgets of the Department of Human Services, the Office of MN.IT Services, and MNSure.

Subd. 3. **Duties.** The Minnesota Eligibility System Executive Steering Committee shall provide recommendations on an overall governance structure for the Minnesota eligibility system and the ongoing administration and business operations of the Minnesota eligibility system. The steering committee shall make recommendations on setting system goals and priorities, allocating the system's resources, making major system decisions, and tracking total funding and expenditures for the system from all sources. The steering committee shall also report to the Legislative Oversight Committee on a quarterly basis on Minnesota eligibility system funding and expenditures, including amounts received in the most recent quarter by funding source and expenditures made in the most recent quarter by funding source.

Subd. 4. **Meetings.** (a) All meetings of the steering committee must:

(1) be held in the State Office Building, the Minnesota Senate Building, or when approved by the Legislative Oversight Committee, another public location with the capacity to live stream steering committee meetings; and

(2) whenever possible, be made available on a Web site for live audio or video streaming and be archived on a Web site for playback at a later time.

(b) The steering committee must:

(1) as part of every steering committee meeting, provide the opportunity for oral and written public testimony and comments on steering committee recommendations for the governance, administration, and business operations of the Minnesota eligibility system; and

(2) provide documents under discussion or review by the steering committee to be electronically posted on MNSure's Web site. Documents must be provided and posted prior to the meeting at which the documents are scheduled for review or discussion.

(c) All votes of the steering committee must be recorded, with each member's vote identified.

Subd. 5. **Administrative structure.** The Office of MN.IT Services shall be responsible for the design, build, maintenance, operation, and upgrade of the information technology for the Minnesota eligibility system. In carrying out its duties, the office shall consider recommendations made by the steering committee.

62V.06 DATA PRACTICES.

Subdivision 1. **Applicability.** MNSure is a state agency for purposes of the Minnesota Government Data Practices Act and is subject to all provisions of chapter 13, in addition to the requirements contained in this section.

Subd. 2. **Definitions.** As used in this section:

(1) "individual" means an individual according to section 13.02, subdivision 8, but does not include a vendor of services; and

(2) "participating" means that an individual, employee, or employer is seeking, or has sought an eligibility determination, enrollment processing, or premium processing through MNSure.

Subd. 3. **General data classifications.** The following data collected, created, or maintained by MNSure are classified as private data on individuals, as defined in section 13.02, subdivision 12, or nonpublic data, as defined in section 13.02, subdivision 9:

(1) data on any individual participating in MNSure;

(2) data on any individuals participating in MNSure as employees of an employer participating in MNSure; and

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(3) data on employers participating in MNsure.

Subd. 4. **Application and certification data.** (a) Data submitted by an insurance producer in an application for certification to sell a health plan through MNsure, or submitted by an applicant seeking permission or a commission to act as a navigator or in-person assister, are classified as follows:

(1) at the time the application is submitted, all data contained in the application are private data, as defined in section 13.02, subdivision 12, or nonpublic data as defined in section 13.02, subdivision 9, except that the name of the applicant is public; and

(2) upon a final determination related to the application for certification by MNsure, all data contained in the application are public, with the exception of trade secret data as defined in section 13.37.

(b) Data created or maintained by a government entity as part of the evaluation of an application are protected nonpublic data, as defined in section 13.02, subdivision 13, until a final determination as to certification is made and all rights of appeal have been exhausted. Upon a final determination and exhaustion of all rights of appeal, these data are public, with the exception of trade secret data as defined in section 13.37 and data subject to attorney-client privilege or other protection as provided in section 13.393.

(c) If an application is denied, the public data must include the criteria used by the board to evaluate the application and the specific reasons for the denial, and these data must be published on the MNsure Web site.

Subd. 5. **Data sharing.** (a) MNsure may share or disseminate data classified as private or nonpublic in subdivision 3 as follows:

(1) to the subject of the data, as provided in section 13.04;

(2) according to a court order;

(3) according to a state or federal law specifically authorizing access to the data;

(4) with other state or federal agencies, only to the extent necessary to verify the identity of, determine the eligibility of, process premiums for, process enrollment of, or investigate fraud related to an individual, employer, or employee participating in MNsure, provided that MNsure must enter into a data-sharing agreement with the agency prior to sharing data under this clause; and

(5) with a nongovernmental person or entity, only to the extent necessary to verify the identity of, determine the eligibility of, process premiums for, process enrollment of, or investigate fraud related to an individual, employer, or employee participating in MNsure, provided that MNsure must enter into a contract with the person or entity, as provided in section 13.05, subdivision 6 or 11, prior to disseminating data under this clause.

(b) MNsure may share or disseminate data classified as private or nonpublic in subdivision 4 as follows:

(1) to the subject of the data, as provided in section 13.04;

(2) according to a court order;

(3) according to a state or federal law specifically authorizing access to the data;

(4) with other state or federal agencies, only to the extent necessary to carry out the functions of MNsure, provided that MNsure must enter into a data-sharing agreement with the agency prior to sharing data under this clause; and

(5) with a nongovernmental person or entity, only to the extent necessary to carry out the functions of MNsure, provided that MNsure must enter a contract with the person or entity, as provided in section 13.05, subdivision 6 or 11, prior to disseminating data under this clause.

(c) Sharing or disseminating data outside of MNsure in a manner not authorized by this subdivision is prohibited. The list of authorized dissemination and sharing contained in this subdivision must be included in the Tennessen warning required by section 13.04, subdivision 2.

(d) Until July 1, 2014, state agencies must share data classified as private or nonpublic on individuals, employees, or employers participating in MNsure with MNsure, only to the extent such data are necessary to verify the identity of, determine the eligibility of, process premiums for, process enrollment of, or investigate fraud related to a MNsure participant. The agency must enter into a data-sharing agreement with MNsure prior to sharing any data under this paragraph.

Subd. 6. **Notice and disclosures.** (a) In addition to the Tennessen warning required by section 13.04, subdivision 2, MNsure must provide any data subject asked to supply private data with:

(1) a notice of rights related to the handling of genetic information, pursuant to section 13.386; and

(2) a notice of the records retention policy of MNsure, detailing the length of time MNsure will retain data on the individual and the manner in which it will be destroyed upon expiration of that time.

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(b) All notices required by this subdivision, including the Tennessee warning, must be provided in an electronic format suitable for downloading or printing.

Subd. 7. **Summary data.** In addition to creation and disclosure of summary data derived from private data on individuals, as permitted by section 13.05, subdivision 7, MNsure may create and disclose summary data derived from data classified as nonpublic under this section.

Subd. 8. **Access to data; audit trail.** (a) Only individuals with explicit authorization from the board may enter, update, or access not public data collected, created, or maintained by MNsure. The ability of authorized individuals to enter, update, or access data must be limited through the use of role-based access that corresponds to the official duties or training level of the individual, and the statutory authorization that grants access for that purpose. All queries and responses, and all actions in which data are entered, updated, accessed, or shared or disseminated outside of MNsure, must be recorded in a data audit trail. Data contained in the audit trail are public, to the extent that the data are not otherwise classified by this section.

The board shall immediately and permanently revoke the authorization of any individual determined to have willfully entered, updated, accessed, shared, or disseminated data in violation of this section, or any provision of chapter 13. If an individual is determined to have willfully gained access to data without explicit authorization from the board, the board shall forward the matter to the county attorney for prosecution.

(b) This subdivision shall not limit or affect the authority of the legislative auditor to access data needed to conduct audits, evaluations, or investigations of MNsure or the obligation of the board and MNsure employees to comply with section 3.978, subdivision 2.

(c) This subdivision does not apply to actions taken by a MNsure participant to enter, update, or access data held by MNsure, if the participant is the subject of the data that is entered, updated, or accessed.

Subd. 9. **Sale of data prohibited.** MNsure may not sell any data collected, created, or maintained by MNsure, regardless of its classification, for commercial or any other purposes.

Subd. 10. **Gun and firearm ownership.** MNsure shall not collect information that indicates whether or not an individual owns a gun or has a firearm in the individual's home.

62V.07 FUNDS.

(a) The MNsure account is created in the special revenue fund of the state treasury. All funds received by MNsure shall be deposited in the account. Funds in the account are appropriated to MNsure for the operation of MNsure. Notwithstanding section 11A.20, all investment income and all investment losses attributable to the investment of the MNsure account not currently needed, shall be credited to the MNsure account.

(b) The budget submitted to the legislature under section 16A.11 must include budget information for MNsure.

62V.08 REPORTS.

(a) MNsure shall submit a report to the legislature by January 15, 2015, and each January 15 thereafter, on: (1) the performance of MNsure operations; (2) meeting MNsure responsibilities; (3) an accounting of MNsure budget activities; (4) practices and procedures that have been implemented to ensure compliance with data practices laws, and a description of any violations of data practices laws or procedures; and (5) the effectiveness of the outreach and implementation activities of MNsure in reducing the rate of uninsurance.

(b) MNsure must publish its administrative and operational costs on a Web site to educate consumers on those costs. The information published must include: (1) the amount of premiums and federal premium subsidies collected; (2) the amount and source of revenue received under section 62V.05, subdivision 1, paragraph (b), clause (3); (3) the amount and source of any other fees collected for purposes of supporting operations; and (4) any misuse of funds as identified in accordance with section 3.975. The Web site must be updated at least annually.

62V.09 EXPIRATION AND SUNSET EXCLUSION.

Notwithstanding section 15.059, the board and its advisory committees shall not expire, except as specified in section 62V.04, subdivision 13. The board and its advisory committees are not subject to review or sunset under chapter 3D.

62V.10 RIGHT NOT TO PARTICIPATE.

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Nothing in this chapter infringes on the right of a Minnesota citizen not to participate in MNsure.

62V.11 LEGISLATIVE OVERSIGHT COMMITTEE.

Subdivision 1. **Legislative oversight.** (a) The Legislative Oversight Committee is established to provide oversight to the implementation of this chapter and the operation of MNsure.

(b) The committee shall review the operations of MNsure at least annually and shall recommend necessary changes in policy, implementation, and statutes to the board and to the legislature.

(c) MNsure shall present to the committee the annual report required in section 62V.08, the appeals process under section 62V.05, subdivision 6, and the actions taken regarding the treatment of multiemployer plans.

Subd. 2. **Membership; meetings; compensation.** (a) The Legislative Oversight Committee shall consist of five members of the senate, three members appointed by the majority leader of the senate, and two members appointed by the minority leader of the senate; and five members of the house of representatives, three members appointed by the speaker of the house, and two members appointed by the minority leader of the house of representatives.

(b) Appointed legislative members serve at the pleasure of the appointing authority and shall continue to serve until their successors are appointed.

(c) The first meeting of the committee shall be convened by the chair of the Legislative Coordinating Commission. Members shall elect a chair at the first meeting. The chair must convene at least one meeting annually, and may convene other meetings as deemed necessary.

Subd. 4. **Review of costs.** The board shall submit for review the annual budget of MNsure for the next fiscal year by March 15 of each year, beginning March 15, 2014.

Subd. 5. **Review of Minnesota eligibility system funding and expenditures.** The committee shall review quarterly reports submitted by the Minnesota Eligibility System Executive Steering Committee under section 62V.055, subdivision 3, regarding Minnesota eligibility system funding and expenditures.

119B.16 FAIR HEARING PROCESS.

Subd. 2. **Informal conference.** The county agency shall offer an informal conference to applicants and recipients adversely affected by an agency action to attempt to resolve the dispute. The county agency shall offer an informal conference to providers to whom the county agency has assigned responsibility for an overpayment in an attempt to resolve the dispute. The county agency or the provider may ask the family in whose case the overpayment arose to participate in the informal conference, but the family may refuse to do so. The county agency shall advise adversely affected applicants, recipients, and providers that a request for a conference with the agency is optional and does not delay or replace the right to a fair hearing.

144.4961 MINNESOTA RADON LICENSING ACT.

Subdivision 1. **Citation.** This section may be cited as the "Minnesota Radon Licensing Act."

Subd. 2. **Definitions.** (a) As used in this section, the following terms have the meanings given them.

(b) "Mitigation" means the act of repairing or altering a building or building design for the purpose in whole or in part of reducing the concentration of radon in the indoor atmosphere.

(c) "Radon" means both the radioactive, gaseous element produced by the disintegration of radium, and the short-lived radionuclides that are decay products of radon.

Subd. 3. **Rulemaking.** The commissioner of health shall adopt rules establishing licensure requirements and work standards relating to indoor radon in dwellings and other buildings, with the exception of newly constructed Minnesota homes according to section 326B.106, subdivision 6. The commissioner shall coordinate, oversee, and implement all state functions in matters concerning the presence, effects, measurement, and mitigation of risks of radon in dwellings and other buildings.

Subd. 4. **System tag.** All radon mitigation systems installed in Minnesota on or after January 1, 2018, must have a radon mitigation system tag provided by the commissioner. A radon mitigation professional must attach the tag to the radon mitigation system in a visible location.

Subd. 5. **License required annually.** Effective January 1, 2018, a license is required annually for every person, firm, or corporation that performs a service for compensation to detect the presence of radon in the indoor atmosphere, performs laboratory analysis, or performs a service to mitigate radon in the indoor atmosphere.

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Subd. 6. **Exemptions.** This section does not apply to:

(1) employees of a firm or corporation that installs radon control systems in newly constructed Minnesota homes as specified in subdivision 11;

(2) a person authorized as a building official under Minnesota Rules, part 1300.0070, or that person's designee; or

(3) any person, firm, corporation, or entity that distributes radon testing devices or information for general educational purposes.

Subd. 7. **License applications and other reports.** The professionals, companies, and laboratories listed in subdivision 8 must submit applications for licenses, system tags, and any other reporting required under this section and Minnesota Rules on forms prescribed by the commissioner.

Subd. 8. **Licensing fees.** (a) All radon license applications submitted to the commissioner of health must be accompanied by the required fees. If the commissioner determines that insufficient fees were paid, the necessary additional fees must be paid before the commissioner approves the application. The commissioner shall charge the following fees for each radon license:

(1) Each measurement professional license, \$150 per year. "Measurement professional" means any person who performs a test to determine the presence and concentration of radon in a building the person does not own or lease.

(2) Each mitigation professional license, \$250 per year. "Mitigation professional" means an individual who installs or designs a radon mitigation system in a building the individual does not own or lease, or provides on-site supervision of radon mitigation and mitigation technicians. "On-site supervision" means a review at the property of mitigation work upon completion of the work and attachment of a system tag. Employees or subcontractors who are supervised by a licensed mitigation professional are not required to be licensed under this clause. This license also permits the licensee to perform the activities of a measurement professional described in clause (1).

(3) Each mitigation company license, \$100 per year. "Mitigation company" means any business or government entity that performs or authorizes employees to perform radon mitigation. This fee is waived if the mitigation company employs only one licensed mitigation professional.

(4) Each radon analysis laboratory license, \$500 per year. "Radon analysis laboratory" means a business entity or government entity that analyzes passive radon detection devices to determine the presence and concentration of radon in the devices. This fee is waived if the laboratory is a government entity and is only distributing test kits for the general public to use in Minnesota.

(5) Each Minnesota Department of Health radon mitigation system tag, \$75 per tag. "Minnesota Department of Health radon mitigation system tag" or "system tag" means a unique identifiable radon system label provided by the commissioner of health.

(b) Fees collected under this section shall be deposited in the state treasury and credited to the state government special revenue fund.

Subd. 9. **Enforcement.** The commissioner shall enforce this section under the provisions of sections 144.989 to 144.993.

Subd. 10. **Local inspections or permits.** This section does not preclude local units of government from requiring additional permits or inspections for radon control systems, and does not supersede any local inspection or permit requirements.

Subd. 11. **Application; newly constructed homes.** This section does not apply to newly constructed Minnesota homes according to section 326B.106, subdivision 6, prior to the issuance of a certificate of occupancy.

147.0375 MEDICAL FACULTY LICENSE.

Subd. 7. **Expiration.** This section expires July 1, 2018.

148.211 LICENSING.

Subd. 1b. **Advanced practice registered nurse grandfather provision.** (a) The board shall issue a license to an applicant who does not meet the education requirements in subdivision 1a, paragraph (c), clause (3), if the applicant:

(1) is recognized by the board to practice as an advanced practice registered nurse in this state on July 1, 2014;

(2) submits an application to the board in a format prescribed by the board and the applicable fee as determined under section 148.243 by January 1, 2015; and

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(3) meets the requirements under subdivision 1a, paragraph (c), clauses (1), (2), (4), (5), and (6).

(b) An advanced practice registered nurse licensed under this subdivision shall maintain all practice privileges provided to licensed advanced practice registered nurses under this chapter.

148.243 FEE AMOUNTS.

Subd. 15. **Practicing without current APRN certification.** The fee for practicing without current APRN certification is \$200 for the first month or any part thereof, plus \$100 for each subsequent month or part thereof.

148.906 LEVELS OF PRACTICE.

The board may grant licenses for levels of psychological practice to be known as (1) licensed psychologist and (2) licensed psychological practitioner.

148.907 LICENSED PSYCHOLOGIST.

Subd. 5. **Converting from licensed psychological practitioner to licensed psychologist.** Notwithstanding subdivision 3, to convert from licensure as a licensed psychological practitioner to licensure as a licensed psychologist, a licensed psychological practitioner shall have:

(1) completed an application provided by the board for conversion from licensure as a licensed psychological practitioner to licensure as a licensed psychologist;

(2) paid a nonrefundable fee of \$500;

(3) documented successful completion of two full years, or the equivalent, of supervised postlicensure employment meeting the requirements of section 148.925, subdivision 5, as it relates to preparation for licensure as a licensed psychologist as follows:

(i) for individuals licensed as licensed psychological practitioners on or before December 31, 2006, the supervised practice must be completed by December 31, 2010; and

(ii) for individuals licensed as licensed psychological practitioners after December 31, 2006, the supervised practice must be completed within four years from the date of licensure; and

(4) no unresolved disciplinary action or complaints pending, or incomplete disciplinary orders or corrective action agreements in Minnesota or any other jurisdiction.

148.908 LICENSED PSYCHOLOGICAL PRACTITIONER.

Subdivision 1. **Scope of practice.** A licensed psychological practitioner shall practice only under supervision that satisfies the requirements of section 148.925 and while employed by either a licensed psychologist or a health care or social service agency which employs or contracts with a supervising licensed psychologist who shares clinical responsibility for the care provided by the licensed psychological practitioner.

Subd. 2. **Requirements for licensure as licensed psychological practitioner.** To become licensed by the board as a licensed psychological practitioner, an applicant shall comply with the following requirements:

(1) have earned a doctoral or master's degree or the equivalent of a master's degree in a doctoral program with a major in psychology from a regionally accredited educational institution meeting the standards the board has established by rule. The degree requirements must be completed by December 31, 2005;

(2) complete an application for admission to the examination for professional practice in psychology and pay the nonrefundable application fee by December 31, 2005;

(3) complete an application for admission to the professional responsibility examination and pay the nonrefundable application fee by December 31, 2005;

(4) pass the examination for professional practice in psychology by December 31, 2006;

(5) pass the professional responsibility examination by December 31, 2006;

(6) complete an application for licensure as a licensed psychological practitioner and pay the nonrefundable application fee by March 1, 2007; and

(7) have attained the age of majority, be of good moral character, and have no unresolved disciplinary action or complaints pending in the state of Minnesota or any other jurisdiction.

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Subd. 3. **Termination of licensure.** Effective December 31, 2011, the licensure of all licensed psychological practitioners shall be terminated without further notice and licensure as a licensed psychological practitioner in Minnesota shall be eliminated.

148.909 LICENSURE FOR VOLUNTEER PRACTICE.

Subd. 7. **Continuing education requirements.** A provider licensed under this section is subject to the same continuing education requirements as a licensed psychologist under section 148.911.

148.96 PRESENTATION TO PUBLIC.

Subd. 4. **Persons or techniques not regulated by this board.** (a) Nothing in sections 148.88 to 148.98 shall be construed to limit the occupational pursuits consistent with their training and codes of ethics of professionals such as teachers in recognized public and private schools, members of the clergy, physicians, social workers, school psychologists, alcohol or drug counselors, optometrists, or attorneys. However, in such performance any title used shall be in accordance with section 148.96.

(b) Use of psychological techniques by business and industrial organizations for their own personnel purposes or by employment agencies or state vocational rehabilitation agencies for the evaluation of their own clients prior to recommendation for employment is also specifically allowed. However, no representative of an industrial or business firm or corporation may sell, offer, or provide any psychological services as specified in section 148.89 unless such services are performed or supervised by individuals licensed under sections 148.88 to 148.98.

Subd. 5. **Other professions not authorized.** Nothing in sections 148.88 to 148.98 shall be construed to authorize a person licensed under sections 148.88 to 148.98 to engage in the practice of any profession regulated under Minnesota law unless the person is duly licensed or registered in that profession.

179A.50 REPRESENTATION OF FAMILY CHILD CARE PROVIDERS.

Sections 179A.50 to 179A.52 shall be known as the Family Child Care Providers Representation Act.

179A.51 DEFINITIONS.

Subdivision 1. **Scope.** For the purposes of sections 179A.50 to 179A.52, the terms in this section have the meanings given them.

Subd. 2. **Commissioner.** "Commissioner" means the commissioner of mediation services.

Subd. 3. **Exclusive representative.** "Exclusive representative" means an employee organization that has been elected and certified under section 179A.52, thereby maintaining the right to represent family child care providers in their relations with the state.

Subd. 4. **Family child care provider.** "Family child care provider" means an individual, either licensed or unlicensed, who provides legal child care services as defined under section 245A.03, except for providers licensed under Minnesota Rules, chapter 9503, or excluded from licensure under section 245A.03, subdivision 2, paragraph (a), clause (5), and who receives child care assistance to subsidize child care services for a child or children currently in the individual's care, under sections 119B.03; 119B.05; and 119B.011, subdivisions 20 and 20a.

179A.52 RIGHT TO ORGANIZE.

Subdivision 1. **Rights of individual providers and participants.** For the purposes of the Public Employment Labor Relations Act, under chapter 179A, family child care providers shall be considered, by virtue of this section, executive branch state employees employed by the commissioner of management and budget or the commissioner's representative. This section does not require the treatment of family child care providers as public employees for any other purpose. Family child care providers are not state employees for purposes of section 3.736. Chapter 179A shall apply to family child care providers except as otherwise provided in this section. Notwithstanding section 179A.03, subdivision 14, paragraph (a), clause (5), chapter 179A shall apply to family child care providers regardless of part-time or full-time employment status. Family child care providers shall not have the right to strike.

Subd. 2. **Appropriate unit.** The only appropriate unit under this section shall be a statewide unit of all family child care providers who meet the definition in section 179A.51, and who have

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had an active registration under chapter 119B within the previous 12 months. The unit shall be treated as an appropriate unit under section 179A.10, subdivision 2.

Subd. 3. **Compilation of list.** The commissioner of human services shall, by July 1, 2013, and monthly thereafter, compile and maintain a list of the names and addresses of all family child care providers who meet the definition in section 179A.51, and who have had an active registration under chapter 119B within the previous 12 months. The list shall not include the name of any participant, or indicate that an individual provider is a relative of a participant or has the same address as a participant. The commissioner of human services shall share the lists with others as needed for the state to meet its obligations under chapter 179A as modified and made applicable to family child care providers under this section, and to facilitate the representational processes under this section.

Subd. 4. **List access.** Beginning July 1, 2013, upon a showing made to the commissioner of the Bureau of Mediation Services by any employee organization wishing to represent the appropriate unit of family child care providers that at least 500 family child care providers support such representation, the commissioner of human services shall provide to such organization within seven days the most recent list of actively registered family child care providers compiled under subdivision 3, and subsequent monthly lists upon request for an additional three months. When the list is made available to an employee organization under this subdivision, the list must be made publicly available.

Subd. 5. **Elections for exclusive representative.** After July 31, 2013, any employee organization wishing to represent the appropriate unit of family child care providers may seek exclusive representative status pursuant to section 179A.12. Certification elections for family child care providers shall be conducted by mail ballot, and such election shall be conducted upon an appropriate petition stating that at least 30 percent of the appropriate unit wishes to be represented by the petitioner. The family child care providers eligible to vote in any such election shall be those family child care providers on the monthly list of family child care providers compiled under this section, most recently preceding the filing of the election petition. Except as otherwise provided, elections under this subdivision shall be conducted in accordance with section 179A.12.

Subd. 6. **Meet and negotiate.** If the commissioner certifies an employee organization as the majority exclusive representative, the state, through the governor or the governor's designee, shall meet and negotiate in good faith with the exclusive representative of the family child care provider unit regarding grievance issues, child care assistance reimbursement rates under chapter 119B, and terms and conditions of service, but this obligation does not compel the state or its representatives to agree to a proposal or require the making of a concession. The governor or the governor's designee is authorized to enter into agreements with the exclusive representative. Negotiated agreements and arbitration decisions must be submitted to the legislature to be accepted or rejected in accordance with sections 3.855 and 179A.22.

Subd. 7. **Meet and confer.** The state has an obligation to meet and confer under chapter 179A with family child care providers to discuss policies and other matters relating to their service that are not terms and conditions of service.

Subd. 8. **Terms and conditions of service.** For purposes of this section, "terms and conditions of service" has the same meaning as given in section 179A.03, subdivision 19.

Subd. 9. **Rights.** Nothing in this section shall be construed to interfere with:

(1) parental rights to select and deselect family child care providers or the ability of family child care providers to establish the rates they charge to parents;

(2) the right or obligation of any state agency to communicate or meet with any citizen or organization concerning family child care legislation, regulation, or policy; or

(3) the rights and responsibilities of family child care providers under federal law.

Subd. 10. **Membership status and eligibility for subsidies.** Membership status in an employee organization shall not affect the eligibility of a family child care provider to receive payments under, or serve a child who receives payments under, chapter 119B.

179A.53 NO USE OF SCHOLARSHIPS FOR DUES OR FEES.

Early learning scholarships shall not be applied, through state withholding or otherwise, toward payment of dues or fees that are paid to exclusive representatives of family child care providers.

245E.03 DUTY TO PROVIDE ACCESS.

Subd. 3. **Notice of denial or termination.** When a provider fails to provide access, a 15-day notice of denial or termination must be issued to the provider, which prohibits the provider

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from participating in the child care assistance program. Notice must be sent to recipients whose children are under the provider's care pursuant to Minnesota Rules, part 3400.0185.

245E.06 ADMINISTRATIVE SANCTIONS.

Subd. 4. **Consolidated hearings with licensing sanction.** If a financial misconduct sanction has an appeal hearing right and it is timely appealed, and a licensing sanction exists for which there is an appeal hearing right and the sanction is timely appealed, and the overpayment recovery action and licensing sanction involve the same set of facts, the overpayment recovery action and licensing sanction must be consolidated in the contested case hearing related to the licensing sanction.

Subd. 5. **Effect of department's administrative determination or sanction.** Unless a timely and proper appeal is received by the department, the department's administrative determination or sanction shall be considered a final department determination.

256B.4914 HOME AND COMMUNITY-BASED SERVICES WAIVERS; RATE SETTING.

Subd. 16. **Budget neutrality adjustments.** (a) The commissioner shall use the following adjustments to the rate generated by the framework to assure budget neutrality until the rate information is available to implement paragraph (b). The rate generated by the framework shall be multiplied by the appropriate factor, as designated below:

- (1) for residential services: 1.003;
- (2) for day services: 1.000;
- (3) for unit-based services with programming: 0.941; and
- (4) for unit-based services without programming: 0.796.

(b) Within 12 months of January 1, 2014, the commissioner shall compare estimated spending for all home and community-based waiver services under the new payment rates defined in subdivisions 6 to 9 with estimated spending for the same recipients and services under the rates in effect on July 1, 2013. This comparison must distinguish spending under each of subdivisions 6, 7, 8, and 9. The comparison must be based on actual recipients and services for one or more service months after the new rates have gone into effect. The commissioner shall consult with the commissioner of management and budget on this analysis to ensure budget neutrality. If estimated spending under the new rates for services under one or more subdivisions differs in this comparison by 0.3 percent or more, the commissioner shall assure aggregate budget neutrality across all service areas by adjusting the budget neutrality factor in paragraph (a) in each subdivision so that total estimated spending for each subdivision under the new rates matches estimated spending under the rates in effect on July 1, 2013.

256B.7631 CHEMICAL DEPENDENCY PROVIDER RATE INCREASE.

For the chemical dependency services listed in section 254B.05, subdivision 5, and provided on or after July 1, 2015, payment rates shall be increased by two percent over the rates in effect on January 1, 2014, for vendors who meet the requirements of section 254B.05.

256C.23 DEFINITIONS.

Subd. 3. **Regional service center.** "Regional service center" means a facility designed to provide an entry point for deaf, deafblind, and hard-of-hearing persons of that region in need of education, employment, social, human, or other services.

256C.233 DUTIES OF STATE AGENCIES.

Subd. 4. **State commissioners.** The commissioners of all state agencies shall consult with the Deaf and Hard-of-Hearing Services Division concerning the promulgation of public policies, regulations, and programs necessary to address the needs of deaf, deafblind, and hard-of-hearing Minnesotans. Each state agency shall consult with the Deaf and Hard-of-Hearing Services Division concerning the need to forward legislative initiatives to the governor to address the concerns of deaf, deafblind, and hard-of-hearing Minnesotans.

256C.25 INTERPRETER SERVICES.

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Subdivision 1. **Establishment.** The Deaf and Hard-of-Hearing Services Division shall maintain and coordinate statewide interpreting or interpreter referral services for use by any public or private agency or individual in the state. The division shall directly coordinate these services but may contract with an appropriate agency to provide this service. The division may collect a \$3 fee per referral for interpreter referral services and the actual costs of interpreter services provided by department staff. Fees and payments collected shall be deposited in the general fund. The \$3 referral fee shall not be collected from state agencies or local units of government or deaf or hard-of-hearing consumers or interpreters.

Subd. 2. **Duties.** Interpreting or interpreter referral services must include:

(1) statewide access to interpreter referral and direct interpreting services, coordinated with the regional service centers;

(2) maintenance of a statewide directory of qualified interpreters;

(3) assessment of the present and projected supply and demand for interpreter services statewide; and

(4) coordination with the regional service centers on projects to train interpreters and advocate for and evaluate interpreter services.

3400.0185 TERMINATION AND ADVERSE ACTIONS; NOTICE REQUIRED.

Subp. 5. **Notice to providers of actions adverse to the provider.** The county must give a provider written notice of the following actions adverse to the provider: a denial of authorization, a termination of authorization, a reduction in the number of hours of care with that provider, and a determination that the provider has an overpayment. The notice must include the following information:

- A. a description of the adverse action;
- B. the effective date of the adverse action; and
- C. a statement that unless a family appeals the adverse action before the effective date or the provider appeals the overpayment determination, the adverse action will occur on the effective date. The notice must be mailed to the provider at least 15 calendar days before the effective date of the adverse action.